HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-THIRD PARLIAMENT

33-34 Elizabeth II

VOLUME II, 1985

COMPRISING THE PERIOD FROM THE TWENTY-FIRST DAY OF JANUARY, 1985
TO THE FIFTEENTH DAY OF MARCH, 1985

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canadian Government Publishing Centre, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Monday, January 21, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, December 17, 1984, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. George Baker (Gander-Twillingate): Thank you, Mr. Speaker.

Mr. Hnatyshyn: I hope you had a good Christmas.

Mr. Baker: Mr. Speaker, I hope all Members had a good Christmas and I welcome them back to the House. I hope that our continued session will be very productive and that the Government of Canada will change its attitude toward the people of Canada and give them a break instead of introducing further cuts to two very important programs instituted by the former Liberal Government, a Government which had a feel for people. We can see now how this particular Government is preoccupied with the deficit and not really interested in the people of Canada.

I want to conclude my remarks, Mr. Speaker, on the amendment of the Opposition House Leader. The motion was made primarily for two reasons: one, that the Bill introduced to the House is rather hazy and does not meet the objectives stated by the Minister in its introduction; second, that the actions of this Government certainly do not bear out the intentions of the Bill as outlined by the Minister of Regional Industrial Expansion (Mr. Stevens).

We have seen the actions taken by this Government since the House adjourned for the Christmas break. We saw the federal Government meeting with the provincial Governments in a spirit of consultation and deciding to sock-it to small businessmen again by increasing the Canada Pension Plan rates for all businesses in Canada, all employers and all employees.

To consult with the provincial Governments on this action might seem strange to the general population of this country. Why would the Government of Canada consult with the provincial Governments on this measure? Surely it is not only because of the Government's stated intention to consult. To consult with the provincial Premiers about an increase in the CPP rates is like consulting with landlords on a rent increase. It is exactly the same. It was not explained by the Minister of Finance (Mr. Wilson) or the provincial Ministers of Finance that the CPP fund has been used since its inception to provide money to provincial Governments for their spending programs. In other words, since 1966 or 1967 there has been a drain on the fund surplus by provincial Governments based on what their businesses and workers contribute to the fund. However, Mr. Speaker, the provinces have yet to pay any money back to the fund. As I recall, the money was borrowed on the basis of 20-year debentures. In other words, every month the provincial governments borrow money from the CPP fund on a 20-year debenture and there have been no repayments to that fund since the provincial Governments starting borrowing. However, repayments are supposed to start in 1986.

What has not been explained, Mr. Speaker, by the Minister of Finance or his provincial counterparts, and certainly what Canadians want to know, is what will happen to those repayments in the hundreds of millions of dollars which will start in 1986. How will that jibe with the amount of money that is predicted to be required by the CPP fund in the year 2000? So to consult with the provincial Governments on this issue but not explain it to the Canadian people is, to say the least, completely misleading. It certainly does not jibe with the stated intentions of the Government. Or is it the intention of this Government to increase the amount of money loaned to the provincial Governments? In other words, are we getting these increases in order to give back to the provincial Governments the money they will have to start paying to the fund in 1986?

As I said, Mr. Speaker, it is because there have been so many actions by this Government which do not agree with the stated intentions of this Bill that the Opposition House Leader has had to introduce his amendment.

In introducing the Bill the Minister stated that the primary concern of the Government was job creation. In fact, he was so preoccupied with that thought that he jumped for glee when the Prime Minister (Mr. Mulroney) and the Minister of Employment and Immigration (Miss MacDonald) were very pleased to state at the beginning of this month that they had created 96,000 jobs in the private sector since they came to power. I heard on the radio and saw on television the Prime Minister and the Minister of Employment and Immigration

taking credit for the 96,000 jobs which were created since the Tories came to power on September 4. It is too bad they did not check the record. If they had they would have seen that in the comparable period under the Trudeau administration more jobs were created in the last three months. If the Government wants to take credit for private sector jobs created in the country, it works out to something like 24,000 jobs a month. During the last three months of the Trudeau administration it worked out to about 32,000 jobs a month in the private sector. In the two months in which the Leader of the Opposition (Mr. Turner) was in power it works out to even more than that. He beat them all; it works out to 33,000 jobs a month in the private sector.

• (1110)

The point is that it is unfortunate that governments try to take credit where credit is not due because they were not really responsible for anything. The effect, if any, of the signals sent out by the Government was to decrease private sector jobs.

One need only look at what I would call the bible of the new Government which is contained in the expenditure and program review of the President of the Treasury Board (Mr. de Cotret). This outlines that in special export payments in the dairy products area they are cutting out $6.2 million. The Minister of Regional Industrial Expansion is so interested in making exceptions for cultural agencies in this Bill that they have cut out $7.5 million. They have cut out $250 million for grants to the petroleum industry. That certainly does not jibe with this Bill. They have cut $60.8 million from energy research and development. They have cut $4 million from the program for export market development which provides federal assistance to business through the sharing of financial risk in entering more export markets. They have cut $5 million from the Canadian Commercial Corporation. They have cut $11.7 million from programs to assist in the development of the fishing industry. The list goes on and on, Mr. Speaker.

We come to the very department of the Minister who introduced this Bill and we see a cut of $200 million in providing financial assistance to support private sector initiatives in the coming year. They are going to increase fares on VIA Rail. They are going to increase the cost of transporting goods and save $93 million. They have cut $2.8 million from the mobility program to move workers around the country to where they can get jobs. That makes it almost impossible for a person to get a grant to move from an area of high unemployment in the country. To make matters worse, in that same department they cut out the job sharing and job training program and the youth exchange program.

These cuts relating to the very Bill introduced by this Minister make us wonder what we are dealing with in the House of Commons. When the Minister of Employment and Immigration is asked what she and the Government have done since they came to power, she always points to the $400 million fund for direct job creation. Practically every Progressive Conservative candidate who ran in the last election went around deriding that program and demanding that it come to an end.

You must realize, Mr. Speaker, that while these jobs are being filled a young person or a female who has never worked before, both of whom are of paramount concern to the stated claim of the Minister of Employment and Immigration, is not allowed to be referred by Canada Manpower to any of the jobs. According to the guidelines sent out by the Minister of Employment and Immigration to the Canada Manpower centres in the country, the direct job creation program of the federal Government states that no young person who has never drawn unemployment insurance before is allowed to go to work on a direct job creation program of the federal Government.

• (1115)

With respect to women, who the Minister claims to be so interested in getting into the workforce, no woman who has never been in the workforce before and drawn unemployment insurance is allowed to be hired. We should think about that. Rather than consider hazy proposals by the Minister of Regional Industrial Expansion, should we not, as the House of Commons, be concentrating on what is actually happening to people throughout the country and realize that those job descriptions will not permit these people to gain employment?

As I have already stated, the problem goes right back to consultations with the provincial Governments three years ago. Their major concern was to get their own expenditures down and they decided that for all job-creation programs under federal and provincial negotiations they would ensure that people on social assistance are hired first. In that case, the federal Government decided that it would make sure that everyone who is drawing unemployment insurance is hired second. This is the situation which led to the guidelines.

You have indicated that I have one minute left, Mr. Speaker, and I have not even addressed the Bill. There are many issues to address. The Government has made so many errors and has introduced so many cuts that affect so many people that I have not even been able to address the Bill since I began speaking at eleven o'clock.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, let me extend best wishes for 1985 to you, to other Members of the House and indeed to all Canadians. I hope that the House will be able to achieve something for the people of Canada in this coming year.

I appreciate the opportunity to speak to Bill C-15 because of its importance in determining the future of the Canadian economy and Canadian society. Like the cut-backs that were announced in the fall, this is one of the very early but very clear indications of the direction in which the Government is intending to head. I and my Party have a great deal of opposition to that direction. We believe that it will not help the Canadian people.

First, I want to examine the method that the Government is using in trying to promote this Bill. Let us examine some of the rhetoric that the Government has been using. When the Government talked about sending out signals it was using activist language designed to convey the concept of an activist government doing something about our economy when it is actually abdicating its responsibility. It is sending out a signal that the Canadian barn door is open and the Canadian watchman is asleep on the job.

We also hear rhetoric from the Government about returning decision-making to the market-place. The market-place presents a friendly image to most Canadians because it has a small town connotation, such as a meeting place for people. The image of government, as opposed to the market-place, is one of a big, bureaucratic and alienated entity. People feel much more at home with the friendly image of the market-place than they do with the image of big government.

We must ask what is the reality behind the image of the market-place when we talk about it in 1985. The reality is that our market-place in 1985 is dominated by multinational corporations which are characterized by interlocking directorates, world-wide networks of information and access to resources and the mobility of capital. It means financial resources and power that are greater than the financial resources and power of many nations in the world and an ethic that is dominated by the maximization of profits.

We hear much rhetoric that speaks of takeover capitalists in terms of risk-takers. The risk-taker is presented as the existential hero of our time. But there is a fear in our Party that the real risk-takers in Canada—and there are real risk-takers among some small business people—will be crowded out and swamped by foreign firm takeovers.

• (1120)

We are concerned about the weak nature of combines legislation in Canada. Certainly the past Liberal Government did nothing to strengthen it and from many of the noises we have heard from the present Government it does not seem to have that as a very high priority either. By opening the door to foreign capital, we will place more Canadian businesses at greater risk than ever before and we will all be living much more dangerously. So much for the image of the risk-taker.

Dian Cohen and Kristin Shannon, in their book *The Next Canadian Economy*, worry about the growing tendency for capitalist takeovers and for capital to concentrate on safe investments where there is no risk. There is a growing tendency toward takeovers that do not create jobs. If we can judge from our own experience in British Columbia, and I presume it is the same in other parts of Canada, takeovers very often involve a loss of employment. How will this kind of opening up to that kind of capital encourage Canadian risk-takers? It will not encourage them at all, Mr. Speaker. It will place them at greater risk, at greater danger, and it will lead to a loss of jobs.

We need to ask where will this process end. The Tories say that FIRA is an obstacle to international investment in Canada. Stephen Clarkson in his book *Canada and the Reagan Challenge* details some of the American objections to FIRA. He points to the objection that the Americans had to performance requirements that would require companies buying into Canada to have a certain level of Canadian content or that would require a certain level of job creation.

Suppose we get rid of FIRA? Suppose we do as Bill C-15 proposes and no longer have those particular obstacles to foreign investment but we still do not attract foreign investment. What then? Suppose foreign investment capital decides that our environmental regulations are a detriment to investing here. Does that mean we will change our regulations with regard to the environment? Is our environment up for sale? Suppose labour standards stand in the way of foreign capital coming here. Does that mean we will be changing our labour standards to make more acceptable to foreign investment? Where does the process end?

One thing this Bill does is recognize the reality of foreign capital in terms of its power and mobility. It recognizes it largely by bowing down and serving it as though it were some god to be worshipped. We all know that FIRA was not an adequate tool for dealing with the reality of foreign investment, but it was one tool that perhaps could have been improved.

An example might be helpful. Let us look to some of the early history of labour unions in Canada. Around the turn of the century and especially in British Columbia there was a lot of opposition in labour unions to immigration. Many working people saw immigrants as a threat to their standard of living. Working people tried to organize to fight for better wages and for safer and better working conditions. Immigrants, however, would often be hired at lower wages and were willing to work in poorer conditions. The unions had two options. They could either give up the struggle and say: "Because of these immigrants under-cutting what we are trying to do, there is no use fighting so let us carry on working for lower wages in poor conditions"—which is essentially what the Tories are doing with FIRA—or take a position which said: "Let's try and keep immigrants out of Canada. Let's try to maintain Canada as an enclave for people who have set decent standards of living and keep other people out".

• (1125)

That was the position they took for awhile and it did not work. Finally they decided to fight for decent wages and decent conditions. They also decided to open up the concept of unions to a wider kind of solidarity which included everybody. On the basis of that they were able to establish decent working conditions and decent wages for all people.

I am suggesting that that is what we have to do with FIRA. We have to maintain the restrictions of FIRA to ensure that Canadians are protected. However, we have to move beyond that to a wider solidarity with other people in the world. We have to attack the question of ensuring that the actions of multinational corporations in the world are responsible ones. This cannot be done by one nation alone; it has to be done by Canada acting in concert with other nations.

I do not like to see the Government simply abdicating its responsibilities or saying that there is nothing more it can do, so it will simply abolish FIRA and open the doors for foreign capital to come in and do what it wants. We should maintain FIRA. We should try to strengthen it. As the labour unions did in the early part of this century, we have to expand the concept of solidarity with other people in the world. We have to work in an international manner to insist that multinational corporations act in a responsible way.

The Acting Speaker (Mr. Paproski): Are there any questions or comments on the Hon. Member's speech? Is the House ready for the question? The Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to say a few words on this Bill. The Investment Canada Bill raises the many concerns of Canadians about the approach of the Prime Minister (Mr. Mulroney) towards the United States from the moment he won the election and was sworn into office. Before he ever met with the press or with the House of Commons, he immediately hied himself off to Washington to say to the Americans: "Come to Canada and buy out whatever you want with no questions asked". This Bill really follows through with that approach.

Let us look at the history of the Prime Minister. We see that his idea of Canada is kind of a branch plant operation from Washington. Clearly that is his approach in foreign affairs and in investment, right from the early days when he used to sing *Danny Boy* on Colonel McCormick's knee in Baie Comeau, his constituency. His general approach has been to see Canada as a branch plant operation of the United States. When he was with the Iron Ore Company of Canada and was in charge of the Sept Îles and Schefferville operation, and when he got his orders from Cleveland to shut it down, and Brian said "Shut it down". Of course, that is his general approach with this Bill.

Canadians are really very uneasy with this approach. There has clearly been a lot of foreign investment in Canada. We need a lot of foreign investment but we want it on our terms. We do not want the situation to be wide open where American companies come in to buy out and take over the sales forces of small Canadian companies that have been doing a good job and are concerned not only with their economic welfare but with the welfare of Canadians as a whole. We do not want them expanding their markets in our country and then shutting down the manufacturing side, only to be supplied from the United States. That was the idea of FIRA. It was rather successful. I doubt that it discouraged much serious foreign investment in this country.

• (1130)

Let us look at the foreign investment that we had in those years. In the period 1964 to 1973, we averaged approximately $690 million per year in foreign investment. Since the FIRA agency was established in 1974, we averaged $1.4 billion of investment. The average investment in the last four years has been $2 billion per year. In 1983, the capital inflow into Canada was $2.8 billion.

This investment was all on the basis of whether it was advantageous to Canada. Surely it is not too much to ask a foreign investor whether he is coming into Canada on the basis that there will be a benefit to this country. If a company says no, that it wants our market but will do the manufacturing and research in the United States as well as have the management there, that is unreasonable. I do not see that we are turning away anybody who is interested in providing a benefit to Canada. If we look at how FIRA has operated over that period, we see that 92 per cent of the applications have been approved. Since 1982 when the rules and regulations were streamlined, modernized and updated, 97 per cent of the applications have been approved.

Those raw figures do not indicate whether we were able to negotiate local management or a bigger chunk of the international pie. It does not show how much R and D we were able to promote for Canada. The Prime Minister threw away this bargaining tool on his first visit to Washington, before he met with Parliament or even with the Canadian press. He stated that we would adopt what they want us to do with regard to the National Energy Program, FIRA and defence spending. He should have used the power of FIRA to negotiate a better position for Canada. In my opinion, the Prime Minister was not a very good negotiator. The United States does not have a monolithic system where the President has all the power. A lot of power resides with the Congress and the Senate. When you negotiate, you should negotiate from a position of strength, using all the tools at your disposal.

In a front page article in the Thunder Bay *Chronicle Journal* of January 15, it is reported that Senator Larry Craig, a Republican from Idaho, and Congressman Jim Weaver, a Democrat from Oregon, are sponsoring a bill in Congress to limit imports of Canadian softwood lumber to 25 per cent of United States demand. That is approximately 8 per cent less than currently. The impact of that decision would result in plants closing in northwestern and northeastern Ontario and British Columbia. It is planned to start hearings on this legislation in February.

We need only look back two years to the International Trade Commission hearings which went on for 33 weeks and the Secretary of Commerce hearings which were held at the same time to find that there is a very protectionist position in the United States Congress. If we want to respond to that, we must use every bargaining tool that we have. Clearly FIRA could be used. We should not give away our bargaining position. I will be interested in seeing whether the proposition being sponsored by these two congressional leaders, one of whom is chairman of the United States Interior Subcommittee on Mining and Forestry Management, will result in 8 per cent of the United States market for softwood lumber being closed to Canadian suppliers. It will be interesting to see whether our Government's attitude is that they can do what they want. These points need to be bargained on a mature basis, not by a subservient government in Ottawa responding to a dominant

and much more powerful neighbour. Our positions should be mature and we should deal on a much more equal basis than what the Prime Minister would have us do under this Bill. Canadians are very concerned about the present attitude and approach. There are many restrictions in the United States, such as the "Buy America Act" which provides a barrier to Canadian urban transportation equipment going into the United States.

A recent study by the Brookings Institute indicates that non-tariff barriers erected by the United States against Canada and other countries increased from 20 per cent in 1980 to 35 per cent in 1983. It cannot be all one way. We cannot ask them to come and buy anything they want with no questions asked at the same time as these non-tariff barriers are being erected. We have to act in a much more mature and positive manner than what is proposed in this Bill.

The Tories and the Prime Minister like to rail against the National Energy Program and the idea of Canada having a 25 per cent carried interest in our oil resources in the Canada Lands. They talk about the loss of billions of dollars in investment. When we look at the billions of dollars of investment that went to the United States in the early 1980s, we see that much of it went there to increase our ownership of Canadian oil companies, and in the last three or four years Canadian ownership of our energy sector for petroleum and natural gas increased from 28 per cent to 40 per cent. The objective was to reach 50 per cent by 1990. I do not know whether that will be changed. I hope that will not change once the Minister of Energy, Mines and Resources (Miss Carney) has negotiated her deal with the provincial Governments. The objective of the National Energy Program was to see that we became oil self-sufficient by the year 1990. In fact, on a net basis we became self-sufficient by 1983. It is pretty significant that we became self-sufficient in a two or three-year period.

● (1140)

A few weeks ago some of my colleagues and I had the opportunity to be briefed by the Department of Energy, Mines and Resources. Officials of that Department revealed that their projections show us to be self-sufficient in oil until the end of the century. That is not bad. This happened seven years sooner than we had dared to hope it would happen when the National Energy Program was established. We are self-sufficient in oil with the bringing on stream of the new western basin oil, enhanced recovery, the tar sands and so on. As well, the frontier oil in the Beaufort Sea and the East Coast offshore has been brought on stream.

We are now oil self-sufficient. According to the Department of Energy, Mines and Resources, our oil and gas explorations and developments are up some 53 per cent over those of 1980, and 1980 was a record year. As well, our natural gas reserves are so extensive that we now have some 33 years' supply, and in fact there is not much of a demand for further exploration and development at this time.

The results to which I have referred are very encouraging. We can see the tremendous strides that have been taken in improving our natural gas reserves. On a net basis we are self-sufficient in oil now through to the end of the century. Canadian ownership has moved up from 28 per cent to 40 per cent. Those achievements are very significant in our move toward greater Canadianization and greater ownership of our natural resources.

Referring to this Bill, Mr. Speaker, the proof of the pudding, as they say, is in the eating. I believe the proof of the Tory approach to foreign investment will be in the results. It is interesting to note that there have been reports indicating that U.S. bankers see no increased capital flow into Canada. I think it really boils down to the opportunity that exists for investment, profit and making a buck. That is a legitimate business approach and one to which we are not opposed provided it is good for the country.

In the City of Sault Ste. Marie, which is in my constituency, the Abitibi-Price plant was planning to shut down or sell out its operation. There was an opportunity for a group from the United States to take over the plant. We negotiated a great deal in order to get financial assistance from the Government of Canada and the Province of Ontario to see that that plant, which employed some 400 or 500 people, would have an opportunity to change its product line and modernize and upgrade. This happened exactly a year ago and took a period of months.

At that time we were very concerned that the plant might shut down. We were dealing with a massive Canadian company, Abitibi, and a small entrepreneur from the United States whose interests, ideas and ingenuity we welcomed. However, the problem was not with FIRA. The FIRA screening never concerned this entrepreneur and I do not think it concerned anyone else involved because his idea was an obviously good one and he had a new product line to sell. He has now taken over the company and indicates that he hopes to expand.

We welcome that kind of investment and innovative approach that changed an old round wood mill to a plant producing a new product line, the super calender line, for which there is a market in the United States. There was practically no problem with the FIRA screening of that company. The American company which was set up to operate the Abitibi plant in Sault Ste. Marie, a plant which is now known as St. Mary's paper, felt that FIRA was not a problem. The problem was getting financial assistance, much of which ended up coming from the two senior levels of government.

I would be surprised if the criteria of most American, West German, Japanese and other investors are not economic opportunities. For instance, in Saturday's *Toronto Star* on page D-1, I saw an article which indicated that at this time Nissan was not interested in investing in Canada in order to establish a new plant. It is planning to expand into Britain, the United States, China and Southeast Asia but it has no plans to expand into Canada at this time. That can be compared with the four new plants which were established in Canada last spring. This Bill will not suddenly make a big difference in the kind of foreign investment that is coming into our country.

The Acting Speaker (Mr. Paproski): Are there any questions or comments on the Hon. Member's speech?

While I am standing, I would like to bring to the attention of Hon. Members that under Standing Order 35(2), we have now entered a period in which speeches of only 10 minutes maximum will be allowed with no opportunity for questions or comments.

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, this morning I was rather horrified to find out that the Hon. Members from the New Democratic Party and the Liberal Party who spoke are in favour of unemployment. It appears from what they are saying that they do not want us to create jobs in this country.

Mr. Blackburn (Brant): We know why you're speaking now. We can't ask you any questions.

Mr. Dick: I would gladly have spoken earlier but unfortunately the Speaker recognized someone else. Perhaps the Hon. Member would like to quarrel with the Speaker, something I would not wish to do. However, I will be glad to discuss this matter with the Hon. Member and perhaps, if there is unanimous consent, questions can be asked after I speak.

I have not heard as much junk as I heard this morning in an awful long time, Mr. Speaker. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), an NDP Member, said that our Party was against immigration. When our Party was last in power for a brief period of time in 1979, which Party allowed 50,000 refugees into this country? The Hon. Member forgot to mention that. Who is trying to get people into this country now—

Mr. Manly: Mr. Speaker, I rise on a point of order. I certainly never said and did not mean to imply that the Conservative Party was against immigration. I do not think Conservative Members were listening very carefully. If I did say that, I would want to apologize and withdraw it. However, I would like to check the "blues" to be certain about what I said.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member has made his point.

Mr. Dick: Mr. Speaker, he did say that. Perhaps he simply misstated his thoughts. However, we will be glad to look at the "blues". I would like to make sure it is put on the record that we encourage immigration and encourage people to come to this country to work and to fulfil their desire of beginning a new life in this country.

I would also like to speak about the words of the Hon. Member for Algoma (Mr. Foster) who said that he believed that FIRA was important and that the NEP was good. During the last election the people of this country voted in with an overwhelming majority the Party which said it wanted to change FIRA and the National Energy Program. Is the Hon. Member saying he disagrees with the Canadian people who voted as they did? Is he saying that he wants to change it back to the way of the Liberals who did all kinds of things without any consultation which loused up this country? Is he saying he would like to go against what 50 per cent of the voters decided back on September 4?

• (1150)

Mr. Foster: Fifty per cent voted against you, too.

Mr. Dick: Does the Hon. Member think that his Party's 28 per cent is more reflective of what the Canadian people want? It sounds to me as though the Liberals, again in their arrogance, do not care that the voters very clearly said that they wanted to change FIRA and the National Energy Program, and that they wanted to get Canada running again.

I would like to refer to a few events which happened in the past, Mr. Speaker. In 1973 the group of people aged 14 years to 24 years had a 9.7 per cent unemployment rate. In 1974 unemployment had risen to 10.6 per cent and it continued to rise each and every year right through the 1970s during the time the Liberal Party was in power partly because of its kind of autocratic rule and the fact that the Canadian people had lost confidence. Those Canadians with money have taken something like $68 billion in the last eight years and invested it outside of this country. For the first time we had this massive outflow of capital. Canadians are developing the downtown core of Dallas, Texas. Canadians are buying up Florida left, right and centre. It was the Reichman brothers, Canadians, who bought seven or eight skyscrapers in New York. Canadians invested outside of Canada because they could not stand the government which the Liberals and their NDP buddies were providing this country. That is why Canadians made massive changes in their voting patterns back in September. They wanted a new start and a new chance.

I would just like to point out that for three months our Party has been talking positively about an opportunity for people to invest in this country, for foreigners to invest in this country, and that in the month of December, for the first time in years, unemployment has gone down. There were 100,000 new jobs started up.

Mr. Riis: What about trade?

Mr. Manly: What about British Columbia?

Mr. Dick: British Columbia? There were 100,000 jobs in Canada.

Mr. Keeper: How many people have given up looking for work?

Mr. Dick: I believe, Mr. Speaker, that that is a small modicum of success and if those Hon. Members opposite would only have the faith that the Canadian people have and go along with us for another year or two, I am very optimistic there will be many thousands of new jobs created. But the Opposition Parties bring out a red herring and ask if Canada is going to change the Canada Labour (Standards) Code. That is a hypothetical question. That is way off in the future. Some

dreamer opposite thinks that because we change something dealing with foreign investment, we will do away with child labour laws in this country. That is ridiculous and it is a red herring which the Liberal-NDP coalition have always tried to throw up.

Mr. Boudria: They are your friends, not ours.

Mr. Dick: This Party ran on a platform to put people back to work and when we do so we find the New Democratic Party criticizing us, saying we are going to cut out jobs. Those Hon. Members were the ones who supported the Liberals in minority governments. They were the ones, along with the Liberals, who brought down the Conservative Government in 1979. It is that coalition which has brought about unemployment and driven investment out of this country. That is what our Party wants to change and that is, obviously, what the Canadian people want to change.

Mr. Blackburn (Brant): You had better begin by changing Reagan.

Mr. Dick: We want to change the name from the Foreign Investment Review Agency to something which is more positive, such as Investment Canada. If those Hon. Members would read the Bill they would note that Part IV deals with reviews and Part III deals with notifications. We are not wiping this out entirely because no one in their right mind is going to let everybody come in. We are still providing a review mechanism for consideration of any massive takeovers or expansions in this country.

The Hon. Member for Algoma said that under the Liberal administration, supported by the little pink rump from out west, 92 per cent of the applications were approved. Then the law was changed in 1982 and 97 per cent were approved. If one is going to have a rubber stamp, then why not put something positive into it? Why not change it a little so that there is the same approval rate but it encourages people to come into this country rather than being always negative, as the New Democratic and Liberal Parties always are when it comes to dealing with unemployment and investment in this country.

Yes, there are problems and we must consider them. We must have a review and must know what foreign ownership there is in this country. The Americans do it. Just last month I noted that a Canadian who bought some land in Mississippi has now been ordered by the courts to turn it over because foreigners are not allowed to own land. When the Canadian Development Corporation was trying to buy out the Kidd Creek mine owned by Texas Gulf, it ended up in a long series of court battles in Texas where it was illegal for a foreign country to buy up control of a Texas corporation. It was only through protracted negotiations and after some switching of assets that Canadians got control of the Kidd Creek mine, but the deal was held up by American laws. There are laws in the United States midwest against the ownership of oil and gas lands and farming lands.

Mr. Blackburn (Brant): And radio stations and TV stations.

Mr. Dick: The Americans are not the only ones. An American cannot buy a radio or TV station in this country. I do not mind that. The Americans are protecting their interests and we are protecting ours. But we should be aware of these things. I agree that there must be a review and that there should be notification, and this Act respecting investment in Canada provides for those very things so we will be aware.

I would like to point out that there has been a steady increase in unemployment in this country since the 1972-1974 era, since we brought in the Foreign Investment Review Act. That may not be the only reason.

Mr. Riis: You are right.

Mr. Dick: Remember, it was the New Democratic Party which gave us that Government in 1974 and in 1980. The NDP, in supporting the Liberals, gave us the Government which created that atmosphere. It may be an intangible. We cannot predict exactly how many jobs will be created this month or this year, but we know that if we create a better atmosphere, a more co-operative atmosphere, people will invest in Canada. We want Canadians to keep their money here. We want to get back that $68 billion which flowed out of Canada in the last eight years. If we had kept that money here instead of creating jobs in other lands, principally in the United States—Florida, it seems—we would be much better off.

The Acting Speaker (Mr. Paproski): Order.

Mr. Dick: I am sorry my time has run out, Mr. Speaker, but I hope the New Democratic Party and the Liberals will start acting positively and talk about creating jobs rather than supporting unemployment.

The Acting Speaker (Mr. Paproski): I am sorry, the Hon. Member's time has expired. I trust everyone rested well over the holidays. I recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in response to the last speaker, I will say that we will have something positive to say. One of the most positive things we are going to say is that this Bill should be hoisted for the next six months. This Bill, an Act respecting investment in Canada, should be renamed, Mr. Speaker. It should really be called "an Act to sell out Canada". It could be called "an Act to give more control over the future of our children to foreigners".

Mr. Dick: Let's get them to work. Let's get them off unemployment.

Mr. Riis: If this were the United States of America, and if this were Congress, the galleries would be packed today. People would be standing and fighting for their own country, not fighting to find some way to give their country away to foreign citizens.

Mr. Dick: They want jobs.

Mr. Riis: Then let us get them working, Mr. Speaker. I would like to ask the Hon. Member opposite, who is doing all the responding—I won't say "yelling"—to tell us where research and development is going to take place in the country. It is going to take place in a branch plant of a foreign company or it is going to take place back home where the parent company sits? The facts are perfectly clear, Mr. Speaker: the research and development takes place in the parent company's headquarters, not in a foreign branch plant.

• (1200)

If this were Congress today and Congress was told that 30 per cent of all non-financial institutions in the U.S. were owned or controlled by foreign interests, there would be panic. It is only 3 per cent there but what do we find before Congress today? There are Bills being presented to almost every economic committee of Congress to protect American enterprises at home because 3 per cent of all non-financial institutions are foreign-controlled. But here the percentage is 30 per cent. In the manufacturing sector it is 48 per cent. In mining it is 40 per cent. The oil and gas industry, one of the most critical resource sectors in our country, is 65 per cent foreign controlled. This means that the Government of Canada is saying that it wants the economic future of our sons and daughters, our grandchildren, nieces and nephews, to be determined in Hong Kong, Tokyo, Frankfurt and other cities in foreign countries.

Mr. King: You know better than that.

Mr. Riis: I do not know better than that! Let the Hon. Member stand in his place and prove that the economic future of his grandchildren, and I assume he has grandchildren, is not being determined by businessmen from Hong Kong, Japan or the U.S. It is certainly not being determined by Canadians. No other industrialized nation in the world is faced with the percentage of foreign control that I have just quoted. No other industrialized nation would tolerate for a moment that amount of foreign control. But not only do we accept it, the Government of Canada says we want more. Can you believe it, Mr. Speaker? The Government of Canada is saying that we want more foreign investment, more foreign control of our economy, that we want to have more research and development done outside of this country.

It is time we started looking at what this Bill really represents. It means that research and development is going to move out of our country. As foreign control of our economy increases, research and development is done in the country of the parent company. This will result in an exodus of jobs. Many of these branch plants are here to serve the Canadian market only. Not long ago the President of Bell & Howell said this to Canadians: "You have to understand our mandate here in Canada. Bell & Howell has been established here since 1954 with the prime objective of selling its products to the Canadian market without the intention to export to other markets, as our parent company has arrangements for export to Europe and the rest of the world".

One of the critical challenges facing Canadian industry today, Mr. Speaker, is to identify, explore and develop new foreign markets. Yet the President of Bell & Howell says that they are here for the sole purpose of not doing that. A branch plant in Canada is not encouraged, it does not have the mandate, to go out and open up new export opportunities. Why are manufacturers not exploring overseas markets? Why are out resource companies not exploring more overseas markets? Because they are here to develop the Canadian market only.

Consider what that means to the development of a sourcing-in-Canada policy. One of the strongest policies in the United States is the "Buy American" policy. Buy American first. What is our policy in this country as a result of this Bill? It is to buy foreign products as much as possible. It is only natural that foreign branch plants in this country will do their sourcing back home; it is financially to their benefit to do so. Wherever possible they will source their component parts with their parent company or other branch plants. What does that mean for competing Canadian firms? It means that sourcing from Canadian sources as a priority is being put on the back burner. Source foreign is essentially what the Government is saying to the people of Canada.

The best or most recent example I can think of concerning what foreign control means is when the Soviets were building a major pipeline through central Europe and a number of companies operating in Canada said that they could not participate in that project because their American parent companies were prohibited by law from doing so.

Mr. McDermid: We introduced a law to change that.

Mr. Riis: There was a law in the United States called the Trading with the Enemy Act. The name has been changed in the last little while but it is to the effect that American branch plants cannot trade with countries we trade with, Mr. Speaker. Cuba is an example. I ask the members of the Government opposite, what does this mean for Canada's economy when so much of it is controlled by foreigners? In some sectors it is 90 per cent, in some it goes as high as 99 per cent controlled by outside foreign interests. What does this mean when those branch plants make profits? Where do the profits go? Are they inevitably invested back here in Canada? Sometimes they are but more often than not it is only natural that they go back to the parent company.

By having Bill C-15 before us today, Mr. Speaker, we are suggesting that we want more money to be drained out of Canada through remission of profits and dividends to other countries. That money should stay here and be invested. So I ask those people opposite to consider that this Bill will result in less research and development and unfair competition for Canadian-owned firms. It will result in profits and dividends being moved out of the country. It will not encourage the development of new markets overseas. Why are we doing this? The Gray report of the 1960s and the Watkins report of the 1970s pointed out in hundreds of pages why we should not be progressing with this Bill today. Have Members opposite read

those reports? If they had, I could not imagine how they could have the courage to speak in favour of Bill C-15, an Act to sell out Canada. I do not understand why Members opposite would be continuing this debate when we should be moving on the amendment right now to hoist this Bill for six months in the hope that economic and financial sanity would once again return to the benches of the Government.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, Bill C-15, entitled the Investment Canada Act, which we are debating today, is just about the only Bill that the Conservative Government has offered us on the Order Paper that is not a Bill the previous Liberal Government proposed and tried to get the Tories to pass. Now the Tories want the House to pass the Bills proposed last year by the Liberals which they opposed or dragged their feet on. Bill C-15 is merely the first offering by the Tories, made by Tories and designed for Tories.

While this Bill will be debated now, when it is put into the context of the problems that face Canadians in 1985, it is tragic to think that despite the need for a constructive program to put more than a million people back to work, despite the need for us to be able to provide jobs this summer for a very large number of young people, despite the urgent need for us to try to salvage our ecology and prevent the horrors of acid rain, despite the economic and fiscal problems we have, the best the Tories can offer us nearly five months after being elected to office is only one new Bill that was not designed by the previous Liberal Government; that is, Bill C-15. Five months!

• (1210)

For a Tory Government that said it was going to create tens of thousands of jobs and rejuvenate this country, we see precious little that has happened over this time. Again we are seeing that "Tory times are tough times". This is because it is a do-nothing government. Tories can tell you what is wrong with almost anything, but given power they cannot do a thing that is right.

Unfortunately, that is also the case with Bill C-15, the offering we have today. One of the most valuable contributions of this Bill, and perhaps its only one, is its title, "Investment Canada". If the object of the exercise is to get more foreign investment in Canada, the title of the Bill is probably a good public relations move. This proposed new title sounds more streamlined than the present title, "Foreign Investment Review Act", or FIRA. If our objective is to simply increase the number of foreign dollars invested in Canada, a sleazy name-change might help.

The reason that FIRA was introduced in the first place was not to discourage foreign investment in Canada, but rather to ensure that foreign investments would be made in such a way as to provide some significant benefit to Canada, in contradistinction to investments that could or would weaken Canadian companies, enfeeble Canadian ability to compete, destroy Canadian jobs, defer or prevent growth of Canadian research and development and so on. We looked at our own house in Canada and saw that the percentage of foreign ownership in some key areas of our resource industry was out of balance. Canadians agreed with this, the polls showed it, and the Government received the support of the people. Canadians everywhere agreed, and they agree now, that just as the United States has entire sectors of its economy off limits for foreign control, such as shipping, the aircraft industry, air transport, broadcasting, defence production and on and on, we in Canada believe that it is in our interest, just as it is for any other sovereign nation, to have limits on the degree of foreign control of our key industries. Canadians agreed that we had a right, as does every other sovereign nation on earth, to fully share in the benefits of our own resources.

FIRA was not introduced to discourage foreign investment in Canada, but it was an honest title which proclaimed what Canadians wanted to have and wanted to say to the world. It said that Canada is open for business but is not up for sale. Canada's businesses and resources are not to be sacked, gutted, or sold out at cheap, firesale prices.

On December 11, 1984, with the introductory words of the Minister of Regional Industrial Expansion (Mr. Stevens) on the Investment Canada Bill, he set out to dismantle the progress we have made in this country to place our country under the control of Canadian entrepreneurs and workers. This Tory Minister is trying to reverse the process of asserting our right to exploit our own resources to our own benefit and to keep the advantages we gain from the inventiveness of our own scientists and researchers. He is undermining the great strides which the last Government made to affirm our own Canadian way of life and to proclaim our sovereignty.

The Minister says he is going to wipe out the Foreign Investment Review Agency and replace it with something called "Investment Canada". Under this name the new organization is supposed to do the same kind of screening of investments FIRA did, with the big exception that the holes in the screens will be so big that many or most of the businesses of Canada will not be shielded or protected from raids by foreign investors who can come and buy them up and eviscerate them. It will only register the intentions of those who will invest over $5 million directly or $50 million indirectly. The screen which the former Government put up, ponderous though some may think it was, protected the jobs of Canadians because any large investments or takeovers under the Liberal FIRA management had to show that they were for the benefit of Canadians. If 11 per cent of the foreign investors were discouraged by FIRA, which is what the evidence seems to indicate, that is a small enough price to pay to save jobs for Canadians, our resources and research.

Other countries take stringent steps to wall out foreign competition and products. In the United States, that great paragon of conservative free enterprise, there is enterprise but it is not free, at least not to all. A recent study by the Brooking Institute shows that 35 per cent of American manufactured goods are protected by quotas and "buy American" rules and other non-tariff restrictions, and that this protection has gone up, not down, by 15 per cent in the last three years under

Reagan rule. While our boy scouts in the Tory Government do their good deed for the United States and open the door to American and other foreign investors, they have the door slammed in their face by United States protectionism mechanisms.

This Tory Government is not just bad, Mr. Speaker, it appears to be a disaster. The reason American or any other foreign investors will invest in Canada is certainly not because we might change the name from the Foreign Investment Review Act to the Investment Canada Act—from FIRA to ICA. The reason investors will invest in Canada is that they believe this country is a good place to invest their money to earn profits and have equity value gains. It will be because of security and profits, not because of the name change or because they must fill out fewer forms. It is because money can be earned in Canada and because this is a safe country with a stable Government. It is a stable country in which to live, operate and invest. That is the reason people will invest. No superficial changes or attempts to sell out this country are going to attract American or other investors. Investment is made because there is an honest dollar to be earned by honest investment in this country.

Despite the nonsensical, misleading assertions and statistics of the Tories before, during and since the election, the amount of foreign investment, direct or by portfolio investment on new issues, is very considerable indeed. Foreigners invest in this country because we have a stable and good country and a good climate for investment. Thank you for allowing me this time, Mr. Speaker.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on this first day back, given the new adornment which I sport, I thought I might rise and say a word or two to get out of the way all of the barracking and hooting that I will have to put up with.

I do not want to make a speech about this so much today as just to share some views that I have about the move that the Government is taking and to try to juxtapose those views with what is happening in Washington at the moment. I said some time ago, on behalf of my colleagues in this Party, that we were vitally concerned about the potential for economic disaster that exists if a country does not have any way of making some determinations about what kind of investment, development and job opportunities will be developed within its own borders. It is equally important to be able to decide when and under what circumstances it is appropriate for foreigners to be involved in investment within our country.

● (1220)

Quite frequently one hears people who are on the conservative side of the argument—not necessarily the Conservative side of the House because I include a number of Liberals in that conservative argument—making the point that Canada does not require any review procedure with regard to investment because American investors will do what is in the best interest of the business community which, by its very nature, is in the best interest of the country. Frankly, there are so many errors in that belief that it would be impossible to name them all in the short time that is available today.

Let me say that I have never believed that the Foreign Investment Review Agency as we have known it pursued the job that it was given with the kind of intensity that I would have liked. Although that agency did extract commitments about jobs, research and development and the manner in which investors in Canada operated, it really did very little to follow that up and insist that those investors did in fact fulfil their commitments.

All that aside, at least it was a window on investment and gave us a sense of what was happening with respect to foreign investors and how they were performing compared to domestic employers and domestic corporations that were operating within the same general economic area. Therefore, that agency was valuable in that respect because the reports of FIRA could allow one to determine who was buying what, how much was being accumulated and what sectors of the economy were of interest to certain kinds of investors. It was valuable because outside investment must go through a procedure which made such investment public. It also afforded Canadians a vehicle with which to say no if that was the most appropriate action. I believe the Government's present action will eliminate those very useful exercises.

What I find most distressing about this is that when the Government is eliminating FIRA, American investors who are talking about their domestic economy are advising the U.S. Government that it should be restricting Canada's entry into the United States if not by way of investment, certainly by way of sale of products.

Hearings have been held in Washington during the past week which are directly related to the question of free trade, sectoral or otherwise. Those hearings are aimed at deciding what the business community in the United States believes is best for it. I was somewhat surprised to read in the paper that a significant number of those appearing at those hearings are suggesting to the U.S. Congress that it ought not to give in to Canada's request for sectoral free trade.

I know that you had a particular interest in this matter before you were elevated to your lofty position, Mr. Speaker. When these matters came before the House of Commons in the past, it always appeared as though Canada was responding to questions that were posed from the White House with respect to opening up the trade barriers and making it easier for a free flow of trade between the two countries. While the message that was given in Canada by the former Trade Minister or the present Trade Minister was that the United States had initiated these discussions, it appears that the reverse was being said in the United States. United States manufacturers, industrialists and investors who were concerned about the U.S. economy were being told that it was Canadians who were trying to initiate the opening up of the trade lines, reduction of trade barriers and the introduction of sectoral if not total free trade.

I suggest we should wait for the results of the hearings before the Congress in Washington and the eventual negotia-

tions that will presumably take place between Canada and the United States before the Government dismantles and eliminates those agencies which protect Canada from an unnecessary, perhaps unwanted or perhaps unfettered investment in areas where we may not want that investment.

I believe we should have an agency which we can use to screen new investment. This is necessary in order to make some accurate assessments about the effectiveness of the entire free trade initiative. Such a free trade arrangement may totally eliminate the incentive of American investors to invest in Canada. They may have considered investing in Canada regardless of free trade but as a result of the elimination of those barriers they would no longer be required to invest in Canada because their production for the Canadian market could simply made up by the end run of their production which is unused by the parent operation in the United States. Without the appropriate monitoring agency with regard to free trade arrangements, there will be no means of assessing the effectiveness or impact of those free trade arrangements on investment in Canada.

The Government wants to proceed with this Bill in the belief that it was one of its major planks in its election platform. However, until there is a clearer picture of what will happen in the negotiations over the question of free or sectoral trade with the United States and their impact not only on the United States and Canada but on the balance of our trading partners, I suggest that the Government postpone this measure for now.

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, let me begin by wishing a happy new year to all Members of the House. I would add that 1985 will be a better year as a result of what happened on September 4.

This debate on Bill C-15 is particularly opportune for me as a Member of Parliament from Nova Scotia. Just on Friday an international corporation announced plans to build a major facility in Nova Scotia. This announcement calls for the investment of millions of dollars and the creation of hundreds of jobs for Nova Scotians. I represent the Cape Breton Highlands-Canso constituency in northeastern Nova Scotia.

• (1230)

This corporation will put unemployed Nova Scotians back to work. Nova Scotians call my office as well as the offices of many other Government officials. They are not concerned about whether the corporation is foreign. People want a cheque at the end of the week. People want to be able to pay their bills in the same way that Members of this House pay them. People of Cape Breton have been denied this opportunity for months and in many cases for years.

I want to congratulate the Government of Nova Scotia, Premier Buchanan and his Minister of Development for the aggressive manner in which they sought the investment the people of Nova Scotia so dearly want. This corporation is co-operating in an admirable manner with the Government of Nova Scotia to develop training programs so that untrained Nova Scotians who want to work can be put to work and will gain training as a result.

Foreign investment means jobs. It means there is an opportunity for young, bright and energetic Canadians to become productive members in our economy. We in this Party strongly support that kind of investment. This is not a debate about ideology; the question here is unemployment, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. O'Neil: In our area of chronic unemployment I know full well the social costs that have been paid for the ideological pursuits of the previous Government.

This debate is also about our need for capital. Unemployed Canadians and their families are continuing to pay the price for the blind nationalism of the previous Government. The people of Cape Breton want jobs. They want foreign investment if that means jobs. My constituents and constituents in other parts of Cape Breton have the most to gain from legislation of this nature. Yes, in the past we have paid the highest price for the policies of the previous Government.

In 1974 when FIRA was introduced unemployment was far lower than it is today. The people of Cape Breton Highlands-Canso have waited a decade for the rush of Canadian investment promised in the early 1970s. They have paid the price dearly. They have endured years of hardship. They have suffered the social consequences of unemployment. Yes, Mr. Speaker, the people I represent decided they have paid enough. On September 4, 1984 they opted for change, the change which this Government represents.

What about our future? Canada needs $100 billion in new equity investment between now and 1991. If the existing legislation is not altered, we will experience a serious shortfall in our capital needs. Canada was recently ranked last among 22 countries with respect to its receptiveness to foreign investment. That reputation is another legacy of FIRA, a legacy which meant lost opportunities for Canadians. Our Party campaigned on a commitment calling for more investment. Our Government has moved quickly to honour this commitment.

The Prime Minister (Mr. Mulroney) has invited non-Canadian investors to Canada. Our Prime Minister has expressed the strongest possible support for Canadian investment. We are committed to creating an atmosphere in Canada so that Canadians will invest at home and their money will go to work for the benefit of all Canadians. Surely this Government need not apologize for that. Surely this Government is not expected to apologize for its determination to assist the needy, or for its determination to put employment ahead of ideology.

The Bill under discussion is known as the Investment Canada Bill. The effect of this Bill is to replace FIRA with a new agency, namely, Investment Canada. This agency's mandate will be to encourage and facilitate investment. It is the kind of investment that creates jobs, introduces innovative ideas and technologies. Clearly Canada's reputation as a place

to invest must be improved. This legislation changes the name and mandate of FIRA. In doing so it goes a long way toward improving Canada's reputation. It is a clear statement to Canadians and non-Canadians alike that we want to increase investment and to stimulate trade and industrial development.

Major acquisitions by non-Canadians will still be assessed on the basis of their net benefit to the economy, but that process will be greatly altered. The new process will be simpler and faster. For example, almost all investments to establish new businesses in Canada will be eliminated from review. This Bill eliminates from review most acquisitions of businesses in Canada by non-Canadians except for major acquisitions that can have an important impact on the economic, industrial or cultural interests of Canada. This Bill provides authority to review smaller acquisitions and the establishment of new businesses in culturally sensitive areas, such as book publishing, film production and distribution. This Bill recognizes the difference between acquisitions of businesses in Canada where the majority of assets in the transaction are located in Canada and those where the Canadian assets are only part of a larger transaction which occurs outside of Canada. This Bill ensures speedy decisions on proposals that require review by establishing firm deadlines through simplifying the decision-making process and providing advance consultation to potential investors.

I might add, Mr. Speaker, that during the course of this debate Members of the Opposition have stood to speak on FIRA and have said in its defence that it really has not discouraged foreign investment. Then they go on to give a litany of reasons why we should be against foreign investment. That is the paradox of their position. Having recognized that foreign investment can and will create the jobs which this country needs, recognizing that Canadians want to work and have a balanced view of this problem, we in this Party and our Government are moving to attract new jobs to Canada. The people of Cape Breton Highlands-Canso look forward to foreign investment and to jobs for themselves and for their families. They would prefer that Canadians invest, and they have invited Canadians to do so for decades. Surely we should not be asked to endure more decades of economic underdevelopment with its accompanying social costs.

Mr. George Henderson (Egmont): Mr. Speaker, I am pleased to speak to Bill C-15, the Investment Canada Act. Some people in the House of Commons may wonder why I, coming from Prince Edward Island, would be overly concerned about changing the name of FIRA to Investment Canada.

In Atlantic Canada FIRA itself did not have a major impact. It certainly did not have the major impact on Prince Edward Island that it have on many of the other provinces. If we were to look at the figures for investment in the Atlantic region over the last ten years, Atlantic Canada only accounted for 3 per cent of acquisitions and 5 per cent of new businesses. That is not to say this proposed Investment Canada Bill will not change the effect that foreign investment will have on the Atlantic provinces.

Foreign investment is needed in Canada for reasons of development and job creation. It was needed historically for regional development and contributes to the present regional and over-all development of Canadian resources. In the late 1800s and the early 1900s foreign investment was necessary for the building of our transportation system. Foreign capital was needed to complete it. Capital at that time usually came in the form of portfolio investments which left control of Canadian enterprises in Canadian hands.

Today we find a bit of a different situation. Investment today is direct, with the ownership of most of Canada's major companies no longer in Canadian hands. We do not want to discourage investment in Canada, but we should all be trying to increase the level of Canadian ownership in Canadian companies. Of course, Canadian ownership ensures that the best interests of Canadians are being observed. A balance between investment and ownership can be reached. Canada has bountiful resources. There are many opportunities for successful investment by making use of those resources. However, it is equally important that Canadians maintain control over their resources, especially those resources based upon our primary industries, such as agriculture, fishing, forestry and mining. It is important for the future of those industries and for the maintenance of a competitive role for Canada in the international market-place.

• (1240)

I should like to look at some of the changes from FIRA to Investment Canada. One of the most notable is that responsibility will be taken away from Cabinet in the final decision of reviewing applications. No longer will there be regional representation that can determine what is best for the regional interests of Canada. In other words, the Minister responsible for Investment Canada can basically make that decision on his own. That troubles me as a Member of Parliament from Atlantic Canada, certainly from Prince Edward Island. I am not sure whether the Minister understands entirely what Atlantic Canada is all about.

We would have to take a look at some of the statements of that Minister in the last number of years. First, he has not been a great proponent of job creation in the context we in Atlantic Canada know. Our area is a very depressed one. It relies very heavily on job creation. It does not have the heavy industrial base which exists in some parts of our great country, specifically in central Canada. We are dependent upon our basic traditional resources—agriculture, fishing and mining.

The debate thus far has been mainly centred on south of the border, on what happens with investment between the United States and Canada. Most of the speeches were concentrated on American investment. There is another investment opportunity which was used in the past and will likely be used in the future, that is, European investment. I do not know whether the Minister and the Government have fully thought out exactly what could happen under the Investment Canada Act in the fishing industry if it is not carefully scrutinized. The Minister responsible has stated, for example, that Fishery

Products International, that Crown corporation or that investment of the Government of Canada, is up for sale if there are buyers. The Hon. Member for St. John's East (Mr. McGrath) said that we have about as much chance of selling that company as putting a man on the moon. I sort of agree with him at this time. Most of those companies have fishery quotas. It would be very easy for any foreign investor who is a competitor to buy up the assets of some large companies and make them inactive for certain periods of time. Naturally one is in business to make a profit; there is nothing wrong with that. We may well be looking at the closure of many plants, displacing or putting out of work thousands of people in Atlantic Canada. That is a very genuine concern in terms of a foreign takeover, especially as it relates to the fishing industry.

Let us take another look at agriculture, in particular the processing of potato products. If the situation in the United States or in another country was such that it might want to eliminate competition, a corporation could come into this country and buy up some of the potato processing plants and perhaps put them on the back burner. Just as we are asking for this piece of legislation to be put on the back burner for further study, they could be put on the back burner until such time as new markets are gained for a specific corporation, thus eliminating any such previous markets held by firms such as McCain or Cavendish Farms. I am not very clear about the answers to those questions. Some of these things could conceivably happen. If they happen, they would certainly be to the detriment of Canadians. I am concerned about those matters.

Let us look at the World Court decision which gave Canada control over a very rich part of the Georges Bank. This should be of great benefit to Canadian fishermen. However, the United States International Trade Commission issued a report indicating that Canadian fish imports to the U.S. allowed an unfair advantage to Canadian fishermen who received such benefits as market assistance and vessel subsidies from the Canadian Government. In essence, the commission has supported the contention of American fishermen that Canadians are dumping fish on the American market. There is a threat that this will result in countervailing duties on Canadian fish entering the U.S. market.

We have to look carefully at any new idea of Investment Canada. Perhaps the name change is all right, but the content scares me and many Members on this side of the House. More time is needed by the Government. Sometimes it is nice to rush through legislation. We sat on that side of the House. Some of us understand that Ministers like to get through new legislation. Only legislation which benefits all Canadians is good legislation. This is why sometimes what we do in haste may be to the detriment of certain areas of the country.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak in this debate today. The Minister, the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) and the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) have implied that the debate today was about the future of employment in Canada. Nothing could be further from the truth because what we are debating today is foreign control of the industry of Canada. We are debating whether or not Canada should be concerned about foreign control of its industry. We are debating whether or not there should be a review procedure in place for the control of money coming in and possibly even money going out. We are also debating the effect of an increase of foreign control of our economy on Canadian entrepreneurship. Those are the matters we are debating today.

We know there is a need for jobs and that jobs can be made available by the development of industries and by the development of the economy. But who should do it? That is what we are debating, not whether the jobs are necessary. We are debating whether the method being established by the Government is the proper one to deal with the problem.

• (1250)

This Bill will sell out Canada. It will turn the industrial estates across Canada into foreign enclaves. We already face a branch plant structure in Canada. This will be the common standard for Canada. Eventually there will be so little production by Canadian firms that it will reduce the amount of possible exports.

At present, 51 per cent of Canadian manufacturing is foreign controlled. Foreign interests control 98 per cent of the rubber industry in Canada, 51 per cent of agricultural machinery production, 92 per cent of transportation equipment, 70 per cent of electrical apparatus, 71 per cent of the chemicals and 52 per cent of the small miscellaneous items purchased in the store. Many of those items can be produced by Canadian entrepreneurs. The Government, through this Bill, is suggesting that the production not be done by Canadians but by foreigners.

What is the effect of 55 per cent or more foreign control, such as we have in Canada? As my colleague stated previously, Canada is the only country with this kind of foreign ownership. In 1982 foreign control of industry in Sweden increased from 7 per cent to 7.2 per cent. What did the Swedes do? They immediately put in place controls to disallow the increase of foreign development in that country. The increase in foreign investment in Sweden was curtailed immediately. They were worried when foreign control of their industry went above 7 per cent. We are not worried that it is over 50 per cent in Canada. In fact, we are offering the sale of Canada in order that we will have a larger portion of our economy foreign owned.

What happens when there is foreign investment in a country?

Mr. Shields: Jobs.

Mr. Hovdebo: I am glad the Hon. Member said that. Just before this past Christmas, Black & Decker took over a plant in Barrie. In the process of that plant being closed, the Town of Barrie lost 600 jobs. That is what foreign ownership can do.

Why would a company allow a Canadian branch plant to compete with the parent plant? If the American parent plant is

having a problem getting rid of its goods, will it let the Canadian branch plant produce and compete with the parent? There is no way they would allow that. The first plant to go would be the branch plant in Canada. This Government now wants to increase that kind of ownership.

First we have the loss of jobs. Not every takeover creates jobs. A large part of foreign investment has been and will continue to be for the purpose of taking over plants and companies in Canada. Following a takeover, the logical procedure is to allow the plant to operate for a while. When it starts to compete with the parent company, it is shut down.

We believe this Bill should be hoisted and looked at again before it is passed. We do not want the amount of money that is presently flowing into the United States to be increased. The statistics which I have, and they are more than a year old, indicate that $2 million per hour flows from Canada into the United States. That $2 million per hour is in the form of interest on bonds, interest on investments, research and development and profits to companies operating in Canada. If that amount continues to increase, eventually all of the profits, all of the research and development and our hope of getting control of our economy will have gone to the multinational corporations, most of which are controlled by the United States.

We have a real difference in priorities. This Government has prided itself on the private sector, small business being the engine of the economy. This Bill is forcing small entrepreneurs who want to produce a given item to compete against the large multinationals, with the kind of backing the large multinationals have. Instead of protecting the small entrepreneur, this Government makes him compete with the large multinational. In fact, the large multinationals are invited to come here and either take over an existing operation or set up a plant in competition to it. That is an example of lack of planning and lack of recognition by this Government. This is what will happen if this country is left open to unlimited development or control by foreign investment.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CULTURAL AFFAIRS

BUDGETARY CUT-BACKS—REQUEST THAT GOVERNMENT REVISE PROPOSED MEASURES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, since the Minister of Finance (Mr. Wilson) made his economic statement, many groups, especially in the arts and the cultural sphere, have advised me of their concerns. The budgetary cutbacks planned in connection with federal cultural programs are quite alarming. The cuts of $75 million at the CBC, $3.5 million at the Canada Council and $1.5 million at the National Film Board, to mention only a few, will have a very detrimental effect on Canada's cultural development.

We must not forget that cultural activities constitute an industry in themselves. The main parties concerned have every reason to be alarmed, and I would therefore urge the Minister of Finance to reconsider his proposals, as the cutbacks will have a disastrous impact on one of the most dynamic sectors of our economy.

* * *

TRANSPORT

PRIVATE INDUSTRY—POSSIBLE IMPACT ON PROVISION OF BRANCHLINE SERVICES

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, today I would like to discuss a matter that gave rise to considerable comment in 1981 in the regional press and created much bitterness among my constituents, the people of Labelle.

Mr. Speaker, I am referring to the unilateral decision by VIA Rail to eliminate passenger rail services in Labelle because they were no longer considered a viable proposition by the authorities at the time. The decision was never reconsidered by the former Minister of Transport and was made without consideration for the wishes of the public.

Mr. Speaker, this cut in passenger rail service—I am referring to the "P'tit train du Nord"—and, more recently, the application made by CP Rail for permission to drop its freight service, all this has had and will continue to have serious consequences, including the adverse effect on our local tourist industry and on local economic development at the corporate level and among small—and medium-sized businesses, and discouraging projects by local businessmen.

That is why I would like to draw the attention of the House today, to the excellent work being done by the present Minister of Transport who has ordered a six-month study of the potential of small branch lines in terms of local transportation services provided by the private sector. As you know, Mr. Speaker, because the territory is so vast, transportation in the

riding of Labelle is by road only, which, for all practical purposes, has created a monopoly situation with respect to transportation for the travelling public, and any situation . . .

Mr. Speaker: I am sorry, but the Hon. Member's time has expired. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

* * *

[*English*]

AGRICULTURE

FARMERS' NET INCOME LEVELS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, as the Parliament of Canada resumes, I want to draw attention to the continuing and worsening financial crisis facing Canadian farmers. Low farm incomes have continued over the last decade. Net farm incomes are now almost identical to those of 10 years ago. It costs almost three times as much to live today as it did in 1974, but Canada's farmers are being told that they will have to adapt to a much reduced real net income.

When confronted with the facts, the Government speaks of harsh realities and of how many of the existing farmers should not remain in business, or it says that when the market is working there must be failures. With these glib ideological statements, the Government ignores the facts.

Who is being forced out of farming? It is the so-called technologically superior producers who are being forced into bankruptcy. It is the most productive farmers who are in the younger age groups who are being forced out. These farmers made the apparently unforgiveable error of attempting to upgrade their productive capabilities.

The special needs of beginning farmers are being ignored by the Government as it recycles the old policies of the previous Government. It offers only minor respite from high interest rates. It will allow higher-cost loans to be rescheduled, but at 13¼ per cent. This is happening in an industry that has shown an ability to generate a return of only 3 per cent to 4 per cent.

There may be some hope, Mr. Speaker. The Government now seems to be talking about a rent-back provision reminiscent of the Saskatchewan land bank scheme. Will the new Government ignore its philosophical rhetoric and actually—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

CANADA

HAPPY NEW YEAR GREETING

Mr. Gordon Taylor (Bow River): Mr. Speaker, Happy New Year! What? With a $200 billion debt, over one million people unemployed, a deficit of $37 billion and our treasury empty and, I am saying "Happy New Year"?

Yes! We have tremendous untouched natural resources; the finest soil in the world; an abundance of livestock, manufacturing, industrial and transportation potential which is probably greater than that of any other country; a skilled and energetic people, including thousands of youths who are able to train for any technical job in the world; universities of high standards; oceans and rivers loaded with fish; entrepreneurs large and small who are ready to invest and go to work; teeming cities; beautiful contrysides; clean air and clean water. Indeed, we have an abundance of everything that is needed for a worthwhile, good, and healthy life.

We have a great country, and a new Government that is determined to hold Canada together through fair and honest dealings by providing an opportunity to management and workers to increase productivity. Productivity is the bottom line when dealing with paying off our debts and helping all those who need help.

King George VI brought hope to the free world when it was facing annihilation by quoting a poem by Haskins, which reads as follows:

> And I said to the man who stood at the gate of the year: Give me a light that I may tread safely into the unknown!
>
> And he replied: Go out into the darkness and put thine hand into the hand of God. That shall be to thee better than light and safer than a known way.

So Happy New Year, Canada!

* * *

NATIONAL PARKS

HALIFAX CITADEL AND LOUISBOURG FORTRESS PROJECTS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, on November 9, 1984, the Government of Canada announced that the restoration of one of Canada's most visited historical sites, the Halifax Citadel, has been cancelled, and that the completion of capital projects at the Fortress of Louisbourg has also been frozen. As all Members are aware, the Halifax Citadel is one of the last surviving examples in North America of a bastioned fortification. It incorporates the past, and presents it to its visitors. It conveys the feeling of history to all who visit this site. It provides us with culture and helps explain why we have two great official languages, English and French.

The Citadel is scheduled to be completed in the 1988-89 fiscal year and, if left uncompleted, will end up as an eyesore and disgrace not only to the people of Halifax but to Parks Canada personnel as well. The cost in closing out this project is substantial because of the required mothballing of equipment, severance pay, loss of employment, and the potential loss of tourist dollars.

The freeze on capital projects at the Fortress of Louisbourg, which I might add is the jewel of Parks Canada, will stall major maintenance to exterior details of some of the buildings which require installation of period shelters and storm windows to protect the buildings during the winter season. I urge that the Minister responsible for Parks Canada, and the

Minister responsible for the Province of Nova Scotia, take this matter up immediately and reverse this very regressive action.

* * *

THE ECONOMY

MESSAGE OF CONFIDENCE

Mrs. Mary Collins (Capilano): Mr. Speaker, I wish to bring to the attention of the House a question which is on the minds of so many Canadians as they start the new year, the question of confidence. During the past month all Members have met and talked with fellow Canadians across the country, gauged their mood, and discussed their expectations. In my own case I spoke to many of the people of Capilano, including retailers, students, homemakers, and leaders in the business community. The message they asked me to convey to this House deals with the necessity to build and substantiate the growing sense of confidence which they have felt since the new Government took office.

From many people, I heard: "We are getting ready to make new investments; we are thinking about expanding our activities. Customers are calling and we are on the brink of creating new jobs and of expanding our trade potential. However, what we need from you is an assurance of continuity. We like what we have heard. Provide us with more, and show that you are truly serious about your faith in the private sector and the ability of the Canadian entrepreneur".

As we embark upon our duties for 1985 we must realize jointly that, no matter what Party we represent, we have a responsibility to our fellow Canadians who are seeking work, and to those who are seeking hope and opportunity. We have a responsibility to conduct ourselves in ways which will raise the level of respect for Parliament, and we have a responsibility to debate and put in place—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

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NUCLEAR ARMAMENTS

REPORTED UNITED STATES PLAN TO STORE NUCLEAR WEAPONS AT CANADIAN BASES

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to raise a major concern expressed by many Canadians, and that is the contingency plans of the United States Government to use Canadian military bases and military equipment to store and deliver U.S. nuclear weapons, and specifically nuclear depth charges at Comox and Greenwood. The vast majority of Canadians oppose the concept of Canada's involvement in the storage or delivery of nuclear weapons, and call upon the Prime Minister (Mr. Mulroney) to state unequivocally that Canada will not be involved in the storage or delivery of U.S. nuclear weapons.

• (1410)

Canadians remember that the Canadian Government would never acknowledge or give details on the presence or deployment of nuclear weapons in Canada. It would never provide Canadians with information about the testing of the Cruise missile. In the past the American administration has put Canadian bases on alert, which is a compromise in Canadian sovereignty. In the past the United States has flown nuclear weapons regularly into Canada, to be used in the event of a conflict. Present hon. members of the Government, and many candidates in the past election campaign, committed themselves to creating a nuclear weapons free zone in Canada. It is time for the Prime Minister to stand and clear up this matter and ensure that both Canadians and Americans understand that Canada will never be a base for, and Canadians will never use, nuclear weapons.

* * *

[*Translation*]

SHIPBUILDING

GOVERNMENT POSITION

Mr. Edouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, I wish to censor the former Liberal Government most emphatically for the way it has hurt the Canadian shipbuilding industry in recent years by taking its business to foreign countries. As a result, the 16,000 jobs still existing a few years ago dwindled to 7,260 by September 30 last year, and this does not include all the indirect employment lost in related industries. Fortunately, the Liberal Party has almost become a thing of the past. We in the Progressive Conservative Party are now going to try to restore order to our economy.

Mr. Speaker, I remind my hon. colleagues on the Government side and on the Opposition benches of an important meeting I shall be having this Wednesday with representatives of the shipbuilding industry. The unions will also take part, and the press will be welcome. In recent years, this basic industry, an essential sector of our economy, has experienced a serious economic slump. It will require quick intervention on our part, which may even mean eliminating the loopholes allowed by the former Liberal Government and which Liberal policy still contains today.

* * *

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. John Nunziata (York South-Weston): Mr. Speaker, last month's pre-Christmas orgy of Conservative patronage is but another example of how deliberately and shamefully dishonest the Conservatives were with Canadians during the election campaign.

Some Hon. Members: Oh, oh!

Mr. Skelly: Sit down.

Mr. Nunziata: The Prime Minister (Mr. Mulroney) is displaying unparallelled hyprocrisy and contempt for the Canadian public by the manner in which he is appointing his bagmen and Tory friends to patronage positions. If Liberal patronage was so wrong, Mr. Speaker, what makes Conservative patronage so right?

Now that the Prime Minister has an option, now that he has a choice, now that he can say no to the old systems and attitudes, he is saying yes. Herein lies the hyprocrisy. Is the devil making him do it, or is he simply living up to his pre-election promise to dance with the Tories "who brung him"? Is it any wonder, Mr. Speaker, that Canadians seriously question the credibility and integrity of the Government?

The Prime Minister's unspeakable arrogance is not going unnoticed by the Canadian public. Canadians will remember the Prime Minister campaigning long and hard during the election campaign against the evils of patronage. Canadians will remember the pre-Christmas pork-barrelling. Where are the criteria for quality which he promised that will impress the Canadian people? Where is the reform that he promised us? More important, Mr. Speaker, where is the honesty in this Government? If there is anything worse than an "old whore", Mr. Speaker, it is a hypocritical "old whore".

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

THE PRIME MINISTER

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, our great Prime Minister (Mr. Mulroney) is truly deserving of the immense praise and acclamation we in the House of Commons wish to bestow on him today. Our outstanding and dynamic leader has succeeded in uniting Canada, an accomplishment which, until now, had only been aspired to. The November Gallup Poll has concluded that Canadians are no longer lacking confidence in the future of Confederation.

The Prime Minister has attained an historic benchmark in Canadian politics through his achievement in bringing about unity and harmony. Separatism in the west and in Quebec has been laid to rest, resulting in a strong and united Canada solidly fused by the Prime Minister. The spirit of unity in this Government, which represents all parts of the nation, is a true reflection of the unanimity now held between Canadians.

Congratulations and thanks to the Prime Minister for his paramount triumph, which is regarded as a supreme success by all.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

SENIOR CITIZENS' INCOME TAX EXEMPTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I can only say, at the beginning of a new year in Parliament, that we did not start this particular performance of applause, but I do want to say to the Prime Minister, in personal terms, that I wish him health and happiness. Apart from that—

An Hon. Member: That is far enough.

Mr. Turner (Vancouver Quadra): One thing I do want to say is that this Party takes particular satisfaction in the fact that it appears, as a result of a statement made by the Minister of National Health and Welfare, that the Government has retreated from its attack on the principle of universality—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): —of our social programs, particularly old age pensions and family allowances. We will await the document to see if we are really satisfied with the position of the Government because, Mr. Speaker, Ministers of this Government, indeed, the Prime Minister, have been changing their positions and reversing themselves as frequently as tides in the Bay of Fundy.

An Hon. Member: Right on.

Mr. Turner (Vancouver Quadra): The Minister of National Health and Welfare did say, however, that the Government was still considering eliminating the income tax exemption for our senior citizens. In view of the fact that our senior citizens are among the least affluent in our country, particularly women, would the Prime Minister make a commitment to the effect that the Government will not eliminate the old age income tax exemption when that paper is produced?

Hon. Jake Epp (Minister of National Health and Welfare): I believe the Right Hon. Leader of the Opposition, when he takes a look at the statement that was made on Friday last, and statements made by the Prime Minister, will see that universality was not in question, that that remains, that there was not going to be a means test, and that there was not going to be—

An Hon. Member: It is a sacred trust.

Mr. Epp (Provencher): Yes, a sacred trust, and that is what we maintain.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): That being the case, the Right Hon. Leader of the Opposition, I am sure when he sees the paper next Monday, a week today, will have our positions confirmed, and not his alleged agenda.

Mr. Turner (Vancouver Quadra): We will look forward to that, Mr. Speaker.

INDEXATION OF FAMILY ALLOWANCES AND OLD AGE PENSIONS

Right Hon. John N. Turner (Leader of the Opposition): Since the Minister of National Health and Welfare has risen to reply for the Prime Minister, would he comment on the other remarks he made in response to questions when he emerged from the Meech Lake discussions, that the Government was still considering discontinuing the indexation of our family allowances and old age pension payments? Surely when we are talking about the most vulnerable element of our society, our citizens who need it most, that is not in the mind of the Government.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Right Hon. Leader of the Opposition that I did not make any statements coming out of Meech Lake, so I believe he should check that detail. Second, in terms of the position, or the debate which he is trying to recreate, I believe if the Right Hon. Leader of the Opposition would examine my remarks he would find that what he has said does not stand that test, and the position we have taken very clearly is that the program which is in place, the universal program for the elderly and the family benefits, remains.

We are going to put forward a consultation paper. I hope that the Right Hon. Leader of the Opposition can convince his caucus that, while they might have a political agenda which is valid from their point of view, there is a greater agenda, and that is how do we best protect the social programs for those who need them most.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to assure the hon. gentleman that our agenda is on behalf of the senior citizens and the families of this country. The fact that the Minister had to rewrite that paper during the Christmas holidays indicates just how important that agenda was.

Some Hon. Members: Hear, hear!

* * *

CANADA PENSION PLAN

PREMIUM LEVELS—HOMEMAKER'S PENSION PROPOSAL

Right Hon. John N. Turner (Leader of the Opposition): My final supplementary question is directed to the Prime Minister, Mr. Speaker. The Minister of Finance made a statement—and I hope he will confirm it—that the Government is contemplating raising the premiums on the Canada Pension Plan. That being so, where is the commitment that the Government made during the election campaign to introduce a homemaker's pension? If there are going to be these extra funds generated, where is the homemaker's pension? What is the Government's position on that particular subject?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I made the comment, as the Right Hon. Member has indicated, in reference to the Canada Pension Plan premiums. That was the extent of the comment that I made. I would ask him to be patient in respect to the other question that he put.

* * *

EMPLOYMENT

STUDENT SUMMER EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment. In less than three months thousands of Canadian students will be out of universities and colleges looking for jobs to pay for next year's tuition and other expenses. In November the Minister of Finance cancelled the successful Summer Canada Program, and so far we have had nothing announced to take its place. When, if at all, is the Minister going to announce a program for summer employment for students, and will it contain a direct employment provision so that we can make sure those students get the jobs they need before next year's term.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, coming out of the very successful federal-provincial conference on employment strategies last Thursday, I stated at that time that summer programs for students would be finalized within a couple of weeks. I may say that I am pleased to tell the House that those programs will have the co-operation of the provincial Governments and the private sector. I may also add that these programs will be more career-oriented than those of the past, so that students working this summer will be able to use that experience as a training ground for permanent jobs in the future.

CAREER ACCESS PROGRAM INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it has been customary to announce the summer program well before Christmas. We are now into the month of January and we still do not have anything. As everyone knows, it takes a good deal of lead time to put these programs into operation successfully.

The Minister talked about career oriented programs. Last year, as part of the Summer Canada Program, we had Career-Access, a very successful program. Will she continue that program in this summer's program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, for the benefit of the Hon. Member, there are many aspects of Career-Access still in operation. He may not be aware of that. Indeed there will be many programs that will be announced for this summer, and I think when the Hon. Member sees them he will be very satisfied.

FINANCE

CORPORATE TAX STRUCTURE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance whose economic statement resulted in about $4 billion being cut from a variety of program expenditures. However, the billions of dollars involved in corporate tax expenditures were not touched. In the days following his statement the Minister indicated that he would be studying the matter and the Government would be looking into the restructuring of the total corporate tax structure. Is that study under way, and will it result in changes being introduced via the Budget in an overhaul of our corporate tax structure?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to remind the Hon. Member that certain things have flowed out of the economy in particular in my economic statement. We do have, as some would say, tens of thousands of new jobs, but you can count it up to about 100,000 new jobs since the turn of September. There has been a significant drop in interest rates. We have seen a very positive performance in retail sales during the month of November, directly in response to the economic statement. A lot of very positive things have come forward.

In response to the specific question, yes, work is going on right now in the Department on the whole question of tax expenditures. I hope that I will be bringing something forward around the time of the Budget, in that connection.

STUDY TIMEFRAME

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, will that study be completed by Budget time, and will the overhaul of the corporate tax structure be part of the Budget, or will that study continue beyond the budget date?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is asking a question about a very, very complex area of tax reform. It is not going to take place within the period of a few months. However, we should have a very good basis for judging the basis of that reform so that decisions can flow quickly from it.

* * *

[*Translation*]

EMPLOYMENT

MELCHERS AND WABASSO—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Since September 4 of last year, Quebec has been suffering a number of severe setbacks owing to loss of jobs. In the Montreal area, the Government has made cuts in VIA Rail and the CBC. In Berthier, Melchers has closed down, and the economy in the Saint-Maurice area will be severely affected as a result of the liquidation of Wabasso and the resulting loss of nearly 1,200 jobs. My question to the Minister is as follows: Is the Government going to become financially involved in "rescue operations" for Melchers and Wabasso instead of standing aside and blaming the workers for their misfortune, as the Minister of Public Works did last week?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have decided to offer the services of an industrial commission to help unemployed workers in Montreal—

[*English*]

I would say to the Hon. Member that, in addition to the commissions which will be working with these groups, whether in connection with the lay-offs at Wabasso or Melchers, we are also examining the various sectors in the Trois-Rivières region and other regions to see whether or not they can now be designated for additional programs such as ILAP, the modified ILAP, or whether they come under the terms of SERB. I am looking at these programs in conjunction with my colleagues, the Minister of Labour and the Minister of Regional Industrial Expansion.

[*Translation*]

Mr. Lapierre: I have a supplementary, Mr. Speaker.

I am delighted to see that the Minister is willing to use the previous Government's programs which she has been known to criticize with considerable fervour. However, the people of Trois-Rivières and Berthierville are very uneasy, since they know the Prime Minister is an expert at creating ghost towns.

I would therefore ask the Minister what specific measures she intends to take to prevent Berthierville and Trois-Rivières from meeting the same fate as Schefferville.

Miss MacDonald: Mr. Speaker, I said the Government was very concerned about the lay-offs at Wabasso and other companies. I have already announced that we would start helping committees to assist the workers concerned, and we shall continue to help workers in this industry.

* * *

[*English*]

FINANCE

CORPORATE TAX STRUCTURE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. I hope he will cease muzzling himself for the Question Period on this point.

Before Christmas the Government announced over $4 billion in cuts in programs affecting ordinary Canadians. The Minister of Finance has just acknowledged that the $20 billion tax expenditure program which benefits corporations, and which the Auditor General and many businessmen have called into question as entailing millions of dollars of potential waste

to the economy, is going to remain unchanged in the forthcoming Budget. My question is simply this. Why is the Government prepared to change programs directly affecting middle and low income Canadians in a very negative way, but is leaving unchanged in this Budget expenditures of hundreds of millions of dollars which could be saved, and which could result in our leaving our social programs entirely alone?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why the Leader of the New Democratic Party would presume to articulate policies that will be in the Budget. I would have thought that he would have joined in some modest rejoicing in the fact that, in a short period of time, almost 100,000 new jobs have been created. The bank rate is down 2.7 points, which I think he would agree is very important. The unemployment rate dropped below 11 percentage points for the first time in 32 months. I think that is very healthy and encouraging for the people of Canada to know.

Some Hon. Members: Hear, hear!

Mr. Mulroney: While these signals of improvement are, I acknowledge, modest, they are important, and I can assure my hon. friend that the point to which he referred, and others, will be actively considered and included by the Government in economic statements and Budgets designed to create jobs in Canada. That is what it is all about, the creation of employment, and that is precisely what we are going to do.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I listened to the Minister of Finance with care, and I heard him say that the kind of studies that my colleague asked about in his question just a few minutes ago, are going to continue after the Budget. He did not say that we are going to have major corporate tax reform in this Budget. He said that there are going to be studies which will continue. I would like the Prime Minister to clarify this question, because it involves millions of dollars and affects social programs and jobs.

A document produced by the Government which shows two things was brought to my attention over the Christmas period. It shows that corporate tax reduction policy is the most costly and the least effective method of job creation. That is a document produced by a federal Department. Is the Prime Minister prepared to act on this? Is he prepared to act in the coming Budget? Specifically, will he change corporate tax policy to ensure that dollars going out to corporations will only go to them if directly related to job creation? Will he put an end to give-aways?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will tell my hon. friend what he already knows—a policy that has been consistent throughout the years. Tax changes will be announced in the Budget, and not anywhere else.

REQUEST THAT POLICY BE ENDED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is not quite so easy. The Prime Minister himself said after the meeting at Meech Lake there were going to be other expenditure cuts. I am referring to what the Prime Minister has said. He said there would be expenditure cuts, and if I understood him correctly that was in the social program direction, but he can clarify that. Why can he not tell the people of Canada in the interest of justice, fairness, and job creation, that he will put an end to a corporate tax policy which is costing us billions of dollars and is ineffective in creating jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are committed to a policy of greater fairness in the tax system, both for individuals and corporations. We are committed as well to the creation of jobs. My hon. friend might agree that we have done a reasonable job so far in creating almost 100,000 new full-time jobs in Canada in a three-month period. I can assure you that all intentions and policies which will be announced at an appropriate time by the Minister of Finance will be designed to do precisely that.

* * *

CANADA PENSION PLAN

USE OF FUNDS BY PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, in the past surpluses in the Canada Pension Plan have been used by the provinces as a source of cheap borrowing. My question is for the Minister of Finance. In the present round of renegotiations with the provinces on the contribution rates, would he guarantee Parliament that he will stop abuse by the provinces in the way in which they have those funds and, instead, advocate those surpluses be used to enhance the payments to Canada's disabled through the Canada Pension Plan disability payments, and to introduce, for the first time in Canadian history, the ability of Canadians to take early retirement? The Province of Quebec made this move one year ago.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is very interesting to watch all these conversions on the road to Damascus. The Liberals established the Canada Pension Plan to provide for the cheap borrowing by the provinces in 1966. I do not know what has changed since then that the Opposition is going to criticize the Government for reviewing this whole policy at this time.

We are looking at the structure of premiums, with the provinces. This matter has been recommended to Governments for a number of years but was continually put off by the Opposition when it was in Government. We are looking at this because there is some real concern on the part of pensioners as to the integrity and sufficiency of the pension plan. There is also concern by the provinces as to whether the money will be there for them to borrow. We also want to allow small business to make plans based on what has been acknowledged is an

inevitable increase in premiums if we are going to maintain the viability of the Canada Pension Plan.

Mr. Frith: Mr. Speaker, there have been more conversions on the road to Meech Lake than there ever were on the road to Damascus.

REQUEST FOR DISABILITY BENEFIT INCREASE

Hon. Douglas C. Frith (Sudbury): My supplementary question is for the Minister of Finance. If there are going to be significant increases in the contribution rate to the Canada Pension Plan this will result in a significant surplus being created. Will the Minister not advocate the use of surpluses to enhance the disability payments to the disabled? Will he not look at the possibility of allowing Canadians a chance of early retirement, thereby creating job opportunities for our young people who presently have the highest unemployment rate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member does not tell the House that if no changes are made to the Canada Pension Plan it will be broke in a number of years, so changes must be made. That is the essence of the review that the provincial Finance Ministers and myself made a week ago in Montreal. We will be looking at the impact of changes, not only on the size of the fund, and therefore the monies that would be redirected to the provinces, but also on the impact on small business which is concerned that any significant increase over and above what is needed in the Canada Pension Plan will make it more difficult for it to create jobs. We do not want to have that impact on small business.

* * *

FINANCE

CORPORATE TAX STRUCTURE—REQUEST FOR REFORM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Finance. I have just returned from British Columbia and I want to tell the Minister that food banks—

Some Hon. Members: Oh, oh!

Ms. Mitchell: I want to tell the Minister and the Government that food banks have doubled, and people are being turned away hungry. The unemployment rate has increased, with 25,000 jobs having been lost over the past three months. Crime rates are up, and children are being permanently damaged by poverty. This is just in British Columbia.

People simply cannot take such additional harsh restraint measures as I understand he is proposing in his coming Budget. Why will he not introduce the kind of corporate and personal tax reforms that our Leader and Party have been advocating? Why will he not let people know that for once he is going to benefit ordinary people rather than the corporate sector?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first of all I would like to welcome the Hon. Member back to Ottawa.

Mr. Waddell: Don't be so smug. Don't be so patronizing.

Ms. Mitchell: It's about time you went out there yourself.

Mr. Wilson (Etobicoke Centre): Let me respond to the question.

Mr. Blaikie: It is not a joking matter, Mike.

Mr. Wilson (Etobicoke Centre): I responded to the question put by the Member for Kamloops-Shuswap to the effect that there would not be major tax reform in this Budget. It is too early for that. There are too many complexities.

Mr. Broadbent: It is too late.

• (1440)

Mr. Wilson (Etobicoke Centre): I will say to the Leader of the NDP that if he wants to have a disruptive tax policy that will upset job creation by small business, the way to go about doing it is to throw a fast tax reform on them too soon, without proper thought.

The direction of the economic statement in November was to reduce interest rates. A reduction in interest rates will have the most far reaching effect of creating jobs and addressing the problems that the hon. lady referred to a moment ago.

REQUEST FOR TAX CHANGES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, let me go back to a comment made earlier by the Minister of National Health and Welfare about his concerns about how best to protect social programs for those who need it most. Will the Minister of Finance follow our leader's suggestion and reform the child tax exemptions, impose a minimum tax, and raise the marginal tax rates so that there will be a savings which can then be put into increased family benefits for families that need it desperately?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that all of the matters which the Hon. Member has put forward today are matters which are best dealt with in a Budget. I appreciate the comments that she has made. I disagree with some, but we will have to wait until a Budget to see how those are dealt with.

* * *

EMPLOYMENT

JOBLESS YOUTH—GOVERNMENT PLANS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Employment and Immi-

gration. The Government has cut back on job programs specifically directed to the youth of this country—school to work transition apprenticeship programs like First Chance on-the-job training. Under the new Government, how long will it take before the economy can absorb the 454,000 jobless youth we are faced with today? Will the Minister take the House into her confidence and tell us what the Government will do for these young people?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, perhaps the Hon. Member was not in the House earlier when I responded to a question from her colleague, the Member for Notre Dame-de-Grâce.

Mr. Allmand: That was about Summer Works.

Miss MacDonald: I would say that the plans with regard to young people will be announced within a couple of weeks.

[*Translation*]

GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker—first of all, Madam Minister, I was not speaking about students looking for a summer job, but about three quarters of our youth who are no longer in school, but on the labour market and without a job.

Madam Minister, you have not been straightforward with the Canadian people. You and your colleagues talked about seasonally-adjusted rates while I am speaking about rates which are not seasonally-adjusted, which show a loss of 11,000 jobs between October and December. What action has been taken to reduce this unacceptable level of unemployment?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, one thing about which I can be absolutely sure, when it comes to questions from Members in the Liberal Party, is that they will never recognize any good news when they see it.

Some Hon. Members: Oh, oh!

Miss MacDonald: I can understand that, given the fact that their standing in the polls continues to drop month after month. When you get locked into bad news like that, it is hard to change your mindset.

I would point out to the Hon. Member that, thankfully, the unemployment rate for youth has begun to come down and has dropped a full percentage point in the last month.

AGRICULTURE

DEVELOPMENT OF NEW WHEAT VARIETY

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the representative of the Minister of Agriculture. Scientists at the Agriculture Research Station in Swift Current, Saskatchewan, have developed a new variety of medium hard wheat, HY320. Through some ten years of testing this variety has proven to yield some 30 per cent more than the Red Spring wheat hard varieties. It also appears that there are export markets for HY320. When can we expect HY320 to be licensed?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I might point out that the Minister responsible for the Wheat Board is presently on government duty in Saskatchewan. I believe the Hon. Member has raised a point which certainly the grain producers feel is very important. I know that the approval procedure has the support of the Wheat Board, the Canadian Grain Commission, Agriculture Canada, and others. It is my understanding that the matter is now under review and a decision is expected very shortly.

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NUCLEAR ARMAMENTS

REPORTED UNITED STATES PLAN TO DEPLOY NUCLEAR WEAPONS AT CANADIAN BASES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Minister of National Defence who said that he did not know anything about the United States' plans to deploy 32 nuclear depth bombs in a time of crisis at Greenwood and Comox. Since the Minister now knows about the U.S. deployment plans, does he continue to argue, as he did last week in a radio program, that in fact Canada has no need to know and no right to know about U.S. nuclear deployment plans, and that Canada is in fact simply an extension of U.S. territory in nuclear matters?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, it is nice to hear where Canada stands as a nation from an NDP point of view. I find it rather difficult to reconcile what the Hon. Member is saying to me in relation to a so-called leaked document in the United States with her statement that perhaps the NDP should now consider some common sense and reconsider their position as far as NATO is concerned.

With respect to the question, I want to say that the document to which the Hon. Member is referring is an old document that was conceived in 1975. It has nothing to do with consultation between Canada and the United States. I can assure the Hon. Member that if there are any plans in the future in relation to mutual defence between Canada and the United States, there will be consultation with this Government.

Ms. Jewett: Mr. Speaker, the Minister should resign.

CANADIAN POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister will know that the nuclear planning group has no knowledge of U.S. contingency plans for the deployment of nuclear weapons outside of its territory, nor did the Canadian Government have any knowledge. Now that the Minister does know, will he communicate Canadian policy to the United States before it makes further contingency plans? That policy is the one adopted previously by the Prime Minister that there will be no nuclear weapons on Canadian soil.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, there is a simple answer to the Hon. Member's question. There are no such plans.

* * *

THE ECONOMY

EFFECT OF ARMAMENTS EXPENDITURES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to direct a question to the Minister of Finance with respect to the very important matter of job creation. He is probably aware of the musings of his colleague, the Minister of National Defence, over the Christmas holidays, suggesting that the economic recovery strategy of the Conservative Government is increased defence expenditures. At a time when there are cut-backs on help to industry, cut-backs on research and development, and a threat of increased taxes for pensioners, does the Minister of Finance endorse the position taken by the Minister of National Defence that we will have economic recovery by spending more money on armaments?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member should cast his mind back to November 8 when we clearly set out a very broad economic development program, part of which is related to the very successful performance that we have seen in Canada over the past four months with the creation of 100,000 jobs. I invite him to look at the broad economic program. There are various elements in the program to which the Hon. Member may want to refer, but the three part program is the over-all economic development program that we have set out in a broad way which will create many thousands more jobs than have been created to date.

• (1450)

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would suggest that it might be more helpful if the Minister's colleague, the Minister of National Defence, read that statement and quit misleading the Canadian people that the way we will create jobs is by spending money on arms.

I want to know from the Minister of Finance, or perhaps the Prime Minister, if they are now disavowing and rejecting the position of the Minister of National Defence, who says that we are going to create economic recovery in Canada by spending money on arms. Is the Minister prepared now to say that that is a foolish policy and will not have the results which the Minister of National Defence says it will?

Ms. Jewett: You should know. You spent lots yourself.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the Minister of National Defence has said is that a contribution can be made by the very successful defence sharing arrangement that he and the Secretary of Defense in the States have worked out, whereby small business and medium-sized business can participate to a much greater extent than in the past in the broad range of defence spending programs in the United States. That will create jobs in Canada, in addition to all the other factors that were directly addressed in the economic statement of November 8.

Some Hon. Members: Hear, hear!

Mr. Axworthy: We are a war machine, are we?

* * *

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT

Mr. Michael Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Prime Minister. It concerns the quite extraordinary contract of $1.8 million a year which has been awarded by the Government to an advertising firm headed by Messrs. Pierre Nantel and Peter Simpson. In view of the commitment the Prime Minister made in the election campaign to clean up the patronage practices of the former Liberal Government, can the Prime Minister explain why such an important contract is being awarded, with no tender being called, despite the fact that this is explicitly required under Section 8 of Chapter 310 of Appendix F of the Treasury Board's Government Contract Regulations?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, when the Prime Minister assigned these responsibilities to me he asked me to take initiatives to reduce the cost of advertising to the Government of Canada. One of the initiatives we took immediately was to wind up the CUIO. Another initiative was to seek a better contract with the agency of record than the previous administration had with its agency of record. We negotiated a better contract resulting in a savings to the Government of $18,000 a month. We will be taken more initiatives to save more money for the taxpayer, because that is the mandate I have from the Prime Minister.

Some Hon. Members: Hear, hear!

MEASURES TAKEN BY GOVERNMENT

Mr. Michael Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary question. Will the Minister say how many other firms were asked how much they would have been prepared to accept to do the job? If the Government is not

prepared to rescind this contract, what measures will the Minister take to ensure that a Conservative advertising placement agency does not use its powers over the placement of $60 million worth of advertising to reward media favourable to the Government, and penalize media that oppose the Government?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, the $60 million figure is a figure from the previous administration. That is not our figure. It is not what we will be spending.

The advertising business is not amenable to tendering. It is not tendered anywhere in the world—in the free world, that is, where they have advertising.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Let's hear it for the Communist market system.

Mr. Andre: My instructions to my officials were very explicit. They were to negotiate a contract that would result in the saving of dollars to the taxpayers of Canada. We will, in addition, be implementing an element of competition in advertising that Departments might undertake—

Mr. Deans: I thought that there wasn't any in the free world.

Mr. Andre: —by providing for those Departments a list of three, four, or five agencies, so that these agencies might compete for the business, instead of the previous system where a single agency was assigned to a specific Department.

Some Hon. Members: Hear, hear!

* * *

NORTH ATLANTIC TREATY ORGANIZATION

EFFECT OF SUPPLYING CANADIAN AIRCRAFT TO TURKISH AIR FORCE

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Defence. Could the Minister advise the House whether a decision has now been made to give 20 CF-104 aircraft to Turkey? If it has, would the Minister be prepared to reconsider that decision in light of the on-going concerns and problems with our NATO allies, Greece and Turkey, in light of the fact that Canada has had a peace-keeping force on Cyprus for the last 20 years, and in light of the fact that the United Nations' recent efforts for mediation on Cyprus have been terminated this weekend?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, the decision on the CF-104s is a decision that was taken some two years ago. It was taken after consultations with all of our NATO allies, including Greece and Turkey. At that particular moment Greece indicated no interest in those aircraft and, as a result, Turkey indicated an interest, and certain arrangements were made.

The Greek Government recently has indicated a reconsideration of its original position and has asked us to examine the possibility of providing Greece with some aircraft. We have indicated a willingness to give consideration to some of the additional surplus equipment that we have available being provided to Greece. Discussions are going on at this time in that regard.

* * *

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT—INVESTIGATION OF ALLEGATIONS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a question relating to the issue of government advertising. My question is for the Minister of Supply and Services. The Minister will recall that over the last few weeks there has been quite a bit of controversy over the issue of government advertising and certain allegations have been made. Is the Minister now prepared to indicate whether the Government is willing to co-operate fully with a Royal Canadian Mounted Police criminal investigation into the allegations that were made to that effect over the Christmas holidays?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, the press reports that led to the Member writing a letter to the RCMP were inaccurate. There are absolutely no kick-backs involved. My instructions to my officials were to sign a contract that would result in a saving to the Canadian public. They fulfilled that contract with no other conditions.

We are fully co-operating with the RCMP. I have made the contracts in question available to the RCMP. The Member can have them, and so can anybody else. I have them here. Members can examine the contracts at any time. I must ask the Hon. Member to recognize that what he is suggesting is criminal activity, and there is a tradition in this place that one is very careful about making those kinds of charges.

Mr. Boudria: Mr. Speaker, I have not charged anyone with anything. I have asked the Minister for his co-operation. That is all I have asked.

[*Translation*]

PARLIAMENTARY COMMITTEE INQUIRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in view of the controversy which the allocation of this contract has given rise to in the last few months, can the Minister assure the House that this whole issue could be settled by a Parliamentary Commission which would be responsible for ensuring that, in the future, this type of contract will be awarded either through tenders or another process, with the co-operation of the industry, which could appear before this Parliamentary Commission to assure us that the promises

made by the Government during the election campaign will be kept and that government patronage will be eliminated?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I will assure the Hon. Member that the contracts I signed on behalf of the Government will result in a better deal for the taxpayers than any signed by the previous administration with its advertising agencies.

I would also inform the Hon. Member that the advertising business is not susceptible to the tendering process. The agencies are paid a percentage of the total advertising budget. That is the way it is done. I do not think it is within our capability to change that practice that has been in place for 100 years. I will guarantee to the Hon. Member that he will be able to examine the contracts that we have signed, the future ones, and satisfy himself that we are getting full value for the taxpayers, which is fundamental to the mandate the Prime Minister gave me.

* * *

● (1500)

NATIONAL REVENUE

DEPARTMENT'S ACCOUNTABILITY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Revenue. Why does he feel that it is necessary to provide for his Department a policy which would result in the intimidation of taxpayers who would reasonably believe that they may have cause to complain about their tax treatment but who, in fact, would be dissuaded from doing so because of the Minister's actions?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, far from that. At the very same time as the Hon. Member and his colleagues sat mute last year, Members on this side of the House went across the country saying that taxpayers' rights had to be respected by the tax Department. That remains our policy, even though the Hon. Member remained silent throughout the whole period.

What I have said was, I thought, in keeping with the position the Hon. Member took last fall. Perhaps he has changed. His position then was that the Government should be as forthcoming and accountable as possible. What I have said is that I want to ensure that, where allegations are made about my Department's activities, we are held fully to account, and that we are forced to do so publicly.

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CLERK OF PETITIONS' REPORT

TAX BREAKS FOR CORPORATIONS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Spadina (Mr. Heap) on Friday, December 21, 1984, meets the requirements of the Standing Orders as to form.

HOUSE OF COMMONS

APPOINTMENT OF CLERK ASSISTANT (RESEARCH)

Mr. Speaker: I am pleased to announce today the recent appointment by Governor in Council of Mary Anne Griffith as Clerk Assistant (Research) of the House of Commons.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Mary Anne Griffith joined the House of Commons staff in 1970 and worked for various services, including the Committee Reporting Service, the Committees and Private Legislation Branch, as well as the offices of the Clerk and the Administrator of the House. Recently, she was principal clerk of the Research Branch for the Table.

[*English*]

As Clerk Assistant (Research), she will continue to guide the work of that branch whose mandate includes research for the Chair, the Table and Members of the House, as well as the publication of procedural papers and volumes of precedents. The branch is now undertaking a major project which includes the creation of a procedural data base and the eventual publication of a comprehensive new work on Canadian parliamentary practice and procedure.

[*Translation*]

This appointment gives evidence of the significant development of professional research within the House procedural services.

[*English*]

I have come to know our new Clerk Assistant extremely well and, as always, this House is extraordinarily well served.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

NUCLEAR ARMS CONTROL

PROPOSED BILATERAL NEGOTIATIONS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on January 8, following two days of meetings in Geneva, United States Secretary of State Mr. George Shultz and Soviet Foreign Minister Mr. Andrei Gromyko agreed to undertake a new set of bilateral negotiations on nuclear arms and space weapons. That agreement represents an important step forward in relations between the United States and the Soviet Union and in the prospect of reducing the danger of nuclear conflict. The negotiating process which it initiates can have far-reaching and positive implications for East-West relations and also for negotiations in multilateral arms control fora in which Canada is a direct

participant. I take this first occasion in this session of Parliament to congratulate both the United States and the Soviet Union for resuming negotiations.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Clark (Yellowhead): We are especially enheartened by the objectives agreed upon by the two parties, namely prevent an arms race in space and put an end to that race on earth, restrict and reduce nuclear weapons, and reinforce the strategic stability so as to pave the way for a complete ban on nuclear arms. Such objectives have long since been the main components of Canada's foreign policy. As indicated in the joint statement issued at the end of the Shultz-Gromyko talks, the object of those negotiations is, and I quote:

a complex series of questions related to space and nuclear weapons—both strategic and medium-range—which questions shall be considered and resolved with all respect for their interdependence.

It has been agreed that one of the major topics of discussion will be the existing relationship between offensive and defensive systems.

Defensive systems will include the strategic defence initiative of the United States and the Soviet defence systems. It is therefore quite appropriate that both existing and future defence systems of the two parties be on the agenda of those negotiations.

[*English*]

The United States President, Mr. Reagan, has stated that the strategic defence initiative is a research program designed to examine the feasibility of strengthening strategic stability and reducing reliance on nuclear weapons through greater attention to non-nuclear defensive measures. To date, the full extent of the program has not been explored and it would therefore be premature to draw definitive conclusions about it. Given the extraordinarily complex technical questions which SDI raises, questions which even an intensive research program is unlikely to resolve for many years, if ever, it is obvious that it is a highly hypothetical concept.

As the program is presently understood, research on SDI does not in and of itself contravene the provisions of either the 1967 Outer Space Treaty or of the 1972 Anti-Ballistic Missile Treaty, both of which Canada strongly supports. In light of significant Soviet advances in ballistic missile defence research in recent years and deployment of an actual ballistic missile defence system, it is only prudent that the West keep abreast of the feasibility of such projects.

However, actual development and deployment of space-based ballistic missile defence systems by either side would transgress the limits of the ABM Treaty as currently constituted. That could have serious implications for arms control and would therefore warrant close and careful attention by all concerned. We welcome in this regard President Reagan's affirmation that the U.S.A. would not proceed beyond research without discussion and negotiation.

We should be under no illusion that the course charted at Geneva will be an easy one. It will not be. What we are witnessing now is the beginning of a long and sensitive process. The conduct of Canada should be calculated to encourage the success of that process. Nothing is more important than that the two nuclear superpowers agree on means to end the arms race.

For our part, Canada will continue to work actively in the United Nations, in NATO and elsewhere to make practical progress on arms control and to improve understanding between East and West. The agreement at Geneva, after a long and dangerous stalemate, offers a new chance and the world cannot waste that opportunity.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I thank the Minister for giving us some notice of his statement; we received it just before 1.30 this afternoon. However, I want to thank him for his report to the House and for giving us some idea of the Government's position on the resumption of talks between the two major superpowers. We are glad to use this occasion to congratulate both the Soviet Union and the United States on resuming those negotiations.

[*Translation*]

The nuclear arms race is the most urgent problem facing mankind today. As the Minister said, a complete ban on nuclear weapons remains the major concern of Canada's foreign policy.

• (1510)

[*English*]

What the Minister did not mention, however, is the tradition of Canadians and their successive Governments to speak out for common sense, dialogue and a meaningful position in the world's quest for peace. While the Minister did say of the Gromyko-Shultz meetings, and I use his words, "the conduct of Canadians should be calculated to encourage the success of the process", it appears from his statement that the Minister and the Government are doing little more than restating the United States position. There is no indication that Canada will play any role in search of peace in the tradition of Pierre Trudeau, Lester Pearson or Louis St. Laurent.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister said in London that the present Government was not about to continue, and I think I use his words, "the drama of the peace initiative of Mr. Trudeau". I say to him quite clearly that the drama is not in the initiative. The drama is in the problem and the risk to the world in this nuclear crisis. In fact, the Government of Canada now appears to tolerate, if not to fully support, the development of the star wars concept which past Governments of this country have always rejected.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): There could be no more of a destabilizing element in those negotiations or in the escalation of the threat than that particular initiative by the United States.

I want to point out that members of the Liberal Party in this House have been the only ones who have consistently argued for an active interventionist, international Canadian role. That is why during the motion on arms control in this House before Christmas, we proposed an amendment to a motion from the NDP which motion rejected the Liberal tradition of realism in the arms race. We voted unanimously on that amendment, despite some of the comments afterward. In fact, when we talk about shading a view, I notice the statements over the past weekend of the Member for New Westminster-Coquitlam (Ms. Jewett) to the effect that her party, the NDP, should review the opposition to the NATO Treaty. I am very interested to see the comments on the monolithic unity of that Party on this issue in subsequent weeks.

We seized the opportunity to put before this House sensible propositions which would have sent a clear message to both superpowers to put on their agenda for these negotiations the negotiation of a mutually verifiable nuclear freeze with reductions, strengthening of the nuclear non-proliferation treaty, renewed emphasis on mutual and balanced force reduction talks in Vienna, those talks having broken off, the moving up in the United Nations of the special session on disarmament which is now scheduled only for 1986, an agreement to ban the testing of high altitude anti-satellite weapons, star wars, about which I have been talking, and to refine and improve nuclear weapons verification techniques. In short, our idea was that the Parliament of Canada could send a clear, unanimous message to the two superpowers to find agreement on these issues.

That amendment was rejected by both of the other Parties, too locked in to the left and the right ideologies to support constructive dialogue between the superpowers. The point is that the possibility of nuclear confrontation is not just an issue for the superpowers. It affects every man, woman and child on this planet.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Every Government speaking on behalf of Canada has the duty to speak out for constructive dialogue on this issue and to put pressure on both superpowers to find a solution. I see the Prime Minister (Mr. Mulroney) in the House. I am glad he is here because the issue is important. In response to a question before Christmas from my colleague from Winnipeg-Fort Garry (Mr. Axworthy), he accused that Member and indirectly the Members of this Party of being anti-American in taking this point of view. I say to him that it is not anti-American—and I do not stand in his shadow in wanting a better enhancement of our relationship with the United States—to insist on an independent foreign policy and to look at this most crucial issue in the eyes of humanity and in the eyes of most Canadian citizens. He said in New York that Canada is open for business again. I always thought that this country was open for business. Whatever point he was making in New York, I say to him that we may be open for business, but we are not up for sale.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This means sometimes having the courage to tell our friends the truth. My caucus and I are deeply disappointed that the Government has rejected the opportunity to follow that tradition and to accept that duty. I urge the Minister and the Prime Minister to move the active quest for peace up somewhat higher on the Government's agenda.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I wish to thank the Secretary of State for External Affairs (Mr. Clark) for renewing the practice of making a statement on motions and enabling the two other Parties in the House to respond to it. Like the Minister and my colleagues, and I am sure his colleagues—I really do not know where the Liberals stand—I am pleased to say to the Minister on behalf of my colleagues that the foreign ministers of the two superpowers did in fact agree to at least start talks. We have no idea whether any positions have changed, softened or anything, but it is in the interests of world peace, if we ever reach it, that negotiations do proceed.

I was a little disturbed to see them broken into three baskets in the way they were. Many of us would have preferred to have seen negotiations on intermediate and strategic weapons joined. I would have liked to have the view of the Minister on that matter.

I would also have liked a further explanation from the Minister as to what the U.S. and the Soviets mean in the communique by saying that the negotiations will address "a complex of questions concerning space and nuclear arms with all these questions considered and resolved in their inter-relationship". I wonder if the Minister's envoy to Ottawa succeeded in explaining that to the Minister because I know that the Minister takes a rather dim view of bureaucratise. I take it to mean that the three sets of talks will be linked and there will not be a simple dealing with only one set of negotiations and then going to another and then to another. Since they are not merged in a single basket, it is absolutely essential that there be very close links among the three sets of talks.

The rest of the Minister's statement addresses in an extraordinarily convoluted way the strategic defence initiative of President Reagan. I find that the Minister has basically taken his advice on this from the United States Department of Defence rather than taking any independent advice. For example, he said that it would be premature to draw definitive conclusions about the SDI. He says that given the extraordinarily complex technical questions that it raises, it is obvious that it is a highly hypothetical concept. That is what the United States Defence Department is saying but that is not what most of the ablest scholars in the United States are saying. In fact, they are saying quite the opposite, that we do

know enough about the SDI to know that it will produce yet another round in the nuclear arms race. Once again, we are deceiving people everywhere by thinking that some so-called defence system can work. The Minister himself has swallowed that.

● (1520)

In the next paragraph, the Minister speaks of significant Soviet advances in ballistic missile defence research in recent years and of deployment of an actual ballistic missile defence system. Does the Minister not know that the Soviets deployed that system under the ABM treaty, something which they were allowed to do? He makes it sound as if they have suddenly just now deployed an ABM system. The U.S. declined but the Soviets did so around Moscow.

The Minister rather scares us into thinking that the Soviets are making all of these great advances in ballistic missile defence. Does he not know that the U.S. military has said that the Soviets cannot possibly match U.S. technology in star wars developments? Of course, that is why the Soviets do not want those developments to begin.

Dealing with the next paragraph, does the Minister really believe that the U.S. will stop the research on star wars? Does he not know that the Americans have already tested component parts, something which I think is contrary to the ABM treaty? Does the Minister not know that more tests and even partial deployment of star wars are coming? Has he been taken in completely to believe that only research is in progress? Clearly he has been taken in. Since so much of the Minister's statement deals with star wars, I find it very alarming that he has been taken in completely by what the American Secretary of Defence has told him to believe. I would hope that on a further occasion we will hear from the Minister a more critical and thoughtful examination of the strategic defence initiative.

Mr. Speaker: Questions?

Mr. Axworthy: Mr. Speaker, I would like to raise several questions for the Secretary of State for External Affairs (Mr. Clark) regarding a very shocking reversal of the tradition of the country of being an effective advocate for arms control measures. The Minister has said that he does not believe that the Government should take a stand against star wars even though, in his own statement to the United Nations, he made a clear case for the prevention of any form of militarization of outer space. First, I would like to know why he is now reversing the position he took when he spoke before the United Nations by allowing the introduction of a new military force in outer space?

Second, how does the Minister deal with the issue of which he as a student of history would be aware, that throughout the entire history of arms development since the Second World War and the nuclear age both great powers have always played a catch-up game? When any one power indicates that it is about to make a new technological breakthrough, the other power responds in like kind. If we support the United States in its $25 billion research program, are we also to tell the Soviets to go ahead with their $25 billion research program or missile system so that they may catch up to the Americans?

In other words, how does the Secretary of State for External Affairs in any way reconcile the incredible instability that the star wars SDI program represents with the entire area of superpower relationships? For goodness sake, why is he breaking with the tradition that this country has adopted for years of putting forward its advocacy to try to restrain the arms race rather than supporting a measure that will only add to the arms race?

Mr. Clark (Yellowhead): Mr. Speaker, there are a couple of comments I should make in answer to that question. The first has to do with the idea of a reversal of traditions. I find that rather strange coming from the Hon. Member, from the Leader of the Liberal Party (Mr. Turner) and indeed from the spokesperson for the New Democratic Party who, at the time of the Bomarc decision, was, if I am correct, a member of the Liberal Party. There has been only one occasion in the history of Canada on which the question of nuclear arms on Canadian soil was a question of differences between Parties. At that time the Progressive Conservative Party, the Party which now forms the Government of Canada, opposed the question of the placing of the Bomarc missile here. The Liberal Party and the present spokesperson for the NDP, in her then incarnation as a Liberal, supported the nuclearization of this country.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): If there is a question of reversal of positions, there is no doubt that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) speaks with a certain expertise. What is important here is that when the Hon. Member for Winnipeg-Fort Garry suggests that in terms of the nuclear situation in the world we are involved in a catch-up game between superpowers, he is out of date. What we are involved in now is a negotiation between the two superpowers. It might be that the Hon. Member would prefer to be at the table himself. He is not at the table. The Soviet Union and the United States are at the table. There is a negotiation in progress and the most important role for this country to play is to ensure that the negotiation with the agenda now before it has the prospect of success. It would be unpardonable for this country, this Government or this Parliament to take a position which would throw those negotiations off course.

Some Hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, in his statement the Minister gave us a great deal of rhetoric in favour of disarmament. However, I would like to refer him to the question that was asked by my hon. colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), regarding a statement made by the Minister of National Defence (Mr. Coates), who said that one of the ways of increasing employment in this country is to increase expenditures on armaments. I refer the Minister to the well known Thorson report and I quote from an article

published in the *Chicago Sun-Times* written by Pat Orvis. In summarizing that report the article reads as follows:

The arms race costs jobs rather than creating them, according to a report on "The Relationship Between Disarmament and Development" done for the United Nations by 27 countries,—

This report is informally known as the Thorson report. I can also refer the Hon. Minister to many other statements which indicate that moneys invested in armaments have the smallest multiplier effect in producing jobs of any sector.

Mr. Speaker: Does the Hon. Member have a question?

Mr. Allmand: Yes, I will put the question. Armaments can be compared with retail trade, education, hospitals, newspapers, power manufacture, metal manufacture and other sectors.

I wish to ask the Minister two questions. Does the Minister approve of the statement made by the Minister of National Defence, who indicated that we can solve the job problems of this country by spending more money on armaments? Second, how can he convince the world that he is serious about disarmament when the Minister of National Defence is suggesting that we greatly increase our armaments production in order to produce jobs, something which will not even happen?

Mr. Clark (Yellowhead): Mr. Speaker, it may well be and indeed it is the case that in a perfect world there would be no need to spend money on defence. We do not live in a perfect world. We live in a world that is torn and divided not only by conflicts between nations but by conflicts about values. The conflicts about values are conflicts in which Canada is not neutral. We stand for freedom. We play our role for our allies in defence of freedom.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We are prepared to accept our obligations in the defence of freedom just as we are prepared to accept our obligations in encouraging arms control and disarmament.

I will not read a long list, but I do make the point that under the former Liberal Government the consultative committee on disarmament was never convened. It has now been convened by the disarmament adviser appointed by this Government. Even in a time of budgetary restraint, this Government is now spending money to ensure that Canada is able to carry on its contribution to the essential process of verification of arms control agreements should they be achieved. The list is long and it goes on. The point I would like to make is that it is absolutely consistent to work simultaneously toward both peace and freedom and that is the commitment of this Government.

Some Hon. Members: Hear, hear!

Mr. Robinson: Mr. Speaker, I would like to return to a question which was raised by my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), and to take up the Minister's very disturbing suggestion that the process of what he has called research into the star wars concept is basically acceptable to the Canadian Government. I would like to ask the Minister one question on that matter and one question on a related subject.

Would the Minister clarify to Parliament and the people of Canada whether or not he has any differences whatsoever with the American Government's position and the position of Ronald Reagan with respect to the so-called research on star wars?

● (1530)

Will he indicate precisely what his knowledge is of the extent to which there has been not merely research but as well a number of important steps taken on the road to deployment? What differences, if any, exist between the position of the Government of Canada and the Government of the United States with respect to the star wars research and deployment?

Second, Mr. Speaker, on another very important subject the Minister has indicated that Canada is prepared to take our stand in defence of freedom and, of course, we agree with that.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: What about NATO?

Mr. Robinson: I want to ask the Minister whether taking such a stand includes Canada being included in contingency plans by the United States Government, past or present, without our knowledge and consent? Would the Minister clearly indicate—

Mr. Speaker: Thank you.

Mr. Clark (Yellowhead): Mr. Speaker, I suppose nothing could demonstrate the difference in attitude toward our responsibilities to achieve some agreement on arms control better than the suggestion that, at a time when delicate negotiations have finally begun, we, instead of supporting the people at the table, should be scrounging around looking for differences which we can advertise. So that might have some effect on setting those negotiations off course. That may be the position of the New Democratic Party, but it is not the position of the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): A general question has been asked as to whether there is any difference at all on a concept which is in an early hypothetical stage—

Ms. Jewett: It's not hypothetical.

Mr. Clark (Yellowhead): —and that has to do with a very complex question. The only way I can answer that, Mr. Speaker, is to ask the Hon. Member, if he has a specific question to put to me regarding an aspect of the research involved in the SDI, to put it to me rather than to hide behind that kind of general and evasive questioning.

With regard to the Hon. Member's last question, I cannot speak for the conduct of past Governments. I can speak for the conduct of this Government. We have sought and have received, as a result of events in recent days, a clear assurance from the Government of the United States that there will absolutely be consultation regarding any nuclear action in time of crisis which might affect Canada—

Ms. Jewett: Too late.

Mr. Clark (Yellowhead): —and that no such action would be taken without the agreement of Canada.

Some Hon. Members: Hear, hear!

Mr. Speaker: I will allow one more question.

Mr. Tobin: Mr. Speaker, while the Secretary of State for External Affairs (Mr. Clark) and the New Democratic Party are debating where they stand or do not stand on star wars, let me tell them that the Liberal Party is against star wars whether in the United States or in the Soviet Union, and we are definitive about that.

I find it somewhat fascinating, a convoluted exercise in mental gymnastics, to try to follow the logic in this statement. On the one hand, we have the Secretary of State for External Affairs indicating that the Government of Canada approves tacitly, or turns a blind eye, on SDI development research—$25 billion worth—in the United States and, on the other hand, in the very same statement we find the words, "to date the full extent of the program has not been explored and it would, therefore, be premature to draw definitive conclusions about it". That is right, it would be premature for this country to send a signal across the western world that somehow we tacitly approve that United States expenditure. Surely the Minister has no difficulty, not in taking sides, but in saying to both the United States and the Soviet Union that the development of nuclear weapons or new technology in space is wrong and we unequivocally oppose it in the United States or in the Soviet Union. Why can the Minister not take that position now? I am not asking him to take sides.

Mr. Clark (Yellowhead): Mr. Speaker, all I can say, I suppose, about the prelude to the Hon. Member's question—and I take it he speaks on behalf of the Liberal Party—is that some members of the Liberal Party are definitive; some members of the Liberal Party are much less definitive on this question.

Mr. Gauthier: Name them.

Mr. Clark (Yellowhead): We would look forward to learning what their position is. Our view is that the most important question at issue now, the most important development not only in arms control but, indeed, in the possibility of the world achieving peace, has been the resumption of negotiations between the super powers. Those two super powers have established an agenda. It is a broad agenda.

It is my view, as well as the view of this Government, that our action, our public comment and our private comment, including those made during my visit to the Soviet Union in April, should be to both sides to do everything we can to encourage the success of those negotiations and not to succomb to the temptation to address a partisan audience at home in a way which would set off course those essential negotiations.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

INTERNATIONAL YOUTH YEAR

OFFICIAL ANNOUNCEMENT OF COMMENCEMENT

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, 1985 is still young, and I hope that you and our hon. colleagues will allow me to offer my best wishes for the new year. With you and with all those who have remained young in heart and spirit, I want to wish the young people of this country and young people the world over the very best during this year.

Today, I have the honour of officially proclaiming the beginning of the International Year of Youth, and I urge every Member of this House to help us work together for the benefit of young Canadians.

[*English*]

Today's generation is a rich mosaic. It is no longer the almost uniform group it was in decades past. It seeks a greater role in Canadian society. The adult world, which is also very diversified and which is undergoing rapid technological change while grappling with serious economic difficulties, to some poses a challenge and to others a threat. However, we must not exaggerate the scope of the challenge. We should not underestimate the potential of our young people. Most of today's youth is well equipped to confront life's obstacles. Becoming better informed and better educated, the young people of today are demonstrating great realism. Prospects for meaningful work, global peace and security and the state of the environment, top the list of their concerns. They cannot succeed alone. We as Member of this House have a responsibility. We must attempt to break down the prejudices against young people and encourage our partners in the business and labour communities to make their fields more accessible to them.

[*Translation*]

In the interests of young people themselves, we should stop making youth a political issue.

The situation of young people today deserves special attention but should be considered within the context of society as a whole. Although our vision of the world and our philosophies may not always coincide, there are a number of concrete points on which we should be able to agree. There is, for instance, one area that concerns us all, and that is the need to create

permanent jobs. The best way to achieve this is to get our economy back on a sound basis. In this respect, the Government will continue to take any action that is necessary to promote the economic renewal that will lead to the creation of new jobs.

The International Year of Youth also provides an excellent opportunity to renew our approach to young people, and we, as Members of this House, are in a very good position to listen to young people, to register and consider their aspirations and to encourage them to participate fully in the life of this country.

We are also particularly well placed to make the public aware of the situation of our young people and the asset they represent, of the need to encourage them and welcome them with open arms.

The program developed by the Government for the International Year of Youth takes into consideration the points I have just mentioned as well as the themes proposed by the United Nations: participation, development and peace.

[*English*]

The year's activities include a grant program which is intended to facilitate the implementation of special projects undertaken by young people or on behalf of young people by volunteer groups and agencies. In addition, partial funding will be provided for joint initiatives by the Youth Secretariat and other federal departments and agencies. The peace and development program will increase the understanding of young Canadians of international realities here and abroad. An information and communication program is being established to inform Canadians about the situation of young people and to promote greater awareness of their contribution to society. I will soon be announcing appointments to an advisory committee composed of young people from all parts of Canada. Finally, five national forums will be held in various regions of the country. These exchanges will reflect our intention to involve young people fully in the development of the policies that will affect them.

● (1540)

However, International Youth Year is more than just a program and a string of projects, Mr. Speaker. It is a year for discussion and action. It is first and foremost a year that belongs to young people and all those who are interested in their welfare. Considerable time and energy has already been committed by many Canadians and I commend them for their efforts.

[*Translation*]

As we embark full of hope on this International Year of Youth, we must bear in mind that our aim is not to find some magic formula but to make progress.

Mr. Speaker, on this day when Parliament resumes its work, I wish to repeat this Government's intention to promote actively training for young people. The Youth Training Options First Chance Programme has been set up as a pilot project, and my colleague, the Minister of Employment and Immigration (Miss MacDonald) is developing new programs to provide young people with training consistent with the demands of a modern economy.

[*English*]

This Government will not overlook students who will need summer employment. However, before embarking on a new program we wish to consult broadly to determine how best to achieve this objective. Youth is one of Canada's untapped resources and I am committed to seeing that International Youth Year reaches beyond 1985. If we work alongside young people and our partners in the social and economic sectors, this special year will be more than just a year of celebration; it will be a year of real progress for and by youth. These are the objectives that I have established and will endeavour to realize during International Youth Year in close co-operation with each and every Canadian.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Liberal Party of Canada welcomes the opportunity that this International Year of Youth offers us to renew our focus and commitment to all the youth of this country. We are sensitive to their concerns and aware that our future lies in their potential to contribute to the ongoing growth and development of this great nation. In these turbulent times the future security and protection of this major human resource is as important as short-term fiscal considerations. Public policy must be innovative as well as just. In launching the International Year of Youth, the Minister of State has made abundantly clear once again that neither she nor the Tory caucus are committed to preventing a serious tragedy among our youth. They promised jobs but announced cuts. Sixteen to 37 per cent of our youth are unemployed in parts of Canada, and the Government offers nothing to assuage their disillusionment or to assure their sense of dignity and self-worth. A significant part of our society is now adrift. Their scars will last a lifetime. It will affect us all and make a mockery of the themes of participation, development and peace which are the focus of this year.

[*Translation*]

Although I do not feel inclined to criticize the Minister of State for Youth, I must point out a few shortcomings in her work and action. There are close to half a million young people, one out of four, that are unemployed. If the Minister is concerned with and wants to talk about those of our young people who perform well in our society and put the accent on them, I have no objection. But is that where the true priority lies given such high unemployment, the suicide rate, the growing use of drugs and alcohol, delinquency, single mothers, poverty and so on? Her department which was allotted a $28 million budget, was established to operate programs and projects for the International Youth Year and to speak on behalf of the young. Judging from her action to this date, it would seem that either she does not understand what her role is, or worse still, her colleagues do not listen to her. Who then speaks for the young? Clearly, it is not the Minister.

The programs already announced are but a drop in the bucket. Her projects bring no encouragement whatsoever to the young who are being hurt, who see no future and no job opportunities, who feel short-changed by society. If her caucus think that the private sector alone will create enough jobs for those 454,000 young unemployed, they are daydreaming!

[*English*]

True, the Minister has a narrow mandate, but she does have a role as advocate for young people and their concerns. Yet she stated this past weekend that the federal Government is not going to single out any one group for special consideration in 1985. This is in strange contradiction to her mandate, one which is unacceptable to me. Where was her voice when her Government severely scaled down the Youth Training Options First Chance Program? This is the most flagrant indication of the Conservatives' lack of care and concern toward our youth's needs. The reasoning for the First Chance Program was very important. While Government was spending billions of dollars on post-secondary education, very little was directed toward the preparation and training of three-quarters of our youth who need practical career help for their transition from school to the labour force where the unemployment level is the highest. Our youth need work and appropriate training. These are the key issues, Madam Minister.

Where was she when the young entrepreneur programs were chopped and the young workers exchange program terminated? Where was the Minister when $85 million was cut from summer employment programs?

Consultation is fine, but leadership is needed, too. How long do youth have to wait for government action on employment? The Minister allowed the Minister of Finance (Mr. Wilson) and the Minister of Employment and Immigration (Miss MacDonald) to put the cart before the horse when they stripped and cut important programs which affect our youth. She should have insisted that the programs geared for youth stay in place until the new Tory orientations for 1986 were ready to go. Did we hear the Minister speak out about cutting the chance to earn and learn for our youth? International youth themes of participation and development will not be met by this Government's rhetoric.

[*Translation*]

Where was the Minister when Radio Canada and CBC underwent drastic cuts? What were involved were quality cultural programs aimed at our young people.

Where was she when the Solicitor General was asked to postpone until after April 1st the implementation of the Young Offenders' Act?

[*English*]

Where was she when the Minister of National Defence (Mr. Coates) attacked peace protesters, when reforestation programs were slashed and when the volunteer training program, Katimavik, was cut? Has she forgotten that ecology and disarmament are prime concerns for young people? Where is her voice with respect to various mental health questions raised by the Badgley report and the growing suicide rate of our young people? Where was her support on the issue of social housing which affects poor young families and single parents?

Young Canadians, Mr. Speaker, employed or unemployed, do not go to the Rideau Club or belong to the Chamber of Commerce. The Minister must reflect their concerns and take actions on their behalf. It is a noble gesture to celebrate the United Nations Year of Youth, but, Mr. Speaker, the Minister has shown that her voice, her advocacy, has not been heard. Her silence screams at us, and youth are scandalized by Tory insensitivity and misguided priorities. I think young Canadians deserve better than this.

[*Translation*]

Our Canadian youth needs a voice that can be heard. Their future is at stake.

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, first I would like to join with all Members of this House, I am sure, in congratulating Canadian young people on the International Year of Youth which has been proclaimed this year by the United Nations. It has three central themes, that of participation, development and peace. These are themes which I am sure all Members of this House would support on a non-partisan basis.

I must say that, in listening with care to the remarks of the Minister, I tried to put myself in the place of a young man or woman in my constituency or a constituency in any part of this country who has been out of work for many months, someone who perhaps has a young family or is a student looking to this summer without the hope of a summer job or a longer-term job. I put myself in the position of that young person and asked myself what hope can be drawn from the actions of the Government to date. Actions speak much louder than words, Mr. Speaker. The central themes, as chosen by the United Nations, of participation, development and peace should be reflected in the actions of member Governments. Yet the Government has so far failed Canadians in the most important challenge of all of providing full and meaningful employment of our young people.

● (1550)

The *Toronto Star* published a survey yesterday of the major concerns of young people. I am sure that the Minister saw that survey. It showed a very disturbing result. Some 65 per cent of young people had a very deep and serious concern about unemployment. The Government says that we should trust it because the business sector is going to be stimulated and in turn jobs will be provided; the old trickle down theory. It was not worked before, Mr. Speaker, and it certainly is not going to work today. There are close to 700,000 young Canadians between the ages of 15 and 24 who want to work but cannot find jobs.

I do not have the time to give the many personal examples that I, and I am sure all Members of the House, could give of the anguish and financial and emotional hardship which is caused by this failure to provide meaningful jobs. That is the

most damning indictment of the Government's failure to act to date. There has been reference made already to the Summer Canada Program. The Minister has promised that there will be more, but surely students should have been told by now what the nature of the new Summer Canada Program will be. Surely the voice of the Minister of State for Youth (Mrs. Champagne) should have been raised long ago demanding that her Government take meaningful action for summer jobs for students.

Reference has been made to post-secondary education by both the Minister and the Liberal Member who just spoke. At the same time as the Government talks about optimism and hope for the future for young people it is freezing the level of Canada student loans. Tory provincial Governments are talking about adopting policies which would create bastions of elitism of our post-secondary institutions. The Bovey Commission advocates dramatically increased tuition fees. The Liberal Government policy of cutting back on funding to post-secondary education has certainly not been reversed by this Tory Government.

I noted that peace was selected as a central theme for the International Year of Youth. Indeed, what more crucial or essential question could there be than peace and disarmament? Just today the Secretary of State for External Affairs (Mr. Clark) suggested that Canada is acquiescing in the research and testing of a new generation of weapons. What will young people think when they hear of that decision by this Government?

[*Translation*]

Mr. Speaker, I would also urge the Minister to consider thoroughly the recommendations of the Badgley Commission to make sure that our young people are better protected against the sexual and other abuses examined by the Commission.

As for the Young Offenders Act, Mr. Speaker, I hope that the Minister will co-operate with her colleague the Solicitor General of Canada (Mr. MacKay) and demand that this important legislation be fully implemented as soon as possible. The Minister knows quite well that the legislation is meant to meet the special needs of young people under 18 years of age who have often been neglected in our legal system. And I hope the Minister will urge her colleague the Solicitor General to resist the pressures of provincial conservative governments which would like him to abstain from promulgating that legislation protecting the equality of our young people everywhere in Canada.

[*English*]

In closing let me say that I certainly join with the House in celebrating with enthusiasm the symbolic significance of the International Year of Youth. Youth are concerned as well, of course, about unemployment. The Minister, as the advocate for youth, has been silent on unemployment and a clean environment. The Minister is silent on the cut-backs to the Canada Wildlife Service, the quality and maintenance of our parks and programs designed to conduct research into the effects of toxic industrial chemicals. Young people are concerned about this and they want a Minister who will speak out on their behalf on these concerns.

We had International Women's Year and that was a hopeful beginning. This year is a symbolic beginning, but I urge the Minister to recognize that young people demand action in the areas that I have outlined. They demand action to put an end to the injustices of global poverty. We must provide that leadership to them, Mr. Speaker. We must not fail our young people in this of all years.

Mr. Speaker: Questions?

Mr. Dingwall: Mr. Speaker, I have a brief comment and then a question for the Minister. Although I can join with the Minister in applauding that it is the year for youth, I am appalled at the fact that there has been no concrete action taken by the Government to assist young people in the country. I point out to the Minister very clearly and unequivocally that young people in the country are fed up with politicians, particularly on the government side, who talk of prosperity tomorrow. The youth of the country want prosperity now. They want jobs now. They want an opportunity to improve themselves. They do not want more rhetoric from this Minister.

When is this Minister going to implement the recommendations which were contained in the employment advisory board report which talked about a pre-retirement plan to provide more jobs for youth? It talked about reducing the hours of the work week. What is the Minister going to do? Has she done anything on that or is she hiding outside the Cabinet room listening to the musings of other Ministers? What is she going to do?

[*Translation*]

Mr. Rossi: You are not on television now. This is the time to speak out. You are not play acting in "Un homme et son péché."

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, I could not help hearing the comment of the Hon. Member for Bourassa (Mr. Rossi) since he was obviously a faithful fan of that famous TV series. He showed good taste in those days.

[*English*]

I can understand that the young people are fed up with politicians. They have had 22 years of this. The Member said they want prosperity now. The Government would certainly like to be able to have all of the money, but the cupboards were bare. The Minister of Employment and Immigration (Miss MacDonald) said a few minutes ago in the House that she will be announcing a replacement for Summer Canada. She is the Minister responsible for this and it is not for me to make her announcements.

International Youth Year

● (1600)

Mr. Rodriguez: Mr. Speaker, I want to ask the Minister a very direct question. If she has no concern for youth within her Ministry, just exactly what is her role in that Cabinet?

Mr. Rossi: She is an actress.

Mr. Hnatyshyn: Order. You are a clown.

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, I am a very vocal spokesperson for young people within the Cabinet, as my colleagues will agree. The Government has had to make some very difficult decisions, some of which affected young people. We will have to suffer the problems of the last 22 years for a while longer. However, we are working very hard, and I can tell the Member that I am doing my job within the Cabinet as well as outside the Cabinet.

Mr. Marchi: Mr. Speaker, in her speech, the Minister of State for Youth (Mrs. Champagne) referred to youth as a rich multicultural mosaic. She went on to say that we should cut down the prejudices. I agree with her.

One recurring theme that came through loud and clear during my meetings with the various ethnocultural organizations of the country is unemployment among their ranks. The Minister will see in the report on visible minorities that in some cases unemployment among young people in visible minorities in certain regions of the country that are most depressed is up to 87 per cent.

What specific programs would the Minister and her Government introduce to address that very real and significant problem, particularly in the most depressed areas in this country?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, I do not believe that 87 per cent unemployment among certain people started on September 4. We are looking into those problems along with the Minister of State for Multiculturalism (Mr. Murta). The Canadian mosaic will be well represented in the advisory committee to the Minister, and I am sure that the Minister of Employment and Immigration will make sure that those programs will be varied and well suited to the different regions of Canada and the different needs of the provinces. I am sure the situation will be much better in the months to come.

Mr. Manly: Mr. Speaker, as we celebrate this International Year of Youth, what advice would she give to young people in British Columbia, for example, where there are 25,000 fewer jobs today than there were when her Government took office? There are 200,000 unemployed people in British Columbia today.

What opportunities are there for young people who will come out of schools and colleges in the summer? As we celebrate their year, what opportunities are there after cutbacks were announced to the program in November? Why has it taken this long for the Government even to get around to saying it will announce a new program? Why is this program not in place now so that young people will be able to plan their lives and have something to celebrate?

[*Translation*]

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, a summer employment program had been suggested by Hon. Members opposite during the last election campaign. Following a review, this program proved impracticable and extremely costly. We then decided to hold consultations which took me as recently as last week to British Columbia where I had conversations with many young students and where I met a month ago with Mr. McClelland, the Minister responsible for the International Year of Youth and Young People. Efforts are being made everywhere and I know that we will see the results very shortly.

Mr. Malépart: Mr. Speaker, the Minister has just stated that the previous government had proposed a program. She is wrong. The Summer Canada Student Program was already in place. I think it is important to say so.

A moment ago, you indicated to my friend the Hon. Member for Bourassa (Mr. Rossi) that he had been watching a good program in which you were starring. I watched it too. Unfortunately, I must say that if her performance as an actress was outstanding, her performance as a Minister is very poor. What young Canadians need now and what this government is not likely to give them is action and not speeches. All this patter is great fun. Our students need the Summer Canada programs which gave them the opportunity to acquire some experience. Young people like those in the Montréal-Sainte-Marie, Hochelaga-Maisonneuve and Rosemont ridings are those who will pay the price for this too close association with the private sector and the provinces, for you want to help only university students at the expense of high school students.

I should like therefore to know whether the Minister will stand up for these young people from the working class who are high school students and who will be unable to attend the CEGEP if they cannot find jobs this summer.

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, I demonstrated the importance the government is giving to the training of our young people, both those who are still attending school and those who have graduated from high school or university, when I spoke of this kind of blend of the two programs a moment ago. I was not referring to the Summer Canada program, but rather to the training program which was put forward last summer. The Summer Canada program will be replaced very shortly; you will realize then that there is something for everybody, for university students as well as all classes of our society and all regions in Canada.

[*English*]

Mr. Orlikow: Mr. Speaker, when discussing the International Year of the Youth, we are supposed to be celebrating this year. Earlier today the Prime Minister (Mr. Mulroney)

expressed pleasure about the fact that the rate of unemployment has dropped below 11 per cent for the first time in a long time. We know that the unemployment rate among young people is almost 20 per cent.

The Minister said that the Summer Canada Program devised by the former Government has been scrapped and that there will be an alternative program. Assuming that it is a better program than the Summer Canada Program, it will only employ a very small percentage of unemployed young people. At the end of this International Year of the Youth, how much less than the almost 20 per cent at present will the unemployment rate for young people be and what will our young people have to celebrate?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, along with the Member opposite I want to say that I am disappointed with everyone being so gloomy today when we are expressing hope for the young people of Canada.

Mr. Gauthier: Give us something to be happy about.

Mrs. Champagne (Saint-Hyacinthe-Bagot): I said in my speech that I am not a magician. I will not predict the percentage, but I am sure that, with the help of my colleagues in the Government, it will be lower than it is now and especially lower than it was during the reign of the former Government.

Mr. Baker: Mr. Speaker, I am not asking the Minister to be a magician. I am asking her to ask the Minister of Employment and Immigration (Miss MacDonald) to do something for unemployed young people who are poor.

Will the Minister ask the Minister of Employment and Immigration to change the guidelines for the hiring on direct job creation programs by Canada Works in Section 38 to allow people between the ages of 18 and 25 to qualify for a referral? Under the Minister's guidelines they cannot even get a referral for a job under direct job creation programs of the federal government. It is a fact, Mr. Speaker. Will the Minister check with somebody, her Deputy Minister, somebody, and find out whether what this Member is saying is correct? If she does that and finds out I am correct, will she ask the Minister of Employment to change that guideline, which is outright discrimination about which the Human Rights Commission should be concerned and certainly about which this Minister of Youth (Mrs. Champagne) should be concerned. I am asking the Minister a question. Does she understand, first, what I am talking about? If she does not understand what I am talking about, will she tell the House that she will try and find out what I am talking about? Will she do that on behalf of the poor unemployed young people of this country who, if they are 18 years of age, do not qualify for welfare if they are living at home? You do not qualify for family allowance when you reach 18, and you do not qualify for any of the jobs announced by the Government under the direct job creation program. Yes or no? Will she ask the Minister of Employment to change this?

• (1610)

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, I know that some of those criteria are being looked at at this time. I know that the Minister, certainly in the conversations and in the meetings we have had over the last couple of months, will hopefully help the young people in that very sector.

Mr. Nunziata: Where do you stand?

Mrs. Champagne (Saint-Hyacinthe-Bagot): I would like to remind the Hon. Member that within all the programs in my Department, because we have not talked about them at all, I have to live with some criteria that were defined by members of the Hon. Member's Party.

Mr. Baker: Why don't you change them?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Because there is a question of equity between people who have already been refused, and we are not allowed to have one new job according to that. Yes, this Government will be changing those criteria.

Mr. Keeper: Mr. Speaker, the Minister claims to be a loud voice in Cabinet for the concerns of youth. Obviously the Minister knows that young people would like to make a contribution to Canadian society. They would like to have jobs. They are concerned about global justice and about the disparities in income between Canada and Third World countries. They are concerned about peace and disarmament.

Looking at the record of this Government today and the fact that something like one out of every four young people is without work, the fact that development aid has been cut and that the Minister's Government has allowed the testing of the Cruise missile, I wonder just how loudly this Minister has been speaking in Cabinet for the concerns of young people? How can she explain this record of this Government in line with her mandate to speak up for the concerns of young people in Canada?

[*Translation*]

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, according to the remarks originating from every part of the House—either during the speech made by the Hon. Member for Mount Royal (Mrs. Finestone) or during those we have just heard—you would think I was the only one responsible for all existing problems, not only in Canada but throughout the continent, if not the world. Believe me, I am discharging my responsibilities in the Cabinet, and I think people will have to be more patient and that the aspirations of everyone in this International Youth Year . . . As I said earlier, we may not be swaying a magic wand, but we will make significant progress for and with the help of young people, and, I should hope, with the co-operation of the Members of the House.

[*English*]

PETITIONS

CUTS IN POST OFFICE HOURS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I would like to present a petition this afternoon on behalf of a number of concerned citizens of the Village of Penobsquis who are extremely upset about the proposed cut in post office hours, a subject on which the postal corporation has asked the local post office to present a proposal. People in rural Canada, let alone rural New Brunswick, are extremely concerned about the treatment they are receiving. I ask this Government to treat them as fairly and as equitably as Canada Post is apparently intending to treat urban customers.

[*Translation*]

CANCELLATION OF JOB CREATION PROGRAMS

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I am honoured to present a petition on behalf of my constituents of the riding of Saint-Michel-Ahuntsic who urge this House to take into consideration their concern with respect to the abolition of the Summer Canada Program and other job creation programs. The unemployment rate is so high throughout Canada that those workers quite properly wonder whether their jobs are secure. In addition, Mr. Speaker, many young people in my riding are quite upset by the possibility of going into debt or quitting school as a result of being unemployed this summer.

CANCELLATION OF SUMMER CANADA PROJECT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, at the request of my constituents, I have the honour to present to the House a petition against the abolition of the Summer Canada Student Employment Program which until now used to fund summer camp activities in three schools of my riding, Dante, Honoré-Mercier and Pierre-de-Coubertin.

Mr. Speaker, this measure will prevent a great many children from taking part during their summer holiday in programs organized in their neighbourhood, while at the same time doing away with summer jobs for students who look after those programs.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, the following questions will be answered today: Nos. 21, 32, 54, 77, 96, 102, 107, 112, 125, 162, and 163.

[*Text*]

LAWYERS EMPLOYED BY DEPARTMENT OF THE ENVIRONMENT

Question No. 21—**Mr. Howie:**

How many lawyers are employed by the Department of the Environment?

Hon. Suzanne Blais-Grenier (Minister of the Environment): There are six lawyers assigned to the Department from the Department of Justice.

RCMP—TENDERS FOR CONSTRUCTION, FREDERICTON, N.B.

Question No. 32—**Mr. Howie:**

1. Will tenders be called for the construction of the "J" Divisional Headquarters of the R.C.M.P. in Fredericton, New Brunswick and, if so, on what date?

2. What is the present status of planning for the project?

3. Were outside consultants, architects, or planners engaged and, if so, what (a) are their names (b) amount was allocated for their services?

Hon. Roch La Salle (Minister of Public Works): 1. Tender call for main project contract scheduled for April 30, 1985.

2. Based on Treasury Board effective project approval of June 5, 1984, working drawings and specifications are proceeding and at present are 66 per cent complete.

3. With Treasury Board Approval the original consultants' agreement was extended and

(a) Prime consultants Duschenes & Fish and Neill and Gunter Ltd. in partnership were engaged to proceed with working drawings and construction supervision.

(b) The present maximum contractual cost of the prime consultants' agreement is $1,900,000. which covers professional services for all stages of design and construction supervision.

116335 CANADA INC.

Question No. 54—**Mr. Howie:**

To the knowledge of the government is 116335 Canada Inc. a subsidiary of the Canadian National Railway and, if so, what are the (a) names (b) positions of the persons who occupy positions on the Board of Directors and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Don. Mazankowski (Minister of Transport): The Management of Canadian National Railways advises as follows: 116335 Canada Inc. ceased to exist effective January 1, 1983.

(a) and (b) Not applicable.

SECURITY SERVICE—REQUESTS FOR WARRANTS FOR SURVEILLANCE

Question No. 77—**Mr. Nunziata:**

Have any requests been made for warrants for surveillance by the security service and, if so, how many?

Hon. Elmer M. MacKay (Solicitor General of Canada): Applications for warrants have been made by the Service in accordance with the provisions of section 21 of the Canadian Security Intelligence Service Act. It is not in the interests of

national security to reveal at this time the number of applications made for warrants.

REGIONAL MARINE CENTRE

Question No. 96—**Mr. Dingwall:**

Will the Minister of Transport provide moneys to set up a Regional Marine Center that will accommodate the Canadian Coast Guard offices in Louisbourg,

Hon. Don Mazankowski (Minister of Transport): No. (a) Not applicable. (b) There are no Coast Guard offices in Louisbourg. Existing accommodations for the Louisbourg lifeboat station are adequate.

CRTC HEARINGS ON CN-CP APPLICATION

Question No. 102—**Mr. Orlikow:**

Did the CRTC hold formal hearings from September 4 to November 16, 1984 into the application of CN-CP Telecommunications to provide interchange competition and, if so, how many (a) items of correspondence were received from individuals and groups by the office of the Minister of Communications concerning telephone system deregulation and telephone rate structure rebalancing (b) petitions were received by the office of the Minister concerning telephone system deregulation and telephone rate structure rebalancing and how many individuals had signed the petitions?

Hon. Marcel Masse (Minister of Communications): The Canadian Radio-television and Telecommunications Commission (CRTC) held public hearings from September 4 to November 16, 1984 on an application by CNCP Telecommunications to provide long distance telephone service.

As of December 10, 1984: (a) 10,899 items of correspondence concerning deregulation and rate rebalancing of telephone service have been received from individuals and groups by the office of the Minister of Communications; (b) 51 petitions signed by 5,592 individuals have been received.

STUDIES OF VALUE ADDED TAX

Question No. 107—**Mr. de Jong:**

1. Did the Department of Finance undertake or did it have undertaken for it any studies as to the matter of the implementation and administration of a value added tax in Canada and, if so (a) did such studies examine the federal jurisdiction only or did it also examine the tax with respect to its application on a federal-provincial scale (b) how many were completed and, in each case, on what date?

2. Are any studies presently under way and, if so (a) how many (b) who are the participants (c) what is the estimated cost, in each case?

3. Have any studies been completed and, if so, will they be tabled or released to the public in some other manner?

Hon. Barbara McDougall (Minister of State (Finance)): Ways to improve the efficiency of Canada's tax system are always under review by the Department of Finance. In particular, Canada's commodity tax system has been under intensive review for some years. Several alternatives to the present manufacturers' sales tax have been identified and value added taxation is one of them. While no detailed studies of a value added tax have been prepared by the Department of Finance, the report of the Federal Sales Tax Review Committee submitted to the Government in May, 1983 has a discussion of this option.

The Department of Finance has commenced a review of value added tax (VAT) following the Federal Sales Tax Review Committee report. First hand information about the operation of existing value added systems in the European Economic Community was obtained during a recent visit to Europe by officials from Finance and Revenue Canada. Information gathered by this group forms the basis for work now in progress in the Department to evaluate this option.

This activity should not be interpreted as endorsement by the federal Government of the value added tax alternative. No decision has been made to replace the manufacturers' sales tax, let alone the nature of a possible replacement.

No external studies of federal-provincial aspects of value added taxation are in progress, though federal-provincial aspects are central to the feasibility of such an option in Canada and are under consideration in the Department of Finance.

One external study on the operation of VAT has recently been commissioned by the Department. This examines the relatively difficult areas of housing and financial sectors under a VAT framework. This study will cost $21,500.

No studies have yet been completed in the Department. When any studies are completed, the Government will examine the feasibility of making them available to the public.

DPW CONTRACTS IN CONSTITUENCY OF MANICOUAGAN

Question No. 112—**Mr. Boudria:**

Since the September 4 election, how many Department of Public Works contracts have been awarded or filled by suppliers or contractors, originating in part or in whole, from the Constitutency of Manicouagan and, in each case, what was the total value of the contracts?

Hon. Roch La Salle (Minister of Public Works): Since the September 4 election four public works contracts have been awarded. The total value of each of the four contracts is as follows: $6,720, $23,302, $11,799, $58,670.

CABINET MINISTERS' CHIEFS OF STAFF

Question No. 125—**Mr. Robichaud:**

1. Were courses given to chiefs of staff of cabinet ministers' and, if so (a) at what cost (b) how long did they last?

2. Were tenders called before the contract was awarded to the Biolink Management firm and, if so (a) how many tenders were examined (b) what were the names of individuals or firms who submitted a tender (c) what were the amounts of the tenders?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): 1. Chiefs of Staff were able to subscribe to a course (a) costing $986.80 per participant; and (b) over a period of one evening and two full days.

2. No contract was awarded by the Government of Canada to the Biolink Management firm.

Investment Canada Act

PROJECT CUTS IN SCIENCE AND TECHNOLOGY PROGRAM

Question No. 162—**Mr. Orlikow:**

Has the Ministry of State for Science and Technology cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. Thomas Siddon (Minister of State for Science and Technology): There has been no reduction in expenditures resulting from the economic statement made by the Minister of Finance in the House on November 8, 1984.

DEPARTMENT OF SECRETARY OF STATE

Question No. 163—**Mr. Orlikow:**

Has the Secretary of State cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. Walter McLean (Secretary of State): The Department of the Secretary of State does not administer science and technology programs.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. McDermid: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development, and the amendment thereto by Mr. Gray (Windsor West (p. 1302).

Mrs. Sheila Copps (Hamilton East): Mr. Speaker, this is my first opportunity to join the Hon. Member for Bow River (Mr. Taylor) who this morning extended his wishes for a Happy New Year to the members of the House of Commons and to all Canadians. I am sure I express the views of my colleagues in the Liberal Party when I wish all Canadians a Happy New Year. It is for that reason that I see much difficulty in this measure being introduced by the Tory Government.

Mr. Speaker, it is a well known fact that the issue of investment in Canada is of concern to all Canadians because, as was promised by our Prime Minister during the election campaign, as soon as elected a Conservative Government would create thousands of jobs. We in the Liberal Party said we would introduce a policy that would create that kind of jobs for all Canadians. Unfortunately, the kind of measure introduced by this Government will do exactly the opposite. Mr. Speaker, I would like to indicate that since the setting up by the former Liberal Government of the Foreign Investment Review Agency, we had the pleasure as Canadians to exercise a degree of control over our economy.

[*English*]

I, too, like the Member for Bow River (Mr. Taylor) would like to wish all Canadians a happy new year. I, too, like the Hon. Member for Bow River and the Prime Minister (Mr. Mulroney) of this country would like to help to create tens upon thousands of jobs for Canadians. But, Mr. Speaker, the motion before us with respect to the Government's move to take the teeth out of the Foreign Investment Review Agency with the creation of Investment Canada does not promise the nirvana that this Government would have Canadian people believe will be brought about. It does not offer the kinds of job guarantees and creative approaches to the new economy for which we in the Liberal Party are looking. It does not say to Canadians that we will welcome foreign investment as long as it does not result in a loss of Canadian jobs, as long as Canadian can retain the kind of control we are beginning to achieve over our own economy.

• (1620)

The Government would have us believe that in fact the Foreign Investment Review Agency was a failure, but the facts speak otherwise. From 1974, from the creation of FIRA to 1982, if we look at the figures in the manufacturing, petroleum, natural gas mining and smelting sectors—in fact, in all sectors of the Canadian economy—we see that Canadian ownership began to play an increasing role in our investment. I should like to bring a personal example to bear. If we look at foreign multinational companies, those which have caused closures of many Canadian plants during the economic downturn, we see that those firms did not look to the Canadian Government to ask how we could keep our economy going. They did not look to the Canadian people to secure jobs and to guarantee jobs for them. When times got tough, foreign investment got going; they left this country in such a way as to leave Canadians employed in branch plants with no jobs, no security, no hope for the future. In the 10-year period since the introduction of FIRA, Canadians have begun to realize the objectives of gaining control over our own economy.

Certainly it is with great fear and trepidation that I look at the policy of the Government which is to snuggle so close to the American President and Republican economic policies of the United States as to embrace the whole concept of free

trade. We know by quoting a former member of the Conservative Party that not all foreign investment is necessarily good for the economy. I refer to an article which appeared in *The Citizen* this January in which is was indicated that it was naive to think that all foreign investments would boost the economy and that some capital could bring harm, as economist and former Tory Member of Parliament Jim Gillies warned in a newspaper article.

We know that if the Government moves in the direction of free trade which has been espoused by a number of its members as we will see, according to estimates by the Ontario Economic Council, under multilateral free trade, employment in leather goods, miscellaneous manufacturing and machinery would be cut by at least 10 per cent and the knitting mill industry in Canada virtually wiped out.

[*Translation*]

Mr. Speaker, I would like to know whether the Quebec government members support a policy which will lead to the total destruction and disappearance of the Canadian textile industry. As a representative of a constituency in South Western Ontario, I saw Wabasso close down in that region, and I know quite well that the Canadian people would support a policy whose major objective would be to maintain and guarantee jobs for Canadians.

[*English*]

I see nothing in this government legislation which tells Canadians that we will welcome foreign investment as long as it is coupled with the protection of Canadian jobs. I should like to turn to Gallup—

[*Translation*]

—the poll which says that more than two-thirds of Canadians are afraid of losing their job.

[*English*]

We have a challenge in this House of Commons which involves a made-in-Canada economic policy including a move toward full employment, creative measures relating to the issue of early retirement and a stimulation of the economy on a domestic level through the development of an industrial strategy, not merely a scraping and bowing to foreign investment such as was articulated by the Prime Minister (Mr. Mulroney) when he went to New York to say that the country was up for sale.

If there is one heritage of which the Liberal Party can be proud, it is that we have Canadianized our economy. Unlike a former Prime Minister who said that we should be drawers of water and hewers of wood, this Party believes in stimulating the economy at the secondary level, even if it involves certain elements of domestic protection. I know about a situation in my own riding involving Susan Shoes. Very shortly the Government will be faced with the opportunity to renegotiate tariff quotas with respect to the importation of shoes. My colleagues and I will be fighting hard, not only to save jobs for Canadians but to tell multinational firms what we want, as we did with FIRA. FIRA was not a block to foreign investment to Canada. FIRA was a tool with which we told companies that if they wanted to come to Canada to take advantage of our tremendous natural resources and tremendous productivity offered by Canadian workers, they would be able to do so by ensuring their participation fully in the Canadian economy, including the job guarantees which we do not see in the document tabled by the Government.

Earlier in a discussion regarding this Bill I said that it should be renamed. It should not be called Investment Canada. It should be renamed "Abandon Canada". Under the lack of leadership of the Government which we have seen with the star wars policy and with the shallow shell of a foreign investment review policy, this is a Government which is not committed to a made-in-Canada economic strategy. It is not committed to creative new ideas. It is not committed to job creation and job guarantees for millions of Canadians who are looking for leadership.

It is on that sad note that I conclude my remarks that the new year will not be a very happy one for Canadians unless the Government agrees to our hoist motion to sit on this Bill for at least six months before proceeding with a measure which will mean lost jobs for Canadians from coast to coast.

Mr. Elliott Hardey (Kent): Mr. Speaker, I am pleased to have the opportunity to rise in the House and participate in the continuation of the debate on Bill C-15, a Bill which will benefit all parts of Canada through the encouragement of investment and the creation of jobs. It will be particularly welcome in my riding of Kent in southwestern Ontario.

We have an area with some of the most productive agricultural land in Canada. We are also very progressive industrially and anxious to expand the manufacturing sector. New housing areas are continually growing. Just last week we had an announcement of an interest free federal-provincial loan to help build 32 units of moderate-cost rental housing in the City of Chatham. We have natural gas supplies, unlimited hydroelectric power and good water supplies, along with excellent highways and township roads. We have all the requirements for industrial growth. What we need is capital.

Canadians want jobs. That is their number one priority, and it is certainly understandable. As a Government we want to make it possible for private industry to provide those jobs. Government alone cannot provide long-term, meaningful employment. Although I know some Hon. Members in the House have expressed the view that the Bill before us will result in lost jobs, frankly I do not believe it.

In a survey this past summer, the European Management Forum ranked Canada as twenty-eighth out of 28 nations in its receptiveness of foreign investment. That figure would not present any problem if we had ample investment capital in the country to develop industrially to the point which is necessary to put our people to work, but it is obvious that we do not have it and that FIRA was not doing the job despite the defence put forward for that agency in the course of this debate.

An Hon. Member opposite was worried that this Bill would steal jobs from working men and women. The gentleman was

further worried that economic and social policies in the country would be determined by foreign investors. I remind him that between 1980 and 1984, $18 billion of direct investment capital left Canada. There is no need to ask what effect that had on working men and women. The answer is obvious.

• (1630)

The Foreign Investment Review Agency, or FIRA as it is called, was established in 1974 to screen foreign investment proposals and to determine if those investments would have significant benefits to Canada. Unfortunately, instead of encouraging investment, it sent out signals leading interested foreign and domestic investors to think Canada was not receptive to foreign investment.

The Bill before us will undo the damage that FIRA has done, and it puts a new agency into place with a clear mandate to encourage and facilitate investment, with a fresh and different philosophical approach. I think the approach is worth noting and I draw attention to the preamble to Bill C-15 which states that "increased capital and technology would benefit Canada" and therefore proposes "to encourage investment in Canada by Canadians and non-Canadians that contribute to economic growth and employment opportunities". FIRA, by contrast, stresses "that the extent to which control of Canadian industry, trade and commerce has been acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern,". Under the present Bill, the criterion for allowance is net benefit to Canada, which is a more practical approach.

Canadians asked for change, in fact they demanded change, and the economic statement made it clear that the Government intends to carry out that mandate. As part of that change of thrust, a clear message is going out that Canada wishes to become a better place for foreign investors to do business.

There are those, of course, who believe that foreign investment in Canada is dangerous and who call for less rather than more foreign capital. That would be fine if we did not need foreign investment, but we do. The Conference Board of Canada in its second in a series of studies on the role of foreign investment in Canada received some very interesting replies to the questionnaires it sent out. According to the study's author, over half of those surveyed said that FIRA had hindered their investment plans.

The President of the Conference Board in a release last week has now concluded that although the second report indicated that there were a number of areas of concern to investors in Canada, in looking at the new legislation, each of these areas has been addressed.

This Bill has won the general approval of the business community, and I can think of no endorsement more significant than that of the Vice-President of the Canadian Chamber of Commerce who is quoted as saying, "Now we have something solid—here's the beef". I believe he put that very well.

The *Financial Post* of January 5 calls this new legislation a giant step forward on the foreign investment front. It goes on to call for the Government to deal with the present unfinished business and to administer the new legislation in a manner which keeps the focus on the role foreign investment must play quickly in the national economic strategy of reliance on the private sector.

For those who argue that foreign investment rules should be tightened, not loosened, there is no reason for them to be worried about this new legislation. Investment Canada, while welcoming foreign capital, still reserves the authority to review any purchase in sensitive areas or when the investment is over a certain amount. The money is not coming into Canada without scrutiny, but it will come in without hindrance unless there is a valid reason for delay.

For those who call for less foreign investment and less involvement with the U.S., it would be well to remember that almost a third of Canada's Gross National Product in 1983 was attributable to exports. Of total exports, 73 per cent went to the United States, as did 80 per cent of manufactured goods. This means that about 20 per cent of Canada's GNP and the jobs of 3 million Canadians depend on the U.S. market.

The newly industrialized countries have become more competitive, and protectionist pressures have grown in the U.S. Canada is particularly vulnerable in that our $130 billion in two-way trade is much more important to us than it is to the Americans. We should not take that market for granted in spite of our proximity to the States and our long history of friendly relations.

If we are to create 2 million new jobs over the next few years, it is estimated that we will need about $4 billion in foreign investment, and even at that we will still need three Canadian dollars for every one foreign dollar.

We have reached a point where we have to be practical in our approach. Under this new Bill, the maximum turnover time for a foreign investment application will be 45 days. The Minister will decide, rather than the full Cabinet, if the new foreign investment offers a net benefit to Canada. We will no longer read articles like the one in the Halifax *Chronicle* of December 8 last when, in a column about foreign investment, it mentioned the whole Cabinet pondering a $1,000 takeover when the average cost to the taxpayers of a FIRA review is $6,000. That certainly is a case of over-kill.

Investment Canada represents an honest effort to find a solution to the long-standing problem of how to get the necessary capital to develop and still maintain control over our own destiny. This Bill offers an opportunity to do both in a realistic way.

It is obvious that Canadians will not, or cannot, provide the investment necessary, and the only answer is foreign capital, since Government alone cannot provide the 1,500,000 jobs so urgently needed in this country.

In my own riding, there are firms that are ready to expand and have the expertise and manpower. What they lack is

money. These firms do not want to be taken over and they are not afraid of that happening. They would welcome an input of foreign capital.

I discussed this Bill with a couple of businessmen in my riding and, in the words of Mike McGregor, President of Canadian Fram in Chatham, it is "time for the agency to develop a new personality. Even a new name helps eliminate the stifling nature that has created an unfriendly approach to foreign investment in Canada".

Don Benn, President of Benns Iron Foundry in Wallaceburg, also came out in support of this new agency, and he warned that "Canada should not consider itself a completely developed nation. We need foreign investment to increase our productivity and develop our human and natural resources and, as more foreign dollars begin to move into Canada, Canadians will likely find themselves also investing in their own country instead of savings accounts. The present level of 11 per cent of Canadian dollars in savings accounts should be reduced to about 4 per cent".

I can sympathize with the fear of losing control that comes through loud and clear in the course of this debate. I understand that view as long as it does not go beyond reason. I would say that the Hon. Member who felt that the end result of this legislation will be that Canadians' standard of living will suffer immeasurably, has not looked into homes in his riding where the breadwinner is unemployed. These people are already suffering and they are searching desperately for work. That is a situation that cannot be ignored.

I call for a realistic approach on this question of foreign investment and foreign capital. Canadians have shown no inclination to risk their capital, and the economy cannot expand without the necessary funds. It is as simple as that.

Under this new agency, potential foreign investors with less than $5 million will be able to proceed without review. With respect to the fears expressed about harm to the already struggling business community in Canada, there is no reason to think that that will be the case.

The Acting Speaker (Mr. Charest): Order. I respectfully advise the Hon. Member that his 10 minute period is up.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Social security (a) Level of revenue affected by budgetary cut-backs (b) Budgetary cut-backs—Position of Baie-Comeau residents; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Unemployment insurance (a) Policy applicable to pension income and severance pay (b) Calculation of benefits; the Hon. Member for Mississauga South (Mr. Blenkarn)—National Revenue—Verification of research and development investment.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this debate. What the Government is proposing to do is of crucial importance to the Canadian economy. I say "proposing to do" because there is still a serious question as to whether this legislation will get through this House. By debating the legislation we hope to give the Government time to reflect on what it is doing, and by making points in debating the legislation we will give the Government reason for reflection.

In this legislation the Government is proposing to abandon the review of foreign direct investment in Canada. It will abandon any effective review of that foreign direct investment. It is taking the controls away from foreign direct investment and at the same time promising that this will bring about economic renewal in Canada and that it will provide jobs for Canadians. This is an empty promise and I intend, while speaking today, to demonstrate why that promise is empty.

● (1640)

I think we must also ask ourselves, if the action that the Government is proposing to take will not result in economic benefits for Canada, in economic renewal or in a greater number of jobs, why is the Government taking this action? It seems to me it is taking this action for a number of reasons, but one of them deals with its ideological commitments. The Government which was elected on September 4 has an ideological commitment to the unregulated free market. Its philosophy is similar to that of the American economist, Milton Friedman, who was the idea man for the economic experiment that took place in Chile right after the coup d'état, the death of Salvador Allende and the putting in place of the military régime. In that country, a monetarist economic experiment was carried out which was a total and utter disaster for the

economy of that country, a country which was once the most industrialized nation in the southern hemisphere.

This Government is committed to carrying out the same kind of experiment here in Canada. It is committed to hitching our economic wagon to the philosophical notion of an unregulated free market. It is bringing this legislation forward because of its ideological commitment and not because of a reasoned examination of the economy and of the likely results of its action. This is sad because Conservative Members belong to a Party which historically has recognized the need for a national economic strategy in this country. The first Prime Minister of the country ran on the platform of a national policy. Clearly, if Canada is to survive in the very harsh competitive environment that exists internationally today, we need a national economic policy.

This Party is abandoning its own traditions and heritage in the economic field. Its move to free, direct foreign investment and away from regulation is not only misdirected but is also sad. It is an abandonment of the Party's own political heritage.

I would like to deal with some facts about the Canadian experience with direct foreign investment in order to give the Government some reason to reflect on its notion that the deregulation of the entrance of foreign investment into Canada will be of benefit to our country. Foreign-controlled firms do not spend as much as Canadian firms on research and development. This is very significant because research and development underpins economic growth and productivity.

I wish to read a few statistics into the record which come from the Economic Council of Canada. We all know that small firms are the firms that account for most of the job-creation activity in a modern economy, so it is crucial to observe what is happening with small firms. Dealing with firms that employ fewer than 50 employees, the ratio of research and development over sales is 11.2 per cent. What is the record with regard to foreign companies, Mr. Speaker? If foreign direct investment is to be a great boon to the Canadian economy, we would expect that the ratio would be higher or, if not higher, then at least the same as the ratio for Canadian companies. While Canadian companies with fewer than 50 employees have a research and development over sales ratio of 11.2 per cent, the ratio for foreign companies of the same size is 3.3 per cent. Foreign companies spend less than a third spent by Canadian companies on research and development.

If we are concerned about the country's record with regard to research and development and if we are concerned about the impact of our policies on small business, one of the great creators of employment, then we should ask ourselves about the action of the Government to deregulate the entrance of foreign investment into the country. However, perhaps this is simply an aberration. Perhaps this is only the case with small firms that are involved in the economy. Perhaps when dealing with larger firms, foreign-controlled companies might lead to greater research and development and therefore to a better Canadian economy. Let us examine some of the facts.

In firms that employ 50 to 100 employees, the ratio of R and D over sales for Canadian firms is 10.1 per cent. The ratio for foreign-controlled firms is 4.3 per cent. That is less than half of the rate of investment in research and development of Canadian firms. With regard to firms that employ 100 to 200 employees, foreign firms invest at a ratio of 3.7 per cent while Canadian firms invest at a ratio of 9.1 per cent. Dealing with firms that employ more than 500 employees, Canadian companies invest at the rate of 10.3 per cent while foreign firms invest at the rate of 2 per cent. That is about a fifth of the rate of investment made by Canadian firms.

If we are concerned about the strength of the Canadian economy, about productivity and about our capacity to compete internationally, then we must ask ourselves some very serious questions about foreign investment. We must ask ourselves whether a particular investment will be to the benefit of the Canadian economy or whether it will be to the detriment of the Canadian economy. We have documented evidence that indicates that firms controlled by foreign investors spend less on research and development in this country and therefore undermine the strength of the Canadian economy.

It is not only in the area of research and development that the Canadian experience has taught us to be wary of direct foreign investment. For example, when a firm undertakes any particular activity, there are always spinoff benefits from purchases in the area of machinery and other productive inputs. These spinoffs can benefit Canadian suppliers. However, through experience, we have found that foreign-controlled firms import more of their requirements than do Canadian firms. Firms controlled by foreign investors spend less of their dollars here in Canada and spend more—I take it my time is running out? I will just sum up briefly, Mr. Speaker.

The Acting Speaker (Mr. Charest): Respectfully, the Hon. Member's time has more than run out.

• (1650)

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, as I take part in this debate today I should like to begin with a few words which accurately describe the changes initiated since September 4. Finally, yes, finally, the Government, our Canadian Government, has initiated a true policy of co-operation with its partners in the private sector.

Bill C-15 now on second reading is the concrete evidence of the major guidelines for economic recovery which our government proposed during the election campaign. Faced with a massive national deficit of nearly $38 billion and a record unemployment rate, the Canadian Government must effect a major change of direction. The Progressive Conservative Party did realize this need for change and this is what the Canadian people have asked us to do.

People come to see us in our constituency offices. People even stop us in the street. What worries them, what they want to discuss with us, is the question of jobs. People want to work; they want jobs. They urge us to take action to improve their

lot. What we are doing with Bill C-15 is precisely a step in this direction.

We want to get rid of that piece of legislation of the previous Liberal Government which has irritated businessmen and stopped them from investing in Canada. We are finally doing something to help Canadian men and women looking for a job by opening up our doors to investors. We shall abolish FIRA and replace it with Investment Canada.

Mr. Speaker, the new and vigorous initiatives taken by our Government in the areas of economic recovery and employment are realistic. They are pragmatic and draw their inspiration from the major social and economic tendencies of our industrial society. The major philosophy behind Bill C-15 creating Investment Canada tells us that the state alone can never replace a new type of partnership between the Government and the private sector. Mr. Speaker, by itself, Canada will never get out of the impasse created by the welfare state nurtured by our Liberal predecessors. In spite of its few electoralist virtues at the time, this welfare state has succeeded only in leading our country into a constitutional, economic and social dead-end.

To have a better idea of the national situation before our coming to power, we must add the unprecedented unemployment problem throughout the country, with an unenviable record high rate of 18.6 per cent recently reached in my region of Chicoutimi-Jonquière. By opening the door to foreing investors, Bill C-15 shows our national will to create a new partnership between the state and the private sector with a view to building a new social and economic order. Finally, we are abolishing the welfare state and replacing it with a new cooperation between the public and private sectors where each will respect and promote the activities of its economic partner in its own field. This is the new spirit behind the creation of Investment Canada.

Mr. Speaker, I am happy and proud to be part of this new team, this new government of reconciliation, and to take part in the creation of Investment Canada to replace FIRA, the Foreign Investment Review Agency. It should be understood that our new open door policy to foreign investors is not simply the result of a political whim. We must recall that foreign investors, whether American, Japanese or other, were shocked to have to come before FIRA and submit to investigations which were often long and useless. In any case, the intervention of FIRA verged on the ridiculous. It is sufficient to recall in this regard that 98 p. 100 of all proposals were approved. When we want to protect Canadian businesses against potential foreign invaders, we cannot use a net with holes of that size. Thanks to Bill C-15, Canada will be open to investors.

However, welcoming investors does not mean that we will shun our responsibilities. Investment Canada will promote foreign investment. Briefly stated, a foreign investor will be able to inject directly $5 million in our economy or $50 million into a business under Canadian control without having to submit to unpleasant and loathsome investigations or reviews. This is the open door policy. However, beyond this, Investment Canada will make its presence felt by firm controls and initiatives to protect our businesses against overly strong competition or losses of control. The door will be open, but there will be controls in the case of major investments. In addition, in every case without any exception, Canadian culture and identity will have to be respected.

Mr. Speaker, Investment Canada means jobs. It provides a needed economic stimulus. Investment Canada spells an open-arms policy, not discrimination. Investment Canada is the link between recovery and prudence.

In the longer term, this new policy will change our money-saving mentality. In that respect, Bill C-15 will encourage Canadians to invest in their own economy. Those investments will indeed make Canadians appreciate the advantages of more direct control over their own economic levers.

Mr. Speaker, Investment Canada is a challenge for the future, particularly for us in remote areas.

The presence of major industrial complexes in the riding of Jonquière—pulp, paper and aluminum companies—ought to attract investors anxious to set up labour-intensive processing plants. The existing Grande-Anse deep water harbour and the impending construction of a major highway encourage investors to look favourably upon our region. I can say in no uncertain terms that foreign investors are welcome in our region.

Recently, in May 1984, during the summit on the economic development of our region, local Saguenay-Lac-Saint-Jean and Jonquière riding leaders did reach a regional consensus on that point.

Well, quite appropriately, the Bill sponsored by the Minister of Regional Industrial Expansion (Mr. Stevens) reflects the political will of this new government, which is to promote the establishment of industries in Canada. Particularly through Investment Canada, Bill C-15 stands as evidence that we are listening to the regions and aware of their needs, especially when it comes to gainful employment. We are doing something, Mr. Speaker, and I am proud to follow up on the concerns expressed during our regional economic summit and speak on behalf of the people of the riding of Jonquière. I fully support this Bill.

[*English*]

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I briefly want to say at this point in the debate that I can well appreciate the fact that the Minister responsible for this piece of legislation, either intentionally or otherwise, is not here to listen to the concerns of Members of Parliament with respect to it. There can be no question, as echoed by other members of my caucus and of my Party, that foreign investment in Canada is certainly welcome. There is no question about that, Mr. Speaker. However, there are a number of issues that we in this Party believe are paramount in the sense

that we as Canadians ought to have some control, if you will, over where that investment may take place in the borders of our country. It is amazing to me, Mr. Speaker, coming as I do from one of those areas of the country which is beautiful in its geography but, unfortunately, its economic clout is not as great as other areas of Canada, to see Hon. Members on the government side stand in their places and echo the sentiment that foreign investment will rid Canada and the youth of this country of unemployment because it will create lots of jobs. But we heard in committee, Mr. Speaker, before the last federal election from a Tory provincial Minister of Fisheries. He was asked about foreign investment with respect to the fisheries and as to where he and his Government would seek financial assistance to help the crippled fisheries industry in Atlantic Canada. Despite the musings of the Tory Members of Parliament who, for the first time in this Parliament, have stood in their places and addressed the very important issue which faces the Canadian people, the Minister could not provide an answer. Therefore, I listen with a great deal of doubt to the words and sentiments expressed by Hon. Members of the Tory Party that opening the floodgates to foreign investment, whether from the United States or other parts of the world, will be of great benefit to Canadians in terms of creating jobs. I have yet to see the conclusive evidence the Government says it has with regard to creating jobs. Furthermore, in concluding my remarks at this point, Mr. Speaker—

● (1700)

The Acting Speaker (Mr. Charest): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Charest): Shall all orders and items preceding No. 33 stand?

Some Hon. Members: Stand.

* * *

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches) moved that Bill C-212, an Act to protect and enhance the quality of drinking water in Canada, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I am pleased to speak on second reading of my Bill. The Canada Safe Drinking Water Act is intended to address some of the serious concerns felt by Canadians about the quality of drinking water on which we rely every day.

The recent report of the Niagara River Toxics Committee underscores the gravity of the present environmental situation in the Niagara-Lake Ontario water system. This report is another in a long list of environmental warnings on which governments should be taking prompt action. The evidence is clear to anyone who cares to look that there is a crisis in this water system caused by toxic chemical wastes either being directly discharged or which are leaching into the Niagara River from chemical waste dump sites. No one knows, however, just how great the economic social, medical and personal costs of this pollution are at present or will be in the future.

In this Bill, I propose to move toward some resolution of this problem. The Bill provides opportunities for public involvement in the making of regulations to set maximum permissible levels for contaminants and other substances in drinking water. The Bill calls for the establishment of a Water Review Board which would be empowered to hold hearings on the safety of our drinking water. It provides for the establishment of a Water Advisory Council which would advise the Minister of the Environment of the results of current research related to drinking water quality and the effects of contaminants in drinking water. The Bill would also make it an offence for the operator of a public system to provide water which contravenes the regulations or fails to comply with monitoring and notice requirements, and would permit water users to sue to recover damages for contravention of the Act.

The Niagara River Toxics Committee was set up in 1981 to investigate toxic chemicals entering the river. It is a committee of government representatives from Canada and the United States. A recent report of the committee focused public attention once again on the magnitude of the danger posed by toxic wastes in the Niagara River and in Lake Ontario. The committee indentified 261 chemicals which exist in the river system. Of these, only 34 were considered to be of little or no concern. Fifty-seven other chemicals were felt to require immediate regulatory action because they pose an environmental or human health risk.

Because of a lack of information, scientists just do not know how worried we should be about the other 168 identified chemicals. The lack of knowledge about chemicals is a constant thread in discussions dealing with toxic contamination. Most chemicals have not been in existence long enough for us to know what long-term effects they will have on people and on other life. Of course, the industries that make and profit from these chemicals are quick to minimize the risk, yet there is a real need for independent trustworthy information on which to base policy on how those chemicals affect our environment. Even though we are told that only minute quantities of compounds exist in our water systems, and we are constantly advised there is no immediate concern about our drinking water, this has failed to satisfy public concern on the matter.

We are told by many knowledgeable scientists and environmental groups such as Pollution Probe that the effects of bio-accumulation, dramatically increasing the concentration of

contaminants in higher levels of the food chain, are indeed cause for alarm.

The Niagara River Toxics Committee identified 29 point sources located on the U.S. side of the river that contributed 91 per cent of the total pollutants found in the Niagara River. On the Canadian side are eight point sources which account for 9 per cent of the contaminants. Each day these sources produce an estimated 1,323 kilograms of metals and cyanides and 270 kilograms of organic contaminants. The non-point sources of toxic chemicals are much more difficult to estimate. However, they have a frightening potential for damage. On the Canadian side, of 17 waste disposal sites, the committee determined that only five had significant potential for contamination of the Niagara River. There is no detailed inventory on the quantities and types of contaminants likely to be found at these sites. On the American side, Mr. Speaker, 164 hazardous waste disposal sites located within three miles of the Niagara River were classified by the toxics committee as potential contaminant contributors to the river.

If no action is taken, much of this toxic material may leak into the river system. According to the *Layman's Guide to the Niagara River Toxics Committee Report*, which is an unofficial report produced for internal use by Environment Canada, we learn that:

> The reality is that given the existence of these dumps in their present state, it is not a question of whether this leakage will occur, it is merely a question of how much and when.

The Hyde Park dump is considered the most serious of the dumpsites because of the known presence of dioxin there. The site, which was used by Hooker Chemicals, a company now owned by Occidental Petroleum, from 1953 to 1975, after the infamous Love Canal was filled, holds 80,000 tons of hazardous chemical wastes, including an estimated minimum of one ton of dioxin, an extremely toxic chemical and carcinogen. At present, it is estimated that the total amound of dioxin that has entered Lake Ontario is roughly between one ounce and one pound. This small amount has resulted in detectable levels of the chemical in herring gulls and fish and more recently in raw drinking water. Surveys done in 1983 showed that the extent of chemical migration from the site was considerable. This site has the potential to cause an environmental disaster of unprecedented proportions.

The *Layman's Guide to the Niagara River Toxics Committee Report* goes on to state:

> Clearly, the Niagara River and Lake Ontario are poisoned ecosystems in which all media including people, contain varying amounts of biocides or chemicals, produced specifically to kill biota. Ethically, this situation should not be acceptable.

Again, it states:

> The sobering reality is that, given the existence of these dump sites in their present state, particularly those containing TCDD, the most potent dioxin, the potential for a contamination event that would irreversibly eliminate the ecosystem all the way down the St. Lawrence and beyond cannot be dismissed.

● (1710)

The Niagara River provides 83 per cent of the tributary flow to Lake Ontario. Four million Ontario residents draw their water from the lake and millions more from the St. Lawrence River system. According to Pollution Probe, Toronto drinking water contains traces of more than 50 hazardous contaminants. Existing water treatment facilities were designed more than 40 years ago and have effectively eliminated viral and bacterial illnesses transmitted by disease-causing agents in the water. They are not, however, capable of removing toxic chemical waste. Among the chemicals found in Toronto are mutagens, that is chemicals that will cause mutations. It is now believed that a side effect of the present chlorination technology used to purify Toronto water is that mutagens are in fact increased through this process.

Although we are told that the drinking water from Lake Ontario is presently well within safety guidelines, citizens can take little solace in the fact that there are no legally enforceable standards in existence and that the guidelines that do exist apply to a limited number of chemical contaminants. Another governmental body, the federal-provincial working group on drinking water, has developed guidelines for only 42 substances. Less than half of those relate to toxic organics. There are no guidelines for hundreds of toxic compounds that now find their way into the water system. The guidelines that do exist are often considered to be dangerously high.

When these guidelines were established they were done on a chemical by chemical basis, even though people are exposed to a whole combination of different substances. The harmful consequences of these combinations can only be guessed at because the research being done on this is minimal. Medical research has shown that often the effect of two harmful substances together is much more serious than either substance in isolation. According to the National Research Council, asbestos workers are nine times more susceptible to cancer than the general public, and asbestos workers who smoke are 92 times more likely to die of the disease. To ignore the possibility of similarly tragic consequences of minute amounts of several different chemicals in drinking water is extremely irresponsible.

Although we know that many chemicals are hazardous in large quantities, little is known of the effects of the tiny amounts of toxic material in drinking water over a long period of time. Many chemicals build up in human and animal tissues, and only after many years will signs of the effects of that contamination show. Since human beings are at the top of the food chain, we are more likely to have the strongest concentrations of these chemicals in our bodies over time.

A Pollution Probe report, *Drinking Water, Make it Safe*, states:

> Of the 53 contaminants identified in Toronto's treated drinking water, 16 are recognized . . . as causing cancer in test animals and/or humans . . . Also present in Toronto drinking water are industrial solvents such as xylene and toluene. Although not cancer-causing, these two solvents are known to cause liver and kidney damage from continuous exposure.

If we avoid addressing the problem now, we are ensuring that we, or our descendants, will pay an awesome price in illnesses and personal suffering.

Contaminants from the Love Canal site are believed to have caused cancer chromosome damage, birth defects and respiratory trouble. We just do not know how great a price will be paid somewhere down the road for medical treatment, hospital charges, disability pensions, days lost from work and personal suffering.

Residents of Toronto are concerned about the quality of the water they drink. It is estimated that Toronto residents spend $4 million per year on bottled drinking water. What about the economic costs of a polluted water system, Mr. Speaker? Again according to the *Layman's Guide* to which I referred before:

> The economic value of Lake Ontario is enormous. The replacement cost of this resource has never been estimated. Increasing contamination of this resource will make it necessary for us to undertake this calculation as it becomes obvious that this resource is not inviolate.

As I pointed out, Mr. Speaker, one of the crucial faults with the present situation regarding drinking water quality is the lack of enforceable standards. We have some guidelines but they are not enforceable and cover a very limited range of the chemicals to which we are exposed in water, and it is questionable whether the maximum limits are really safe. That is why I propose the creation of a Water Review Board which would provide opportunities for public input into the making of regulations to set levels for contaminants in drinking water.

In the face of the serious problems facing Lake Ontario and our water environment generally, I find it absolutely incredible that the actions of this particular Government would have been such that they seriously affect, if not destroy, the policing activities which have been going on by scientists through government funding over the years. The present Government says it is making industrial growth a priority in Canada. We certainly need jobs, Mr. Speaker, but let us not create them at the expense of the environment and people's health. Let me assure the Government that environmental health concerns are not seen by Canadians as a luxury.

I, along with many other Canadians, was disappointed to hear the response of the present Minister of State for Science and Technology (Mr. Siddon) on CBC radio to questions about cut-backs in environmental research. He said he considered "environmental quality as a service; it is not in itself an engine of economic growth". This implies that environmental quality has to take a back seat to industrial growth. I completely reject that notion. It is this type of attitude which has created the environmental crisis that our planet faces today. We do not own our environment. We simply borrow it from future generations. We have absolutely no right at all to use our environment as some kind of giant sewage disposal system for industry. Surely industry and Government have a responsibility to ensure that our environment is a safe place in which present generations and future generations which have yet to be born can live.

During the election campaign, the present Government stated:

> A P.C. Government will work with the provincial Governments to establish a set of regulations which will lead to standards for safe drinking water. This will be accomplished with due regard to the best practical technology and to economic constraints.

I would simply invite members of the Government not to talk this Bill out. Rather, they should ensure that the Bill is referred to committee where the public can have full input not only into the existence of those hazardous chemical wastes in drinking water, but can also undertake a close examination and have some input as to how the Government is formulating policies in so far as they affect our environment.

I have had more correspondence, not only from constituents, but from people across the country who are seriously concerned about what the Government is doing with regard to these cut-backs in environmental projects and in research. I would urge Members of the government side to use whatever pressure they can within their own caucus circles to put pressure on the policy makers to ensure that our environment is not going to take a back seat when Government is formulating policy.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I certainly want to join in the debate today since I represent the great riding of Hamilton East which happens to be the most industrialized riding in the country of Canada. The people of Hamilton, and in particular the steel workers, are well aware of the problems associated with the environment and in particular the problem of clean water which we are being confronted with in the discussion of the Bill today.

Having spent some time in the Ontario legislature, I have some understanding of the process involved with respect to provincial involvement. It seems to me that we must look at this issue of clean water, not only from the federal perspective, but also from the point of view of provincial as well as municipal responsiblity.

• (1720)

The Member for Beaches (Mr. Young) will be aware that the Canada Water Act was originally introduced by a Liberal Government at the federal level to give this country jurisdiction over our water. At the same time we have seen from time to time very serious problems being created because of the lack of provincial intervention.

I speak specifically of the situation in the Niagara River and more particularly about the situation in the Member's own riding of Beaches last year. The House will be aware that the federal Government, through its Capital Recovery Program, was able to provide financial assistance to try to clean up the situation of the beaches not only in the riding of Beaches, but across the City of Toronto and other regions of Ontario, including Sudbury and St. Catharines.

As a Liberal, I am proud to say that our role in bringing environmental issues to public attention takes a back seat to no one. I think of the work that was done by the former Member for Sault Ste Marie on the issue of acid rain. His committee was able to bring to the attention of the public and of Parliament the necessity for Canada to be prepared to act alone on acid rain emissions if the United States, under the

leadership of its President, was not prepared to recognize the problem. The issue of acid rain is rapidly coming to a head as the President of the United States remains among the very few to recognize the direct relationship between sulphur dioxide emissions and the destruction of our environment.

It saddens me as a Canadian, and particularly as a Liberal, to see the position taken by the Government, which is again another hands off position and a refusal to intervene in the issue of environment, which is the most critical area of Canadian quality of life. Not only has the Government taken a hands off approach to the whole acid rain question, we can see through the budget review process, the environmental statement and the actions of the Minister of the Environment (Mrs. Blais-Grenier) that the Government has made a political decision to cut back on budgetary expenditures with respect to the environment across Canada.

In my own area there is the Canada Centre for Inland Waters with the herring-gull collection program. In fact, the Minister was forced to do a double flip on her position. However, notwithstanding her public relations promotion with respect to the reinstatement of that program, indeed it has not been fully reinstated. Groups across Canada that are concerned about the environment have been deeply disappointed by the position of the Government and of the Prime Minister.

During the election campaign, the Prime Minister (Mr. Mulroney) took the time to send a letter to the Canadian Coalition on Acid Rain stating all of the wonderful things he would do the moment he was elected. We can see the results of that. They are pitiful.

[*Translation*]

Mr. Speaker, the government generally and the Prime Minister in particular have made promises concerning the environment, and although I represent the most industrialized riding in Canada, I know the days are long gone when most people claimed that environment programs were impracticable because they were costly in jobs. We realize today that by protecting the environment, we are creating jobs for the future.

An Hon. Member: What have you done over the past 20 years?

Ms. Copps: The Hon. Member would like to know what we have done over the past 20 years, Mr. Speaker. I will tell you what we have done. We have implemented the Clear Water Act and established a consensus within such committees as that chaired by Mr. Ron Irwin, made up of representatives of the three political parties, and which dealt with the acid rain issue.

Before the election, all Tory members agreed that Canada should carry out negotiations with the United States to reduce the level of toxic pollutants in Canada, especially sulfur dioxides. Yet, when they formed the new government, they forgot their promises altogether. Now, they refuse to act, unless they have the full support of the American president. There is something I should like to know, Mr. Speaker: As Canadian citizens living in Quebec, Ontario, or any of the other provinces, are we merely puppets of the United States? If not, I will ask you through bills such as this one which was introduced by the Hon. Member for Beaches (Mr. Young) to increase the support which the Canadian people is giving to environmental issues.

[*English*]

In my riding, the Windermere Basin has been recognized as one of the three most pollutted bodies of water in North America, as cited by the International Joint Commission. This is a result of the negligence of provincial Governments such as that of the Province of Ontario which has refused to recognize the serious nature of the pollution problem at places like Windermere Basin and the upper Ottawa street dump in my own community.

The provincial Government's refusal to upgrade sewer systems across the province has led us to a situation where the federal Government was forced last year to try to bail out the sewage systems in the Cities of St. Catharines, Sudbury and Toronto simply because the provincial Government was not prepared to make a firm commitment to clean water.

The record is clear. The Member for Beeches has already stated the situation as outlined by Pollution Probe in the City of Toronto with respect to the Great Lakes and particularly the people who drink the water in Lake Ontario. I not only drink the water of Lake Ontario, I swim in the water of Lake Ontario. I have very serious concerns about the degradation of the quality of water as I have seen it over the last few years.

The issue of the environment is one on which we can unite across Party lines. It is an issue that involves standing up to the American administration and saying that we will act on our own to reduce sulphur dioxide emissions if the American Government continues to resist all scientific evidence and international information and if the U.S. Government continues to insist that sulphur dioxide emissions are not the cause of acid rain across our nation. We are currently the recipients of a laissez faire—

[*Translation*]

—a policy of laissez faire on the part of our government, in spite of the letter which the Prime Minister wrote during the election campaign to Canadian coalitions against acid rains. He wrote: As soon as I am elected, I shall do my utmost to raise this issue within international circles. But we see what has happened. Ever since he has been elected, he has done everything the President of the United States wanted. He has done nothing to defend Canadian rights on the environment, to defend our rights to clear water to drink, to clean air to breathe and other vested interests like those of my constituents.

[*English*]

The people in my riding would like the Government to live up to the promises that it has made, particularly with respect to the environment.

Politicians no longer refuse to recognize environmental change because of its expected negative impact on the economy. We now realize that we need to maintain a quality of life in industrialized countries and cities in order to expand into the sunrise industries. This Bill and other measures which can draw attention to the lack of commitment to this area by the Conservative Government are welcomed by our members and our Party. We are now entering 1985.

[*Translation*]

We are entering 1985. We are giving one last chance.

[*English*]

We will give the Government a last chance to tell the Canadian people that it will reverse its direction with respect to the environment. We will ask the Minister of the Environment not only to fully reinstate the herring-gull program but to reinstate and increase the Government's financial commitment and its international political commitment to the issues that face us with respect to the environment.

If the Government is not prepared to do this and to introduce measures that will force provincial Governments across the country to respect the demands about the environment being directed to them by our citizens, then the election of September 4 was a fraud. I must confess that the election of September 4 has been a fraud, perpetrated on the Canadian people by a Government that promised to clean up the environment, that promised to deal with acid rain and that promised to talk tough with the Americans. Instead, its promises have totaly collapsed as a result of the pandering and kowtowing the likes to which have never been seen before in the country of Canada.

• (1730)

[*Translation*]

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, I am pleased to note the interest and concern shown by the Hon. Member for Beaches (Mr. Young) in tabling Bill C-212, an Act to protect and enhance the quality of drinking water in Canada.

The public is very concerned about what is happening to fresh water supplies destined for human consumption, especially when there is any suspicion of chemical contamination of drinking water taken from surface or ground water sources. This contamination may be caused by a number of factors, including leaching of toxic waste discharges, pesticide contained in water drained from agricultural land, pesticide percolating through farm wells, the presence of nitrates as a result of using fertilizer, the presence of arsenic and uranium in areas where there has been mining activity, waste evacuation and leakage from holding ponds and discharges.

Public concern about the quality of drinking water has led to a phenomenal boom in the sales of equipment for treating the household water supply. A number of equipment types are a matter of some concern to public health authorities because of the bacteriological problems they create. In fact, there is no legislation that provides for adequate control over this equipment. Some people have opted for bottled water, a decision that is a burden on the consumer's pocketbook, while the quality of the bottled water may be inferior to the water it is supposed to replace. A source of safe drinking water is essential to survival. Drinking water is usually defined as safe if it is devoid of contaminants while containing enough minerals to make it pleasant to the taste.

Bill C-212 raises a number of questions that concern both the federal and the provincial governments and will require further discussion with the provinces. The House is of course aware that matters relating to the quality of drinking water which come under the jurisdiction of this Parliament are the responsibility of the Hon. Jake Epp, Minister of National Health and Welfare. In line with his mandate and his responsibility with respect to the quality of drinking water, the Minister of National Health and Welfare has started talks with the provincial governments with a view to formulating proposals and tabling in the House a Bill concerning the quality of drinking water in Canada. The purpose of that Bill will be to set objectives for ensuring the quality of drinking water. The Bill will also provide for quality control of chemical products and substances used in water treatment and of equipment designed for this purpose. My Department supports without reservation the work being done by the Department of National Health and Welfare. The quality of drinking water depends on the quality of the water supply. Environment Canada is concerned with this matter and works in close co-operation with the provinces on the evaluation and protection of lakes, waterways and ground water reserves in Canada. Whenever possible, preventing contamination of drinking water before the water reaches the treatment plants is preferable to building costly treatment plants for the purpose of eliminating the contaminants. Consequently, my Department complements the activities of Health and Welfare Canada in this area. More specifically, it identifies and evaluates the main sources of drinking water, prepares federal-provincial guidelines for water quality and develops guidelines for the discharge of effluents as well as pollution control plans to promote better procedures for waste discharge.

Mr. Speaker, I would like to draw the attention of the House to the existence of an important committee that is concerned with these matters at the federal level, and which is chaired by my Department. Created in 1968, the Interdepartmental Committee on Water is responsible for coordinating federal programs concerning water resources and for advising the Government on such programs. Since the committee was formed, it has been busy meeting the requirements of its mandate and has held 53 meetings. A total of 21 departments and agencies concerned with water issues are represented on the committee, which has 27 members. Sub-committees and task forces are formed as needed. At the present time, five sub-committees are examining respectively the agreement on

water quality in the Great Lakes, the quality of our water supplies, floods, preparation of replies to reports by the International Joint Commission and finally, the co-ordination of federal activities with respect to the Mackenzie Basin.

In addition to the work of these sub-committees, I would like to mention several problems or matters of interest that were brought to the attention of the Interdepartmental Committee last year, including the Commission of inquiry on federal policy on water; a draft policy by the Department of Fisheries and Oceans on the management of fish habitat; the Qu'Appelle water supply project; a water purification plant for the cities of Regina and Moose Jaw; the Fraser estuary management plan; the Canadian heritage waterways network; water and soil conservation in Western Canada; a study of mercury in the Wabigoon-English River system; exports of water by tanker ship; special projects in Ontario; a Bill concerning drinking water proposed by Health and Welfare Canada. Mr. Speaker, through this committee, other departments with an interest in water issues will be asked to work together with Health and Welfare Canada on drafting the legislation on the quality of drinking water to which I referred earlier.

Mr. Speaker, I also wish to draw your attention to the inquiry on the federal Government's policy on water. The Commission on Inquiry is now winding up its last round of public hearings which started on September 18 in Halifax. In the course of these hearings, committee members have met with over 200 Canadian citizens and representatives of agencies to discuss federal water policy and hear briefs on the subject. The committee is responsible for identifying and describing present water problems, including drinking water, and for identifying the ramification for the provincial, federal and international jurisdictions concerned. The Committee's final report will be forwarded on July 31, 1985. There is no doubt that the recommendations on the quality of drinking water will make up an important part of it. All through this study the consultation process is viewed in such a way as to include a large number of water issues that will have some bearing on the global question of how to provide Canadians with drinking water of a very high quality.

I bring this to your attention, Mr. Speaker, because in my view it is premature at this point to discuss legislation on the quality of drinking water in Canada within the framework of a Private Members' Bill. I am convinced that my colleague, the Hon. Minister of National Health and Welfare (Mr. Epp), will make good use of Bill C-212 and the results of the Pearse Committee investigation when preparing recommendations on the quality of drinking water.

Mr. Speaker, I would also like to take this opportunity to raise other issues. My Department is chairing the Interdepartmental Committee on Toxic Chemicals. It is the potential presence of toxic chemicals in drinking water that is the greatest single threat to human health. The IDCTC is currently preparing a number of plans for dealing with the major issues relating to those chemicals. It is important to prepare a plan to deal with good quality drinking water and to provide for the coordination and effectiveness of federal action in that area.

The traditional role of the provinces and the municipalities in areas such as the construction, operation and maintenance of water purification plants and affluent treatment stations, as well as in the establishment of standards concerning drinking water quality are of prime importance for supplying Canadians with good quality drinking water.

In drafting a drinking water quality legislation, it is important to allow enough time for the Canadian Government and provinces to thoroughly review the question, because such consultation is essential to the preparation of any federal legislation in that area.

Questions pertaining to drinking water supplies and quality have constantly been included in the priorities of the Health Ministers' Conference and the Advisory Committee on Hygiene and Work Environment. Task forces responsible to the Advisory Committee, with representatives from the Canadian Government and the Provinces, have drafted recommendations on the quality of drinking water in Canada that are currently under review. Toxic chemicals are being discussed more closely in the latest edition of those recommendations. The recommendations deal with maximum concentration of substances that can influence the quality of drinking water and water used for other domestic purposes.

My Department is co-operating in the drafting of those recommendations by giving expert advice on matters pertaining to environment, the seepage of contaminants and the end use of chemicals that can affect drinking water. The implementation of those recommendations is not mandatory. However, they are finding their way into drinking water requirements established by the various agencies.

Water quality objectives provide not only a standard to determine whether water quality is acceptable, but also a means to ensure effective management of water quality by specifying limits to protect certain uses, including the supply of drinking water.

Similar objectives have been set under the Canada-United-States Agreement concerning the quality of the water in the Great Lakes and for the purpose of other joint agreements. At the meeting of the Canadian Resource and Environment Ministers Council held in 1984, the participants decided to standardize all across Canada the water quality guidelines. Those guidelines provide the basic scientific information used in the establishment of quality goals for specific areas.

The Canadian Government will assume that responsibility, in co-operation with the Provinces, by publishing surface water guidelines. The latter will deal with a number of water uses,

including domestic use, and will be of significant value to ensure Canadians a good quality water supply.

Mr. Speaker, my Department and other federal Departments as well as the provinces work with zeal on another project. I refer to guidelines concerning the quality of surface water, a project leading to the setting of standards on the quality of water. If I may, Mr. Speaker, I should like to make a few remarks on the aims of standards for the quality of water and their use. The quality of water is usually measured on the basis of its capacity to meet various needs. Is the water drinkable? Can it allow the growth of healthy schools of fish or the benthos? Will a direct contact with water provoke a skin rash? Is the water adequate to irrigate the land or to water the cattle? It may be difficult to answer those questions which seems so simple especially if we consider that the accessibility of drinking water depends on public perception and the availability of adequate treatment techniques.

Fisheries depend on the management of fish species and the food chain. The industry of aquatic recreation is growing even in areas with a low recreational potential. The quality of water for irrigation depends on the type of soil and culture. It is possible to answer those questions by drawing up or selecting criteria to determine relevant qualities for a particular use. From those criteria, quality standards are set and applied by organizations to manage water resources normally intended for various uses. Those standards provide acceptable or desirable concentration limits for various matters found in water, in sediments or in biotas.

I also want to mention the National Conference on critical issues related to the quality of drinking water held last February and organized by the Federation of Canadian Environmental Associations. Delegates from Canada, the United States and Europe attended this conference. While the participants shared to some extent the same concerns for the quality of drinking water, they did not agree on the seriousness of the problem and even less on the way to solve it. It is important to take these opinions into account before introducing a bill in this House.

On the other hand, I wish to emphasize that there is no shortage of laws and regulations related to water resources. Indeed, there are already 15 major federal statutes and 82 provincial laws in this area, for a total of nearly 100. Before introducing another bill, we must make sure, like the Minister of National Health and Welfare is certainly doing at this time, that we understand the problem and have examined all the legislative options available.

Mr. Speaker, it is obvious that Bill C-12 is based on good intentions, but it does not really constitute an adequate mechanism to promote harmony between the Federal Government and the provinces and to protect and improve the quality of drinking water in Canada. I have already explained how the Department of National Health and Welfare, in co-operation with several other departments including my own and the inquiry committee, is now examining this question.

I therefore recommend that Bill C-12 be withdrawn until my colleague, the Hon. Minister of National Health and Welfare, can introduce his own bill which will allow the House to review in depth federal concerns related to drinking water.

[*English*]

Mr. Tom Hockin (London West): Mr. Speaker, as the Hon. Member for London West I am pleased to participate in this debate. My riding is surrounded by three beautiful lakes. The occasionally turbulent Medway Creek and the beautiful Thames River also run through my riding. London has a system of wells which are among the most elaborate and the earliest in the history of Canada. The question of water drinkability and water safety concerns me and my constituents.

For this reason I wanted to explore and outline the system of protection and enhancement which exists at the federal level. In reviewing the Bill it is necessary to be aware of the responsibilities of the federal and provincial Governments. Also it is necessary to be aware of the areas of close co-operation between those two levels. This is an important concern in a Bill such as this one where there is a need for full and complete discussion with the provinces. The federal Government is already deeply involved in drinking water safety as are the provincial agencies.

I should like to review the range of activities carried out by the Government so that we may better put this Act into perspective. It should be appreciated that we are already involved in a wide range of activities, some of which go beyond the scope of the proposed Bill. About 85 per cent of Canadians obtain their drinking water from municipal water distribution systems. These systems include facilities for both the distribution of water and the provision of the treatment necessary to ensure safe water. While about 90 per cent of municipalities in Canada have water disinfection facilities, only about a third of them have filtration systems, a basic component of conventional water treatment. There is a great deal of regional disparity in the country in the availability of treated water. Few municipalities have facilities which could be called state of the art.

Responsibility for matters relating to drinking water supplies in Canada is, like many things, multijurisdictional. Responsibilities are shared among federal departments and provincial and municipal Governments. The provinces have the primary responsibility to protect and control water sources from which water supplies are drawn. That is their primary responsibility. Also they are to define the standards which drinking water must meet. Municipalities and water utilities are generally delegated authority to produce and deliver safe drinking water to residents. The federal Government has similar responsibilities within federal lands and territories. In addition, federal responsibilities include the conduct of research to assess water quality and to develop guidelines for drinking water quality. The federal and provincial Governments share responsibility for international water sources such as the Great Lakes.

• (1750)

Co-operation among federal departments and provincial or municipal agencies is very close. For instance, first, major studies of drinking water treatment have been undertaken with federal and provincial co-operation. The federal-provincial working group on drinking water is responsible for making recommendations regarding Canadian drinking water quality guidelines. Second, in the past, many water treatment plants were constructed with federal assistance through CMHC. While no funds are currently available for such programs on a regular basis, direct assistance to specific drinking water projects for municipalities has been provided by the federal Government under special programs. Third, the federal Government provides assistance to the three prairie provinces for well and dug-out construction in rural areas under the Prairie Farm Rehabilitation Act.

This Government is concerned about the safety of drinking water and is already involved in a wide range of activities involving a number of departments. Under the direction of the Minister of National Health and Welfare (Mr. Epp), this Government develops guidelines for Canadian drinking water quality, in collaboration with the provinces and with the help of the Department of the Environment. These guidelines are used by responsible agencies for developing drinking water requirements and for assessing the safety of tapwater.

The Department of National Health and Welfare also conducts national surveys for specific contaminants in drinking water, toxicological and epidemiological studies on relationships between contaminants and human health, and research into drinking water contamination problems. Extensive work is also carried out by that Department to develop new analytical technology; to investigate techniques for water treatment for drinking purposes, alone or in conjunction with the provinces; and to conduct research and evaluation studies on home water treatment devices for private supplies and individual homes. All of this information is made available to the public in the form of publications and special information releases.

The Department of National Health and Welfare also enforces bottled water regulations and revises them, as required, and monitors drinking water quality in the workplace for all federal public servants in urban and rural environments and federal ships.

This Government also has considerable involvement in providing safe drinking water to Indian and northern communities. The Department of National Health and Welfare monitors raw and potable water quality and the operation of treatment plants, and provides advice on the design of community water services in Indian and northern communities. This work is carried out in collaboration with the Department of Indian Affairs and Northern Development and also involves training native water treatment operators.

The Department of National Health and Welfare also administers the "potable water regulations for common carriers" under the Health and Welfare Act. This important Act requires the approval and monitoring of all water supplies on interprovincial and international trains, buses, ships, aircraft, ferries and Great Lakes vessels. At the federal level, the health-related aspects of drinking water are the concern of the Department of National Health and Welfare. There are a large number of other human health-related concerns, including food, drugs and medical devices for which National Health and Welfare is responsible, and therefore it is appropriate that the Department retain the responsibility for drinking water.

I have gone on at length about the responsibilities assumed by the Department of National Health and Welfare for drinking water safety. Other federal Departments also contribute to ensuring the safety of Canadian drinking water. Environment Canada has commissioned an inquiry on federal water policy, chaired by Mr. Pearse, which has been conducting hearings across Canada on this most important topic. The results of these hearings will have a bearing on the issue of safe drinking water, and it is premature to assume what the conclusions of the inquiry will be. Environment Canada believes that it is important to protect the rivers and lakes that are our drinking water supplies. This preventive approach is surely much safer and in the long run less expensive than building expensive treatment plants to produce safe drinking water or trying to clean up contaminated rivers and lakes. Environment Canada is following this strategy and has identified as a high priority the need to identify and assess the quality and quantity of rivers, lakes and groundwaters that are major sources of drinking water. This will be carried out using existing federal-provincial agreements on monitoring the quality and quantity of water.

Environment Canada is also developing, with the provinces and the Department of National Health and Welfare, water quality guidelines for raw drinking water supplies. These guidelines will be published under the auspices of the Canadian Council of Resource and Environment Ministers and will be applicable to all Canadian waters. They will define the quality of rivers and lakes. Having defined the water quality that is necessary for our supplies, it is also necessary to put in place appropriate control measures. This will be done. In order to help protect drinking water supplies, Environment Canada develops effluent guidelines and pollution control initiatives to help protect surface and groundwater supplies.

Let us now turn to the Fisheries Act and see what is being done. Environment Canada has developed effluent guidelines and pollution control initiatives in eight sectors under the Fisheries Act. Environment Canada maintains an inventory of municipal waterworks as well as waterworks systems and it is evolving new guidelines.

In conclusion, the range and nature of these activities, and I have only introduced some of them, show that the system is in place and that there is a concern for safe drinking water. A number of studies and mechanisms of co-operation are in place. Our commitment to water safety and to the quality of drinking water in Canada should not be doubted. I believe that the machinery for co-operation among Governments is there and that it can enhance and protect water in this country. If they do not, we will not hesitate to improve on them.

Adjournment Debate

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in the minute that remains, I would like to congratulate the mover of this motion. I think he will recognize that he is moving into a very touchy constitutional area. The spokesman presented the reasons why it should not be gone forward with. At the same time, be of good cheer. I am simply saying that 92 per cent of all this pollution that he talked about is a money maker. The way to get around the provinces to show them how this can be cured without spending their money and making money for the individual to do it at the same time is the quickest way to get action.

I will conclude with one sentence. Clean water is a problem for the whole world. I will wager that in the next two decades we will have in most countries of the world methods of cleaning water not only to have water that is free from solids, but water that is free of germs and viruses and, second, water that cures major diseases at the same time. That knowledge has been under way and collected over the last 14 years, oddly enough by an Ontario company. We will have that around the world in the next couple of decades, but we have to work cooperatively with the provinces with a sense of goodwill and not under dictation by the central Government.

* * *

• (1800)

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I would like to rise to advise the House of the business for tomorrow and Wednesday. I have had discussions with the Opposition House Leaders and have advised them of my intention to carry on tomorrow with the Investment Canada legislation that is now before the House. If we are able to deal with that legislation tomorrow, I would like to follow it up with Bill C-20 which deals with communications.

With respect to Wednesday, Mr. Speaker, I would like to designate that day as the first allotted opposition day. Once we have had the opportunity of carrying on further consultations, I hope I can rise on Wednesday and let the House know what will be happening during the rest of the week.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

SOCIAL SECURITY (A) LEVEL OF REVENUE AFFECTED BY BUDGETARY CUT-BACKS (B) BUDGETARY CUT-BACKS—POSITION OF BAIE-COMEAU RESIDENTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am pleased with this opportunity to refer again to a question I raised a month ago in the House with the Right Hon. Prime Minister (Mr. Mulroney), which concerned the universality of access to and eligibility for social programs in this country. The House will remember that the debate both in the House and elsewhere taxed the patience of Canadians who were anxious to know what the Government intended to do with these programs. Statements by the Minister of Finance (Mr. Wilson), the Minister of National Health and Welfare (Mr. Epp) and the Prime Minister were so contradictory that public opinion was becoming very concerned, and I think that was ample justification for the debate we had in this House. Hon. Members will recall that on December 14th I asked the Prime Minister at what income level he intended to cut back or reduce benefits provided under social programs and services.

The Prime Minister answered that his Government wanted to consult. Good. It wanted to consult with Opposition Members, consult with the unions, and consult with the private sector. He referred to the First Ministers' Conference scheduled for February 14th and 15th of this year, he said how anxious he was to bring help to needy Canadians, and he urged me to co-operate with the Government; I will read his exact words: to co-operate with us in the preparation of more generous policies towards our destitute fellow Canadians. That is an admirable principle, and although it did not answer my question, which was to what income level they were going to cut back services, it was an evasive but nevertheless informative reply.

In my question I said to the Prime Minister that 90 per cent of Canadians were earning less than $35,000, that is, the majority of Canadians had tax returns that fall below the $35,000 mark. An average of $26,000 would seem more realistic. These are the same people who obviously are paying for a large part of our present social programs through their annual income tax.

Hon. Members will recall that for weeks on end the Prime Minister and his Cabinet colleagues waffled on the issue of universality, not quite sure what they wanted, not quite sure what they ought to do. Indeed, they just did not seem to be able to find a way out of their own mish-mash of electoral promises. They had made so many promises that they were forgetting many things, including their ultimate objective. They had promised jobs, jobs, and more jobs. Well, they did lower their sights. I happen to know that the unemployment rate in my riding of Ottawa-Vanier stood at 6.8 per cent one year ago and thatit is now 9.4 per cent. The unemployment rate has gone up as well in Ottawa-Carleton. Obviously, that is not because the government has created jobs, quite the contrary, it has been slashing right and left.

We were told that social programs were a sacred trust.

• (1805)

[*English*]

A sacred trust of this Government. But what happened? We had six straight weeks of debate, indecision, absolute confusion amongst those in the front-benches and chaos with respect to public opinion.

Mr. Blenkarn: No, no.

Mr. Gauthier: I hear the Hon. Member saying, no, no. But that Hon. Member was also absent during that debate. We on this side heard loudly every day from constituents who told us they were concerned and, indeed, very worried about the intentions of this Government.

Last Friday, six weeks to eight weeks after debate had started, and an article in the Ottawa *Citizen* of January 19 quotes the Minister, the Minister of National Health and Welfare (Mr. Epp) stated:

Health Minister Jake Epp announced Friday the Government has no intention of changing the universal aspect of programs now in place, and specifically ruled out a special surtax on benefits paid to high-income Canadians.

Instead, the Government will consider other options for improving the social benefits package in a review paper to be released January 28.

This white paper or green paper—God knows what it will be, it could even be a brown paper, as far as I am concerned—will state the position, I guess, of the Government. I think it is the biggest con job that we have ever had. We hear that it is a sacred trust. We hear the Prime Minister (Mr. Mulroney) setting up the Canadian public, telling Canadians, "We have a terrible situation here. We are going to have a budget which is going to have a real hard and mean touch to it. We are really going to have to give it to you guys in Canada and we are going to use the fiscal system, the income tax". But what will the Prime Minister actually use? Will he use the $1,000 interest deduction?

Mr. Blenkarn: Yes.

Mr. Gauthier: The Hon. Member says yes. I know him to be a well informed Hon. Member and I will take his nod to mean affirmative action. But will senior citizens be told that maybe their deductions will be reduced, to the extent of even being eliminated? Will the Child Tax Credit be reduced?

Mr. Blenkarn: No, no.

Mr. Gauthier: Will Canadians be also told that other exemptions, and there are quite a number of them, will be reduced in order for the Government to bring in more funds? These ways and means the Government will use to bring in new funds will be made public next Monday. I can tell you, Mr. Speaker, we on this side will be studying very attentively the position of the Government on the sacred trust approach to universal programs. We will no doubt want public debate on this paper.

I see you indicating, Mr. Speaker, that I have little time left. I am sorry because I would love to debate this. I have a whole series of notes here dealing with the subject. However, I guess I will get an opportunity to debate this subject next week after we have had a chance to study the position of the Government in this paper that is to be published. I look forward to that.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the question raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) implies that the government is considering lower social security standards, particularly benefits, old age security and family allowances. The government never did announce such measures. However, we believe that a review of those social programs is necessary if we are to implement a worthwhile social policy designed to allocate our resources properly during this period when heavy constraints are a drain on the financial resources of the federal government.

We have every intention of stabilizing our social programs, while respecting the principle of equity in our social policy.

In addition, the Hon. Member for Ottawa-Vanier will recall that, in the Speech from the Throne and in our economic statement, we did announce our intention to extend the spouse allowance program to all low income widows and widowers aged 60 to 64. That measure shows that, far from wanting to weaken existing social programs, we will do our best to improve them.

I want to say again that any proposed change in social programs will take into consideration our priority, which is to protect needy Canadians. Let it be clearly understood that we have no intention whatsoever to cut the benefits of those people.

As you know, we will soon make public a working document on family allowances as well as on benefits and tax relief for the elderly. The government will be seeking the advice of all interested parties, including the Hon. Member for Ottawa-Vanier, and ask for their suggestions concerning improvements to those programs.

• (1810)

[*English*]

UNEMPLOYMENT INSURANCE (A) POLICY APPLICABLE TO PENSION INCOME AND SEVERANCE PAY (B) CALCULATION OF BENEFITS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise regarding a question I asked of the Minister of Employment and Immigration (Miss MacDonald) on November 27, 1984. It is not a debating point, Mr. Speaker, but it is a fundamental issue which the Government of Canada must confront in the next number of months. It is particularly fundamental to the senior citizens of Canada. The Government is suggesting that severance pay and pension income will

now be included for purposes of determining unemployment insurance benefits for older Canadians.

There are issues in this country, Mr. Speaker, which are important, but I have never seen the hypocrisy shown by this Government regarding this important issue. During the election campaign the Tories were the Party of moderation, the Party of pension reform. But what have they done? Yes, they have reformed, Mr. Speaker, in a way which affects very negatively those Canadians who are least able to deal with those changes. The Government is saying to older Canadians, many of whom have worked for 30 or 40 years, that when they reach the age of 65 and wish to retire they will be prevented, or deferred if you will, from collecting unemployment insurance.

I hear the Hon. Member for Mississauga South (Mr. Blenkarn) muttering over there. He does not have the guts to go into the union halls across this country and put on the record his position as a Tory Member of Parliament. That is hypocrisy, Mr. Speaker, by another Tory Member of Parliament and we see it here every day. I will not take issue with him because he is not a bad guy, if you can believe that.

To go back to my point, Mr. Speaker, this is an important issue and this Government promised pension reform. But it is hitting older Canadians in their last year of employment. It shows what the ideology, the philosophy of the Conservative Party is. On the one hand they say we must do something through moderation and reform of pensions. Their actions do not match their rhetoric. They have completely reversed themselves. They have singled out the retired person who has worked for an extended period of time and has planned with his spouse and family to set up his income so that they may take advantage of a program which they have paid into for an extended period of time.

• (1815)

The Conservative Party does not believe in the Unemployment Insurance Act. They believe it to be a welfare program. I do not, Mr. Speaker, and neither does my Party. We believe it to be an insurance program into which individuals across the country pay sums of money. Canadians who have paid sums of money into the unemployment insurance program ought not to be prevented from collecting UIC benefits as the Government is suggesting they should. The Conservatives will say that they will get their money from UIC. However, they will have to end up on skid row before they will be able to take advantage of unemployment insurance.

That is hypocrisy by a Prime Minister whose mutterings during the campaign were that his Party stood for the little guy. The Conservative Party stood as the paragon of all good to those individuals less fortunate than we are. What have they done? They have done the complete opposite.

In closing, Mr. Speaker, I will say that Tory times are tough times. What the Tories have done to the retired workers in this country in four months is devastating. They have allowed the Minister of Employment and Immigration to take money from those who are in greatest need to hire, at a $30 million price tag, individuals who are going to police and harass those on unemployment insurance. Shame on the Minister of Employment and Immigration and shame on those sheep over there, like the Hon. Member from Mississauga. They should be ashamed of their Party and their leader. They ought to resign forthwith.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, as already stated by the Minister, unemployment insurance benefits will continue to be fairly and equitably computed for all Canadians. Under the present rules, the severance pay can be supplemented with unemployment insurance benefits. Thus for a period up to 50 weeks a double income is provided.

It has been decided that from March 31, 1985, the payment of unemployment insurance benefits will be delayed or reduced as a result of earnings paid on the termination of employment. Those earnings include more especially the severance pay, the pension, the retirement allowances, credit for accumulated sick leave, premiums, gratuities, wages in lieu of notice, holiday pay and retroactive salary payments. Those provisions will eliminate the payment from two sources but will continue to provide to the beneficiary all the advantages of the system that is making up for any shortfall while avoiding the duplication of remuneration.

As for the retirement pensions, changes will come into effect in January 1986. It will be possible to draw unemployment insurance benefits while receiving a pension, but the latter will be subjected to the rule of 25 per cent which provides that any remuneration over 25 per cent of the weekly benefits rate will be deducted from payable benefits. The postponement of those changes will allow the private sector to make necessary adjustments.

It should be noted, Mr. Speaker, that the proposed amendments will apply to all workers and not only to senior citizens, as suggested by the Hon. Member. However, temporary measures will protect workers who have already negotiated severance payments in accordance with unemployment insurance regulations now in effect. Consequently, workers receiving benefits before the enforcement of those changes will be subjected to the present rules. Moreover, workers covered by a collective agreement or an employee-employer agreement dealing with the closure of a plant will be subjected to the present rules until the expiry of the agreement.

I should like to emphasize that in such countries as Austria and Germany, older unemployed people who become eligible for old age security pensions before age 65 have their benefits suspended. In the United States, Mr. Speaker, in accordance with federal legislation, all pensions paid by the government or another party and based on an individual's past record of employment also reduce unemployment insurance benefits.

● (1820)

[*English*]

The Acting Speaker (Mr. Charest): I am sorry, but the Hon. Member's time has expired.

Mr. Dingwall: A point of order.

The Acting Speaker (Mr. Charest): There is no point of order permitted during the adjournment debate.

NATIONAL REVENUE—VERIFICATION OF RESEARCH AND DEVELOPMENT INVESTMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise tonight with respect to a question that I raised with the Minister of National Revenue (Mr. Beatty) on December 10. It concerns the famous R and D tax credit scheme that was put through the House in the last income tax Bill presented by the former Government.

That scheme enables a company to sell its R and D tax credits in such a fashion as to pass them on to some other taxpayer. The effect of a quick flip of R and D tax credits has been to significantly damage the national revenue. That was clearly pointed out by this Party while in opposition. We were particularly opposed to this particular provision of the income tax Bill.

Indeed, the effect of the amendment of a year ago was to reduce the revenue this year by at least $1.5 billion as people have taken advantage of R and D tax flips to wipe out or substantially eliminate personal and corporate tax.

Based on the federal tax payable on an individual basis of 34 per cent and an average return of 50 per cent on an individual basis and a possible 50 per cent on a federal corporate basis, not only is there a massive transfer in any case, it is an absolute reduction in tax payable. Very few companies and individuals pay at the maximum rate. The effect of the provisions of the Act is to reduce federal tax beyond what could conceivably he paid by virtually any taxpayer.

Furthermore, the effect of this $1.5 billion loss of revenue would not be so bad, perhaps, if we received $3 billion to $4.5 billion worth of new R and D. In that case we would have changed Canada from spending about $1.1 per cent or 1.2 per cent of its GNP on research and development to something in excess of 2 per cent in one year. However, I doubt that is the case. I suspect that there has been a great deal of fudging the books with respect to R and D tax credits.

The problem I wish to raise with the Minister is that he suggests he can do nothing unless there is fraud. It is very difficult to prove fraud in tax law and criminal law. Therefore I believe the Minister should introduce amendments to the Income Tax Act, not only to deal with the matter on a fraud basis but to change the whole concept of R and D tax credits so that while the tax credits exist, they are fair and compensate companies for conducting research and development that is valued, already paid for and completed, and which is not proposed research and development. Also to provide that R and D be handled in such a fashion that we are sure when money is taken from the treasury of the country that the research and development is done and done in such a way as to contribute to the growth of the country.

● (1825)

We cannot go on, as did the previous government, throwing away the taxpayers worth. What we must do is change this whole provision of the Income Tax Act; not just the quick flip provisions which the Minister has dealt with by regulation, but the whole provision so that the Income Tax Act will provide, when you do R and D, that you get back a portion as a tax credit toward the R and D actually expended. If you have no taxes payable, a tax credit is not too useful to you. As a *quid pro quo* the Government ought to make a positive transfer to those doing R and D. After the R and D has been done, after we have the baby we ought to pay for it, but we should not be paying for R and D in advance.

Under the present system money is deducted, an account is set up and you are supposed to spend the money on research and development. There is not real tight definition of research and development. Money is deducted, transfers are made from one person to another. Bankruptcies can occur and in many cases I very much fear that the present hole in the Income Tax Act is going to lead to a massive reduction in revenue, not only this year as indicated by the Minister, but next year and the year after. The present system, while it may not lead to many prosecutions for fraud, will lead to a serious erosion in revenue with very little benefit to the national wealth.

I say to the Parliamentary Secretary that he should take back to his Minister the view that the provisions of this Act must be changed to make the R and D tax credit sensible.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, the scientific research investment tax credit was implemented in January, 1984 in respect to expenditures made since April, 1983. This scheme made it possible to transfer as a tax credit as much as 50 per cent of research expenditures to investors in a research corporation. Through one of the characteristics of this scheme, an investor could use the "sale-repurchase" mechanism of titles to make quick gains without any risk involved.

People quickly realized that this mechanism was the main way to use the scheme, with the result that the research firm involved received less than half of the funds it needed to carry out the eligible research without being subject to Income Tax payment under Part VIII. This tax must be paid by a corporation which transfers tax credits to investors. This tax is refundable or non chargeable if the corporation spends enough funds on eligible research within the prescribed time.

Therefore, in order to cope with the provisions of the legislation and those requirements, the Minister launched a review program under which assessments were made with respect to the income tax provided for in Part VIII Income

Tax, and a case by case examination determined whether a guarantee should be obtained or collection measures immediately taken. When *bona fide* research work had been done with sufficient funds to eliminate any income tax under Part VIII, no action was to be taken, Mr. Speaker.

This has been a fair way to deal with the situation, in order to avoid abuse without jeopardizing the program.

However, in view of the questions raised as to the efficiency and effectiveness of the program, since all the funds were not directed to the intended beneficiary, the Minister of Finance (Mr. Wilson) announced last October 10 a freeze on the sale-repurchase of shares qualifying for the income tax credit for scientific research. That freeze will remain in force until a complete review of the program has been made, in consultation with the interested parties, including individual Members of Parliament.

The Government has taken the firm commitment to improve incentives aimed at increasing research and development work in Canada, and is seeking more effective ways of directing fiscal incentives to those firms involved in research and development work, so they may derive maximum benefits.

In the meantime, Mr. Speaker, common shares meeting the criteria for entitlement to the income tax credit on the purchase of equity shares will be entitled to the research credit.

Further, in order to ensure a fair transition, some arrangements were recognized as vested interests provided they had been made or substantially advanced before the announcement by the Minister of Finance (Mr. Wilson).

Concerning the application submitted, Mr. Speaker, they will be re-examined to ensure that they are *bona fide*, and where any fraud is uncovered, appropriate measures will be taken.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6.30 p.m., the House adjourned.

HOUSE OF COMMONS

Tuesday, January 22, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, January 21, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I want to continue my remarks with regard to the amendment and the Bill known as Investment Canada which is before the House. When this Bill was introduced I was somewhat concerned that it came at an inopportune time. I thought, as did many Canadians, that due to the statements made in the Throne Speech and the statements made by the Prime Minister (Mr. Mulroney), and more particularly the Minister of Finance (Mr. Wilson), that a great deal of consultation would take place in Canada with regard to legislation and the direction in which they wished to take the Government of Canada.

Unfortunately, the opposite is the case. The Minister of Regional Industrial Expansion (Mr. Stevens) really wants to be the Minister of Finance, as evidenced by his actions. The Minister of Finance talks of consultation on one hand, but on the other hand implements action without any consultation. I find it quite disturbing that there was no consultation on an important piece of legislation like Investment Canada. The provinces of Canada were not consulted.

All through the years that the Conservative Party was in opposition, and particularly in the pre-election days, the sentiment was expressed that provincial Governments across the country ought to be consulted on a regular basis, not only with regard to the process but with regard to the substance. Again, Mr. Speaker, there was no consultation whatsoever. I thought that perhaps the Conservative Government would have placed the issue of foreign investment on the agenda as an item to be discussed at the economic summit. Again we hear the Prime Minister and the Minister of Finance talk of consultation, mutterings if you will, and then they do the exact opposite, which is unilaterally to bring in a piece of legislation which Canadians wish to be consulted upon.

There is a need in this country for consultation about foreign investment and foreign control because it affects the daily lives of Canadians across the country. Foreign investment is an important issue. I do not have to remind Members of all the industries that are foreign controlled in Canada, but I think it would be appropriate to list three or four. The tobacco industry is 99 per cent foreign controlled. The rubber products industry is 90 per cent foreign controlled. There is 75 per cent foreign control in the chemical industry and 70 per cent foreign control of transportation fuels. There are some very important industries in Canada that are foreign controlled and I am certain that Canadians, at least in my constituency, would like to have been consulted about those changes which the Government has brought in.

• (1110)

I take issue with some of the comments and statements made by members of the Conservative Party that the previous Foreign Investment Review Act was hindering foreign investment in Canada. The facts do not bear that up. The fact is that over 90 per cent of those applications which were submitted and processed were approved. That is a pretty good batting average in any game. I believe that it is not very logical to suggest that the fact that a small number of applicants have been refused or the process was slowed is reason to throw out the Foreign Investment Review Act. However, it is very valid to say that where the process was slow it ought to have been improved. We attempted to do that in 1982.

I think we have lessened the negative impact or criticisms made by individuals with regard to the Foreign Investment Review Act. I do not wish to suggest that the Foreign Investment Review Act was perfect because it was not. However, I wish to quote what Duncan McDowall said about the Foreign Investment Review Agency in Canada. He talked about Canada as a place for investment and said: "Canada has long been considered a stable and remunerative place for foreign investment".

The points which are trying to be raised by the Conservative Government are simply not valid. Canada is a good place for foreign investment and we had a very good regime in Canada to protect and enhance that foreign investment in order that we may create jobs.

Other countries like Canada have had apparatus put in place to guard against foreign investment. We need look no further than the United States to see such things as shipping, broadcasting and air transportation which have restrictions with regard to foreign investment. I point out to the House

that Australia also has a regime for foreign investment. Japan also has a regime to guard against and promote, if you will, foreign investment in that country. Therefore Canada had a good regime with the Foreign Investment Review Act. It has been displaced by Investment Canada. I must say that this has been done through the back door in the sense that the Government has predicated the Investment Canada Act on the claim that it will create thousands upon thousands of new jobs.

I have asked the Minister and members of the Conservative Government to show the documented evidence which would prove unequivocally that thousands upon thousands of new jobs would be created by more foreign investment and by relaxing the standards that were already in place. Where is the evidence? There is no evidence. It is a smoke and mirrors situation put in place by the Prime Minister.

As we all know, the Prime Minister is kowtowing to the Americans at every opportunity. I believe this is threatening our sovereignty as a nation. I do not want Canada to become the next state of the United States; I want Canada to continue as an independent country both in terms of its foreign policy and in terms of investment and economic policy. It is utter nonsense to think that Canadians will believe that thousands of new jobs will be created with the introduction of Investment Canada. The same myth was perpetrated against the Canadian people during the election. The Prime Minister said: "Elect me and tens of thousands of new jobs will be created". That has not been the case. He said that overnight these jobs would be created, but that has not been the case, Mr. Speaker.

• (1115)

What about Investment Canada? How many jobs will come out of this? Will it be one million jobs in four years or 1.3 million? What will it be? This type of thing shows a lack of depth by the Conservative Party, in particular by the Prime Minister and the sheep who sit behind him. I say to you in conclusion, Mr. Speaker, that this Tory Government bent on selling Canada to the United States will have a great fall in the next general election.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the view of the majority of Canadians the most serious problem facing this country is the tremendous number of unemployed. There are 1.5 million people unemployed. The Prime Minister (Mr. Mulroney) recognized that this was the main problem. During the election campaign he said the major issue that he wanted to address was jobs, jobs, jobs.

The Bill we have before us now is supposed to help us achieve the objective of job creation, according to the Government. The Government is arguing that if we only throw open the doors to more foreign investment and remove the very minimally slow downs created by the Foreign Investment Review Agency, the money will flow into Canada and create jobs.

Newspapers such as *The Globe and Mail* and *The Financial Times* have analysed this question and made it very clear, as a result of discussions with American investors, that there will be no quick movement of investment capital into Canada as a result of the passage of this Bill.

This Government seems to believe that any investment is good investment. With very few exceptions the Government intends to open the doors and put this country on the sales block. Everything will go to the highest bidder.

In the few minutes I have I would like to deal with just one aspect of investment that leads to job creation, namely the critical ingredient of research and development. The Government has emphasized the importance of research and development, particularly in the dynamic sectors of electronics, manufacturing, telecommunications, software development and other high-tech areas. The fact is that among all the industrialized countries Canada is virtually at the bottom in terms of the percentage of our Gross National Product which is allocated to research and development. While we are still hovering at about a 1.5 per cent allocation of our GNP to research and development, many of other countries are now investing 2.5 per cent or more of their Gross National Product in research and development. They are forging ahead of us, Mr. Speaker, in the use of the newest technologies.

We are told to let the money come into Canada and there will be more jobs. But in the manufacturing sector where over 50 per cent of the enterprises are already foreign owned, we have virtually no interest in, no expenditure and no concentration on, research and development. I will come back to that if I have time.

We have found, and studies have made it clear, that major efforts in the field of research and development in Canada are carried out and have been for a number of years either in Canadian universities, Government departments or Crown corporations, such as the National Research Council. These bodies are the ones which have done the research and they are now suffering from the Government's unwillingness to play a major role in stimulating research and development activities because funds have either been frozen or, even worse, cut by the Government.

I want to give one specific illustration of what I mean, Mr. Speaker. There is no better signal of the Government's contradictory strategy than the move that has been taken to eliminate the Institute of Manufacturing Technology in my home city of Winnipeg. Winnipeg is a manufacturing centre in its own right. Also it is home to two major universities and several technical institutions. It was logical to choose Winnipeg as the home of this centre which had as an objective the kind of research and development work not now being done in this country—the revitalization of techniques, processes and methods which could be used in manufacturing in the country or marketed abroad as applications in other countries.

• (1120)

IMT was located in Winnipeg not as a result of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) pushing the idea while he was a Cabinet Minister. It was not an example of porkbarrel politics. It was the result of long-term planning by the Manitoba Research Council which dealt with

a proposal by the then Conservative Government of Manitoba to the National Research Council in 1980. An enormous amount of planning went into IMT only to be scuttled by the Government which now intends to open the doors to the free and unfettered exportation of American jobs.

The intention was to tie in the academic resources of the Universities of Winnipeg and Manitoba, the research facilities of the National Research Council and the expertise and industry experience of the private manufacturing and production sector. This is the kind of labour-intensive activity which creates beneficial spin-offs. Already 42 of the anticipated 125-member staff of the institute have been hired. Major equipment has been ordered and received. Research projects have begun at various locations across the country. To eliminate this project now is the worst of mistakes and completely contrary to this Government's supposed policy.

It was at IMT that Canada was to begin to address the problems of adapting technology, developing new processes in such advanced areas as flexible manufacturing systems, sensors, robotics, computer-aided design and manufacturing, and artificial intelligence. All these areas offer great promise and are being investigated in other countries. All could aid in giving this country the advanced manufacturing capability it needs. Yet one of the first steps taken by the Government was to cancel a project into which so much effort had been put, a project which would have benefited not only my City of Winnipeg but manufacturing facilities all across the country.

As I said earlier, many people work in the manufacturing industries. More than half of this sector is U.S. controlled and very little research and development is being done by it. One of the largest corporations in Canada is General Motors. It is virtually doing no research in automobiles in this country. Not only is it conducting research in automobiles in the United States, but it is now branching into other important fields in that country.

I should like to refer to an article which appeared some time ago in *The New York Times*. It indicated that the General Motors Corporation was beginning a major new research effort to integrate computers, software, robots, sensors and telecommunications systems into a highly automated manufacturing process that might lower the cost of producing automobiles and conceivably revolutionize production processes in a range of other industries. Similarly, a major chemical company in Canada, du Pont, is embarking upon new research efforts, not in Canada but in the United States. *The New York Times* reported that du Pont was embarking upon research to penetrate the life sciences, biotechnological and electronic areas. Scientists at du Pont are studying such varied subjects as the structures of polymer chemicals, the genetic controls of tobacco plants, the molecular biology of immunology and leukemia, and optical laser recording disks, all in this in the U.S.A.

Are they proposing to do anything in Canada? Not at all. We have the beginnings of very interesting and competitive micro-electronic companies and the beginnings of companies involved in biotechnology. These are small companies but they can lead to whole new industries which employ many people. They are cash poor and are logical candidates for a takeover by American companies. When these companies are taken over, the jobs that have been developed will be moved to the United States.

• (1125)

For that reason among others, I and the members of my Party oppose this Bill.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it is a pleasure to take part in this debate on the amendment to Bill C-15, as proposed by my colleague, the Hon. Member for Windsor West (Mr. Gray).

[*English*]

This Bill has been debated in this House for a number of days. It is becoming more and more evident that the people of this country do not want this type of legislation. If government Members across the way and those who are commonly referred to as the book-ends, those who sit on the opposite side of the Chamber from the rest of their colleagues, would take a few moments to do the following exercise, it would be of great benefit to them and their constituents.

Over the next few weeks I intend to consult the people of my riding on this issue. My next constituency mail-out will contain a questionnaire. I will ask the people of the great riding of Glengarry-Prescott-Russell how they feel about Bill C-15 and its potential effect of reducing Canadian ownership of our industries. From discussions I have had with the people in my riding I am sure that neither they nor the rest of the people of Canada favour this type of Bill.

When I was a member of the Ontario legislature, I sent out a questionnaire which included a similar question. The question was: "Do you feel that there is a sufficient amount of Canadian ownership of our industry at the present time?". Another question was: "Are you in favour of stricter measures to ensure that Canadian ownership of our industries is maintained?". The large majority of voters in my riding consistently expressed the view that we do not have enough control over our industries at the present time and that we should not allow the situation to deteriorate further.

The intent of this Bill is puzzling. The Hon. Member for Laval-des-Rapides (Mr. Garneau) described how this Bill leads us to believe that it proposes freer restrictions and wide open policies that we will be advertising in the United States and has certain hidden restrictions which, although not immediately apparent, are there. This schizophrenic feature of the Bill is somewhat confusing.

Let me give a few examples of how this Bill is confusing. We are told there will be exemption of all new business investment and all direct investments involving assets under $5 million. How does one determine whether the assets of a particular company are under $5 million? The only way to do that is to have the new agency review all pertinent documents, the books and so forth of that company, as was done in the past. Once

those companies are reviewed, we can tell them that we do not have to review them because they have less than the amount that was advocated by the new Bill. Of course, in order to find that out, we must go through the process.

• (1130)

I find that particular feature of the new Bill to be somewhat confusing. Perhaps government Members would seize the opportunity afforded to them by the speech rotation to explain to us specifically how one would be able to identify whether or not new companies qualify under this Bill for the reasons I have previously mentioned without going through the process of examining their books. It seems to me that that is inconsistent with what the Government is attempting to do.

We are told that the final authority is now to be vested with the Minister rather than the Cabinet and that no provision for appeal to a higher authority is formally stated. Again that is a rather confusing position on the part of government Members, who on the one hand attempt to attribute to themselves such adjectives as free, open and democratic, and on the other hand will now give power to one Minister rather than giving it to the entire Cabinet, which in my view is a more democratic way of doing things. Again this is inconsistent with the message government Members are attempting to send to Americans and to all foreign investors.

We have also heard that the criterion for permitting acquisition has changed from "significant" to "net" benefit. Whether one word is used or another, it is quite obvious that we will have to examine such benefit as is derived from an investor before being able to determine whether the benefit is significant or only net.

Regardless, I think it is obvious that a good part of the process which existed before will be retained even though government Members are attempting to say the opposite. Nevertheless, the clear message they are sending is that the previous legislation was ineffective and did not welcome foreign investment. If that was the case, then why was it, as pointed out by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), that the approval rate was 97 per cent? If foreign investment was not welcome, why did we approve 97 per cent of it? Presumably, Mr. Speaker, we did so because the previous legislation was indeed quite effective.

I think it is important to recognize that at one point the previous legislation needed amending and it was amended to reflect changing times. It is true that foreign investment is welcome. However, it is not true to say, as government Members are attempting to say to the Americans, that foreign investment shall be unrestrained.

We respect the United States. It is our very close neighbour, a very powerful nation in the world and a nation which has been very friendly to us. However, as I said when I spoke on this issue previously, just because someone is our friend does not mean that we open our door, give him a set of keys and let him in at any time. I have friends but I do not give them keys to my house. If I do, I do it sparingly and for very good reasons. However, doing that does not make our friends any less friendly to us. It simply means that we assert the authority that we have as a nation. I do think it is time that we recognized that to be masters of our own house does not mean that we are to be unfriendly.

Some of my colleagues have stated that the United States and indeed several other countries do have restrictions like we have and some countries are even stricter than us with regard to the ownership of airlines, broadcast industries and so on. Recognizing that and recognizing that other countries surely have a right to such restrictions, we must recognize that we have a right to such restrictions as well.

I am thinking of the situation which now exists in this country with regard to restrictions planned for the area of agriculture. I am sure all Hon. Members of the House are familiar with the potential danger created by the Americans cutting off imports of pork products from Canada to the United States. Several thousands of jobs could potentially be affected by this. We do not hear that discussed much in the House. The only think we hear from the Government is that we should have our door wide open. When we greet a friend we sometimes do open the door, but we must recognize that we are our own masters and that foreign investment in this country, albeit welcome, should only be allowed when it is of the greatest benefit to all Canadians.

• (1140)

[*Translation*]

Mr. Gilles Bernier (Beauce): First of all, Mr. Speaker, I would like to offer you and all Members of this House my best wishes for the new year, and I hope that what we do this year will be of benefit to all Canadians.

I represent the riding of Beauce, where Canada begins. We are on the U.S. border, with the State of Maine as our neighbour. As you may know, the people of Beauce tend to get along very well with their neighbours and to co-operate with them, so we are particularly aware of the benefits of good relations, and I am therefore on familiar ground when I speak to Bill C-15.

Canada's national policy must be based on international objectives. Economic renewal starts with renewed investment, a very welcome challenge for this Government. The people who elected us have faith in us. We must keep a level head and we must be realistic. We all want to succeed, but we will have to open our doors to investors, to those whose faith in our country and our government has been restored. Investment capital remains the basis for economic success.

Investment is the key to economic growth because it will help finance the facilities that will make Canada more productive and create more jobs for Canadians. That is what we want. Canadians will appreciate this new boost for the economy, because the unemployment rate in Canada is now 11 per cent, while the real rate is probably even higher. Considering this situation, Mr. Speaker, we must ask ourselves what FIRA has been able to achieve after ten years of operations and

whether it has any legitimacy. That is why our Government has decided to act by tabling this very important piece of legislation. We must remember that before the good years in the sixties and early seventies, Canada was built on foreign investment, first British and then mainly American, and that without such investment, it would have been impossible to industrialize this country.

Whenever measures to control foreign investment were introduced as an expression of nationalistic fervour, they have led to underdevelopment, and I am thinking, for instance, of Argentina and Mexico. Local capital has never benefited from such measures, since it is a fact that the specific nature of investment, a critical factor in industry, is to act as an engine, not as a dead weight. Our economic growth depends on investment. In Canada, a good example would be the oil industry. Sheltered like a hothouse plant by the Liberals' National Energy Program, Canada's oil industry has lost access to foreign capital, resulting in the unprecedented action taken by the Government, and I would refer Hon. Members to the monster Petro-Canada has become.

According to Jacques Forget, editorial writer for "Finance" in Montreal, in addition to investment being the economy's moving force, its impact is reinforced by what economists refer to as the multiplier effect. Traditionally, foreign investment in Canada has been the prime engine of economic development. A responsible government, as we claim to be, must act to bring down a federal deficit that has increased steadily under the Liberals.

This Government realizes that to encourage economic growth in this country, it will have to gag FIRA. After the Prime Minister's speech before the Economic Club in New York recently, foreign investors realized that with the advent of the Progressive Conservatives, Canada would again become a prime investment area, where investors would be able to invest safely and profitably. We are going to show our confidence in the long-term investors, in business and in the individual entrepreneur. The Canadian economy will benefit as a result of increased employment and a rising balance of payments, a decisive factor in determining the value of the dollar, all of which will certainly reduce pressure on interest rates.

All this can be done because this Government is a Government of people who work, people who save, people who invest, people who create businesses and jobs. Mr. Speaker, there is a renewed faith in the free market system, in the freedom of Canadians and in Canada.

For 20 years we have been living beyond our means because of an irresponsible Government, some of whose members are among the survivors opposite, now under a new leader with a recycled image. Since September 4, Canadians have had confidence in our Government and according to the polls they are showing that confidence today. It is a Government that is promoting realistic and courageous policies.

Mr. Speaker, on the Opposition side we often hear a number of fantastic and I might even say frivolous comments. Why don't these people stand up to make speeches and give their point of view? All we hear are a lot of grunts and groans that tend to disturb whoever has the floor. We must make difficult choices for the benefit of future generations. Canadians put an end to Liberal rhetoric when they realized that Liberal Government was not the solution to Canada's problems because it *was* the problem.

Future capital requirements will probably exceed any since the industrial boom right after the Second World War. Expanding industries such as telecommunications, robotics, computer systems and genetic engineering all require massive investment and are thus capital-based. For instance, today's secretary works on equipment worth $3,000, but tomorrow's secretary who will be a computer specialist, will require an investment of as much as $25,000. The growth in productivity will certainly be considerable—that is not the point. When all is said and done, we have no choice. Increasingly, our labour force will consist mainly of people who are qualified for white-collar jobs. They will not be productive unless they have the tools this kind of work requires and unless we can benefit from adequate foreign investment.

Mr. Speaker, let us be realistic. We must understand and accept that any reduction in youth unemployment will have to be preceded by foreign investment. Those who are opposed to foreign investment are thereby opposed to reintegrating young people in the labour market. We must realize that we will not get the jobs Canadians need unless we invest the capital this requires. We must be realistic. We need others to help our economy grow. President Reagan has understood this. The economic upsurge in the United States is mainly due to an increase in investment which means greater confidence in the government. This has helped increase GNP growth from 0.7 to 1.8 points, thanks to the pro-business philosophy of the Reagan Administration.

Mr. Speaker, if the United States is able to attract foreign capital, why should Canada not attract capital from the United States and elsewhere? Our country has to rebuild capital supplies to meet the challenge of a new industrial revolution. This month, in his message on the State of the Union, President Reagan stated, and I shall end on this note: "America is back". We might add: "Canada will follow".

[*English*]

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to join in the debate on Bill C-15, the Investment Canada Bill, and I speak in support of the amendment before the House to read the Bill a second time six months hence.

I am opposed to any relaxation of a law which already allows decisions to be made regarding investments that are against national interests and will increase the possibility that such development of the Canadian economy will not serve the needs of Canadians, whether as Canadian investors, as engi-

neers and developers of technology, or as suppliers of products. On a number of different points it is possible to demonstrate not that we need a relaxation of the law, but that instead we should administer more strongly the legislation which already exists.

I would like to explore some of these areas because it is very important to appreciate what will be the consequences of these decisions. In the process of thinking about these decisions we must ask ourselves whether the Government has done more than to suggest in an ideological way, as an article of faith—as did the last speaker—that we need to open the doors wide, and that it is only by those means that we can ensure that the country will achieve full employment and that Canadians will again know prosperity.

The Foreign Investment Review Agency has been in operation for about a decade. The record of the Agency demonstrates the importance of political will. In particular, during 1984 it became obvious that a Government that was not concerned about the consequences of foreign investment—which was recognized time and again at the end of the 1960s and through the 1970s—could in fact ensure that the Foreign Investment Review Agency represented little hindrance to foreign investment. One could conclude from that that the legislation before us is to some extent designed to fly the flag, or perhaps to pull the flag down, before foreign investors, in a supine surrender to their investment decisions which would be exercised in Canada.

During 1984 FIRA approved many foreign investment decisions. In only a very small number of those cases did it actually require foreign investment to lead to the creation of employment in Canada. In few of the cases did it even require that there be new investment in Canada from outside. From the beginning of 1984, 16 per cent of the applications approved promised neither new jobs nor new investment. Of course, in those cases one had to ask what were the consequences of the investment decisions being approved, considering the change of control which was taking place in Canada with the foreign operators having a larger influence in the direction of the Canadian economy. On that point I could say that the consequences of these foreign investment decisions have become quite clear in my own community.

• (1150)

In the last week there has been concern in the City of Thunder Bay about the prospect that one of the stores which Canada Safeway operates is likely to be lost. During 1983 the food retailing business in Thunder Bay was significantly consolidated when Loblaws and Dominion Stores retired from the scene. The A & P and Canada Safeway took over these stores and established, as far as national retailing outlets are concerned, a "duopoly" in which the two of them were jostling for control of the market. The Foreign Investment Review Agency allowed that to go ahead even though it realized that Canada Safeway, in its acquisitions in Thunder Bay, Winnipeg, Regina and perhaps other centres, was significantly increasing its domination of the market. What FIRA apparently did was to require some reduction of outlets as a means of trying to increase competition and reduce this domination.

It now seems that Canada Safeway has been using that decision as a means of closing down perhaps its oldest and smallest outlets in order to consolidate its operations in large centres. What this means for one area of Thunder Bay is the loss of an old and much patronized store, forcing its patrons to go some distance to shop. In the case of senior citizens who do not have cars this would mean travelling by bus or probably by taxi in making trips of some distance in order to buy their groceries. That is obviously a serious matter for people with very limited incomes.

Of course, blaming this on FIRA is taking the matter up in mid-course. What we have to consider far more is the activities of large food retailers, in this case two American-controlled companies, who have succeeded in establishing dominance in a community and then forcing people into that kind of unfortunate plight. Obviously one can only regret the disappearance of Dominion and Loblaws from Thunder Bay because they represented more competition in the market. Surely this is a demonstration of what the consequences of foreign investment can be.

I submit that we have not had any substantial demonstration in this country of the advantages of foreign investment. People say as an article of faith that it is necessary, but of course my colleagues have taken a leading part in focusing on the dangerous consequences. We have had a great deal of superficial discussion of foreign investment. However, there has been little recognition of the fact that the kind of foreign investment we are faced with these days is one particular style of putting capital to work which has much more far-reaching consequence than some of the other possibilities.

When this matter was being debated last December, someone asked about the extent of British investment in the United States through the 19th century. What that person failed to note is that that investment was very largely that of portfolio investment. That is to say, British investors bought shares in companies. They invested in American railway bonds or whatever. Unless they were brought together in a committee because the enterprise was not doing well, they were hardly involved in any kind of controlling interest in the activity.

Portfolio investment, joint ventures and possibly licensing agreements are all means by which capital can be obtained. But what is not being recognized by our colleagues on the government benches for the danger it represents to the Canadian economy is that foreign investment these days is in the form of a subsidiary. No matter how profitable it is, a closely held corporation will never be available for investment by Canadians unless we have a tightening of the law and we demand that the enterprise offer shares to Canadians so they can participate in the profits. Instead we have a subsidiary with presumably some injection of foreign capital at the outset, but after that it draws on Canadian capital sources. That surely, even on the theory our friends have on the other side, will represent a reduction in capital available to Canadians.

In these various ways, where the subsidiary draws on foreign technology rather than encouraging Canadian technology and research and development, where it draws on the parent for products and encourages the importation of materials to Canada rather than production in Canada, we then see the way in which the activities of the subsidiary go against the national economic interest. In those circumstances I can only regret on behalf of the Canadian people that a government which calls itself national will undertake these actions of expressing a colonial mentality in selling out the interests of the Canadian people.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, in the eighties, few people fail to agree with the need to increase investment capital, both foreign and domestic, in order to give our economic development a new impulse. Clearly FIRA, which approved more than 90 per cent of foreign investment applications over the last ten years, has played a major role in developing our economy.

FIRA was established in 1974 to respond to the concerns of the Canadian people over the ever-increasing foreign control of our economy. In 1973, for instance, foreign investments in Canada totalled $32.9 billion, as against a mere $20.6 billion in the United States, whose economy was then ten times greater.

In 1973 foreign interests, mainly American, were controlling 57 per cent of the Canadian manufacturing industry, 75 per cent of our oil and gas industry and 58 per cent of our mining industry. Surveys had shown that 70 per cent of all Canadians believed our economic opportunities were highly imperilled by such a degree of foreign control.

Over the past ten years, under the previous Liberal administration and thanks to FIRA's efforts, the level of foreign control on Canadian industries and especially the energy sector has decreased significantly. Over the last ten years, although investments have increased from $690 million in 1974 to $2 billion in 1983, the amount of foreign control has declined significantly.

What is the Progressive Conservative Government proposing in its foreign investment policy? First, any new foreign investment will no longer have to be reviewed. Second, any takeover of companies with less than $5 billion in assets may be done automatically. With these two provisions, the Government opens the door to the foreign control of 90 per cent of our industries and companies. Third, in the case of an indirect takeover, or in other words where a foreign company with a Canadian subsidiary is taken over by another foreign company, the transaction will be reviewed only if assets exceed $50 million.

The Progressive Conservative Government is thereby handing over our economy, bound hand and foot, to foreign capital, without concern for the actual impact of foreign investment on this country's economic growth.

• (1200)

[*English*]

Canada is open for business again.

[*Translation*]

Or rather, as the Bible so aptly puts it, it has sold its birthright for a plate of lentils.

[*English*]

Canada is open for business again.

[*Translation*]

But the way the Conservatives see it, it is the business of others before ours.

With respect to foreign investments, we ought to know that a great many subsidiary companies of multinationals and quite a few national companies operate under a patent or licence issued by a foreign firm and must do so within the limits of what is called restricted mandates, under which research and development activities, production and international marketing are limited. Restricted mandates quite often specifically ban exports to another country, but the public at large is unaware of this since the companies themselves generally keep such mandates secret. Obviously, those restricted mandates severely hamper Canada's export efforts and we will have to try to have some of those restrictions lifted. Whereas the Liberal government always stressed, through FIRA, the importance of attracting to Canada companies likely to spur our economy, the Conservatives would rather sell out the country to the highest bidder.

[*English*]

Canada is open for business again.

[*Translation*]

But I ask, Mr. Speaker:

[*English*]

For whom? Business for those who tell us that our companies can no longer export as they wish, that they will no longer be able to invest the moneys required for research and development?

[*Translation*]

Over ten years, FIRA approved more than 90 per cent of investment applications. Rejected applications had often been filed by individuals or companies anxious to do business in Canada and take advantage of our resources without contributing anything to this country's development, since they would have saddled their Canadian subsidiaries with restricted mandates.

Whereas the Conservative government wants to implement a laisser-faire policy which will enable anyone, on any condition, to take over any Canadian company, the Liberal Party of Canada has always emphasized the urgency of securing foreign investments which would create real economic growth in Canada and long-term jobs for Canadians. We believe it is important to have a control mechanism such as FIRA so as to

make it possible, among other things, to promote foreign investments in Canada which create subsidiaries with world-wide rather than restricted mandates. It is only because of tariff avantages that subsidiaries locate in a country, and these subsidiaries are fully dependent on the parent company for everything related to product design and product marketing. They will remain in that country only when the tariff advantages are financially beneficial to their investors.

If we want to promote economic growth in our country rather than increase the profits of foreign investors, we do need an agency like FIRA. The point is not to turn down investments offered by multinational companies, but rather to ensure that their subsidiaries have what are commonly called in economics world mandates.

It is the responsibility of the Government to ensure that companies created by foreign investments are independent production bodies which are asked by the parent company to design, manufacture and sell on the world market one or more than one product.

Through its policy, the Liberal Government always tried to encourage companies with world mandates to locate in Canada. You, the Conservatives, have just destroyed ten years of work. Through FIRA, we had always emphasized the international marketing aspect because we know that subsidiaries with a world mandate invest a lot in research and development.

[*English*]

On product design and on product engineering.

[*Translation*]

With the creation of Investment Canada, small businesses will become choice targets for foreign takeovers. The clause which exempts acquisitions of small businesses from any review is probably the most dangerous clause of this Conservative Bill.

Mr. Speaker, the Progressive Conservative Party will sell public corporations to their most dangerous competitor and allow the acquisition of our small businesses by interests which will take all they can out of them before going somewhere else.

[*English*]

Instead of saying that Canada is open for business, we should say that Canada is ready for a close-out sale by the Conservatives.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to participate in this debate on the amendment which effectively hoists Bill C-15 for six months. I think that it is a wise amendment because it gives the Government an opportunity to rethink its position.

I do not think there is anyone in this Chamber or this country who did not feel a considerable amount of pride when we repatriated our Constitution. I think that deep down Canadians started to feel a sense of being Canadian, that we can, within the borders of Canada, amend our own Constitution. It was a point of maturity to be able to determine the way in which our country should be governed. I think that is very important to a sense of being Canadian.

Another aspect of Canadian maturity is the question of controlling our economic destiny; in other words, being in control of our economy and the way it develops and grows. That has been sadly lacking. An example of that is the climbing interest rates in this country in 1982. Pressures were being put on the Government in the House and across the country to do something about rising interest rates. The Government of the day, a Liberal Government, consistently said that it could not do anything about them because they are determined in Washington and on Wall Street. It is the American economy that determines the interest rates in this country. It is the American economy that by and large determines what takes place in this country. We all hoped and prayed that the economic recovery in the United States would be such that their interest rates would come down so that our people could get some relief from high interest rates.

Part of economic maturity is being able to determine where investment coming from outside the borders of Canada should be. We should be able to determine whether those investments are in the best interests of Canadians. When I consider my own situation as an immigrant to Canada, I believe it is a privilege to be a Canadian citizen. I realize that there is a contribution which must be made to the life of Canada. We immigrants believe that. I believe we should look at foreign investment in the same way. It should not come in, make a quick buck, rip and run.

• (1210)

I believe there must be a commitment to developing Canada. Of course, investors can derive benefits from this as all Canadians do. Screening foreign investment is important because we cannot assume that our good friend, the United States, can always be trusted. In the past, our good friends have been known to do very unfriendly things to Canadians. For example, the CIA paid money to Canadian psychiatrists to do tests on Canadian citizens.

There are other examples in which foreign parent companies have forbidden the Canadian subsidiary to sell to other countries because the United States Government does not recognize the political philosophy of those other governments. I refer particularly to the sale of Ford vehicles to Cuba. The American Government instructed Ford to instruct its subsidiary here not to sell vehicles because the American Government had an embargo on Cuba. Our former Prime Minister, the Right Hon. John Diefenbaker, never took such a position yet we had an American law being enforced on a Canadian subsidiary on Canadian soil. We also had the prevention of Robin Hood Flour, a subsidiary in Canada, selling to Red China, as it was called at that time. However, we have recognized the Government of China since 1970.

Those are examples of very unfriendly acts which are sometimes taken by our good friends. Occasionally the Americans get caught up in their own sense of power and view countries like Canada as an extension of themselves. That is a denial of

mature Canadian citizenship and that is why there is a need for screening.

It is interesting to note that the first place the new Progressive Conservative Prime Minister (Mr. Mulroney) visited after being elected was Washington, to pay a fealty and kiss the ring of king Ronald. The second place he visited outside of our borders was Wall Street, to tell the bankers—

Mr. Stewart: Where it's at.

Mr. Rodriguez: The Conservative Member on the other side says that's where it's at.

Mr. Stewart: That is right.

Mr. Rodriguez: He went to assure the bankers that Canada was up for sale. The Conservatives have tried that in Saskatchewan and in British Columbia. British Columbia was opened up by the Social Credit Government of Bill Bennett. It was up for sale. The foreign investors simply came in, ripped and ran. That province today is experiencing one of the most stifling unemployment rates in this country. It is a fantastic province with great potential but is being devastated by unemployment and hard times.

It is quite obvious that the Government is bowing down to the imperialistic monopolies of Wall Street. There is no doubt that they must give some assurance to the money bags of Wall Street that the country is up for sale so that foreign investment will come to Canada. The Government has assured them that foreign investment will not be screened.

Every mature country in the western democracies has some sort of review process. For example, Japan has a very effective review agency. Australia has a foreign review board through which they review foreign investment in their country. Our country needs a proper screening mechanism to ensure that the investments which come to Canada are indeed in the best interest of our country and do not come in to rip, run, rape and take off, leaving Canadians holding the bag.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to support the amendment to defer the Bill for six months. The recently tabled Investment Canada Act, Bill C-15, represents an attempt by the federal Government to reduce its ability to control and oversee foreign investment in Canada. The consequences of this legislation will reduce the number of transactions subject to review by 90 per cent as compared to the existing FIRA Act. It will totally exempt most new investments from any review and will limit the new agency's mandate to review acquisitions. The net result of this legislation will be an increase in the degree of foreign control over the Canadian economy.

I agree with the member who spoke previously about the—

[*Translation*]

—the pride of Canadians which is now becoming apparent, and I am all for that.

[*English*]

Since the early 1970s the degree of foreign control has fallen. Part of this change can be attributed to FIRA and to the National Energy Program.

The Government claims that this new Act is intended to reverse the effects of these same programs. Since it is the avowed goal of this new legislation to increase direct foreign investment in Canada, it is useful to consider the implications that foreign domination of our industry might have on the economy. First, let us consider a few aspects of this particular Act. Let us examine the area of culture. There is the right to review all investment in culturally sensitive sectors. While this area has not been clearly defined, it does include the media and telecommunications.

[*Translation*]

That has me worried because our cultural life is involved, and I should think that at least we must have a broader and more comprehensive definition if we are to preserve what makes us different as Canadians.

[*English*]

Second, research and development. It has been argued that Canada suffers from a technologically weak manufacturing sector, that this sector is small in size relative to the Canadian economy, by OECD standards, and undertakes less research and development than other industrialized nations. According to data presented in the *New Directions for Canada*, Canadian private R and D funding ranks last at .8 per cent among the OECD countries. The Science Council of Canada has long noted that there is a strong relationship between our poor R and D performance and the level of foreign ownership in the economy. International companies tend to concentrate their R and D activity and the location of this activity in either the home country or where the largest market is located. Both of these factors work against Canadian R and D activity and I believe that this is a very serious concern.

According to the Science Council of Canada, foreign-owned firms engage in significantly less research here than do Canadian-owned firms. As foreign ownership increases and displaces Canadian firms, employment opportunities for our labour force in this area will fall. What will happen to all of our students who are presently studying in the field of science and research? This must be considered. Will we be concerned about a brain drain and perhaps not think about what the impact of this will be on research and development?

In this respect it is particularly relevant to note that the acquisition of small enterprises is exempt from review under this new Investment Canada Act. Yet it is precisely these firms which tend to be the most R and D intensive and innovative in the economy. This may be a particular danger in the high-tech area where we have shown tremendous expertise. Consider our pride in the Canadarm when our space shots took off. It is small innovative firms such as those, many of which are below the $5 million threshold set by the Minister, which will suffer the impact of the legislation. Something concrete will be lost. What will be gained? That is a very important key.

• (1220)

I think we need this delay so we can really research the impact that this Act will have on Canada as an independent country. Having other U.S. firms buy up small Canadian corporations, meld them into their own over-all organization and withdraw them from the Canadian labour force I think is detrimental to ourselves. This Bill does nothing for small business, which we all know is the major key to regrowth and development in Canada. It is that very proof that we count on to revitalize our economy.

I want to emphasize that the Liberal Party is not against foreign investment. We welcome foreign investors, but as partners in the Canadian economy, not as controllers of our financial destiny. Through FIRA, which may have had a bad reputation but did not have bad results, the previous Government was able to negotiate benefits for Canadian workers. This Bill does away with a safeguard that I believe is necessary if Canada is not going to become the handmaiden of the United States. Our Leader has said time and again that we are open for business but we are not for sale. I want to re-emphasize that. I think we must maintain our Canadian perspective.

According to Glen Williams of Carleton University, Canadian branch plants have experienced a long history of export restrictions by their American parents with probably 75 per cent of all Canadian branch plants having their exports strictly controlled by their parent. This can be a serious matter for a country like Canada which relies so heavily on exports for our national income.

Look at the Americans who have complained loudest and have been the most protectionist of their interests. A recent study by the Brookings Institute demonstrates that the percentage of U.S. manufactured goods protected by non-tariff restrictions, such as quotas and other barriers, has risen from 20 per cent in 1980 to 35 per cent in 1983. The truth is the United States is as economically nationalist as we are here in Canada.

What the Tories have attempted to do with this Bill is to repackage a piece of legislation that in reality worked quite well. In the past five years, over 92 per cent of all applications for FIRA were approved. This is a perception that the legislation was an impediment to foreign investment, but these statistics do not bear that out.

Let us take a look at what a well-known journalist from the *Toronto Star* has said. He wrote that the Minister of Regional Development had announced that 90 per cent of all foreign investment transactions will no longer be reviewed. The criterion of "significant" benefit will be replaced by "net" benefit. Investment Canada will now actively seek out foreign investors rather than bargaining with them for the best deal; and instead of the full Cabinet deciding on the 10 per cent of large takeovers that even the Tories deemed to be too important to leave to the market, those decisions will now be made by the Minister alone. One single Minister will rule on billion dollar decisions. The biases of one man will decide the fate of thousands of workers or the interests of entire regions. There has not been such an imbalance between power and capability since Caligula made a counsel out of his horse. I think that is a very important aspect of this Bill. I do not think that is what Members of this House expected, and I do not think that is what Canadian electors voted for when they voted for change. That is not a very democratic process.

I would like to bring to the attention of Hon. Members that other factors also have an impact. Regulations, both federal and provincial, have a direct bearing on the level of foreign investment in Canada. It is not enough just to change FIRA which represents only one layer of the various strata that govern our economy. The constraints are not addressed by this Bill nor have they been alluded to or addressed by the Minister. Maybe they have escaped his focus and myopic view of Canadian problems. We need increased productivity, true, and access to foreign markets, yes—jobs, growth and development. But when one has a fixation on setting climate with words and chooses to ignore the many factors that impact on our economic weather patterns, the forecast is clouded and unreliable.

I see my time is running out. I would really like to press you, Mr. Speaker, to consider the other factors that have been very important in having businessmen make decisions. I would like to underscore the importance of Canadians being encouraged to invest in Canada. We have experienced the flight of capital.

Mr. Dick: Now that was the Liberal Government.

Mrs. Finestone: I think there are ways in which we can prevent that and encourage Canadians to invest in Canada as well. I think the fixation is misplaced. All kinds of other issues are integral to the creating of a favourable climate, such as taxation structure, labour atmosphere, regulations and the availability of trained manpower. Regarding taxation, it is heaviest in Canada and certainly in Quebec.

In conclusion, I want to reiterate that we on this side of the House welcome foreign capital into Canada if it is going to improve our economy, help create jobs and be of significant benefit to Canada. Unfortunately, there is very little evidence in this Bill to substantiate these claims. I think we really need to have this delay so we can examine this legislation much more closely, legislation which appears to be like any other Tory charade and like the many the Tories played out in the election campaign on universality and jobs, jobs, jobs. The Minister's rhetoric is just a smokescreen which will soon disappear, leaving behind the real problems that still need to be addressed by this Government.

Mr. Rod Murphy (Churchill): Mr. Speaker, I welcome the opportunity to speak on this Bill that will have the effect of limiting Canadian control over investment in this nation. I rise to speak with three different roles in mind: first, as federal-provincial relations critic for our caucus; second, as the labour spokesman for our caucus; and third, as a constituency Member of Parliament. In all three roles I am concerned about this piece of legislation.

As the federal-provincial relations critic I am concerned that with this legislation neither the provinces nor the federal Government will be able to control or regulate the economies

of their various jurisdictions. We will be in a situation, as has so often been the case in Canada, where the real decisions that affect the development of our economy, that affect the employment prospects of our children and the development of our resources, will be made elsewhere. In other words, they will be made in other nations, in the board rooms of companies that are basically offshore.

It has been evident from past foreign investment in this country that Canadians have suffered as a result of foreign investment. Sure, there have been some jobs created. Sure, there has been some research and development. Sure, there has been some extraction of our natural resources and as a result there has been some benefit to Canada. But there are other statistics as well. Those statistics will point out that where there is foreign ownership there will not be as much research and development. They will point out that where there is foreign ownership there are more layoffs than there should be in comparison to what has happened in Canadian-owned firms. There are statistics that will show we have been a net loser in terms of interest and dividend payments ever since 1926. For that matter, in 1983 we had a loss of $9.4 billion which had to be paid to companies other than Canadian nationals. What that meant was a dollar drain on our economy, dollars that should have been used for more research and development, for more investment and for more jobs for Canadians.

We have also seen historically that foreign-owned corporations tend to do less manufacturing with our natural resources. In other words, they tend to take the natural product from the ground and move it in an unrefined state to their headquarters or to factories in other nations. If we had Canadian control over those corporations there would be more opportunity for secondary and tertiary employment of Canadians.

• (1230)

We are allowed to speak for only 10 minutes in this debate. That is unfortunate because there are a number of points I would like to make. However, I will talk about something now which affects all of us, whether we be on this side of the House or on the opposite side of the House. Last October I wrote to the Prime Minister (Mr. Mulroney) about a study of the Science Council of Canada. Certainly it was not done by a group of socialists or labour people; it was done by the Science Council of Canada and it examined the role of foreign investment over the last many years that the Liberals were in power. It contains some very interesting conclusions. First, it indicated that by and large foreign firms did not match the research and development dollars which they received from the federal Government or from provincial Governments. At the same time Canadian-owned firms were matching on a dollar for dollar basis the money they received from Governments.

That study was conducted by Frank Longo for the Science Council of Canada. It established that this was the pattern over the last many years in this nation. In other words, foreign firms would take the tax benefits, grants or whatever they could get from government and use them for some research and development but would not put in their own money. Any research and development conducted with their own money would be done in nations other than Canada.

What does that mean to Canadians? It means that research and development was not done here. It means that Canadians are less likely to receive the benefits of research and development. Also it means that young people lose the possibility of working in research and development because most of the money spent by foreign-owned firms in being spent elsewhere. Canadians either lose the opportunity or they must leave Canada to work in research and development in those corporations. Also it means that the many jobs resulting from R and D will not be located in Canada. We are the losers in many ways when corporations refuse to do research and development in Canada.

There is another interesting aspect of the Longo study. It was that the vast majority of foreign-owned firms did significantly less research and development with or without government grants than Canadian companies. In other words, they do not match the money they receive from the Government of Canada or from the provincial Goverments, although Canadian-owned firms at least match that money for research and development purposes, and in addition, these foreign firms, by and large, do not do as much research and development in the nation. This study for the Science Council of Canada which is headed by the former leader of the provincial Liberal Party in Ontario. He is not known for left-wing, radical thought. For that matter, on many issues he has been proven to be to the right of the Conservative Party.

Mr. Boudria: Now, now!

Mr. Murphy: I know that is hard to believe, but certainly there are some Liberals who are right of the Conservative Party. The point is that that study examined the record of the previous federal Liberal administration. It pointed out that we were losing research and development dollars because of foreign investment and that the youth of the nation were losing opportunities because of foreign investment.

What is the Conservative Government doing about that? It says that even though the weak controls of the past were not working, they have to be disbanded and further weakened so that we have less control in the future.

I come from a riding with many natural resources. There is high unemployment among women, the youth and native people. The fact that there will be less control over foreign-owned corporations, which control so much of the industries and companies in the field of natural resources, means that we will have even less control or less say in the future in terms of what happens in Canada, particularly what happens in my riding.

For this reason I believe the amendment to postpone discussion on this Bill for six months is a good one. Then we could examine not only the studies of the Science Council of Canada but other information which proves that we cannot afford to weaken the very limited controls we have at the present time.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am pleased to take part in the debate on our Party's amendment to Bill C-15. Parliament and the country needs that time to review this piece of legislation. Essentially the Bill will dismantle FIRA, to make way for a proposed new investment instrument which will be known as Investment Canada and thereby dramatically alter the process by which acquisitions are to be addressed by the new Tory Government.

In reality Bill C-15 is yet another attempt by a government far more interested in the art of public relations than in actual substance, a government prepared to sacrifice long-term economic planning and economic sovereignty for short-term, image-making propaganda.

The Minister who introduced the legislation late last year declared the following in his press statement:

> We are back in business. This legislation sends a message to the world that, once again, Canada welcomes investment.

Of what world did the Minister speak? Where has he been for the last number of years? This country has always been open for business and has always welcomed investment. If this were not the case, we would not be witness to what is, on the whole, a very great, prosperous and thriving nation. In terms of economic investment, under a Liberal Government and through FIRA specifically Canada like any other country wanted and stressed what was good for Canada and for Canadians. Is that a negative attitude to take as a country? Is not that how a country attains a degree of respect in the international business community?

FIRA, introduced by a Liberal Government, was an essential and calculated policy instrument which sought to ensure that foreign investment also included significant benefits to Canada. FIRA allowed Canadians to bargain and negotiate with a huge variety of multinational interests from a point of strength. A case in point was the 86 per cent share of Canadian Reserve Oil and Gas Ltd. which Getty Oil acquired in 1980. Getty's initial application to FIRA in 1981 was rejected. Serious negotiation followed, which resulted in a stronger package for Canada being approved only a year later. This package included commitments by Getty to reduce its ownership of the Canadian company to 50 per cent and to spend $5 million in four years developing known reserves. It also agreed to spend many millions of dollars over a period of years on exploration and development. The company also agreed to buy Canadian goods and services whenever they were competitively available and to sponsor scholarships in Canadian universities. Finally, residents of Canadian origin had to make up 80 per cent of the directors of both companies. Getty was required to transfer technology to Canadian reserves and to spend money on research in Canada.

In this illustration, it is very clear that FIRA had an important role in ensuring that this foreign investment was totally beneficial to Canada in addition to satisfying the investor.

• (1240)

The objective of FIRA was never to prevent or discourage foreign investment, but rather to cater to the needs and aspirations of our country. It should be noted that since its inception in 1974, as was previously mentioned, FIRA approved an average of 92 per cent of the applications. This figure clearly demonstrates that foreign investors not only wanted to invest and did invest heavily in Canada, but that they were willing to meet the criteria established by FIRA. In short, these investors realized and appreciated that more jobs for Canadians, more research and development for Canada and greater Canadian exports was part of the investment deal. Our Party and Canadians are asking themselves, why should it be any different today?

It is doubtful whether FIRA discouraged in any significant way any foreign investor who was serious about investing his or her capital in Canada. In fact, the Conference Board of Canada, in a study last April, determined that FIRA provided a deterrent for only 11 per cent of foreign investment. This was tied largely to the time factor.

More importantly, Statistics Canada figures indicate that FIRA did not halt the flow of U.S. investment into Canada. In fact, the gross inflow of U.S. direct investment into Canada continued to expand during FIRA's time. Gross inflows varied between $1 billion and $1.4 billion throughout most of the 1970s before skyrocketing during 1980 and 1981.

Therefore, a quick analysis of the facts and figures effectively contradicts the Government's blinded portrayal that FIRA was the enemy of foreign investment and that the removal of FIRA, replaced by Investment Canada, would bring a new beginning. Nothing could be further from the truth.

As the Bill stands, direct acquisitions by non-Canadians of businesses in Canada with assets of less than $5 million are not subject to review. Neither are indirect takeovers resulting from the acquisition of parent companies outside Canada when the Canadian subsidiary has assets of over $50 million. This is of grave concern to the Canadian small-businessman, particularly in the increasingly competitive field of high technology. The Government will open the doors to takeovers of firms below these thresholds. What will Canada really gain if these small enterprises are more prone to shut-downs? What would we gain if these Canadian jobs are not guaranteed? What steps will be available to the Canadian Government to prevent such economic hardships? What action can the Government take to guarantee benefits to Canada and to ensure jobs for all Canadians? Unfortunately, the answer to these and other questions is that this Government wishes to wash its hands of its commitment to the small-businessman.

These economic concessions will no longer be possible through Investment Canada. Many firms that are below the new thresholds may in fact be small, but collectively they are the engine and the spirit behind the creation of new jobs in Canada.

To further compound the inequities of Investment Canada, the larger takeovers which dictate the fate of thousands of

Canadian workers and the interests of entire regions will now rest at the mercy of one single Minister. Under FIRA, these would be shared by the full Cabinet in order to incorporate and understand the variety of disciplines, interests and regional necessities. The perspective, in the end, was much more encompassing. Now, a billion dollar decision in the hands of one single Minister centralizes power to an unprecedented degree and with it imposes horrendous limitation as it relates to the spectrum of interests.

Not only is the concept that FIRA discouraged foreign investment a fabricated myth perpetuated by the Tories, but this inaccuracy is also complemented by a feeling that at the present time the United States is least likely to undergo active investment abroad. This growing view was echoed in a fascinating article in *The Globe and Mail* dated December 20, 1984, in which leading New York investment bankers claim that "those waiting for job-producing foreign moneys to flow into Canada should not hold their breath. You don't get the idea that there are a lot of folks with money bags at the border, waiting to get into Canada".

Consequently, when you combine this limited investment attitude with the reality that FIRA did not discourage foreign investment, one asks why Bill C-15, and how can we grow and profit as a nation from the establishment of Investment Canada? Investment Canada is the first major piece of Government legislation and it provides Canadians very quickly with the philosophical bent that handcuffs the Conservative Party. A debate of FIRA versus Investment Canada is a classic example which distinguishes a Liberal Government from that of a Conservative Government.

Firstly, FIRA was an instrument of nation building; an instrument to safeguard and promote Canadians and Canadian economic sovereignty. Investment Canada will do neither. Secondly, while foreign investment was viewed as an indispensable sector of the economic pie, FIRA was an initiative by Canadians to put Canadians first; it was an initiative that attempted to instil a sense of purpose, vitality and leadership. Investment Canada will merely perpetuate the often heard criticism that Canada lacks the drive and self-fortitude to make things happen. Thirdly, FIRA put Canada second to no one; it viewed Canada and the United States as co-tenants of the North American continent. Investment Canada views the U.S. as the owner and Canada as the subservient tenant.

I have other things to say, but I believe my time is up.

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I welcome the opportunity to rise on behalf of my constituents of Nepean-Carleton to speak against this amendment and in support of the Bill. This Bill recognizes that investment is central to economic growth and employment opportunities and the key to technological advancement.

I could hardly believe some of the speeches which preceded me this morning in support of FIRA, particularly when the Canadian Press last week carried an article with which I would like Hon. Members to be familiar entitled: "Canada ranked worst". I quote:

A survey released Monday on the international competitiveness of 28 countries ranks Canada as the seventh-most competitive country, but dead last in terms of welcoming foreign investment.

The survey repeated oft-heard criticisms that Canadians are probably the world's most unfriendly recipients of foreign investments.

Presumably FIRA has contributed dramatically to this kind of perception by those who want to invest in Canada. In the case of Nepean-Carleton, a riding that is comprised in large part of small businesses, a riding that is the high technology centre for Canada, this new investment Bill is particularly welcome. The high technology industry must raise capital quickly. Twelve to 18 months is crucial for the turnaround period in that industry. Equally important is the desirability of cross-licensing within the high technology industry and of being able to move with cross-licensing very quickly. The small business industry and the high technology industry in Nepean-Carleton very much want this new Bill to be operative as soon as possible.

I would like to direct my comments for a few minutes to how the new Bill affects the mining industry in Canada. I am particularly delighted that the Minister of State for Mines (Mr. Layton) is in the Chamber today. This Government and this nation are particularly fortunate in having this Member to provide the legislative and policy leadership for Canada's great mining community.

• (1250)

We are the third largest mining community in the world, ranking after the United States and the Soviet Union. At the minehead or at the millhead, we produce approximately $33 billion to $35 billion of new wealth annually. That new wealth constitutes about 30 per cent of Canada's net exports. It is a very, very competitive industry. It is an industry that is being confronted with an array of problems, many of which relate to the investment community. I would like to share some of these problems with you for a moment.

In Canada, it is now taking about four to five years to find every new ranking ore deposit. That exploration program, when related back to each new find, is costing about $25 million to $30 million per deposit. Equally, in these world-ranking mining institutions the cost of developing these mines is anywhere from $200 million to $400 million, a colossal amount of capital for anyone's investment portfolio.

In the mining industry there is a need for an inflow of large amounts of capital. Superimposed upon that need is also something which this House and those of us who are responsible for legislation relative to the mining industry ought to note, and that is that there is a tremendous time factor associated with the development of a mine. Exploration takes three to five years. The planning of a new operation takes another two to three years and it takes probably at least another five years to bring a major mining complex into production by developing the mine, the mill, the community infrastructure and everything else that is associated with it. The mine then enters into production and it needs a period of at least 10, 15 or 20 years of stability so that that mine can produce.

The point I would like to make is that from the time one starts to invest one's money in the mining community to the time one receives the total return on that mine, a period of at least 20 to 30 years can go by. Therefore, there is a need for stability in the tax system and in the investment world for the mining community to grow and thrive.

One of the great problems from which the mining community has suffered over the years, beginning in about 1971, 1972 and 1973 is the bewildering array of legislation which applies to taxation and investment. That has tended to hinder this great industry, slow it down and give it a lack of confidence in what Canadian legislators and policymakers would want from the industry. I hope that through this new Bill that is before us we as legislators can provide the Canadian mining community with an opportunity to attract large amounts of new capital into Canada and that we will very shortly defeat the amendment that is before us and proceed with this very valuable piece of legislation which the business, high-technology and mining communities in Canada, and in fact all Canadians, need so desperately.

Some Hon. Members: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, I too welcome the opportunity to participate in debate regarding the amendment introduced by the Liberal Party to put a six-month hoist on Bill C-15, the Bill dealing with foreign investment in Canada. After hearing the addresses of some of the Hon. Members of this House, I am somewhat amazed—though I suppose I should not be — by the fact that some of the economic theories that I have heard are really 19th century economic theories, as is the understanding of political and economic realities. I also find amazing some of the speeches I have heard by my Liberal colleagues. On the one hand they take great credit for FIRA, yet on the other hand they bend over backward to point out how FIRA has not in fact stopped or interfered with foreign investment in Canada.

I believe all those who recognize the political history of the country know that it was the New Democratic Party which, in the early 1970s, really created the public and political pressure within this House that forced the Liberals to introduce FIRA to begin with. Since then we have seen an erosion of FIRA over the last number of years.

It is not surprising at all that in the last number of years FIRA has been approving some 95 per cent to 98 per cent of all foreign-investor takeovers in Canada. It is not surprising that after all these years of Liberal rule and management—or I should say mismanagement—of our economy we find that, per capita, Canada has more foreign ownership and control than any other industrialized nation in the world and more than many developing nations as well. That is why I was somewhat surprised when I heard the Hon. Member for Nepean-Carleton (Mr. Tupper) claiming that Canada is considered the country that is the most unreceptive to foreign investment. Oh boy, that is some unreceptivity!

This country or at least a great deal of it is already controlled by foreign investment. We have more foreign ownership than any other industrialized nation in the world on a per capita basis. Yet this is not quite good enough for our Conservative friends. How much do they want? Do they want 100 per cent foreign ownership? Do they just want to sell it all? Do they want us to be totally controlled by multinational corporations? Do they want Canada's economy to be a totally subservient branch plant economy? How much more do they want? How much further must we go? How much more should we sell out? Do we not already hold the world record for this?

I wish some of my Conservative colleagues would tell us how much more foreign investment they would like to see. There is no doubt that foreign investment is needed. However, I am speaking of the type of foreign investment that is needed. Let me put it this way. As an individual, I could rent for most of my life and end up never owning my own home. On the other hand, I could borrow money from the bank, put a down payment on a home and eventually pay it off. Then I would own my home, the roof over my head. But what has occurred in our country is that we have become renters or tenants in our own homes. We will never end up owning the factories, the mines or the mills. We continue paying rent. That is why in 1983 Canada had a deficit of some $9.4 billion in interest and dividend payments.

Since the record began in 1926, Canada has been a net exporter of interest and dividend funds. In other words, while foreign investment provides short-term immediate benefits, people do not invest unless they expect to receive more out of it than they put in. That is simple Adam Smith economics. I am sure my Conservative friends can appreciate that anyone who invests in Canada expects to get more out of it. That has been the case. More dividends and interest payments from past investments are leaving Canada than are coming back in. If the solution is to borrow more money to make up the difference, we are only mortgaging the future.

I call it one o'clock, Mr. Speaker. I wish to continue with my remarks later this afternoon.

The Acting Speaker (Mr. Charest): It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN COMMITMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, just before the Christmas recess I asked the Hon. Minister of National Defence (Mr. Coates) whether he was using the purchase of the CF-18A fighter aircraft and the six new patrol frigates to prop up his Party's image with NATO, at a time when these decisions had actually been made by the previous Liberal Government and were well under way.

Prior to that, and during the rather habitual absence of the Minister of National Defence, I put the same question to the Acting Minister of National Defence, who is the Minister of Veterans Affairs (Mr. Hees). The Minister of Veterans Affairs did not know anything about the speech which was delivered by the Minister of National Defence at NATO, but he assured the House that the Minister did make a very good statement at NATO, and also assured the House that what he had said made a great deal of sense, even though he did not know what the Minister had said.

As the record has since shown, the Minister of National Defence was in fact making use of decisions which were made by the previous Liberal Government, and the new equipment which was purchased by the previous Liberal Government, to try to give the impression to NATO that this brand new Government was doing such a fantastic job. In his statement before NATO, the Minister of National Defence is quoted as having said:

> We are completing project definition for the acquisition of weapons to enable our forces in Europe to counter the threat of low level air attack. We are replacing our CF-104 aircraft in Europe with far more capable CF-18 aircraft on a one-for-one basis. We intend, with the transition to the new aircraft, to increase both the operational readiness and the operational capability of the Canadian Air Group—

Mr. Speaker: I would advise the Hon. Member that his time has expired.

* * *

AGRICULTURE

MARITIME FEED FREIGHT ASSISTANCE PROGRAM

Mr. Pat Binns (Cardigan): Mr. Speaker, livestock producers in the Maritime region are recommending that feed freight assistance be increased by the federal Government to a level which will ensure that producers are in a fair and competitive position with the remainder of Canada.

In 1941 the Feed Freight Assistance Program covered 90 per cent of freight costs incurred in bringing feed grain into the Maritimes. However, by 1984 assistance only covered 20 per cent of the cost of importing feed. During the same time period freight costs increased fourfold, and this has resulted in unfair feed grain prices in eastern Canada. The cost of producing a hog is now $20 higher in the Maritimes than in Ontario, because of the feed cost difference.

Obviously the survival of the maritime hog industry is threatened, and a heavy burden is also placed upon dairy, poultry, beef, and sheep producers.

Left unattended, we stand to lose 4,000 to 5,000 jobs in our livestock and food processing industries over the next few years. I therefore ask the Government to implement a feed cost equalization plan for imported western and Ontario grain, and for imported protein concentrates. In addition, I would recommend that Agriculture Canada establish a schedule of bonus payments to Maritime producers for high production levels in feed grain and protein crops.

* * *

THE ADMINISTRATION

ETHNIC REPRESENTATION IN GOVERNMENT APPOINTMENTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, an unfortunate tradition which was practised continually by previous Liberal Governments is being continued by the Conservative Government. That tradition, the appointment by the Prime Minister of old friends and supporters to positions of influence and power, was sustained during the Christmas recess when the Prime Minister (Mr. Mulroney) made over 90 appointments, including 24 top level bureaucracy jobs and 66 to other bodies such as boards, commissions, and that dusty old place, the Senate.

Decidedly obvious by their absence were the ethnic appointments the Prime Minister promised he would make. He was quoted as saying:

> The Progressive Conservative Party of Canada will appoint competent and qualified men and women who reflect our cultural diversity to positions on government boards, agencies, Crown corporations and the senior Public Service.

Now, more and more Canadians are asking themselves and the Prime Minister: "When?" Indeed, the only appointment of a Canadian from our ethnic communities of over eight million people was that of the Saskatchewan neurologist, Dr. Efstathios Barootes, to the Senate.

The Prime Minister is reportedly furious that he has not been given the names of more members of visible communities in Canada from which to choose. Yet we are told by the President of the Canadian Ethnocultural Council, Mr. Navin Parekh, that he himself submitted 70 resumes of his most qualified members to the Prime Minister's appointment chief. Not one of those candidates has received an appointment to date.

Is the Prime Minister, in his failure to appoint any of these people, saying that they are not qualified to serve Canada? I honestly hope not.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

S.O. 21

VIA RAIL

REINSTATEMENT OF ATLANTIC LIMITED

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it is my pleasure to convey to the Minister of Transport (Mr. Mazankowski) and the Government of Canada the profound delight and satisfaction of the people of Fundy-Royal and southern New Brunswick over the reinstatement of VIA Rail's Atlantic Limited.

My constituents, and all those residing in southern New Brunswick, are pleased that the Government has righted a grievous wrong, has listened to their wishes, and has reinstated a service that is efficient, economic and, most important, wanted.

Three and one-half years ago a Government more intent on saving face than saving rail passenger service, ignored the wishes of thousands of Canadians who vigorously and vocally pushed for the reinstatement of this line; ignored the findings of the Progressive Conservative Task Force Report on Passenger Service in Canada; and neatly circumvented the Canadian Transport Commission which may well have prohibited such a cancellation. Its reward for this arrogance and arbitrary action is its much deserved languish in opposition.

Once again, Canadians will enjoy a direct link between Montreal, Saint John, and Halifax. Once again, Maritime rail passenger service will be more efficient and economical for its patrons. And once again Canadians will be provided with a service which they demand.

In November, 1981, I rode the last Atlantic Limited run between Saint John and Montreal. It is my intention to be on the June 1 Atlantic Limited victory run as Canadians celebrate the reinstatement of this noble line.

Some Hon. Members: Hear, hear!

* * *

YOUNG OFFENDERS ACT

APPLICATION TIME SCHEDULE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to speak about a rumour, which I am hearing and reading in the media, that relates to the Young Offenders Act. A reform measure was passed in the last Parliament and is being phased into effect under regulation. On April 1 it is supposed to be extended so that all 16 and 17-year olds in Canada will come under the jurisdiction of the Young Offenders Act.

A few months ago Brian Smith, the Attorney General of British Columbia, reported that he had had some success with the Solicitor General (Mr. MacKay) in convincing him to make changes in the legislation. More recently, Gordon Walker, an Ontario Minister, urged the federal Government to delay the coming into effect of the application of that law to 16 and 17-year olds.

I think it is extremely important that the Government stick to the schedule. I hope that the Solicitor General will let the country know that the Government has no intention of backing away from a schedule which would make a law uniform across this country on April 1. I think it will violate the Charter of Rights and Freedoms, after the equality sections come into effect, if there are different ages across the country.

In addition, I think that by encouraging—through not speaking out on the subject—provincial Governments to believe that there may be a delay, the Minister is perhaps having the effect of failing to see the law brought in as it should be brought in, with all of the arrangements made, and with Governments across the country—

Mr. Speaker: I would advise the Hon. Member that his time has expired.

* * *

AIR SAFETY

SUGGESTED REFERRAL TO COMMITTEE

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, on October 17, 1984, at approximately 3.30 p.m., a Piper Cheyenne aircraft, No. C-GAPT, crashed on the approach to the Lester B. Pearson International Airport, killing all on board. While any loss of life in a situation such as this is a tragedy, the successful past and the brilliant future of the owner, Grenville Martin, makes it doubly distressing. When, as it now appears from all reports, the pilot had been cheating on his medical examinations, the waste of life is even more senseless.

I ask the Minister of Transport (Mr. Mazankowski) to consider seriously sending a reference to the Standing Committee on Transport asking it, either in whole or through a sub-committee, to investigate and report on the seriousness of this kind of cheating, and to recommend ways in which it might be eliminated.

As a pilot for over 25 years, who is now grounded due to a minor health problem, I am well aware of the struggle that takes place. But if new or tightened regulations will save even one life, it will be well worth the time and effort.

* * *

SCIENCE AND TECHNOLOGY

CANCELLATION OF RESEARCH PROJECTS AT GIMLI AND CHURCHILL, MAN.

Mr. Rod Murphy (Churchill): Mr. Speaker, on the number of occasions I have risen in the House to speak about the Government's intention to cancel research projects in both Gimli and Churchill, Manitoba, I have asked both the Prime Minister (Mr. Mulroney) and the Minister of State for Science and Technology (Mr. Siddon) for a reversal of that decision.

In addition to my own pleas I would now like to enter the pleas of professors from the Department of Physics, at the

University of Toronto, and also from the University of Calgary. In their letters they state:

> Our research is directed to the measurement of trace gases important in climatic problems . . . I shall have to give up five years' development time so far, plus the time and resources it takes to initiate a world-class research effort . . . We concurrently a facility which is active and in many respects unique in the world.

● (1410)

> The abrupt cut-off of this programme means that student degree research will be disrupted, international agreements will be broken, and recent "discovery" science will not be exploited, with a loss of leadership position for Canadian scientists involved in balloon and rocket research.

That is the result of just one government cut-back, Mr. Speaker, a program which costs $1 million per year and which will cost the federal Government $10 million to terminate because it has to restore the site to its natural condition.

* * *

[*Translation*]

INTERNATIONAL YOUTH YEAR

IMPORTANCE OF SOLIDARITY ON TASK OF IMPROVING CONDITIONS FOR YOUTH

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I sincerely deplore the reprehensible behaviour of Opposition Members in the House yesterday when the Minister of State (Youth) (Mrs. Champagne) made a statement concerning International Youth Year.

Mr. Speaker, Members of the Opposition were scornful and mean towards the Minister, yet she responded with calm and dignity. Their cheap and unwarranted attacks concerning the earlier accomplishments of the Minister will never lessen her spirit and determination. The Opposition parties lost a golden opportunity to support the Minister and emphasize the importance of International Youth Year. They should have been cooperative and proved they are prepared to do their utmost to improve the lot of young Canadians, the generations of the future. Unfortunately, as usual they chose to make petty politics by shamelessly accusing the Minister of being responsible for everything that is wrong in our society. What irresponsible behaviour, and just what have our predecessors done for the half-million youths who cannot find jobs in Canada?

Mr. Speaker, I for one call upon the common sense and good judgment of young people who realize that our Minister and our government will work tirelessly to make their future brighter. Henceforth, young people will know who in this House is really defending their interests.

Mr. Rossi: The Minister has not done anything.

S.O. 21

COMMUNICATIONS

DEBATE ON FUTURE OF CANADIAN TELEVISION FOR YOUTH—PUBLIC HEARINGS A NECESSITY

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I ask the Minister of State for Youth (Mrs. Champagne) and the Minister of Communications (Mr. Masse) to put pressure on the CRTC on behalf of young Canadians so that public hearings may be held on the issue of television programs now available to our teenagers.

The National Film Board is sponsoring a request on behalf of a non-profit foundation which includes youth associations and members of the public for the setting up of a television service for young people.

This request has just been denied by the CRTC which also rules out the possibility for the public to take part in the debate on the future of our youth-oriented television services.

I therefore ask both Ministers to take the future of our young people in hand and to allow the various groups of young people and adults to take part in the CRTC hearings. The time has come to show our interest for better Canadian television programming for young viewers between the ages of 12 and 17.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

CALL FOR RETURN OF "THE FRIENDLY GIANT"

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it used to be that one would rise in the House on a matter of urgent and pressing necessity.

The year 1985 is International Youth Year. It is a year dedicated to the young people of the world, a year to enhance youth opportunities in Canada and around the world, to judge and decide on matters concerning themselves as individuals. As a young Member of this House I have fond memories of many household words like Mickey Mouse, Donald Duck, Snow White, Buck Rogers, and many other imported fictional characters. As someone who grew up during the "me" generation but maintained an unselfish attitude towards sharing what was right and good, I think it is without question in poor judgment, poor taste, and downright selfish that the CBC has coincidentally—and I underline the word "coincidentally"—cancelled *The Friendly Giant*.

Household words like Rusty, Jerome, and Friendly will be around for a while as reruns, but the Canadian youth of tomorrow will be deprived of an unmistakable element of pure Canadian goodness. I think I am speaking for hundreds of thousands of Canadians under 40, and for future generations, when I say that we have so few good Canadian fictional characters that we should keep what we have. Would the people of Quebec cancel Bonhomme, or would Montrealers do in Youppi? Let us reopen the drawbridge to the castle of

warmth and friendship, and keep Friendly, Rusty, and Jerome in business for generations to come.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

NUCLEAR ARMS CONTROL

BILATERAL NEGOTIATIONS—REQUEST THAT UNITED STATES STRATEGIC DEFENCE INITIATIVE BE PLACED ON AGENDA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I regret that the Prime Minister is not here this afternoon. He did not respond to my questions yesterday afternoon, and I hoped that we could recommence a dialogue. In his absence I would like to direct a question to the Deputy Prime Minister, who can perhaps reply on behalf of the Government.

I believe the Hon. Member for Yukon knows my commitment to a strong defence posture for Canada. I believe he also understands the commitment of the Party I lead to the principles of the North Atlantic Treaty Organization. However, we are also committed to an independent Canadian foreign policy, particularly in pursuit of peace. Would the Deputy Prime Minister accept our request, made in this House yesterday, to call upon the United States to agree to placing on the agenda of the superpowers in their arms control discussions the item of the space based missile defence system called the Strategic Defence Initiative of the U.S., popularly known as star wars? Will he review with his colleagues and the Prime Minister the position of the Canadian Government, in order to urge that that vital element in arms control be placed on the agenda for discussion?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, a similar proposal was put forward by the Hon. Member for Winnipeg-Fort Garry prior to the beginning of those talks when he suggested it would be useful for Canada to suggest items for the agenda between the superpowers. It was our conclusion then that it would not be helpful to the success of the negotiations to have people who were not at the table inserting themselves in the procedure of negotiations. That judgment has proven to be correct, and the freedom from that kind of insertion from outside was undoubtedly one of the factors which led to the success of the first round of the Geneva talks. I think the reasoning that was successful before, and allowed the talks to get off to a good beginning, stands now and will hold the best promise of success.

As i said yesterday, in our view the most important development internationally in recent months has been that the superpowers have come together to talk. We do not want to take any action for partisan or other reasons in this country which may throw those talks off the rails.

Mr. Turner (Vancouver Quadra): I would have hoped that the Prime Minister would eventually address himself to this very important subject, which is not a partisan subject. It is advanced on behalf of Canadians as members of the human race in support of a very important peace initiative.

POLICY REVIEW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Secretary of State for External Affairs has purported to have undertaken a review of the foreign policy of this country, on behalf of the Prime Minister, including arms control. I ask him where is that particular research or report? Is there anything in it that would justify the inconsistency in the Canadian Government's position on the peace initiative? Will he publish this report so it can become a vehicle for Canadian public debate?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have always respected the respect for Parliament of the Right Hon. Leader of the Opposition. I knew that he would be putting to me today questions that would relate to my capacity as a Minister of the Crown replying on behalf of the Government. Consequently I assume that the report to which he is referring is the report we have promised that would be the basis of parliamentary study, the first full parliamentary study, by the way, of Canadian international relations, in a long time, if not ever. That is under preparation and I expect to be able to lay it before the House of Commons within a matter of weeks. I look forward to extensive public debate in the country and in this Chamber on the appropriate positions Canada should take on various aspects of our international relations.

• (1420)

FORMER PRIME MINISTER'S PEACE INITIATIVE

Right Hon. John N. Turner (Leader of the Opposition): What we are trying to get at here, knowing the Minister's previous public position on this subject, is whether there is anything in this report or in his further investigation of the situation that would have persuaded him to convince the Prime Minister and the Government to discontinue, in effect, the important peace initiative of my predecessor, Pierre Elliott Trudeau. This would render what I believe to be a very inconsistent position of getting all the available subjects and potential weapons systems, offensive and defensive, on the agenda for discussion by the two major superpowers.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I frankly do not think it would be particularly productive at this point to discuss the pros and cons of the initiatives taken by the predecessor of the Right Hon. Leader of the Opposition. I would like to make the point that he was taking his initiatives at a time when there were no negotiations, the superpowers were not meeting together, and

there was a stalemate. We are in a very different situation now. That dangerous stalemate has ended. The superpowers are together and are talking. It is the purpose of the Government, and I would hope it is the purpose of the Leader of the Opposition and of all Members in the House of Commons, to do everything we can to ensure that those talks succeed, including resisting whatever temptations might arise to take actions in Canada which would have the effect of putting those talks off the rails.

MILITARIZATION OF OUTER SPACE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I can say on behalf of our Party that we have no reservation at all in endorsing the objective of having those arms talks succeed. We are concerned about what this country can do to help them succeed. I would like to refer to the Hon. Minister's statement made to the United Nations on September 25 last when he said that multilateral efforts, led and encouraged by middle-sized powers, can put specific workable ideas on the agenda and that "we shall encourage the superpowers to ban weapons in outer space". That was confirmed in a similar statement to the U.N. by the Ambassador for Disarmament, Mr. Roche, who said that we call for all urgent efforts toward preventing an arms race in outer space.

If the Minister was prepared in September to call for a major urging of the superpowers to stop militarization in outer space, we now have a direct reversal. Is that reversal because of discussions held between the Minister and U.S. officials? Were we directly requested to change our position?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to answer the suggestion that was smuggled into Question Period directly, no, we were not instructed to do anything by the Soviet Union, the United States, or anyone else. We have come to a judgment as an independent and sovereign Government interested in advancing the cause of peace, and contributing what we can to the stopping of the arms race. We have made an independent judgment that it would not be helpful for us, or indeed for other countries, to try to put items on the agenda that might have the effect of turning the successful arms talks off the rails. That, I hope, is a position which would commend itself to the Parliament of Canada, as I am sure it has commended itself to the people of Canada.

As to the preface of the Hon. Member's question, he quotes a speech I made on behalf of Canada in September. In September the superpowers were not at the table. In September there was a stalemate in the arms talks. That stalemate has ended. We do not want to take action that would return the world to stalemate.

Mr. Axworthy: Mr. Speaker, that was one of the most convoluted descriptions of how the arms control talks work.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): How does the Minister explain that somehow we will end up in stalemate if the other countries and Governments of the world express, on behalf of their people, the fact that we do not want an arms race in space, which is what the SDI Program would bring about? Is it not the responsibility of the Government, confirmed by the consultations in the Roche discussions, which I would ask the Minister to confirm, to take a strong stand against any effort or initiative to have any form of military application in outer space? That would represent the interests and sentiments of Canadians, and it would be useful for the great powers to know what those interests and sentiments are. Why is the Government insisting on going against the interests and sentiments of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a natural partisan temptation to try to have it both ways on this question. I suggest that this matter is too important to the country and the world to play politics with.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The Member for Winnipeg-Fort Garry is suggesting that he would not want to interfere with the process that is working now to lead toward arms control. Then he proposes specific means to interfere. We do not propose to act in such an inconsistent fashion.

Some Hon. Members: Hear, hear!

* * *

NUCLEAR ARMAMENTS

REPORTED UNITED STATES PLAN TO DEPLOY NUCLEAR WEAPONS AT CANADIAN BASES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister will guess that the Liberals are preparing to refuse Cruise missile testing. They are just preparing the ground for that.

Some Hon. Members: Oh, oh!

Ms. Jewett: Since we are not getting anywhere with the Minister on star wars, which he has obviously accepted completely, I will pursue with him the question of the nuclear deployment plans of the United States. Is he, unlike his colleague, the Minister of National Defence, aware that the most recent plan was signed by the President of the United States in March of 1984? Is he aware that the latest plan, which involves sending nuclear depth bombs to the two bases in Canada, was not signed in 1975 but 1984? Is he also aware that Norway, Denmark, and indeed Japan, have declined to be included from now on in any of the U.S. nuclear deployment plans abroad? Is he now prepared to agree that to be consulted about it at times of crisis is far too late, because we would have to say yes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am aware that the Government of Canada has a firm guarantee from the United States administration that there would be consultation before any actions were taken which involved Canadian territory. What is more important, the Government of Canada would have the right to refuse any plan which might be conceived which would affect Canadian territory.

With respect to the Hon. Member's preface, I am acutely interested in watching the shifting positions opposite, whether on the Cruise or on NATO.

Some Hon. Members: Hear, hear!

CANADIAN POLICY ON NUCLEAR WEAPONS

Ms. Pauline Jewett (New Westminster-Coquitlam): I thank the Minister for his interest. Are we to believe or not to believe the Prime Minister who, in July of this year, when announcing the removal of the Genie air-to-air missiles from Canadian soil, said that there would not be further nuclear weapons on Canadian soil? Was the Prime Minister expressing a view, such as Denmark and Norway have done, that there will not be nuclear weapons on Canadian soil?

Right Hon. Joe Clark (Secretary of State for External Affairs): The policy of the Government of Canada is, as it has been, that there will not be nuclear weapons on Canadian soil. The guarantee of that is that we have sought and received an assurance from the United States that before any plans what they might have, or might develop, which would affect Canadian territory are implemented, there would not only be consultation but there would be the right to refuse in Canada. If it were considered in the interest of Canada, the Government would exercise that right to refuse. It is very simple.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the Hon. Minister of Regional Industrial Expansion (Mr. Stevens).

The medias have reported that the Minister is not at all surprised by the closedown decided by Wabasso and that he has even predicted the same fate for many other communities.

I would therefore like to ask the Minister how he can relate his own defeatist comments with those of his leader who said in Sherbrooke last July 26 that these were certainly not sunset industries and also made 10 commitments in order to ensure the stability and development of the industry. Who was speaking the truth? Do the promises of his leader no longer mean anything or does the Minister intend to take the promised action immediately to save the Saint-Maurice area?

• (1430)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, let me assure the Hon. Member that the words that he attributes to me are not accurate. The fact is that we are deeply concerned about the closedown of the Wabasso Company. SERB has been taking steps to try to ensure that whatever can be salvaged from the closedown, such as what Dominion Textile is doing, may be furthered.

In specific terms, Shawinigan and Three Rivers should receive whatever aid is necessary to ensure that the unemployment situation, that will only increase as a result of the closedown, will be relieved as soon as possible.

[*Translation*]

WABASSO—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am happy to see that the Minister is now aware of the situation. Since he has received the Vachon report and knows that the CIRB has already invested $5.3 million in Wabasso, will the Minister ensure that the company will not dispose of its assets in a piecemeal fashion and at a discount before a general proposal is made by the recovery committee to save as many jobs as possible?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again I can assure the Hon. Member that our Department is looking at this situation on a daily basis. As far as we are concerned, the moneys have been expended in the earnest attempt to keep Wabasso solvent and viable are there. Perhaps they have not produced the result that we hoped for, as the company lost $7 million to $8 million last year and we are now faced with the unfortunate situation to which the Hon. Member is referring. However, let me assure him that we will do all that we can to minimize the effect on the unemployed who will come on the market as a result of this closedown.

* * *

FINANCE

CORPORATE TAX POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. The Government has expressed a concern about job creation in the coming months. At the same time the Minister of Finance indicated in the House yesterday that there would be no major change in corporate tax policy in the forthcoming Budget.

The Minister said this in the knowledge that a government report, which I released in the House, and which the Minister has had time to read, indicates that current corporate tax policy is the most costly for job creation, and also has the worst negative impact on the deficit. If the Government is

concerned about job creation and fairness, why is the Government not looking at reform of the corporate tax system in the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me say that that report to which the Hon. Member refers is not a government report. It was prepared for the previous Government. The first time I saw it was when it was handed to me outside the House.

I want to draw his attention to some of the weaknesses in the report that was produced. It is a very short term outlook. In the November 8 statement we have set forth some long term policies that will result in permanent job creation that will give Canadians confidence which will be there for some years ahead, and on which they can plan.

In response to the specific question about tax reform, there will not be a major tax reform that will be disruptive and undermine the small business community in particular. However, there have been, and will continue to be, specific initiatives taken by the Government to remove the inequities in the tax system as we identify these, and I would welcome any suggestions which the Hon. Member has.

REQUEST FOR POLICY CHANGES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is not only the New Democratic Party of Canada but such different groups as the Auditor General and a number of businessmen, including the head of one of Canada's chartered banks, if I remember correctly, who have indicated that there is grotesque waste of money coming from the taxpayers of Canada because there is no rational corporate tax policy. It is being thrown out in the rather naive hope that it will be used to create jobs. That is the kind of documented evidence that has been produced by various people.

In light of this, and because he has not hesitated to slash $4 billion from programs that affect ordinary people, why will the Minister not have a tough-minded look at this corporate tax polilcy, and introduce changes that insist if a corporation gets a tax break it must produce jobs in order to get that tax break?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member that we are looking at individual aspects of the tax system and we are making changes. Last year we made a change on the scientific research tax credit quick flip. That was cancelled, and it was widely acknowledged that that should have been cancelled. There will be additional questions as we identify them.

I stress the point that I made a minute ago, that if we embark on a major tax reform it will be enormously disruptive and will undermine the confidence of the small business community. It is the small business community that I believe Members of the House are looking to, to create the jobs on a permanent basis, not the short term jobs from the job creation programs that the Hon. Member would like to have. Those short term jobs will not create confidence or long term growth for our country.

DISTRIBUTION OF TAX REVENUES TO CORPORATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows, or should know, that the small business community pays a much higher effective tax rate than do big corporations, and the same small business community does not benefit from the corporate tax breaks, most of which goes to big companies. If he is interested in dealing with small business in an effective and creative way, he will have our support.

We are asking the Minister to call into question, in a fair and tough-minded way, the mindless handout of millions of the tax dollars of ordinary people that are not going to create jobs, but only create excess profits for many companies that don't deserve them. Will he change this process?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated that we are looking at a wide range of matters in the course of trying to assess the effectiveness of the individual tax incentives that are there. We will not have a major disruptive tax reform that the Hon. Member seems to be calling for. I would remind him that the task force headed by the Deputy Prime Minister is studying each one of these tax incentives on an individual basis, with the help of a wide range of people from the private sector, in order to identify where we can make changes. But it will be in a careful, non disruptive way, unlike the way the Hon. Member proposes.

* * *

[*Translation*]

TRANSPORT

GOVERNMENT POSITION ON NATIONAL PASSENGER TRANSPORTATION POLICY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Transport, my question is directed to the Minister of State (Transport). The Minister is no doubt aware that if we are to have an efficient and cost-effective passenger transport system, we must have modern maintenance centres as well as modern equipment. As far as transport policies are concerned, Member of the Progressive Conservative Party have been referring repeatedly to a national passenger transportation policy. My question is as follows: How do the Government and the Minister of Transport intend to set up a national policy unless they immediately start modernizing equipment and building maintenance centres in Montreal, Halifax and Winnipeg?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, the Hon. Member for Laval-des-Rapides associates maintenance centres with modernizing equipment. Last week at a press conference, the Government announced it would be reinstating six railway routes, which will guarantee the na-

tional dimension of VIA Rail. We intend to evaluate very carefully the plans for construction of a maintenance centre in Montreal. We have already announced that the Winnipeg and Halifax centres will be scrapped. We will conduct this evaluation with the action group, which is now doing the necessary studies. On their recommendation we can assure the Hon. Member that the VIA Rail network will be national and that we will meet the demands of—

• (1440)

Mr. Garneau: I have a supplementary, Mr. Speaker.

The recent statement by the Minister of Transport is like having the icing without the cake. If we want a national railway service, we need equipment but we also need maintenance centres. How does the Minister of Transport intend to make this a national policy if he concentrates all maintenance operations in the Toronto region?

Mr. Bouchard: Mr. Speaker, the Government is not putting icing on a non-existent cake. We have identified equipment as a major problem, and that is what Canadians have told us. To us it is not a matter of Montreal or Toronto. It is a matter of providing a service for Canadians no more and no less.

* * *

[*English*]

FINANCE

CORPORATE TAX STRUCTURE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Finance. Given that within three months of the September election the Minister was able to move to make substantial cuts in the area of social policy, environmental policy, and in other related job policies, why does it take longer than seven months for the Government to conduct a study which would lead it to the inevitable conclusion that the least effective way of creating jobs in Canada is to continue with the corporate tax give-aways?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member forgot to mention also that in those first three or four months we created 100,000 jobs.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): You sound like the Liberals of a year ago.

Mr. Wilson (Etobicoke Centre): Let me respond to the specific question. If I can put it in somewhat different words, the Member has asked me why we addressed the cash expenditures before the tax expenditures. The cash expenditures are very direct. They are very easy to measure and there are not the complexities or the inter-relationships that there are in the tax system. It is those complexities and the inter-relationships between different elements of the tax system that have to be studied very carefully, and with the assistance of those in the private sector who are directly affected by them. That is what we intend to do after we have identified the key areas where we think we can attack the tax expenditures program.

Mr. Deans: Let me say quite simply to the Minister, Mr. Speaker, that it may well be there are 100,000 new jobs in the economy, but there are still 1.5 million people unemployed.

REQUEST THAT MINISTER CHANGE STRUCTURE

Mr. Ian Deans (Hamilton Mountain): I want to ask the Minister of Finance another question. Given that it has been proven quite conclusively that corporate tax give-aways not directly tied to job creation are the most costly way to try to create employment for people in Canada, why does the Minister not move now to tie tax concessions and corporate tax relief to the creation of jobs directly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member that we are not happy that there are still over 1.3 million people out of jobs. We have addressed that problem very clearly in the agenda paper issued on November 8. There is a clear economic program there, but I want to draw a distinction for the Hon. Member. The programs he is advocating for direct job creation are short-term programs.

Mr. Broadbent: No, we are not.

Mr. Deans: That is not what I am talking about.

Mr. Wilson (Etobicoke Centre): They are short-term in nature. They do not have a long-lasting effect of assisting in the strengthening of the economy.

Mr. Deans: That is not what we are saying.

Mr. Wilson (Etobicoke Centre): That is what we are trying to avoid with the longer term approach that will create long-term jobs, a more competitive economy and, therefore, a permanent reduction in the level of unemployment.

* * *

[*Translation*]

PETRO-CANADA

ROLE OF CORPORATION

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have a question for my colleague, the Hon. Minister for Energy, Mines and Resources.

During the recent gas price samba in Quebec, a spokesman for Petro-Canada was reported in *La Presse* of January 10, 1985, as having said that last summer, Petro-Canada sent 68 million $1 coupons to car owners, for a stated cost of $10 million in Quebec. My question is this, Mr. Speaker.

For a Crown corporation, a consumer-oriented attitude might be better. Is Petro-Canada changing over to a new mandate as Petro Burger Canada?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, in answer to the Hon. Member's question I could point out that the particular marketing plan he has brought forward was adopted last July when Petro-Canada was under the management of a board of directors, most of whom we have since replaced.

Some Hon. Members: Hear, hear!

Miss Carney: Our Government's policy toward Crown corporations is that they are to act as if they are in the private sector. In that regard I would suggest that if the Hon. Member does not like the marketing practices of Petro-Canada, he should simply ask its officers: "Where's the beef?"

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

WILDLIFE

CANCELLATION OF RESEARCH PROGRAMS

Hon. Charles Caccia (Davenport): Mr. Speaker, I wish to address my question to the Minister of the Environment. It flows from press reports that Canada's provinces and territories told the Minister of the Environment last week that they cannot take over responsibility for wildlife research which fell victim to her budget cuts. The Minister, at the Fisheries and Forestry Committee meeting on December 20, said:

—the cutbacks in the Department of the Environment reflect our approach and our philosophy. Provinces are our true partners and able to assume their own responsibilities.

Will the Minister now indicate to this House who will undertake the wildlife research programs that were axed which the provinces have declared they cannot take over?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, at the ministerial conference on wildlife last week, the issue of research was considered. We realized that there was a consensus and all provincial ministers agreed with me that we needed much more toxicological research in Canada but that the definition of priorities was in a state of chaos. And we immediately created a subcommittee in order to define more accurately our research priorities. And I am convinced that as a result of that process, toxicological research will be intensified and more precisely targeted to meet our real problems.

[*English*]

REQUEST FOR RESTORATION

Hon. Charles Caccia (Davenport): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Evidently the Minister does not seem to take into account the statement made by her colleague in Manitoba. Therefore, I must ask the Minister, in light of the rejection on the part of her provincial colleagues of her pie-in-the-sky assumption that provincial Ministers will assume this cost, will she undertake to return to Cabinet and continue, or initiate efforts so that the research programs undertaken by the Canadian Wildlife Service will be restored?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the comments of my Manitoban counterpart have been taken out of context to a certain extent. Indeed, he told me that the federal government should not expect that all cutbacks will be made up by the provinces because his own province and other provinces had to reduce their expenditures the same way the federal government has to. In view of that, we agreed with all other provincial ministers to meet more often to improve the management of our shared wildlife responsibilities. That will certainly be in the interests of the Canadian people.

* * *

[*English*]

FINANCE

CORPORATE TAX STRUCTURE—ENVIRONMENTAL BUDGETARY CUTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Minister of Finance. The Minister has said that corporate tax reform is too complex for us to expect any progress toward fair taxation in the April budget. Would the Minister not agree that one of the most complex issues of our time is the ecological interrelationships which are disturbed and interfered with by various forms of human activity? If he does, will he, out of respect for genuine complexity, order a moratorium on these simplistic cuts in wildlife research and environmental monitoring, cuts which many in his own caucus have criticized? Would he tell us why so swift in this complex area, and why so slow to challenge inequities in corporate taxation?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member neglected to listen to my previous answers. We are moving in the area of corporate tax reform. We are looking individually at specific items, but we will not embark upon the major tax reform which seems to be the objective of his Leader. I say that with a clear understanding, having discussed this matter with a number of people in the small business community who say that that type of tax reform

will be disruptive and will cause them to be less effective in creating the jobs we all want.

REQUEST THAT MINISTER RECONSIDER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, could the Minister expand his imagination to the point of seeing that a fiscal deficit is not the only kind of deficit, and that there can be such a thing as mortgaging our future in an environmental way that could never be paid back? If he can expand his imagination to that point, would he please reconsider the short-sighted cuts in the wildlife research and environmental monitoring areas, and show some sensitivity not only to the criticisms on this side of the House but to his own caucus?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member does not have a monopoly on all the ideas in the world. We are saying that in our approach to deficit management and expenditure control we are taking into account as many things as we can in arriving at the objective. We have looked carefully at the effects of policies as they relate to the environment. My colleague has addressed these with great eloquence in the House, not least of which today. I say to him that there can be many other ways of achieving the same goal rather than simply throwing money at the problem as the Hon. Member would suggest we do.

Some Hon. Members: Oh, oh!

Mr. Broadbent: You are throwing it at the corporations; that is the point.

Mr. Speaker: Order. The Hon. Member for Moose Jaw.

* * *

FARM CREDIT CORPORATION

USE OF LAND ACQUISITIONS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Hon. Minister of Agriculture. It was widely reported last week in western Canada that the Farm Credit Corporation was taking over ownership of large amounts of land as a result of the financial crisis in agriculture. Will the Minister tell the House whether the intent of the FCC is to lease this land back to the previous owners for a specified period of time, with a buy-back clause, or to establish a land-bank system?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, perhaps I could clear the air if I answered the second part of the question first. It is not the intention of the Farm Credit Corporation, it is not my intention, nor the intention of this Government to establish a land-banking scheme or system.

I think the confusion is in the fact that there was some misunderstanding and perhaps some misrepresentation—not intentional, I am sure—of the internal study which is going on within FCC today. Indeed, we are looking at ways and means to amend the Act and to change the policy to adapt to the serious situation facing the Corporation and Canadian farmers.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—NEGOTIATION INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. It relates to the serious breakdown in negotiations with the Japanese community. The Minister will know that the Japanese-Canadian Association is very disturbed about the two-day process and about the perception that there might be some unilateral action. Therefore, is he prepared to abandon the rush to meet his own Government's timetable, and perhaps return to the table to resume negotiations in a very genuine and structured manner?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, in reply to the Hon. Member I would say that in view of his Government's past history in that regard I would expect him to be applauding any initiatives we would take, or any discussions we would have with the Japanese-Canadian community.

We have had what I consider to be very good and fruitful discussions with the Japanese-Canadian community, the leadership within that community. I will consult further with my Cabinet colleagues on the matter. As I have said before to the Hon. Member in the House, he will be one of the first to know the outcome of that discussion.

REQUEST THAT NEGOTIATIONS CONTINUE

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister seems to dwell on the past. According to the Association, discussions have not been fruitful. There still are differences. The Minister implied that there was a wide gap. Therefore I appeal to his sensitivity to this issue. Will he assure the Japanese community that negotiations around the table will continue in a structured way until a modification or agreement has been attained, rather than have one of the two parties leaving the table very unsatisfied?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member's information comes from news reports, basically from second-hand reports. Over the course of the last number of weeks we have had what I consider to be very positive discussions with this important community, in order to try to settle what many people believe—certainly the majority of people in this country—is a blot against the rights of a particular group of people. I believe the outcome of our discussions with them, and what we hopefully do collectively on the floor of the House of Com-

mons, will do credit not only to ourselves but to Japanese Canadians.

Mr. Speaker: Order, with great respect.

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CANADA MORTGAGE AND HOUSING CORPORATION

TORONTO CO-OPERATIVE AND NON-PROFIT UNIT ALLOCATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister responsible for CMHC who is responsible for housing. Before Christmas he promised not to cut co-op housing. Why did he permit Canada Mortgage and Housing Corporation to cancel housing unit allocations committed to five Toronto co-operatives and non-profits which had been told firmly in mid-December that they met all CMHC requirements? They were cancelled without warning of a change of rules on the last possible day, December 31.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I draw the Hon. Member's attention to a letter he has in his possession, signed by me. It explains that there was no change in criteria, no change in policy, and that the policy which Canada Mortgage and Housing used was the same one it used for the last three years. The difference this year is that there was a back up of committed co-op non-profit and private non-profit units to go ahead on December 31 because some units had not received municipal approval, some units had not received their drawings, and some units did not have firm prices and therefore did not meet the criteria established by CMHC over the last three years.

DISTRIBUTION OF UNIT ALLOCATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, how can the Minister justify the fact that he and CMHC gave more than 500 of the left over unit allocations intended for community based co-operative and non-profit groups not to other non-profit groups which were ready to go in Georgetown and Mississauga, but to one favoured private developer who is linked to the DelZotto brothers, on the last possible day of the allocation year, December 31?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, again I draw to the attention of the Hon. Member that the units which were available were not exclusively for co-ops, not exclusively for public non-profit, and not exclusively for private non-profit.

● (1500)

It is my understanding that throughout the rest of Canada the Corporation could not find other units put by other groups that were available and could start under the criteria of a hard commitment on December 31. The Hon. Member shakes his head. I would ask him to assist me by giving me the names of those groups which were turned down, who met the criteria of Canada Mortgage and Housing on December 31, 1984. I ask him to assist me in that way.

* * *

CLERK OF PETITION'S REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, January 21, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CALL FOR FREE VOTE ON CAPITAL PUNISHMENT

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I have in my hand a petition that was sponsored and circulated by Mrs. Ruth Ross whose husband, Ontario Provincial Police Constable Jack Ross, was tragically murdered while on duty on October 7, 1984, Thanksgiving weekend. Mrs. Ross, her family and friends, managed to obtain 14,277 signatures on their petition which demands that Parliament deal immediately and effectively with the question of capital punishment either by a free vote or a national referendum. I challenge police officers across Canada. If one widowed police officer's wife can collect—

Mr. Speaker: Order. The Hon. Member knows that I have several times said that the purpose at this moment is to introduce the petition. I understand how seriously the Member takes the subject and I understand its importance, but I do not think it would be wise for me to depart from that rule, with great respect.

CLOSURE OF WILDLIFE CENTRE

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I have the honour to present a petition to this House on behalf of some 1,700 residents of the riding of Simcoe North and other ridings in Canada who request that the closing of the Wye Marsh Wildlife Interpretation Centre in Midland, Ontario, be reversed.

NATIONAL RESEARCH TECHNOLOGY CENTRE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have the privilege of presenting a petition on behalf of over 1,000 residents of the City of Winnipeg who beseech this House for some redress of a serious cutback and setback to

scientific development in our city, namely the cutback of the $41 million National Research Technology Centre. I hope that the House will be able to provide some redress as this is very important to the future of western Canada and the future of technology in Canada.

MILITARY INTERVENTION IN CENTRAL AMERICA

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have the honour to present these petitions from many concerned Canadians about the situation in Central America. They urge the Canadian Government to state publicly and clearly its unequivocal opposition to United States' military intervention in Central America, including, one, violations in Nicaragua's territory; two, direct U.S. involvement and aggression against Nicaragua by supporting Contra attacks; three, escalation of United States military presence in El Savador; and four, direct U.S. military involvement in a broader regional war.

CLOSURE OF WILDLIFE CENTRE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition signed by residents of the riding of Swift Current-Maple Creek, in the Province of Saskatchewan, who are protesting the closing of the Prairie Wildlife Interpretation Centre and the reduction of opportunity for students and the public generally to learn more about their wildlife heritage.

MILITARY AID TO CENTRAL AMERICA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have the honour to present a petition from numerous residents of Hamilton, Ontario, who are protesting against the United States escalating the war in Central America, specifically by increasing military aid from $44 million in 1981 to over $50 million in 1983. They pray that Canada speak out against American support of the Contra attacks on Nicaragua and the violations of international territory, the violations of the territory of Nicaragua as well as the escalation of the military presence. I present that petition.

MILITARY INTERVENTION IN CENTRAL AMERICA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present on behalf of some 700 constituents in my riding of Ottawa Centre a petition calling for the Government of Canada to state clearly and publicly its complete opposition to the U.S. military intervention in Central America, including support for the Contras, the mining of harbours in Nicaragua and the U.S. military presence in El Salvador.

UNIVERSAL SOCIAL SECURITY

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition from a number of constituents in Algoma who are protesting the Government's plan to cut back on our universal social programs and are calling on the House of Commons and the Parliament of Canada to ensure that no legislation be enacted which would have the effect of taking away from the citizens of Canada universal social security programs.

MILITARY INTERVENTION IN CENTRAL AMERICA

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from some 550 people urging this House to urge the United States to cease its aggression against Nicaragua, its mining of the harbours, its aggressive military presence in El Salvador and its broadening of the regional war to places such as Guatemala. And as in duty bound, your petitioners will ever pray.

MAIL SERVICE IN ORLEANS, ONT.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I beg leave to present a petition on behalf of the residents of the community of Orleans in my constituency asking for improvements in the door-to-door mail service in the Town of Orleans. It is signed by 330 constituents.

TAX BREAKS TO CORPORATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of the City of Toronto who call upon this Parliament to enact legislation to ensure that the income tax will be revised so that the tax breaks to large corporations are given only in consideration for their guarantee to provide jobs, and that the number of jobs created will be reported every quarter to Parliament. And as in duty bound, your petitioners will ever pray.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 7, 43, 74, 108, 129 and 137.

[*Text*]

ROYAL COMMISSION REPORT ON "OCEAN RANGER"

Question No. 7—**Mr. McGrath:**

1. Was the report of the Royal Commission on the loss of the drill rig *Ocean Ranger* made public in August, 1984 and, if so, were recommendations made dealing with Search and Rescue off the coast of Newfoundland?

2. Will Canada's Search and Rescue Capability Upgrade Program be completed and, if so, on what date?

3. In the event of rig evacuation under emergency conditions, what recommendations, if any, were made dealing with the training of key personnel onshore and offshore of SAREC AND RCC?

4. Is it the government's intention to deploy SAR helicopters to St. John's Newfoundland where they will be closer to offshore activity and, if not, for what reason?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. Yes, and six recommendations were made concerning Search and Rescue.

2. The Search and Rescue Capability Update Program (SARCUP) was completed in June, 1984. Three additional Voyageur helicopters and being upgraded to SARCUP standards with an estimated completion date of June, 1986.

3. National and Regional Major Marine Disaster Search and Rescue Contingency Plans have been developed. Contingency plans, developed by companies involved in offshore exploration, and reviewed by DND, CCG, and COGLA officials are tested in joint exercises with the RCC, SAREC, SAR Squadrons, industry on shore, on drilling rigs and on supply vessels.

4. A Canadian Forces SAR helicopter will be deployed on a routine basis from its base in Gander to St. John's during the winter months.

CANADIAN ARMED FORCES

Question No. 43—**Mr. Howie:**

On (a) January 1, 1983 (b) January 1, 1984 by rank, what number of persons were serving in the regular force of the Canadian Armed Forces?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):

	January 1, 1983	January 1, 1984
Total All Ranks	82,207	81,701
Total Officers	15,912	16,835
General	2	3
Lieutenant-General	8	10
Major-General	26	27
Brigadier-General	80	84
Colonel	341	337
Lieutenant-Colonel	976	992
Major	3,099	3,208
Captain	6,181	6,410
Lieutenant	1,658	1,751
Second-Lieutenant	1,004	1,138
Officer Cadet	2,537	2,875
Total Other Ranks	66,295	64,866
Chief Warrant Officer	836	854
Master Warrant Officer	2,272	2,278
Warrant Officer	4,522	4,552
Sergeant	10,096	10,206
Master Corporal	11,226	11,612
Corporal	14,955	16,913
Private (Trained)	6,071	6,975
Private (Basic)	15,435	11,397
Private (Recruit)	882	79

Order Paper Questions

DND—INCREASE IN EXPENDITURES

Question No. 74—**Mr. McKinnon:**

What is the increase in real terms in the Department of National Defence's expenditures, including statutory costs and expressed in percentages, for each fiscal year 1970-71 to 1983-84?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):

Fiscal Year	Real Increase/(Decrease) as a Percentage
1970/71	(6.7)
1971/72	(2.8)
1972/73	(5.4)
1973/74	4.2
1974/75	(4.3)
1975/76	4.0
1976/77	2.5
1977/78	3.0
1978/79	2.5
1979/80	(0.2)
1980/81	3.2
1981/82	3.1
1982/83	5.3
1983/84	7.1

STUDIES OF VALUE ADDED TAX

Question No. 108—**Mr. de Jong:**

1. Did the Department of National Revenue undertake or did it have undertaken for it any studies as to the matter of the implementation and administration of a value added tax in Canada and, if so (a) did such studies examine the federal jurisdiction only or did it also examine the tax with respect to its application on a federal-provincial scale (b) how many were completed and, in each case, on what date?

2. Are any studies presently under way and, if so (a) how many (b) who are the participants (c) what is the estimated cost, in each case?

3. Have any studies been completed and, if so, will they be tabled or released to the public in some other manner?

Hon. Perrin Beatty (Minister of National Revenue): The Department of National Revenue has not undertaken a formal study relative to the implementation and administration of a value added tax in Canada.

Officials of the Department are co-operating with officials of the Department of Finance who are presently undertaking a study of the value added tax. (See reply to question No. 107 answered January 21, 1985.)

As indicated in (1) above, the Department has not undertaken a study of the value added tax.

STATUS OF WOMEN

Question No. 129—**Mr. Rodriguez:**

1. From April 1, 1984 to September 17, 1984, what was the amount spent in the departmental office of the Minister Responsible for the Status of Women?

2. Were the budgetary guidelines exceeded and, if so, by what amount?

3. For the same period, how many exempt staff, including those on personal services contracts, were employed by the Minister and what were their names, date of appointment and salary?

Hon. Walter McLean (Secretary of State): 1. The operational expenditures for the period of April 1, 1984 to Septem-

ber 17, 1984, for the departmental office of the Minister responsible for the Status of Women were $33,486.

2. No, the budgetary guidelines were not exceeded.

3.

Name	Date	Salary
Jane Youngson	October 3, 1983	up to $36,729
Rebecca Butovski	October 3, 1983	up to $36,729

No personal services contracts for the above-mentioned period.

CANADA PENSION PLAN INVESTMENT FUND

Question No. 137—**Mr. Nickerson:**

1. What rates of interest are borne by the special non-marketable bonds issued by the government to the Canada Pension Plan Investment Fund with respect to Canada Pension Plan contributions made by residents of the Northwest and Yukon Territories?

2. Is this information omitted from the Public Accounts of Canada and, if so, for what reason?

Hon. Barbara McDougall (Minister of State (Finance)): 1. The securities received by the Canada Pension Plan Investment Fund bear interest at rates equal to the average market yields of Government of Canada bonds with maturity of 20 years and more, compounded semi-annually. These rates are applied each month to new securities, which include securities with respect to Canada Pension Plan contributions made by residents of the Northwest and Yukon Territories. The average interest rate for all Canada Pension Plan Investment Fund securities outstanding at March 31, 1984 was 10.59 per cent.

2. The average interest rate on the special non-marketable bonds of the Canada Pension Plan Investment Fund as at March 31 of each year, is published in the Public Accounts of Canada (Public Accounts of Canada, 1983-84, Volume I, Page 11.9.)

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. Simon de Jong (Regina East): Mr. Speaker, not being accustomed to seeing you in the chair when resuming debate, I am ready to proceed and wish you a good afternoon, Sir.

As I was mentioning before the noon recess, I am finding problems with some of the rhetoric we hear in the House. The Government apparently hopes that by weakening even further the FIRA provisions in Bill C-15, increased foreign investment will come into Canada. I was pointing out to the Government some of the problems this country experiences with the tremendous amount of foreign investment and control that exists in Canada today. I mentioned that the high level of foreign investment means in the end that more capital leaves the country than comes in. Nobody invests in Canada without expecting to get more back in the long term. We find today that Canada has a deficit of some $9.4 billion in interest and dividend payments on the Canadian deficit, one of the highest in our history.

• (1510)

I would like to go on to point out some of the other negative effects of foreign ownership. Of all imports to Canada, 72 per cent were designated for foreign-controlled firms. Again, this has a further deteriorating effect on the balance of payments and on the Canadian dollar.

The fact is that branch plants existing in Canada do most of their ordering from their parent companies in the United States even though they may be able to buy supplies cheaper from Canadian producers in Canada. In other words, they do not become good corporate citizens. They do not invest in Canada. They do not support Canadian enterprise because, after all, they are just a branch plant of their parent corporations which are located mainly in the United States.

The other point I would like to make is that when looking at Canadian lay off records compiled over the last number of years, one notices that it is the foreign-owned companies that have laid off the most workers. In a downturn in the economy, they are the first ones to lay off workers. Again this has a negative effect on the Canadian economy as a whole.

I would like to point out something else which has a negative effect on the Canadian economy and that is the situation regarding research and development. When looking at the statistics, one sees that foreign-owned companies do not spend the same amount on research and development as Canadian companies. During a good hunk of the 1960s and the 1970s, Canada fell far behind in its commitment to research and development. In fact, our commitment to research and development as a percentage of our Gross National Product is almost equivalent to that of many Third World underdeveloped countries. When investigating this further, as various organizations have, one discovers that the major fault lies with the multinational corporations. Branch plants simply do

not do their research here. They do it back home in the country of the parent firm, which is usually the United States.

In a report that was released earlier this fall by the Science Council of Canada entitled *The Canadian Industrial Development: Some Policy Directions*, the effects of the multinationals on research and development in Canada are discussed. What do we find? We find that the branch plants operating in Canada have lower productivity than Canadian firms. Let me read the following from that report:

> A comparison of the productivity of industries in Canada with that of their counterparts in the United States showed that, for manufacturing, the productivity gap between the two countries is about 25 per cent. A number of factors contribute to poor productivity performance in Canada, but possibly the most surprising is the effect of foreign control. As Saunders has found, high foreign control of an industry in Canada contributes to Canada's poor productivity performance.

I find it surprising that the Government looks at more foreign control as the economic solution to the mess in which Canada finds itself. Surely that is not the road to follow when solving our long-term problems. The solution surely lies in becoming more self-sufficient within this country. It lies in being able to produce the goods and services that we need for ourselves. It means taking a different approach toward becoming self-sufficient. It means taking an approach toward developing new types of technologies, new types of research and development in areas that would allow for small-scale production that is as efficient, if not more efficient, than large-scale production. It means following a road on which we begin to conserve the capital that is available in this country. It means moving down the road toward decentralization, community control and control by workers. It means a new vision for Canada. It does not mean a continuation of the Liberal vision which sees us becoming a branch plant economy under the large economic unit of the United States. It means that we truly become masters in our own house.

I see, Mr. Speaker, that you are indicating to me that my time is up. I have a few minutes left and would seek the unanimous consent of the House to allow me to continue with my remarks and be able to conclude them.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): I am sorry, but the Hon. Member has heard that there is not unanimous consent.

● (1520)

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am pleased with this opportunity to take part in this important debate in the House on foreign investment in Canada. I firmly believe that Canada should not become a mere warehouse for foreign corporations. We all realize that foreign investment is important to Canada's growth, but the Government must remain vigilant and ensure that new foreign investment will have a long-term beneficial impact on the entire country. Unfortunately, eliminating FIRA and replacing it by a blank cheque, as it were, means that large American corporations will ignore the wishes of Canadians and thumb their noses at policies designed to protect and promote Canadian interests.

I shall, if I may, give a short history of foreign investment in Canada to illustrate the shortcomings of Bill C-15. In the past, a number of reports have been tabled in the House, describing the harmful effects of letting foreign investment infiltrate Canada's economy. We had the Gorden Report in 1957, the Watkins Report in 1968, the Hahn Report in 1970 and finally the Gray Report in 1972. Mr. Speaker, all these studies described major problems arising from extensive control of our economy by foreign corporations.

In fact, before 1974, the drawbacks of extensive foreign control included the proliferation of branch plants, the effect being to reduce competition by setting up oligopolies within Canadian industry.

American anti-trust legislation prevented corporations from modernizing and upgrading their branches, thus leading to low productivity, greater inefficiency and higher prices for the consumer.

There was also the matter of branch profits that were siphoned away to the parent corporations outside Canada instead of being reinvested in this country. This was done in various ways, such as establishing transfer prices or through abnormal imports.

There is also the manner in which the branch is controlled by the parent corporation. Branches are often excluded from international production contracts and are run in accordance with decisions taken in a foreign country.

Furthermore, many branches have no research and development facilities, their only purpose being to assemble and sell their products. I may refer to the excellent point made on another occasion in the House by the Member for Kamloops-Shuswap (Mr. Riis), who stated that the total amount of research and development done by Canadian corporations is five times that done by foreign corporations located in Canada. The House is of course aware that research and development are a vital part of Canada's economy growth and economic renewal.

Those were the main problems arising from the excessive powers wielded by foreign-controlled corporations within the Canadian economy before the creation of FIRA.

In 1974, the Foreign Investment Review Agency was created by the Government to deal with the problems I have just mentioned.

Foreign investment proposals were examined by Cabinet to ensure they presented a significant benefit for Canada. The review process was supposed to consider five criteria. First, the effect of the investment on the level and nature of economic activity in Canada, including employment, resource processing

and exports. Second, the degree and significance of participation by Canadians in the business enterprise and in the industry to which the enterprise belongs. Third, the effect on productivity, industrial efficiency, technological development, product innovation and product variety, another set of criteria that were used to determine whether an investment was justified. Fourth, the effect on competition, and fifth and last, the compatibility of the investment with national industrial and economic policies, taking into consideration industrial and economic policy objectives enunciated by the provinces likely to be significantly affected by the investment.

Mr. Speaker, when FIRA was created, the Americans did not take offence. The United States ambassador at the time, Mr. Thomas Enders, said the following in May 1979: "We were afraid that FIRA would be an obstacle to new investment in Canada. However, we have found that FIRA has been faithful to its mandate, which was to ensure that investment proposals contain certain benefits for Canada". The U.S. ambassador went on to say: "The Agency's present approval rate of 90 per cent is an indication of the quality of the proposals it receives". The ambassador also said: "I understand Canada's position, as a country that is so heavily dependent on foreign investment, that it finds it necessary to have such a mechanism to ensure that its interests are known and respected."

Mr. Speaker, this was said by a representative of the United States who, in 1979, was not making a big thing about the existence of FIRA. However, FIRA has clearly been effective, and Canadians have benefited from this legislation.

Yes it is true that afterwards, on the other side of the border, criticism was levelled at FIRA, but the negative remarks had to do with FIRA's procedural requirements and administrative difficulties rather than on the right or even the obligation of Canada to ensure that foreign investments were more properly geared to our interests.

Unfortunately, Mr. Speaker, the new government seems more interested in kowtowing to the United States than in solving problems related to a foreign-controlled economy.

According to the Minister of Regional Industrial Expansion (Mr. Stevens), the new agency, Investment Canada, will be given:

—a new positive mandate to promote and encourage investments.

After reading the Bill, I can see that the Minister is interested in two things: the United States and more wide-ranging powers for himself.

According to Bill C-15, the new investment proposals to be reviewed will have to bear the approval of the Minister rather than the Cabinet, as was the case with FIRA. In other words, the opinion of one person will decide about takeovers which will create or eliminate thousands of jobs for Canadians. The objectivity—the political will, in fact—will be the exclusive realm of one Minister who will make decisions within the confidential confines of his office. That is far too much responsibility and power for one Minister, particularly when one knows who will be the Minister responsible for FIRA or Investment Canada. Mr. Speaker, giving that responsibility to the Minister is somewhat like putting Dracula in charge of a blood bank.

An Hon. Member: And how!

Mr. Lapierre: The Minister has replaced the concept of significant benefit by the concept of net benefit. In other words, the government is more concerned about making profitable investments than ensuring that Canada's foreign trade is in our own interest. It used to be that we were in a position to negotiate and make foreign investments as profitable as possible for Canada. But now the Americans can come to Canada and do practically anything they like. While the Minister responsible extends a welcoming hand to the United States, the Americans are threatening to raise non-tariff barriers against Canadian products.

I see Members opposite and I am sure that they have hog producers among their constituents. They ought to realize that kowtowing to the Americans is not going to do wonders for hog exporters. I am quite concerned about the way things are going and about those Ministers who are walking on their knees before President Reagan and American interest groups that want to continue to control Canada. On the other hand, we find out that all kinds of barriers are raised against Canadian products going to American markets. We now find out that they have been walking on their knees without asking for anything in return. Mr. Speaker, that is not what I call negotiations.

We have heard the Secretary of State for External Affairs give full support to President Reagan and his star war. Well, Mr. Speaker, you know very well that the Secretary of State for external Affairs does not have enough imagination to think in terms of a strictly Canadian policy.

Once again he thinks that following in the footsteps of the United States is the correct approach for Canada. Mr. Speaker, I can tell you that, with Investment Canada and the kowtowing of the Secretary of State for External Affairs, they are destroying the independence, sovereignty and pride of Canadians.

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I had an opportunity to listen to some of my colleagues on both sides of the House who were addressing the amendment to Bill C-15. I have to say that I unalterably oppose it.

I was surprised at the Hon. Member for Shefford (Mr. Lapierre) who spoke about Canada giving everything to the United States, Canada's largest trading partner. Obviously he was talking about a country which he does not seem to realize is the most powerful nation in the world. He does not seem to realize that we are its neighbour and principal trading partner.

The Hon. Member does not seem to realize that Canada has bonds which do not weld it inextricably together with the United States, but that there are bonds which weld us together in many other contexts—in a cultural sense, in a linguistic sense and in multicultural composition.

I had an opportunity to examine and to consider the comments which were made by the Hon. Member for Regina East (Mr. de Jong). Before he called it one o'clock he made some rather strange allegations about foreign investment. He stated—perhaps accurately so; I have not seen the figures—that of all the industrialized nations Canada has the greatest component of foreign investment. Obviously, in his mind that is bad. He went on to say that Canada has a greater component of foreign investment than some Third World countries. So what? I can think of some Third World countries in which no one in their right mind would care to invest because those countries are so politically volatile and unstable.

We listen to the NDP, with its clarion call and its shrill voice about nationalism, bemoaning foreign investment on the one hand, and then on the other endorsing Weyerhaeuser in acquiring the timber limits which it has in British Columbia. It endorses Weyerhaeuser in the United States and denies Canadian participation. There was a Canadian group which was prepared to take over the operation at the time Weyerhaeuser applied. Whom did the NDP support? It supported the U.S. application. It is a matter of record and I would challenge any Member on the other side to prove otherwise. What was wrong with that? I would say that there was nothing wrong. Weyerhaeuser happened to be one of the very few good managers of the forest sector.

I could provide a better example, that of St. Regis Pulp and Paper. It is an American company which is based in New York and operates in Hinton. It has one of the largest forest nurseries that can be found. At any time that company will not have to go any farther than 45 miles in order to cut trees. It is in a northern climate, it has an excellent nursery system and an ongoing system of silviculture which could well be emulated by the forest industries in Canada which are Canadian-owned and operated.

• (1530)

Those Members from British Columbia who know anything about the forest sector should know whereof I speak. But St. Regis Pulp and Paper is an American company and for some reason it has to have some shadow over it. There has to be some cloud or some element of doubt and concern in the heads of the NDP Members because of that. Well, their economic nationalism is fine until they get to the point of explaining to Canadians that they are going to have to undergo a very serious reduction in their lifestyle and standard of living if we deny the foreign investment they would have us deny.

I listened to the Hon. Member for York West (Mr. Marchi) earlier today talking about Conservatives going out of their way to draw in foreign investment. He did not give us the other side. He did not tell us about his own Government going out of its way to drive foreign investment out of Canada, aided and abetted by the NDP. They created the National Energy Program and not only killed the largest single tax-paying component of the industrial sector of Canada, they also killed off thousands of jobs for blue-collar Canadian workers in the Alberta oil patch. They did that very successfully.

The NDP Members say that they are well informed on that subject. They are so well informed, Mr. Speaker, that the former energy critic for the NDP did not know the difference between heavy oil and tar sands when he talked to people from Alberta. That is how well informed they are. Let us face the fact that obviously the Opposition is unaware of the FIRA process. It is unaware that an application involving $4,000 to take over a car wash in Windsor had to have Cabinet approval. What stupidity. What a waste of the time and talent of any Cabinet. Just a total and absolute waste. Then there was the fellow from Massachusetts who wanted to provide a certain component in the programming sector of the computer industry. One small businessman with a small investment. How long did he wait for a decision, because that intrusion into Canada might have had a horrendous effect on our economy? That gentleman waited ten months for a Cabinet decision. That is the kind of thing that fits the mind-set of the opposition Members. That is the kind of thing they can understand. They know what the bureaucracy is. They live with it, they love it, they created it. But that is not the way we want to operate. That is not the way we intend to operate. We intend to give Canadians the opportunity for jobs which can only be created by, in part, encouraging that foreign investment component.

I would now ask the NDP and the Liberals to give me their answer about the auto makers. Where do Canadian auto workers stand on this position? Tell me about General Motors, Ford, Chrysler and others. Tell me about those and other American giants operating in Canada. I mean, I am sure I could have caught one of those dear fellows sitting down eating a Big Mac from McDonald's. That is a bad name because it is an American name. Well, they take you right from the sublime to the ridiculous. They talk about state of the art. I can tell you what their policies are, Mr. Speaker, they are state of the ark.

I had the opportunity in my constituency at one time to lock horns with a rather big American concern. I am not suggesting that any foreign controlled firm investing in Canada is icing on the cake or is all sweetness and light as well as a very good neighbour. That is not the case. I can recall very vividly one U.S. company which decided to go into a small community in my constituency in the forest sector. It applied to FIRA and was denied. Its representatives came to me and asked if I would assist them, and I did so. When they applied again, they were successful. If I had the opportunity, Mr. Speaker, to deny that application today, I would deny it because they lied to me and did not employ one single worker. That is the exception and we are watching those exceptions.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to welcome the Hon. Member for Kootenay West (Mr. Brisco) to the House and reply to him as well. He said that we in the NDP were the shrill voice of nationalism. I

would invite him to read the works of the Right Hon. John George Diefenbaker. I think he was a Conservative and he used to speak about the values of being a Canadian, how proud he was to be a Canadian and how hard we had to fight to keep an independent Canada. I hope he would not call that being shrill. He was a Progressive Conservative of the old school of which we would like to see more in this new group of Conservatives who have become virtually Mr. Reagan's poodle. He takes them out for a walk occasionally when the Prime Minister (Mr. Mulroney) meets him in Washington or speaks in New York.

The fact is, Mr. Speaker, I think the Hon. Member misunderstands what FIRA was trying to do. We do not want to reduce the lifestyles of Canadians, not like the conservative Social Credit Government of British Columbia. That is reducing the lifestyles of Canadians. Poverty goes up and you get 15 per cent unemployment. We had that kind of radical restraint, that kind of policy which would open up to foreign investment, except that foreign investment did not arrive. Well, that is not the kind of policy we want to see.

Let me put to you the Conservative position as I understand it. It is that Canada needs foreign investment, but that FIRA is a hostile symbol to that investment. Because of that we are not getting our proper share of foreign investment, therefore we are not getting enough jobs. That, it seems to me, is what the argument is. I think that is superficially seductive in the sense that you want to say, yes, we want the jobs so let us open up to foreign investment. But we have to remember that we are a small country next door to a huge neighbour, but a neighbour we like very much, let us make no mistake about that. They are our allies and friends. The fact is, however, as Tommy Douglas used to say, that the elephant dances among the chickens and says: All right, boys, it is everyone for himself. There is a huge country there and we are much smaller and we have to consider that. There are costs as well as benefits to foreign investment. We would be stupid if we did not face that fact.

The reality, Mr. Speaker, is that FIRA asks a number of questions regarding foreign investment or takeovers. It says that the company coming into Canada has to show significant benefits to Canada. It sets out 10 tests. Will it provide jobs for Canadians? Will it improve Canada's export performance? Will it contribute to having more of Canada's raw materials processed within our own borders? Will the application provide new investment within Canada? Will the applicant buy supplies in Canada, provided they are competitively priced? Will there be new opportunities for Canadians to become shareholders, directors and managers of that enterprise? Will it improve Canada's access to new products and processes? Will it improve Canada's industrial productivity? Will it increase the level of competition? And is it compatible with the Government's industrial and economic policies?

● (1540)

Surely Conservative Members, and especially the Member who last spoke, cannot object to those kinds of tests. Surely those are reasonable tests to protect Canadians against some of the problems and costs of foreign investment. There have been lots of studies done on this. We know that American branch plant companies tend to go home to buy their materials from their parent plant. They buy a lot more of their raw materials from the home company abroad instead of buying them in Canada.

There have been studies done by the Conservative Party's own task force on technological change which show that foreign companies tend to have their research and development done abroad. We know that is a problem. I think all rational Members, which almost all of the Members in the House are, can agree that that is a problem. We know that they tend to repatriate profits more than Canadian companies do. I am the energy critic for my Party and I have found that Canadian industry in the energy area will invest more in Canada than do the foreign multinationals. I invite you to ask Bob Blair of Nova Corporation, a Canadian businessman, who will tell you the same thing.

In other countries investment is screened. Do you know what they call FIRA in the United States? They have an agency which they call the American Congress. At this moment while we are debating, an American congressional committee is holding hearings on the objections from some American politicians and businesses to the fact that Canada has too great a share in the gas industry. We have a 6 per cent share of the gas industry in the United States. They have this continuing FIRA. Other countries have the same thing. We are not a country that is out of step because of our having an organization to consider or screen foreign investment.

The Hon. Member gave an example of a car wash in Windsor with a $4,000 investment which Cabinet has to consider. That is terrible. Let's get rid of it. Let us reform FIRA, but let us not throw it out. Let us not go further by letting the Minister of Regional Industrial Expansion (Mr. Stevens) have the final say in certain applications. I think that would be a mistake. It seems to me that the worst of all possible worlds this country could have is what the Conservative Party may be aiming for, that is, free trade with a branch plant economy. That is the absolute worst because in the long run that will mean a decline in jobs and in the economy of Canada.

We could end up with an economy with an even higher degree of foreign ownership than at present and a diminished capacity to export and innovate and, hence, to make our own way in an increasingly competitive world. Therefore, in the long run, passing this legislation and getting rid of FIRA rather than reforming it could result in fewer rather than more jobs for Canadians.

An editorial in the *Toronto Star* dated December 9, 1984 reads as follows:

> The agency's greatest role, indeed, has not been in screening out foreign investment, but in acting as a bargaining lever to persuade would-be investors to sweeten the pot in terms of providing more jobs and benefits for Canadians.

It is the Conservatives who are being ideological here. They are living in a world that is not real. They are being shrill and

selling out the Canadian worker in the long run. It is a seductive argument for people, especially in these bad economic times, but we need an agency such as other countries have which will in fact screen foreign investment, rather than throw it out, and make sure that there are significant benefits to Canada. Only in that way can we have an economy that really works.

That is why we in this Party support the amendment to hoist this Bill for six months so that the Government can come back with some decent legislation which will protect us from the costs of foreign investment, rather than just taking this kind of Pollyanna look at the benefits which are supposed to result.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am happy to participate for a few minutes in this debate on Bill C-15 to create Investment Canada. What I will attempt to do briefly is to show that the intended purpose of the present debate is to score political points rather than attracting the foreign investment we need in Canada.

First of all, it must be said that we do need investments from abroad. Everyone in Canada complains about the fact that there are 1.5 million unemployed. We have vast natural resources, qualified workers who are willing and eager to work and many of whom cannot find a job. We therefore all agree on the general objective of attracting foreign investment. However, I must point out immediately that there are two risks involved. The first is that most of this foreign investment would come from the same country, which has sometimes been the case in the past, thus leaving Canadians wide open to damaging consequences should this foreign country, which has invested massively in Canada, brings about legislative changes detrimental to our interests. Another danger, of course, would be to let foreign interests invest in all areas of Canadian activity without bothering about the fact that some of these areas must be protected in the interests of all Canadians. I am thinking of areas such as finance. As Canadians, we certainly do not want foreign interests to control our financial institutions. At the same time, there is the cultural danger that foreign investors might take over our medias, our publications, or our radio and television stations.

What I wish to emphasize is that, while doing everything in its power to attract investments from abroad, the previous Liberal Government had provided adequate safeguards to protect us from the first danger namely that, to a large extent, the investments would come from the same country. We can recall the initiative of Mr. Trudeau who had tried to provide an alternative by personally approaching European countries in an effort to attract investments from that part of the world. I repeat that the danger would be that most investments might be made by the same country. In this regard, everyone knows that I am thinking about our neighbours to the South.

The attempt to diversify investments from abroad was a laudable effort on the part of the previous government. There is nothing in the present attitude of the Progressive Conservatives to show that they are trying to diversify our foreign investments. On the contrary, their whole public relations operation consists of going down on their knees before the American giant, before Uncle Sam, and of begging our neighbours to invest in Canada. For our part, we certainly want American investments, but we also want investments from Japan, from Germany, from France, from Australia and from most other industrialized countries. The record clearly shows that, in the past, we took action to try to diversify the source of foreign investments in Canada, but the same cannot be said about the present government which is trying something rather strange. Its rhetoric aims at attracting investments by suggesting that the previous government wanted to prevent and reject foreign investments. Of course, this is ridiculous.

Another message that the Progressive Conservative Government is trying to convey is that the Foreign Investment Review Agency, FIRA as it is called in English and sometimes even in French, systematically turned down most foreign investors and blocked the influx of foreign capitals. Nothing could be further from the truth! If we look at the decisions made by FIRA, we realize that, at the most, about 3 per cent of applications were rejected. It is therefore spurious to blame the Liberal Party of Canada for having created FIRA and to say that by doing so it prevented foreign capital from entering Canada.

Quite the opposite, I would suggest that over the last two or three years, the repeated attacks by the Progressive Conservative Party in the House of Commons, and outside the House in the media, their constant criticism of FIRA has scared away foreign investors because of their unrelented allegations suggesting that it was hard to get capital into Canada because with FIRA the Liberals were blocking the entry of capital. Well, with 3 per cent only of past applications being refused, it is readily obvious that all this is pure rhetoric. It is a public relations game designed to have Canadians believe that the Conservatives have such an insight into the economy, that they are so much more eager than we Liberals are to get foreign capital, which of course is an outright invention.

Be that as it may, I look forward to hearing details of how this Government will go about ensuring that foreign investments coming into Canada will not jeopardize certain particular Canadian interests, especially in the cultural and the financial fields I was referring to earlier.

The Government has already suggested that it was going to closely monitor those fields in order to protect them from foreign control. But in saying this, the Conservative Government is actually endorsing the Liberal policy under which FIRA, the screening agency, was established specifically to pursue those goals.

So please let us put an end to all this rhetoric here. Let us stop accusing one another. It is my view that all parties in this House are in agreement as to the importance for Canada of investments coming from abroad and from south of the border,

to develop our resources and create the jobs that are in such dire need.

In any case, as far as the Liberal Party of Canada, the Official Opposition, is concerned, let it be clear that we support foreign investments in Canada, let nobody fall for our opponents rhetoric, which would have people believe that we are opposing foreign investment.

● (1550)

[*English*]

As well, we want these foreign investments to be diversified and to come from several countries rather than one country. We do not want to be at the mercy of legislation passed south of the border that could be detrimental to us. We advocate more investment but from more countries. That is the policy of the Liberal Party of Canada.

[*Translation*]

Therefore, let us stop accusing one another. And as the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who spoke before me has suggested that Bill C-15 was superficially appealing, I would suggest for my part that it is a rather superficial piece of legislation. Indeed, this is the reason why my party has introduced a motion to postpone discussion on this Bill, to give the Government a chance to review the problems that must be solved if we want Canada to attract more foreign investments, and especially to make sure that such investments will be in the interest of Canadians. No doubt that some reflection will help the Government introduce a more comprehensive piece of legislation, reconsider its rhetoric and realize that we will not attract foreign capital just by criticizing the previous government.

[*English*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise in this assembly today for the first time to comment on the legislation which plans the creation of Investment Canada, as it is somewhat speculatively called, and on the motion to hoist this legislation for a six-month period. In doing so, since this is my first speech in the House of Commons, I should like to take the opportunity to comment on my constituency and on several aspects of the parliamentary process that I feel are worthy of being on the public record.

Let me commence by paying tribute to my immediate predecessor, the Hon. John Reid, who represented Kenora-Rainy River for a period of over 17 years and whom I, eventually and at the third try, replaced here. One of my colleagues charitably says "third time lucky", but he knows as well as I do that luck is when preparation meets opportunity. It is that preparation upon which I will comment later.

Mr. Reid served his riding well, according to his lights and principles and certainly for a long time. He said that he had spent more than half of his adult life in this Chamber and that now he has the opportunity to spend his time in other pursuits.

I should like to pay tribute to his predecessor, the late Senator William Benidickson, who passed away a matter of days ago and is survived by a very devoted and great lady, his wife Agnes. Mr. Benidickson served in this Chamber for nigh on 20 years and as a Cabinet Minister in several posts. He also had a great commitment to democracy, a great commitment to his legal profession and to the people of the Kenora-Rainy River riding.

For me it is an historic day in that this is the first time that a Member for Kenora-Rainy River has ever risen in the House from a seat any place other than on the benches of the Liberal Party. I stand to be corrected, but it may be that the campaign team that put me in this place broke the longest winning streak in Canadian political history.

The riding of Kenora-Rainy River is among the five largest in the country. It is the size of both Germanys put together. It has a population of nearly 80,000, which is spread out in an average density of one for every four square kilometres. For those of us who are not bilingual or bicultural, it is something less than one person for every square mile. They have a diversity of occupations which is truly incredible. It ranges from farmers to trappers, hunters, pilots, miners, lumberjacks and factory, plant, mill and railroad workers. There are many who are employed in the service of either the federal or provincial Governments and many who, like myself before coming to this place, were private businessmen or professionals in private practice.

I dare say that, with over 100 communities in an area the size of Germany, mine is one of the most diversified ridings represented in this Chamber and possibly also one of the hardest to represent.

During our recess—referred to so often and so inaccurately by journalists as a vacation—I personally travelled well over 5,000 miles in the service of my constituents. That is besides a two-week vacation during which I also travelled.

I should like to comment briefly on the ethnic background and make-up of my constituency. Most of this part of Canada was formally ceded to the Crown, formally recognized the sovereignty of the Crown, as late as 1929, 1930 and 1931. There are people alive today who remember the time when a large part of my riding was not part of Canada but was the sovereign territory of the Anishinabek, whose descendants still occupy it today.

● (1600)

It is a great privilege for me to represent the Anishinabek. Napich keechee-énandan kai-seck che-a-anee to-mou-ka anishinabek. I am grateful to them for their strong support. Ga-chee-enan-dan ka-ke wee-chee (ka-pou-tou) show-watch.

[*Translation*]

I also consider it a privilege to represent people of various linguistic groups, the Francophones in my constituency and people of Ukranian, German, Dutch, and Polish origin, people from every European nation probably, from most nations in the world that are represented either by immigrants or descendants.

[*English*]

I think it would also be appropriate for me to tell the House today that I am a new Canadian myself. The general election which saw me elected to this Chamber was called on the fourteenth anniversary of my arrival in Canada. That day, of course, will always stay in my memory. One of my favourite themes when I have the opportunity and the privilege to address a gathering, be it in my riding or anywhere else, is the degree of opportunity that is available to us in Canada today. I cannot conceive of having the sort of opportunities I have had in Canada had I elected to remain in my own country. I tell my friends, and it is only partially in jest, that I am a refugee from English beer, from tea, and from Toryism.

Some Hon. Members: Oh, oh!

Mr. Parry: There would be those who would say that I have got my come-uppance. I have managed to avoid both tea and English beer. It seems that Toryism, and I must say this with some regret, has a certain air of inescapability about it, particularly in this Chamber. I would say to my friends opposite, and I would caution them very strongly, not to take it too much to heart because there are, after all, those among them who differ. Let me say that I would much rather be sitting across from them even with their swollen numbers than across from the Tories who presently rule my native country and who are so busily engaged in wreaking destruction upon that country's economy, trade, and social fabric, a destruction which I trust my friends across the way not to repeat in this our Canada.

Some Hon. Members: Hear, hear!

Mr. Parry: I would not be here today, Mr. Speaker, without the support of my Party, without the support of my many personal friends and political friends in the Kenora-Rainy River riding, and particularly not without the support of my wife and family. I shall always acknowledge that support and will always be grateful for it. It will always stand in my mind as one of the great thrills of my life.

As I said before, Kenora-Rainy River is made up of over 100 communities ranging from tiny villages of less than 100 people to the prosperous bustling communities of up to 10,000 people in the case of Kenora. It includes such mill towns as Dryden and Fort Frances, railroad and government communities such as Sioux Lookout, and mining towns such as Ear Falls and Red Lake.

The Acting Speaker (Mr. Paproski): Order, please. I regret to tell the Hon. Member that his time has expired. I know this is his maiden speech but I am sure he will have many more opportunities to speak in this Chamber.

Mr. Manly: I rise on a point of order, Mr. Speaker. Considering it is the Hon. Member's opening speech, would it be possible to ask for unanimous consent to allow him to continue?

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member for Kenora-Rainy River to continue?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I understand it is the Hon. Member's maiden speech. I am sure that so long as he exercises the same degree of restraint, which I have personally shown this House with respect to time, we would be very pleased to allow him to conclude within a reasonable time.

Mr. Parry: Mr. Speaker, I would like to thank the Government House Leader and his colleagues for extending that courtesy and civility—

Mr. Keeper: And our friends to the right.

Mr. Parry: And our friends to the right, as I am reminded by my colleagues, for extending that courtesy and civility for which I am sure in time he will become universally renowned.

I was embarking on a comparison of my constituency with many others in this country. While I feel they are not more favoured, more blessed or more richly endowed, they are in many ways more privileged. But I will stay those remarks for another day and perhaps will briefly conclude with some remarks on the subject matter of this motion and the Bill before us.

We are familiar with the various analogies that have been used to describe our state of economic affairs as compared with those of our neighbour to the south. I recall one person who was long in this place, although he never demonstrated great respect for it, saying that the Canadian situation was similar to that of a mouse sleeping beside an elephant. It would appear from some of the public statements and also the privately expressed views of our neighbours to the south that we are sometimes seen as the fifty-first state. It is perhaps fortunate, but in other ways unfortunate, that we are part of a continental economy whether we like it or not and that whatever barriers we erect in the way of that continental economy, or indeed whatever paths we smooth the trade that exists between our country and the United States of America is like an umbilical cord. It provides nourishment. However, from our perspective, it works north to south rather than south to north. There the analogy to our co-operation with this economic giant ends.

I should like to dwell on the difference between investment and purchase and to say that what is investment from the point of view of the investor is not necessarily investment from the point of view of a country in which the investment is made. When a Canadian business is purchased, the investment should surely be judged, not by the price paid nor by the change of control of the corporate structure that is used to effect such investment, but on what accrues to Canada as a result of that purchase or change of control. Investments are only made, in the strictest sense of the word, when new productive assets are put in place such that there will be benefits not only to the person making the investment but also

to the community or country and, yes, to the workers in the plant or establishment in which that investment occurs.

We have seen in our country the use of foreign investment to further our development. We have also seen the degree to which foreign investment has meant a repatriation of profits. We have seen a patriation from Canada to the United States of the engineering and research and development components of the company or enterprise that has been taken over. We have seen Canada used as surplus capacity because of such investments. We have seen decisions taken that will not be in the economic interests of Canada, Canadians or the communities affected.

We cannot afford to let Investment Canada be perceived as fire sale Canada. The coincidence between the establishment of this agency and the Government's expressed intention to sell off any Crown corporations for which it can find buyers is surely a little too compelling, particularly in the minds of the observers, those who have the cash and the capital and who might make investments. Therefore, I call upon the House to support this motion and to delay for a six-month period consideration of Bill C-15.

• (1610)

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Agriculture—Effect of bank interest rates on farmers. (b) Government action; The Hon. Member for York Centre (Mr. Kaplan)—Administration of Justice—Unlicensed cable television operators—Prosecution query. (b) Minister's position; the Hon. Member for Ottawa Centre (Mr. Cassidy)—Government Advertising—Awarding of contract. (b) Measures taken by Government.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development, and the amendment thereto by Mr. Gray (Windsor West) (p. 1302).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am very pleased to take part in this debate on the amendment proposed by my colleague from Windsor West (Mr. Gray), namely that Bill C-15 be not now read a second time but be read a second time six months hence. As you know, Mr. Speaker, we proposed this amendment to give all Members of this House a chance to speak to this very important legislation, Bill C-15. No great feats of imagination are necessary to find clear-cut examples of foreign takeovers in Canadian industry, business and the economy in every riding and every region in our country, and the reason this screening agency was proposed a number of years ago was to strengthen our Canadian economy, not only for its own sake but also to safeguard jobs and, by promoting research and development, to create more economic activity that would produce more jobs.

We are not the only country in the world to set up a screening agency. The Americans have their own procedures and Japan and several other countries have government agencies that are supposed to control foreign takeovers. In the United States, foreign companies may not control companies in certain economic sectors including marine transportation, broadcasting, air transportation and defence production. It is absolutely impossible for a foreign country or corporation to take control of such industries. Australia, for instance, has a Foreign Investment Review Board very similar to our own and Japan exercises very extensive control over foreign investment.

This kind of measure is not out of the ordinary, in that it is already being used in many countries to screen investment.

Mr. Speaker, according to a number of observers, this Bill more or less proposes to open wide the doors of this country to foreign investment, which obviously implies foreign control over very significant economic sectors, whether industrial, commercial or other. I am thinking of a few examples in my own riding of Ottawa-Vanier, which is not an industrial riding, since it has a high percentage of professionals and public servants who are employed by the Government to indeed serve the public. The largest employer in my riding is the University of Ottawa, which has 3,000 employees in Ottawa-Vanier.

Two years ago, the University was having serious problems with its bookstore. Sales were declining, administration costs were very high, and the bookstore was losing between $100,-

000 and $200,000 per year. No rent was charged and the bookstore was perpetually in the red. The University looked for ways to get the bookstore out of the red. Canadian industry, including both publishers and distributors, showed an interest. An American company, Brennan College Service Inc., also became interested and made the University an offer. Negotiations, which lasted nearly a year, made it clear that it was not in Canada's interests to let an American company take over this bookstore and thus, according to some people, become a threat to the Canadian book industry and professional and academic publishing.

FIRA examined and rejected an initial application by Brennan College Service Inc., for the simple reason that it did not meet FIRA's requirement for generating significant benefits for Canada. This is a very important point: significant benefits for Canada, which means there seemed to be nothing to justify a foreign takeover. Following FIRA's refusal, the administration of the University of Ottawa signed a new agreement with the American company under which the University would retain ownership of the bookstore and Brennan College Service Inc. would work with the University on restructuring the bookstore which, as I said before, was in the red.

I was speaking yesterday to the Vice-Rector for Administration who said that things were going well, that the Canadian company, Ottawa Brennan Inc., was operating satisfactorily, that everything seemed to indicate that they would make a profit of around $100,000 this year and that the University of Ottawa was very pleased to have a foreign company as the minority interest within a Canadian company. I have nothing against foreign technology if it can help us acquire new expertise, in administration or manpower training, for instance. In fact, the Vice-Rector of the University commented that they were able to take advantage of the expertise of Brennan College Service Inc. and training provided by the company for employees of the University of Ottawa Bookstore. The outcome was very fortunate, since in the process, an American company was prevented from taking full control of a business in my riding of Ottawa-Vanier, and also the business was able to continue, because I think that otherwise, the University would have been forced to close down the bookstore. So it was a fortunate experience, but it was FIRA's final decision which helped to bring about this agreement. So that was my experience during the past two years with the federal Government's Foreign Investment Review Agency, and I must say it was very worthwhile.

Without FIRA, the University of Ottawa Bookstore would probably have gone out of business and become U.S.-owned. Many people, including myself, feel that the American company does not have the cultural expertise and the biculturalism of the University of Ottawa, nor the University's bilingual capacity. This was not part of the company's makeup, and we might have lost some of that respect for both languages we have been trying to build up as well as the positive attitude to the many cultures thriving in our community. I therefore feel this was a very fortunate solution to a rather serious problem.

This government has introduced Bill C-15, Investment Canada, which provides that 90 per cent of proposed acquisitions of Canadian small and medium-size companies will not even be subject to review by the Investment Canada agency.

Given such a Bill, how can we possibly expect to meet our long-sought challenge—to have a Canadian product patterned after Canadians?

Before establishing its trade strategy, Canada must be in a position to control its economic base. If that base belongs to foreign interests, Canada's decision-making power on the international scene will be severely limited. The government was not given a mandate to make Canada lose its national identity. Canadians love their country, they are friendly people in the widest and deepest meaning of the word, but they are not the kind of people who would sell out their national identity simply to cut a striking figure before the United States.

The government must have misunderstood its mandate. Recent economic history shows clearly that, in times of recession and various crises, the interests of creditor countries take precedence over those of debtor countries. Foreign takeovers can also lead to lost national identity, particularly when sensitive sectors such as education and culture are involved.

Earlier, Mr. Speaker, I was talking about education. I see that you are about to rise to interrupt me. Perhaps I will have another opportunity to speak to the House on that issue. I respect your ruling and close my remarks.

• (1620)

[*English*]

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise to take part in this debate with some regret about the Bill we are debating. What we have in front of us is only more cosmetics and superficiality. I see nothing in the contents of this Bill that will advance the cause of job creation anywhere in the country. The Bill provides more of the smoke and mirrors that we have become accustomed to over the past several months.

The implication is given that by changing the name of FIRA and by making other superficial changes, somehow investment from the United States will suddenly speed up. The implication is also that this did not happen before. That is a myth that we should put to rest right away.

Anybody who cares to research *The Globe and Mail*—FIRA applications were all published the day after they were approved by Cabinet—will see laid out very clearly that over 90 per cent, the vast majority, of applications that came before FIRA and Cabinet were approved. It is a myth to say that somehow there was a bottleneck or stoppage of applications from the U.S. or any foreign country. That is a myth that

should be laid to rest right away. This is one reason why the Bill is superficial.

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) used that application, and he was right. It is wrong to tell people through this Bill that suddenly, if you make those changes and call the corporation Investment Canada and stop calling it FIRA, with those cosmetic changes U.S. investment will flow. It will not happen as simply as that. U.S. analysts have said publicly that by doing that, it ain't going to change overnight.

Investment in the United States, even within that country, is moving from the northeast to the southwest. They have a problem within their country of declining industries and declining areas. New industries are taking over and they are attracting investment. Even within the United States that kind of situation is taking place. To suggest that because you introduce this Bill and change the name U.S. investment will flow over the border is not correct. It is not as simple as that.

What the Government should be putting before us instead of this Bill is ways and means to encourage the right type of industry in the various regions of Canada. We have Silicon Valley in California and we have silicon valley right here in the National Capital Region. What we should have before us instead of these cosmetics is a strategy whereby new futuristic industries can be encouraged in the regions of the country. That is what the Government should be putting in front of us. How can we attract more high tech firms to the Atlantic area and to various areas in western Canada? That is the kind of policy I would like to see the Government put forward instead of these cosmetics.

Whatever happened to a regional development policy? When is the Government going to tell us how it intends to build up the regions of this country? Certainly we have not seen those measures so far. I would like the Government very soon to spell out very clearly its policy on regional development. When this Party was in power, there was a key element of our policy devoted to regional economic development, but I have not heard that mentioned. I have seen the negative effects of the cut-backs that have been put in place. We have not seen that U.S. investment until now.

The fact is that apart from keeping out U.S. investment, we have been trying to encourage it. When we created Fishery Products International in Newfoundland, many people tried to get private sector investment for that company wherever it was available. All of us, no matter what side of the House we are on, agree that only through private sector investment are we going to create long-term jobs. That did not come and Governments had to step in and provide the capital that was needed.

Another industry will be familiar, namely, the iron ore industry. Apart from attracting new American capital, we are seeing the Americans pull out capital and emphasize operations other than those which they hold in Canada. The Hon. Member for Vancouver-Kingsway made that point very clearly, and he was right. Just because you have an American branch plant in your country does not mean that you have a secure future. In fact, the opposite may be true. Let us not fool ourselves that by attracting American capital we are automatically going to be on easy street. The fact is that they have been looking after their own interests first and ours second. We should be very wary of that.

We have no hesitation, certainly in my province, about having American capital. We have had a long, warm relationship with the Americans. I remember my grandfather sailing to New England in the days of sail when it was known in my province as the Boston States. We have a very lucrative trade with the eastern United States. Atlantic Canada still does, as we do on the West Coast and in the areas represented by Members all over this Chamber. They have a very healthy trade, particularly the border provinces, with the U.S.

At the time of Confederation in 1949 when we joined Canada, one of the options put before the people of Newfoundland by Don Jamieson, a former colleague in this Chamber who is now elsewhere, was economic union with the United States. Throughout World War II we had five important bases in my province. Many American servicemen in Newfoundland married Newfoundland girls who then went to live in the United States. The real reason for the boom in the economy in the United States at the present time is not Reaganomics. It is all those Newfoundland girls who married American servicemen and created the new Americans who are adding to the vitality of that country at this time.

We have no hesitation in welcoming the Americans with open arms. We have been friends of theirs for decades, indeed centuries. Let us not kid ourselves that they are somehow the enemy at our gates that we have to keep out. They are not. We want and need that investment. That is the only way to create long-term jobs. However, it cannot be done through cosmetics and superficialities. We must come forward with something with more substance than that.

● (1630)

If I may, Mr. Speaker, I would like to plug something here. It is a bit of a black market operation and a bit of a subterfuge. However, let me say that one of the reasons given for the screening of investments being processed through the new Investment Canada is the protection of the Canadian cultural heritage. That seems to be all right on the surface of it. There is nothing wrong with being in favour of the Canadian cultural heritage. However, let us not let the Government encourage it on the one hand and discourage it on the other. The Government cannot say that it will screen investments through a Bill like this for possible detraction from the Canadian cultural heritage while at the same time making cut-backs to the CBC.

If something is damaging the cultural heritage of the country, it is the closing and downgrading of various CBC stations, and particularly those in small, remote communities in northern Canada. The only voice, mirror or self-image that those people have is their local CBC station. Now when many communities are fighting for survival, the very means of protecting their self-image and indeed their cultural heritage is being taken away from them. I would ask the Government to

review that policy and to intervene with the CBC in order to see that those stations that we need so badly for the protection of our cultural heritage are not taken away from us.

I can give as an example of this the station in Labrador City which is in a remote area formerly served by the Prime Minister (Mr. Mulroney) when he was President of the Iron Ore Company of Canada. Communities such as that one are fighting for their lives at the present time. As we know, the iron ore and steel industries are struggling for survival. I do not believe that they are sunset industries by any stretch of the imagination, but they are going through some very rough times. Now, when they are struggling for survival, it seems to me that it is wrong to take away their voice, their self-image and the protection of their cultural heritage. I do not believe that the Government can, on the one hand, say that it can protect this and, on the other hand, take steps to destroy it. If I may, Mr. Speaker, I would ask government Members to review that policy.

I am afraid that what we have before us at the present time is nothing of substance but more fluff and more cosmetics from a Government that has certainly become known for that in the economic fields. Perhaps government Members need time. I know that the Secretary of State for External Affairs (Mr. Clark) has put forward policy statements which have some substance. We may agree or disagree with these statements, but at least there is some substance to them. The same thing must happen in terms of economic policy.

The Government must put before us meaningful measures for job creation. Instead, what we have are cut-backs. For example, there have been cut-backs in unemployment insurance at a time when job creation is at an all-time high in my own province. For example, there have been cut-backs in the fisheries infrastructure at a time when that particular industry is struggling for survival. There have been increases in the ferry rates to Newfoundland. Ferries are the very lifeline of islands like mine and Prince Edward Island. If the ferry rates are increased, not only will it discourage business and add to its costs but an added burden will be put on the consumer who has the least ability to bear that burden.

Instead of receiving meaningful job-creation measures, we have received cut-backs which will have a negative effect on our economy. I say to the Government that now is the time to forget the posturing, the rhetoric and the public relations and get on with putting before us real policies for meaningful job creation in the country.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to rise in my place today and take this opportunity to address this Bill. I find that I must rise today to caution against what seems to be the unbridled enthusiasm of the Government for advertising Canada as being open for business with no strings attached. I of course have no complaint with the notion that Canada is open for business. I applaud any initiative that brings legitimate investment capital into the country. I remind the Government that approximately 97 per cent of the applications that were brought before FIRA in the past year were approved in any case. Simply changing the name of this agency from FIRA to Investment Canada, while it is a lovely cosmetic change, will not in and of itself have much impact on job creation in the country.

At the very time that the Prime Minister (Mr. Mulroney) is telling Canadians and the assembled group of boardroom chairmen from the United States that Canada is open for business, there are certain groups in the United States telling us that the United States may not be open to Canadian exports. Canadians know that a few friendly words which passed between the President and the Prime Minister in March do not mean influence over the administration, much less over Congress or various sectors of the U.S. economy. In particular, I speak of the softwood lumber industry for which efforts have been renewed in the last few weeks to curb Canadian exports.

Canada is by far the world's largest exporter of lumber. We supply over 40 per cent of the world's total supply of lumber. More than 66 per cent of those exports from Canada went to the United States in 1982. Of that amount, 56 per cent came from the Province of British Columbia alone.

It seems to me to be somewhat frightening that, on the one hand, while we are advertising that Canada is open for business and has been open for business for some time, on the other hand the United States has increased protectionist tendencies. The softwood lumber sector in the United States is moving rapidly not by means of protest but, in its own mind, by means of legislation to prohibit or restrict to a minimal amount the importation of lumber from Canada.

The forestry industry is the single largest producer and generator of jobs in this country. There is no bigger industry. In terms of our balance of trade, it is bigger than agriculture, fisheries, mining and oil and gas all put together. That is how critical this industry is to Canada. Unfortunately, in the House of Commons and, I would suggest, across the country among the public at large and in particular in the Cabinet, there is not much appreciation of that very real and very startling simple economic statistic.

Rather than getting on with the business of making cosmetic changes to the names of agencies, rather than managing by media manipulation, rather than tying its appearance of competence to the ability of its media managers, I would like to ask the Government when, in addition to practising its love-in with the current United States administration, it will stand up and defend Canadian interests. This administration recently signed an agreement restricting Canadian shipments of duty-free newsprint into Europe to 600,000 tonnes annually. Our quota used to be 1.5 million tonnes annually. I have just told the House about the importance of softwood lumber. Let me tell Hon. Members as well that newsprint is the second major component in the value of the Canadian forestry industry. Over 100 communities in Canada are single-industry towns which are dependent on this industry. Yet an agreement was signed during the Christmas recess, the details of which were announced on December 27 when nobody was paying attention. That agreement restricts Canada's ability to go duty-free into that market. An industry spokesman in *The*

Chronicle-Herald of Halifax a few days ago described it as an unfair decision which was reached without any consultation with industry representatives. If the industry was not consulted, can we assume that other Canadians were consulted?

• (1640)

Mr. Clark (Yellowhead): The industry was consulted.

Mr. Tobin: I would say to the Hon. Secretary of State for External Affairs (Mr. Clark) that *The Chronicle-Herald* indicated that the industry was not consulted and has described the decision as "an unfair decision". Where is the commitment for consultation that the Government promised? I should point out that the agreement was rejected by the previous administration. The previous administration refused to sign it and saw it as being basically unfair. The previous administration recognized—if we understand the growth that will occur in this sector by the year 2000—that it would foreclose in advance Canada's job creation opportunities for the future. The previous administration turned it down, but this administration signed it and announced its decision on December 27. What was it trying to hide?

Some time ago I suggested to the Prime Minister that he would do himself and the country a great service if he would bring with him into the House a set of ear-plugs. The House has had the unfortunate spectacle of a Prime Minister who has misunderstood the applause of 211 cheering and, with all due respect, mindless supporters, and has taken that applause as being the approval of the people of Canada for the policies which are being announced. I want to tell the Prime Minister that, if he has misunderstood the applause of his tribe for the approval of the people of Canada, he ought to go out with his Secretary of State for External Affairs and his Minister for International Trade (Mr. Kelleher) and consult the people in the forest industry about the agreement which was signed with the EEC that will foreclose Canada's future possibilities for growth in that industry. He ought to find out how people in the lumber industry feel about the renewed threat of a limitation on Canadian exports into the U.S. But we have not heard a peep out of the administration.

When I see a Government which has been in power for four months and has not put forward one piece of original or substantial legislation, and which wastes the time of the House by changing the name of FIRA to Investment Canada, I am reminded a bit of the little old lady in the Wendy's commercial. The people of Canada have sent 211 sets of buns to the House. I want to ask, "Where the hell is the beef?"

May I humbly suggest that a six-month hoist is appropriate and is in order at this time.

Mr. Kempling: You have never been humble in your life.

Mr. Tobin: I would suggest to the administration that when it has some beef and some measures of meaty substance to bring before the House for our humble consideration, it should attempt once again to attract the undivided and serious attention of this humble House.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am privileged to rise today to discuss a motion to delay the implementation of the Investment Canada Bill for six months for further study. It is an excellent and necessary amendment.

The Government is proposing to protect the cultural heritage of Canada, and government Members have stated during the course of the debate that that is why the Government is not permitting foreign investment in the areas which it deems to be cultural—broadcasting, newspapers and the like. However, one of the arguments which we have made on this side of the House is that a cultural heritage cannot be protected by allowing the economy to be controlled by outside forces. I will not spend much time arguing that point, except to point out something of which we are all very aware, which is that in Canada the cultural heritage of our native people was not very well protected once their economy was taken away from them. I submit that there will be no cultural heritage for Canada if the Canadian economy is gradually eroded, taken away from us and allowed to fall into foreign hands.

I believe good use could be made of the six months to study further the implications of the Bill. I have identified seven problems in the approach which the Government has taken. The Government is assuming that if it attracts foreigners, business will develop and jobs will be created. I have a great deal of difficulty with that, because Canada has been following that line of reasoning since the Second World War, with only the minor change of the establishment of the Foreign Investment Review Agency. The problems are numerous, but I will only outline seven problems which are evident in the legislation.

The first problem is that foreign companies do not spend nearly as much on research and development as do Canadian-controlled companies. Research and development is a key source of economic growth and productivity in our economy. Yet, if we look at the track record of Canadian firms versus foreign-controlled firms, we find that Canadian firms have a much better record of performing research and development than do foreign firms. I would refer the House to two studies, one which was done by the Economic Council of Canada in 1983 and another which was done by the Science Council of Canada in 1984. Both of those studies had similar results. They found that Canadian firms with less than 50 employees spent about 11.2 per cent of their sales in research and development, whereas an operation of the same size which was owned by foreign interests only reinvested 3.3 per cent of its sales.

The studies present a long table which I will not go into, but the proportions get worse as the companies get larger. Canadian-controlled companies with more than 500 employees invested 10.3 per cent of their sales in research and development, while foreign-owned companies reinvested a paltry 2 per cent. Research and development ensures long-term jobs. I submit, on the basis of the findings of the Economic Council and the Science Council—and each organization performed separate research and had results which were very much the same—that foreign firms do not do a good job in R and D. Subse-

quently, they will not produce as many jobs as Canadian-owned firms.

The second problem that is evident with the concept the Conservatives are pursuing is that foreign-controlled firms import much more than Canadian-controlled firms. Again, I have some numbers that I would like to put on the record which indicate that the spinoff benefits which would accrue from purchases from Canadian companies, mostly inside the country, which create other jobs subsequent to the original purchase, do not accrue when the company doing the purchasing is a foreign-owned company making its purchases from head office in the home country. In fact, foreign companies imported 22 per cent of their sales, which is five times the amount imported by Canadian companies. Of the companies which are involved in manufacturing, foreign companies imported 30 per cent of their sales, which is four times the amount imported by Canadian companies.

It is evident from these figures that foreign companies have a predilection to import from the country of their origin and do not provide the necessary multiplier effect to keep the Canadian economy growing and to prepare the way for jobs to be created in Canada.

• (1650)

The third problem we have with the move to more foreign control of our economy is that foreign-controlled firms make a higher proportion of payments outside of the country. I am speaking now of interest and dividend payments and service charges payable to the head office. This reduces the resources available to Canada, and reduces the opportunity for more jobs and more investment resulting from those profits. As an example, American-controlled firms holding 36 per cent of the industrial assets in Canada in 1981, accounted for 61 per cent of all external remittances. So you can see that, compared to Canadian firms, they exported capital at the rate of two to one. Foreign-owned firms do not have a record nearly as good as the Canadian-owned operations and are not as useful in recycling money and creating jobs in Canada. In fact, they exacerbate the problem by creating a large wound in the economic body of the country which drains money outside of the country.

A fourth problem which I would like to deal with today is that multinational corporations seek to maximize global profits by minimizing tax payments. Some of the countries in which they operate have high taxes and others have low taxes. They then do internal shifting of funds by charging various service fees so that their profits are larger in those countries with the lowest effective tax rate. As an example, a study of the computer industry found a $50 million tax loss through this mechanism, equal to an amount 30 per cent lower than what should have been paid given the amount of money actually earned in our country. That comes from a report done in 1981 by the Evans Research Corporation. I think that in the course of the next six months the House would be well advised to become acquainted with the research which shows that this particular policy decision the Tories have embarked upon is a hazardous one for the country.

The fifth problem we see with this approach is that foreign-controlled companies export much less real product in relation to sales than do their Canadian competitors. In fact, some studies indicate, as the Gray report did, that 90 per cent of the exports of Canadian subsidiaries went to U.S. parents in 1978, when the report was completed, and that 57 per cent of U.S. subsidiaries restricted exports from their Canadian plants. The head office makes certain that the home country gets the advantage of having that subsidiary in a foreign country, in this case Canada, and that the country being colonized, if you like, gets very minimal benefits.

To go quickly to the sixth problem, Mr. Speaker, a high ratio of foreign control of Canadian industry contributes to poor productivity performance by reducing competition, a conclusion that the Science Council found as recently as 1984. I would conclude by noting that studies by the U.S. Senate and the Harvard School of Business have found that U.S. direct investment in Canada produces a significant net creation of jobs for all sectors of the U.S. workforce but for Canada, the other side of the coin, there is a net loss of jobs. I think that makes the point, Mr. Speaker, and I will now allow another Member to speak.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I rise to speak in favour of the motion to hoist the Bill and delay its consideration for at least six months. I think this makes sense because, once again the new government has got caught up in its own rhetoric. It believes so much in the free enterprise principle that it cannot fully appreciate the impact of this legislation.

There are two elements in what I guess will probably be a two-part presentation, Mr. Speaker. I would like to deal with how they affect my region of northwestern Ontario. We are at the western end of Ontario and we probably think of ourselves more as part of western Canada than of eastern Canada. One of the problems we have had since the area was first settled was how to attract the investment dollars we need to develop employment and the wealth that so often we miss out on. Just like western Canada, we see money being spent in the Golden Horseshoe around Toronto. Manufacturing is developed there using our resources, the raw materials taken usually from one-industry towns over a period of 20 to 30 years. Those towns are then left without any kind of secondary or tertiary industries to fall back on. In the Foreign Investment Review Agency we at least had a mechanism to try to focus, funnel or, if you like, control where investment, albeit foreign investment, could be placed. That is not to say that I agree with the manner in which FIRA was operating because I believe, and I am sure you will concur, that a government which philosophically does not believe in intervention in the marketplace has really no business intervening because it usually mucks it up. It puts on so many checks and balances to protect its interest that it is an inefficient mechanism and really does not do what it was meant to do. We saw how the Liberals dealt with FIRA in that manner.

Without the controlling mechanism which could have been used in FIRA, and which is definitely not in Investment Canada, any foreign money invested here will go to the Golden Horseshoe area of Ontario to boost the manufacturing sector. But we in northwestern Ontario, and I suggest every other part of this country, will not get the investment we need in order to produce new wealth. It will not focus investment in a community like Atikokan, in Ear Falls, which is currently undergoing a severe employment crisis. It will not help the community of Thunder Bay which has in excess of 14,000 men and women currently seeking full-time employment. I suspect that before this winter is out that number will rise to over 15,000. Investment Canada is not going to steer money to northwestern Ontario and those communities.

I think that if we gave this government six months to do the kind of research that my colleague referred to, to rethink the Bill, perhaps instead of a weakening of our control over our own destiny, we will have a mechanism which will ensure that the money, whether it be Canadian or otherwise, will be used to benefit the Canadian public.

I will take my chair for the moment, Mr. Speaker, and resume tomorrow.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

● (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding No. 27 stand by unanimous consent?

Some Hon. Members: Agreed.

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INDIAN AFFAIRS

ADVISABILITY OF PROMOTING INDIAN SELF-GOVERNMENT

The House resumed, from December 4, 1984, consideration of the motion of Mr. Penner:

That, in the opinion of this House, the government should consider the advisability of promoting Indian self-government by:

1. Announcing support for an affirmative policy of constitutional recognition of aboriginal self-government;

2. Pursuing actively, a bilateral process of discussion with representatives of first nations on such issues as self-government, natives claims and the elimination of the extinguishment policy; and

3. Introducing legislation to recognize first nations self-government which should be developed by means of a joint process and utilization of the Standing Committee on Indian Affairs and Northern Development.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it is a great pleasure for me to speak on a motion which was introduced a few weeks ago with regard to Indian self-government. When I left off my remarks a few weeks ago I had not had the opportunity to go into detail in some of the areas I feel we should be considering. Over the last number of weeks and months I have sat on the Standing Committee for Indian Affairs and Northern Development. I have been able to study in more detail what Indian Affairs is all about and what the problems of native people are. I would like to relate my remarks strictly to the riding of Timiskaming in northern Ontario. There we have bands in the Moose Factory area, the Temagami area and in the North Bay and Sturgeon Falls areas.

We as elected officials have to study the problems facing the native people of Canada. One and a half years ago the committee of this House toured Canada to deal with some of the problems affecting native people. Native housing in the area of James Bay, for example, is an area that we will be addressing. The previous Government failed over the last 16 years to deal with the tragedy which has affected the native people's livelihoods over a long period of time. The previous Government did not deal with the medical problems in the James Bay area. I am very pleased to say that this Government and the Minister of Indian Affairs and Northern Development (Mr. Crombie) will certainly be dealing with that. The Minister of Indian Affairs and Northern Development will be in Thunder Bay tomorrow to meet with the chiefs of Treaty 9 which comprises the James Bay, lower mainland area.

This Government is trying to co-operate and work with the native people to solve the problems which have affected them over the last number of years. That is why I have a problem with dealing so quickly with this motion on Indian self-government. This Government wants to work with the native people and the provinces to resolve the problems which have been caused over the years. We will be dealing with housing problems and the health care system which have been neglected over the years.

One area that we must address very quickly is the unemployment problem of native people, whether on reserve or off reserve. Native people across the country have not been given the opportunity to have the steady employment which other Canadians across the country enjoy. It is no wonder that native band councils across the country want to resolve this problem with Indian self-government. All Canadians must be very sincere, concerned and aware of this.

The Standing Committee on Indian Affairs and Northern Development has addressed many issues affecting native people in the last number of weeks and will continue to do so. Sitting down as we do with the officials from the Government and the officials from the band councils across Canada is the proper procedure to resolve the problems. I am looking forward to being able to say, at the end of our four-year term, that we have worked closely and freely and resolved problems which native people have had for years. The prior Government

could not say this. It did not sit down with the provincial officials, the federal officials, and the officials of the band councils in order to solve the economic problems which the native people are facing. However, I feel very confident that this Government, my Minister, and officials from coast to coast will be able to do something to resolve the economic problems facing native people. We will be able to help them to have a stronger place in Canada.

Mr. Jack Shields (Athabasca): Mr. Speaker, on December 4 my colleague, the Hon. Member for Cochrane-Superior (Mr. Penner), moved the following motion in the House:

That, in the opinion of this House, the government should consider the advisability of promoting Indian self-government by:

1. Announcing support for an affirmative policy of constitutional recognition of aboriginal self-government;

2. Pursuing actively, a bilateral process of discussion with representatives of first nations on such issues as self-government, natives claims and the elimination of the extinguishment policy; and

3. Introducing legislation to recognize first nations self-government which should be developed by means of a joint process and utilization of the Standing Committee on Indian Affairs and Northern Development.

I have had the distinct pleasure of serving with the Hon. Member for Cochrane-Superior on the House of Commons Standing Committee on Indian Affairs and Northern Development. I would like to congratulate him for his sincerity and hard work. As Hon. Members of the House probably know, he chaired the special Standing Committee on Indian Self-government, of which I was a part, which resulted in what is commonly known as the Penner report.

That committee travelled across Canada, visited with bands and councils, and heard from native groups. It became clear that as a result of government legislation in the past we have relegated the Indian peoples of this country to a servitude that no sane Canadian would accept in this enlightened day and age.

● (1710)

I agree with the Member for Cochrane-Superior that the Indian people have been mistreated by the very paternalistic approach adopted with respect to their very livelihood. We must remember that it was not too long ago—clearly I can remember it distinctly as a young boy growing up in northern Alberta—when Indian people, if they wanted to leave the reserve, had to go to an Indian agent and ask for permission to do so. First they had to ask permission, then they had to sign out, and finally they had to tell the Indian agent when they would return. It was not so long ago when Indians could not leave the reserve.

Members will recall that Indians were not allowed to vote in any election in Canada. In other words, they were totally disenfranchised from the vote. They could not participate in the democratic process.

Today, Indian people elect their chiefs and have band council members who are elected by the band members on the reserve to administer the law, the band and the band members. This council may pass a resolution to spend funds which they have generated through resource revenue. However, that resolution must go to Ottawa to the Minister of Indian Affairs and Northern Development. The Minister must then approve that resolution because, through legislation, he is the trustee of all the Indians in Canada. This is clearly unacceptable in this day and age and in this country.

I agree with the Member for Cochrane-Superior that we must address this issue. Let me refer again to some of the problems we face in extinguishing this paternalistic attitude and method of dealing with Indian people. I want to compliment the Member for Cochrane-Superior for his initiative in bringing this Private Member's Bill forward. I want to compliment him for his sincerity and hard work. I believe he is a credit to the House of Commons in everything he has done on the Standing Committee on Indian Affairs and Northern Development. I want that to show clearly on the record, because in the future I think we will look back on his activity in chairing the special committee that travelled across the country and produced the Penner report as a very clear milestone in the inclusion of the Indian people into the mainstream of society. I think we will be very proud of him for having worked for that.

I have one problem with giving unlimited support to his Bill today. I suggest it would be useful to remind not only him but all Members of the House of the recent constitutional developments that have taken place with respect to aboriginal peoples.

In February of 1979, the national native organizations attended the First Ministers' Conference on the Constitution as observers. An agenda item was adopted on "Canada's Native Peoples and the Constitution". In September, 1980, another First Ministers' Conference on the Constitution was held with the national native leaders in attendance as observers.

In late 1980 and early 1981, the Special Joint Committee on the Constitution in Canada held hearings and submitted its final report. It made several specific recommendations, including one on the rights of aboriginal peoples in Canada and on the participation of the aboriginal peoples in constitutional conferences. I believe that a significant milestone was reached at that time.

In 1981, the federal and provincial Governments agreed to the inclusion in the Constitution of a clause recognizing and affirming the existing aboriginal and treaty rights of the aboriginal peoples. We all know the difficulty we had in inserting that clause by way of provincial and federal negotiations and even in discussions in the House and Committee to ensure that that clause was included in the Constitution of Canada.

In April of 1982, the Constitution Act was proclaimed with several references to aboriginal peoples. For example, Section 25 said:

The guarantee in this Charter of certain rights and freedoms shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada including:

(A) Any rights or freedoms that have been recognized by the Royal Proclamation of October 7, 1763; and

(B) Any rights or freedoms that may be acquired by the aboriginal people in Canada by way of land claims settlement.

Section 35 says:

(1) The existing aboriginal and treaty rights of the aboriginal people of Canada are hereby recognized and affirmed.

(2) In this Act, 'aboriginal peoples of Canada' includes the Indian, Inuit and Métis peoples of Canada.

The requirement for a constitutional conference within a year of proclamation was also included.

In March, 1983, a First Ministers' Conference was held on the rights of aboriginal peoples, with the full participation of aboriginal leaders. It is the first time in the history of Canada that this very sensitive issue was addressed with the full participation of the aboriginal leaders. The outcome of that meeting was a Constitutional Accord to amend the Constitution Act, 1982, and to hold constitutional meetings over three years to identify and define the rights of aboriginal peoples.

The substance of these amendments was to ensure that aboriginal and treaty rights applied equally to male and female persons. I believe that we all know the problems we are facing with that issue. Second, it was to ensure that aboriginal peoples would be involved in formal conferences prior to any amendments to certain sections of the Constitution Acts 1867-1982. If I may pause for a moment, let me say that the fact that that section alone was agreed to by the leaders of the aboriginal peoples at the constitutional conference precludes us at this time from moving forward with this Private Members' Bill, as much as I and many Members in the House would like to see it moved to committee.

Third, rights acquired through existing and future land claim settlements would be recognized and affirmed in the Constitution in the same way as treaty rights. That is where we face difficulty. We cannot put the cart before the horse.

● (1720)

In March, 1984, a further First Ministers' Conference on the rights of aboriginal peoples was held. No agreement was reached on the four agenda items. The four agenda items, as you will recall, Mr. Speaker, were equality rights: aboriginal title and aboriginal rights; treaties and treaty rights; land and resources; and aboriginal self-government. That bears repeating. No agreement was reached on the four agenda items. You will note, Sir, that the fourth agenda item is aboriginal self-government.

In the spring of 1985, another First Ministers' Conference on aboriginal constitutional matters is scheduled. It is to be followed by another one by April, 1987.

I think clearly, and with great respect to my friend and colleague, the Hon. Member for Cochrane-Superior, this Government is moving and is committed to move in the direction that we want to go, and that is, to bring Indian people of this country along with aboriginal peoples elsewhere, the Inuit, into the mainstream of Canadian society so that they can take their place fully within the total mosaic of our country. They do not like, we do not like, and clearly the Hon. Member for Cochrane-Superior does not like the situation as it is today. I do not like the fact that individuals in this country, and some of them first Canadians, grown, capable, industrious men still and women, from a white father in Ottawa, a Minister of Indian Affairs and Northern Development, to live and to do the kind of things that we take for granted every day of our lives. Clearly we have to correct this injustice and clearly the present Minister of Indian Affairs and Northern Development (Mr. Crombie) is committed to doing that. We on this side of the House, this Government, is committed to doing that and we will do it.

The issues involved in these constitutional negotiations are complex. We all know that. They concern the relationship between aboriginal peoples and the rest of Canadians. The resolution will mark the creation of a new relationship. We have to resolve it and when we do, it will be a new relationship. The relationship under which the Indian people in Canada now function is the kind of relationship that makes them second-class citizens. This has to be changed. We are going to resolve this question. But it will create a whole new relationship with the rest of Canada because of the aboriginal rights, because of the land titles, the land entitlements, the land settlements and the treaty rights. All of these have to be taken into account in this complex issue. In time we will eliminate the terrible bureaucracy that we have known as Indian Affairs and Northern Development or DIAND.

In the area of aboriginal government, the complexity of jurisdictional issues is very obvious. Careful negotiations are needed based on a full and frank expression of aims and needs and the determination to develop a set of intergovernmental relationships that will work well. As we all know, reserves exist in every province in the Northwest Territories and in the Yukon. Because of the complexity of working with another government, some of the reserves work very closely or are very closely aligned with municipalities, such as, for example, the Hobbema Reserve and the Sarcee Reserve in Calgary. The urban sprawl of Calgary is now starting to surround portions of the Sarcee Reserve. We see the same thing happening in Edmonton where the urban sprawl toward the west has started to encompass parts of the reserve. In both cases the band councils of those reserves, with permission, by the way, of the Minister of Indian Affairs and Northern Affairs of previous governments, have developed subdivisions. We find the same thing in Vancouver and Victoria. The jurisdictional issues are obviously very complex.

The Canadian political tradition is based on interdependence and co-operation among several orders of government. How then are we to fit them in when Indian self-government becomes a reality? How do we fit them in with what we have existing today? Clearly our tradition is based on co-operation. We have gone through a period now of 10 to 15 years or so when there was not too much co-operation between the provincial and federal governments. This new Government is changing that. The signs and the results of that change are showing up right across the country. Because of the powers and functioning stemming from the Constitution, aboriginal government will have to fit into and be part of this political tradition.

I am sorry that I cannot support sending this Private Member's Bill from a colleague whom I admire very much. We will all be proud that he was a Member sitting in this House of Commons when we were here, because we will look back on the work he has done on behalf of aboriginal native people with sincere and distinct pride. I see that my time has elapsed, Mr. Speaker. I am sorry that I must sit down because I had a few more comments to make. Because of the complexity of the issue, we will be addressing it again, and I know the Hon. Member will play a very significant role in any decision that comes out of this House of Commons, or indeed out of the Standing Committee on Indian Affairs and Northern Development.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it gives me pleasure to speak on this Bill this afternoon and to outline some very serious concerns that I have on the matter of native self-government.

I think everyone in this House believes that the native people in Canada do have the right to self-government. It is a right that must be re-established. It was never sold, it was never surrendered, and this Government must take responsibility for recognizing and returning that right to the native people as quickly as possible.

If there is no doubt on that particular issue, I would like to outline briefly the activities of an Indian band in my riding. I am speaking of the Sechelts. The Sechelts have been in the forefront of a campaign to make the relationship with the Government of Canada and the native people in Canada more human. They have taken a very positive, dynamic and energetic stance on this question, particularly the question of native self-government. They have expended a great deal of their resources. It has been a major priority of Chief Stan Dixon, with the Sechelt Band council and people. The expenditure of time and resources on this project has been enormous.

• (1730)

I should like to refer to the basic approach of the Sechelt people. As a result of their experience, their administration in the past, their development, execution and planning of projects, the Sechelt people have developed their band resources to the maximum under the present restrictive nature of the Indian Act. They have taken advantage of all discretionary options that are available. They are still hampered. The quality of life and the potential of the Sechelt people are still hampered by the colonial and fraternalistic legislation which the Government of Canada imposes on all Indian people.

In the face of that difficulty, the Sechelt people, the Sechelt Band Council and Chief Stan Dixon produced a suggestion for the Government of Canada. It was produced a number of years ago and was called the Sechelt Indian Band Act. Their proposal was that the House of Commons should consider this legislation. It was simply an enabling piece of legislation which recognized the right of these people to develop a constitution appropriate to their community. Also it would allow them to pursue activities, as other Canadians under their forms of self-government could do, to improve the quality of life of the citizens of that community.

Unfortunately, as time went by they ran up against government obstacles. I will go back a step and describe what happened. They had approached the district level of Indian Affairs and had received support and assistance for their concept. At the regional level in the western region of Indian Affairs, they obtained financial support and assistance in developing a concept for a Sechelt Indian Band Act and their constitution. They obtained support from the regional district and then came to Ottawa where the concept was supported once again. They approached Members of the House and obtained support for the concept. They approached the last Minister who gave them support. He said that he would be prepared to introduce legislation which would allow the Sechelt Indian people to move forward with their particular form of self-government.

Unfortunately, it became tangled in the race for the leadership of the Liberal Party. It was delayed and delayed until the end of the last Parliament. Instead of becoming discouraged, the Sechelt Indian people again approached all Parties in the House of Commons. They approached the Department of Indian Affairs. Once again they are ready to place before this institution a piece of self-government legislation which would enable their band to develop a constitution appropriate for their community.

It is my understanding that the Government and the Minister of Indian Affairs and Northern Development (Mr. Crombie) are familiar with this particular piece of legislation, and that they have accepted it as a pilot project to be used in the development of the concept of native self-government and will be introducing it in the House before the end of January. It is my hope that the Minister will be introducing that legislation. He can be certain of the support of the New Democratic Party in expediting that piece of legislation through the House of Commons to meet the needs of the Sechelt people.

The Sechelt Indian Band produced a piece of legislation which I think is appropriate for a pilot project to begin the process of native self-government. Parliament must do something quickly and effectively to recognize and restore that right to native people in the country. In the development and application of this project, the Sechelt people could act as a model which may or may not be appropriate for other bands. Certainly it would be a positive move. If the Minister acts quickly to expedite that piece of legislation through the House, it would allow the Sechelt people to put their construction in place, begin to develop the process of self-government, to remove themselves from the restrictive nature of the Indian Act, and to begin the process of setting up a pilot project with this particular piece of legislation.

Certainly there is a financial side to the situation. It is recognized that the Government of Canada has a financial responsibility to native communities. The Sechelt Indian Band and its people have put forward a proposal to expedite and make more meaningful the financial relationship between the Government of Canada and those people, as well as others who

would organize their self-government process. This financial commitment must be recognized. Certainly in passing the membership legislation in the last Parliament to remedy the problems under Section 12(1)(b), we ran squarely into the question of whether it is correct to restore membership to a native community over the heads of the people in that community. We failed to recognize the critical need to provide financial resources to those communities to establish those new members in a fair and equitable way. We must deal with that.

It is my hope that the Government will live up to its commitments to the Sechelt Indian people. I hope it introduces the legislation before the end of January so that the House can deal with it in a quick and expeditious manner and possibly implement one of the first solid endeavours in native self-government in Canada. It would be a credit to the Government and to the Sechelt people who have worked so long and hard on this particular matter.

I should like to read into the record a couple of quotations of Chief Stan Dixon. The first one was reported as follows:

> The Sechelt band has steadily maintained its interest in being "masters of our own destiny." They feel implementation of proposed legislation would leave them free of the Department of Indian Affairs, and in control, but still enjoying the aboriginal and constitutional rights of indigenous people.

Another quotation read:

> Our proposal is simply an interim step which will permit us and others who wish to free themselves from the rigidity of the current Indian Act, to do so with a charter developed at the band level.

What could be simpler? What basic right could be more easily recognized than this particular situation?

It goes without saying that many of the aspects with which the House has failed to deal are extremely important. However, none is more important than the aspect of native self-government. It is a right of the Indian people. That right has to be recognized. It was never extinguished. It was never bought. It was never surrendered. It must be restored.

In the self-government issue there are a number of very important matters. One is education. The right of Indian people to develop a quality of life which is normal and expected in the country has been hampered ever since the present Government of Canada took office. There are enormous drop-out rates in native communities. I was astounded when I visited a number of those communities to learn that drop-out rates are still enormous. The average level of education of a native child in my area reaches up to about grade 10. Certainly there are many communities which receive even less than that. The federal Government has cut back on its funding for native education. Indian children do not have anywhere near the same opportunities as those enjoyed by any other children in Canada. That is a complete disgrace. That disgrace on the country could be eliminated by a decision of Parliament to accept its responsibility to provide Indian children in Canada enough in the way of financial resources to provide education. The Government, in its narrow and tight policy, is failing to meet the educational needs of Indian children. It is destroying the quality of life by that single act, as well as the quality of opportunity for native children.

I spoke with a chief on the central coast of British Columbia who indicated that their problems were financial. He also indicated that they had transportation problems, as well as problems in terms of establishing their rights as a people in the country. He indicated that above all else one of their greatest problems was the problem of human resources. They cannot educate their children because the Government will simply not give them the funds which it gives to other children in the country. Even with the funds which they are given under the master tuition agreement, for example to the Province of British Columbia, they have no guarantees that they are expended in the best interests of Indian children.

• (1740)

This Government must give control over education dollars to those who would direct them most appropriately. The native people of British Columbia, and indeed of all Canada, must have some say in exercising the expenditure of those dollars. One small school district represents tens of thousands of dollars each year. Although the particular school district collects those dollars each year, it does not do what is required for native people. It does not happen and will not hapen until we give control over those federal education dollars to the native people, particularly in the case of British Columbia. It is widely believed that the Province of B.C. is expending those funds in an inappropriate manner. They do not recognize in an effective way the rights of native people to an education.

There are serious questions about the use of those funds. I believe it would be appropriated for the Minister of Indian Affairs to launch an investigation into the expenditures by the Province of British Columbia which we provide under the master tuition agreement and other federal programs. It is widely believed that those funds are not being expended according to the wishes and the programs of the federal Government.

The recognition of those students and the provision of funds to enable them to obtain a post-secondary education or technical training is not being done by the federal Government. It is my understanding that it cut off those funds. It is my belief and the belief of many other people in this House that the federal Government has a responsibility to native children to ensure that they obtain a proper education, take their rightful place and establish a quality of life. It is time we restored that funding to ensure that native children have an opportunity to attend university, technical schools, vocational schools and community colleges. We must provide the resource base to those bands in order that they can begin to develop. This is critically important. It is a serious neglect of our responsibilities in terms of the Government of Canada not to provide those funds.

There is another matter that is important in the issue of self-government. In establishing the needs of native communities through some kind of access, it is important to have a financially stable economic base. This Government must push harder. It must make a solid commitment to resolve questions of the aboriginal land claim. The Province of British Columbia

is completely negligent and completely irresponsible in resolving this matter, in recognizing the rights of aboriginal people to the area which they inhabit and the resource base they used in former times. Much of this has been usurped and used for the benefit of communities other than native communities.

One example brought to me time and again is that of the small reserves that were given in the Province of British Columbia. They were not given access to minerals, fossil fuels and timber as was done in other areas of Canada because of a large land base. They were not given access to those resources even though they use they in them in their day to day lives. The reason for the small land reserve base in British Columbia was that those communities were so heavily dependent on fishing. That reason was stated time and again. Native people in British Columbia have been removed from the fishing resource to a large degree. The reserves are too small to handle the people who live there. That is one reason why so many people live in other communities. Often 50, 60 or 70 per cent of the people cannot live on the these small reserves with the inadequate funding.

It will be clearly established that native people have the right and have a claim against territories and resources they previously used. If we provide access to the resource base, the land, fish, timber and mineral resources used in previous times in areas over which those bands had jurisdiction, it would be a way by which those bands could establish some financial and economic security. Unless we give them access, they are not going to be able to re-establish any wealth or financial security.

This Government must move quickly, in advance of the settlement of the land claims, to provide, where possible, access to resource where the native communities have the resources and are in need of assistance. We had an example in the House the day when the Conservatives raised the matter of forestry and criticized the forestry policy in Canada. There was agreement among all Parties to press development of a forestry program within the Department of Indian Affairs for native people. As yet, nothing serious has happened on that. I challenge members of the present Government who stood on the floor of this House in opposition and made a commitment to do something to provide now access to forestry and to do so in a very thorough manner. That is one example.

Access to the fishing resource must come about. Where land is available, it has to be provided. In short, we must begin the process in advance of convincing our colleagues in British Columbia, who are almost neanderthal on this concept, that something can be done to provide a base of wealth for native people.

I see my time is up, Mr. Speaker. Thank you for the opportunity to express my thoughts.

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I take pleasure in contributing briefly to the debate this afternoon. As Hon. Members will know, along with the Hon. Member for Cochrane-Superior (Mr. Penner), I shared the responsibility for developing a blueprint for the future, as the Penner report has come to be known, in terms of the future relationship between the Government of Canada, the other partners in Confederation and our native people.

I naturally applaud my hon. friend for bringing this motion before the House. However, I must tell him immediately that there is a fundamental flaw in his motion. As all of us know, if this motion were to pass the House this afternoon, it would be referred to committee.

The flaw that I see in the Hon. Member's motion is that the committee has already dealt with this matter. The Hon. Member and myself, together with several of our colleagues, worked one and a half years and travelled throughout the country in developing a self-government report with 58 very distinct recommendations incorporated in it. That report was tabled in the House. The committee has spoken. It has done its work. As I said, the committee produced a blueprint for the future and, indeed, that is what it is.

Naturally the Hon. Member has to use this opportunity to highlight the affair throughout the country again. However, absolutely no purpose would be served if this matter were once again referred to committee.

I have little problem with the Hon. Member's motion which proposes to affirm the concept of aboriginal rights. As my colleague from Athabasca (Mr. Shields) stated, that is no longer a question. That concept is entrenched in our Constitution in a manner which can no longer abrogate from the distinct rights which native people have in this country, dating back to the Royal Proclamation of 1763.

There is no need to reaffirm this concept. It is done. The question we have to come to grips with now is, what does the concept of aboriginal rights mean? It means different things to different people. There are 258 bands or so-called nations throughout this country. If you meet with all of them, as we attempted to do, you discover that the concept of aboriginal rights and title means something different to all 258 of them. However, there are certain recurring themes, trends and principles that the committee immediately discovered as being consistent throughout. We found, for instance, that to all people, the concept of aboriginal rights means the right to self-determination and the right to self-government. That became very apparent and there was no dissension. It is proper for the Hon. Member for Cochrane-Superior who was the chairman of that special committee to remind the House of the fact that there is, first, the recognition of the concept of aboriginal rights and, second, that it means the right to self-determination and the right to self-government.

● (1750)

Regarding the form, nature and responsibilities of these self-government structures, the committee report is mute for a very good reason. Again, throughout our deliberations in all parts of the country with different tribal associations, bands and nations, we discovered that everyone had a different idea of the kind of structure they would like to see and which would serve best their heritage, traditions, culture and religion. It

would have been wrong for us, the committee, and indeed it would be wrong for the Government to impose a structure of government that would not be suitable to these legitimate aspirations of our native people. For that reason, the committee did not lay out any distinct form of government but laid out a general framework of a self-government structure which would then be left to negotiations between Indian nations and a special representative of the federal Government to define.

Much of the definition of self-government deals with the responsibility that these native leaders would have to assume and with how they would be accountable to the people they lead and govern. Should they be accountable in the same way as we are responsible to our constituents or, as natives, and because of their distinct and traditional form of governing themselves, do they have a better way? That must be discussed. I would venture to guess that there would be a number of different ways in which native people could prove to us that they are and can be responsible to their constituents.

Previous speakers have mentioned the economic foundation upon which these governments will be built. Membership is a critical issue. Another subcommittee dealt with the question of membership and the discrimination section of the Indian Act which has a bearing on this critical question.

I would like to call these forms of governments distinct forms of governments because they will not be municipal or provincial governments but will be distinct forms that will operate within the framework of Confederation. This is another item that the committee established. It is the committee's wish and determination that Indian people join Confederation in a distinct and different way.

We will have to establish how these new governments will relate first to other governments, municipal, provincial and federal, and how they will relate to other native people including the Métis, the so-called non-status people who call themselves the forgotten people, and the Inuit who are not embraced within this discussion. All of these things must be discussed.

It is unfortunate that the Hon. Member for Cochrane-Superior is not present today. I would not like to see the new Government proceed with the same indecent haste with which the former Government proceeded five minutes to 12 before the election. It brought in a Bill giving all things to all people without consultation or dialogue. The Bill was designed for no other purpose than to get it past the election and earn it the affection of the Indian people who had been so thoroughly disappointed by the former Government. I would not support that kind of initiative and I do not think that the Hon. Member for Cochrane-Superior would either.

I believe that our dialogue with native people should proceed in the same way as our dialogue is proceeding with the provincial Governments under a new form of co-operative federalism because, after all, we do intend to incorporate and embrace Indian governments in a new scheme of co-operative federalism. We would want very much to know from the native people how they would want us to proceed.

I can tell the House, the country and you, Mr. Speaker, that it is the intention of the new Government to proceed expeditiously, with care, fairness and sensitivity but with firmness as well toward the development of a better relationship with our native people. We will proceed in a manner that is more consistent with the Canadian tradition and is fair, just and designed to repair some of the injustices of the past.

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I am very happy indeed to take the first opportunity in the House afforded to me to speak on a subject other than a statement or a question. The reason I wish to speak on the issue of Indian self-government is that I myself am one of the people. Even though I am not a member of one of the Indian tribes, I am of the Inuit people who were commonly known in the world as Eskimos. However, I do not consider myself to be an Eskimo. That is a term which is offensive to the Inuit.

I was one of the past directors of land claims and one of the chief negotiators of our organization from the Northwest Territories for the past four years. We have been negotiating with the Government of Canada since 1974-75. When the Inuit discuss self-government, they want to include everything which governments normally include. However, over the years, we have found, as the Parliamentary Secretary mentioned, that there were so many concepts that it is difficult to come to terms with this unless one goes through a long process.

One of the processes which the Inuit of Nunavut have attempted to use is the political route. We have attempted to use the Territorial Government route by calling for the division of the Northwest Territories. I am happy to inform other Members of the House that a little over one week ago, the groups from the eastern Arctic and the western Arctic had come to some terms over the issue of boundaries. I am sure that over the next few weeks and months, more issues will arise and be clarified.

I would want to see the Government of Canada deal first with the large issue of the division of the Northwest Territories, an issue which has been a consistent theme of the Inuit people in my riding. It is not a radical concept, but a concept which follows the traditional forms of debate in terms of the formation of public governments.

● (1800)

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but I am sure he will have many opportunities to continue his remarks.

Order, please. The hour provided for Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

AGRICULTURE—EFFECT OF BANK INTEREST RATES ON FARMERS. (B) GOVERNMENT ACTION

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 20, 1984, I asked the Minister of Agriculture (Mr. Wise) if the Government intended to keep its promise to write down all outstanding farm loans to present-day interest rates. The Minister waffled a bit and gave a lot of verbiage, but did not indicate much action in his response.

There is a very serious crisis facing thousands and thousands of young farmers in Canada today. A recent study by the Farm Credit Corporation indicated that 39,000 farmers in Canada are in serious financial difficulty. The criterion for judging that difficulty is that those farmers are paying more than 40 per cent of their gross revenues to cover payments on their properties. The second criterion is that the actual ownership of the farm operations, the equity, is less than 15 per cent. The third criteron is that the farmers are borrowing more than they are investing in capital on the farm. When we apply those criteria we find that each of the 39,000 farmers is subject to one or more of those criteria. It is a very serious situation.

The personal tragedy of all this is that most of the 39,000 farmers are young. They are our most innovative farmers, the farmers who have applied new technology. In fact, they produce half of all the produce produced in Canada each year.

The Government to this point has not taken any decisive or effective steps to help the vast majority of those farmers who are facing bankruptcy or total collapse. The Minister of Agriculture brought in a modest program a few weeks ago which would reduce interest rates from 14 per cent or 15 per cent down to 12.75 per cent for a specific period, during 1981 and 1982. However, we must look at that measure in light of the recommendation which was made by the Canadian Cattlemen's Association, the National Farmers Union and the Canadian Federation of Agriculture that certain commodity groups require interest rates in the area of about 8 per cent.

An announcement was made last week by the Minister of Agriculture for Manitoba that legislation would be brought in to block all farm foreclosures unless the Government and the bank reduced interest rates to 8 per cent. The disturbing part of this is that the Minister of Agriculture for Saskatchewan has already done that. If the Minister of Agriculture for Manitoba does the same thing, I believe there will be chaos in the farm financing situation. Fist, credit will dry up from the bankers in Manitoba to the farm producers. That credit would enable farm producers to put in their crops next spring. Bankers in other provinces, in anticipation of the action of those provinces, will impose a debt moratorium and will continue with foreclosures. There are currently thousands of cases in which foreclosure action could be taken. It will end up in chaos in farm financing.

If we compare what this Government has done, essentially nothing, to forestall these bankruptcies, with what the Farmers Home Administration is doing in the United States, we will see that they have a program which sets aside one-quarter of the farm debt for up to five years. We will also see that they have already processed something like 477 applications in the first month of that program. They anticipate 150,000 applications and are ready to look after them. They have already lowered the rates on 8,000 approved loans from 11 per cent or 12 per cent to 7 per cent or 5 per cent. What we have in the United States is a very effective program to set aside a portion of the debt to forestall these bankruptcies and stop the kind of chaos we see developing among these 39,000 farmers affected by low commodity prices, decreasing land value and high interest rates. I hope the Parliamentary Secretary will be able to respond in a positive way this evening.

• (1805)

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, speaking on behalf of the Minister of Agriculture and the Government of Canada, I am pleased with this opportunity to answer the question put by the Hon. Member for Algoma (Mr. Foster). The question raised on November 20 referred to high interest rates and what the Government was doing to help farmers beset by financial problems. Unfortunately, the Hon. Member for Algoma does not seem to recall, although I agree farmers are faced with a difficult and in some cases precarious situation with interest rates of 16 and 17 per cent, that our Government was not in power when those rates were in effect.

Last week in Quebec City, the Minister of Agriculture announced that we were fulfilling yet another of our election promises. We had promised farmers we would make available immediately the necessary funds to help them refinance their loans at current-day interest rates.

I should explain that we have received many requests for assistance from farmers with long-term loans locked in at high interest rates with the Farm Credit Corporation. They took out loans when interest rates, and I think you will remember that, had reached their maximum and the FCC refused to let them set the due date. As a result, they were committed to repayment of their loans over periods of as much as 20 or 30 years at rates varying from 14 to 16 ¾ per cent. Most of them are unable to refinance their loans at a lower rate with a commercial financial institution or through small business bonds.

That is why the Minister announced that all farmers who took out loans with the Farm Credit Corporation between April 1, 1981 and December 8, 1982 will be able to write down their rates to 12¾ per cent as of January 1, 1985. This decision will affect 5,600 FCC customers, who have already been

informed of the details and the procedure to be followed. All this will be retroactive to January 1, and represents an annual saving of $16 million over the next five years for this group of borrowers. The announcement may have an impact on a number of foreclosures ordered by the FCC. The temporary suspension expired on January 16, but all borrowers whose assets have been seized may now have their case reviewed by an independent appeal board. Measures to that effect were also announced last December. Furthermore, these borrowers can have their case reassessed and if possible have their interest rates written down to a lower rate.

Mr. Speaker, yesterday we had some more positive announcements with respect to farm credit. The FCC has lowered its interest rates as of January 21. Rates have been reduced from 13¼ to 12¾ and finally, Mr. Speaker, I would like to say that it would of course be nice, as my colleague from Algoma suggested, to reduce interest rates to 6 and 8 per cent, but I think everyone will agree that we have already made some headway if we consider the rates of 16 and 17 per cent we had a few years ago under the previous government.

• (1810)

[*English*]

ADMINISTRATION OF JUSTICE—UNLICENSED CABLE TELEVISION OPERATORS—PROSECUTION QUERY. (B) MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, on December 3, 1984 I called on the Minister of Justice (Mr. Crosbie) to bring justice to the area of the cable TV operators, licensed and unlicensed, in this country. Instead of dealing with the problem an incredible confusion in the industry has been created. This confusion is risking the destruction of the Canadian broadcasting system. It is damaging the rights of licensed cable operators and is leading to very serious financial losses to them.

I rise today to state the case in somewhat more detail. I understand there are two Parliamentary Secretaries here to answer this, but I think it would take a fleet of Parliamentary Secretaries. I do not think there is a good answer to it.

There are now two classes of operators in the cable TV field in the country. There is one class which went to the CRTC and was awarded licenses. They are Canadian owned and carry Canadian content. They are restricted in the amount of American programming they can carry. They pay the Americans for the programming that they use and, in addition, pay a 6 per cent tax to a special fund to create financing for Canadian content and programming in our country. They operate in this country.

At the same time, within their territory, there are operators who did not go to the CRTC, or if they went were turned down and not given a licenses. They established anyway. They are not necessarily Canadian owned and definitely do not carry Canadian content. They pick up American signals from the air without paying the Americans anything for them. They can pick up whatever they like, even channels which are not available to the licensed broadcasters, such as the Disney channel, some channels that carry spicey movies, HBO and Cinemax. They can pick up a whole bunch of lines which are there but which the licensed operators cannot carry. They offer all of these at lower cost to the same people who are now being served by the licensed TV operators. As well, that they do not pay the 6 per cent tax to this fund for Canadian programming.

The former Government began to prosecute the unlicensed cable operators in order to protect the rights which had been awarded to the licensed operators. For example, in Salmon Arm, British Columbia I understand that the two operations are right across the street from each other. One person holds a license and is meeting all of the conditions that I just described, and his competitor across the street is not meeting any of them, and was going to be prosecuted by the former Government when the present Attorney General of Canada directed that these prosecutions be stayed.

I think the reason that they were stayed was because of the last election campaign. I understand there are over 500 unlicensed cable operators in the Prairie provinces alone operating against the licensed operators without licenses or restrictions of any kind. Tory candidates must have gone to them and told them to keep going, that they would bail them out if they won the election. They won the election. The unlicensed operators have been bailed out. When they heard that the prosecutions had been stayed they went ahead and announced that they had won a great victory. They increased their numbers of subscribers, damaging those who were carrying Canadian content, paying the tax and paying the Americans for the channels they were taking from the United States. A great victory was won by the others.

This is a terrible mess. The broadcasting system is suffering as is Canadian content. The property rights of individuals who applied for licenses and got them are suffering. The Government is doing nothing about it.

• (1815)

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, in fulfilling the role of chief law officer of the Crown, the Attorney General of Canada is called upon to exercise the judgment and discretion which he feels is in the public interest. He is guided by certain parliamentary, legal and constitutional principles and may look to a rich heritage in the tradition of the holders of that high office both in Canada and Great Britain.

In arriving at a decision whether to proceed with a prosecution, the Attorney General is entitled to seek information and advice from others. That is not to say that he is directed in the course of his discretion by his colleagues or by Parliament itself. Nor is it suggested that the Attorney General is not accountable to Parliament for his decision, which he obviously is.

Anyone who properly understands the position and function of the Attorney General will be able to appreciate that the

recent decision with regard to the Broadcasting Act cases was undertaken properly in accordance with our best traditions of both principle and traditions.

As the Minister of Justice and Attorney General of Canada (Mr. Crosbie) has already stated, his decision was based on considerations of public order and policy. He ascertained, with reference to one of his colleagues in Government, that an imminent change in the Government's Broadcasting policy was being planned. As everyone knowledgeable on the subject is already aware, it has been increasingly difficult in recent years to harmonize the law with the realities of the evolving technology as it relates to the distribution of television programming signals to rural and remote communities in Canada.

In these circumstances, with a handful of cases about to be tried in the criminal courts and reconsideration of regulatory policy about to be undertaken, the Attorney General came to the conclusion that the prosecution of those cases should be stayed, pending reconsideration which might well affect some or all of these cases which, by that time, would have been tried. That is the reason for the position that was taken by the Attorney General.

GOVERNMENT ADVERTISING—AWARDING OF CONTRACT. (B) MEASURES TAKEN BY GOVERNMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, during the federal election campaign, one of the major promises of the Progressive Conservative Party was to clean up the mess of patronage left by the Liberals during their last years of office.

Last July, in one of the few acts in office, the Turner Government awarded a 21-month contract as Agency of Record to a consortium of four advertising agencies known as Canadian Media Corp., with strong ties to the Liberal Party. When that deal became known, the present Minister of National Revenue (Mr. Beatty) was quite forthright about it; a deal which was carried out in top secret without any bids being called. He said the Turner Government was "dipping low into the Liberal porkbarrel".

[*Translation*]

Mr. Speaker, I asked for this adjournment debate because I find it impossible to distinguish the contract awarded in January to Media Canada as the federal Government's Agency of Record from what the Liberals have done before, except that now the Progressive Conservatives and not the Liberals are going to benefit. Hon. Members are aware of the comments made by Mr. Roger Nantel of Montreal, one of the directors of Media Canada, when the contract was made public. He was the Progressive Conservative Party's chief of communications in Quebec City during the election campaign. His comments implied that the company had made some kind of agreement with the Progressive Conservative Party as one of the conditions of the contract with the Government of Canada.

Mr. Speaker, these statements are now being investigated by the RCMP. It is quite clear that . . . regardless of the competence of Mr. Nantel and his partner, Mr. Simpson, they were awarded the contract mainly because they are Progressive Conservatives who in the past have worked for the Progressive Conservative Party and who are continuing to work for the Progressive Conservative Party.

[*English*]

When I raised this question yesterday, I suggested that the Government's rules for contracting for services were being grossly violated by the decision to negotiate a contract with one supplier of media buying services with no effort to call tenders or look at the capabilities of other suppliers. The Minister of Supply and Services (Mr. Andre) suggested that the advertising business is not amenable to tender. His office told my office that a contract like this one is exempt from tendering under Treasury Board regulations.

I have checked those regulations and the answer is, that is just not so. The Government's own regulations about service contracts indicate otherwise. Paragraph 3.1 of the contract with Media Canada states specifically that "This is intended to be a service contract within the meaning of the Government Contracts Regulations (PC 1975-2042)". These were the regulations that I quoted from in the House on Monday. Section 8 of these regulations is explicit in calling for a contracting authority to invite tenders, "before any contract is entered into" except for emergencies, for small contracts where it would not be in the public interest or where only one person or company is capable of performing the contract.

• (1820)

The amendments made to this government contract regulations since 1975 contain no exemptions for advertising. Nor was that step taken by the Clark Government when it established the Agency of Record system. A change in the Agency of Record is not an emergency. It is a substantial contract. It is hard to see how it would be against the public interest to invite tenders. Also more than one company is capable of fulfilling a contract.

[*Translation*]

Mr. Speaker, it is quite clear that part of the problems facing us today are due to abuse of the tender system for service contracts with the Government. In some newspaper articles it was said that 85 per cent of service contracts, representing a value of over $2 billion annually, are awarded without tender.

[*English*]

However, if the new Government were permitted to change it, it would be seeking to clean out the system left by the Liberals, not perpetuating it.

Mr. Andre says that contracts like this are not amenable to Canada. Yet it is common in the advertising business for agencies to compete for contracts, not on the basis of price, but on the basis of the quality of their presentation. Moreover, Mr. Andre—

The Acting Speaker (Mr. Paproski): Order. The Minister, please.

Mr. Cassidy: —prides himself on the fact that he got a lower price. If that is the case, why not tender to see what lower prices might have been given. He says there is going to be competition for individual departmental contracts. If that is the case, then why not compete for this particular contract?

The tendering rules of the Government are not complicated. They could have been followed in this case. There are at least six companies capable of having a go at this contract. There is: Media Canada; Canadian Media Corp. and Foster Advertising in Ontario, an Agency of Record for Ontario, which has good Tory credentials. There is also Harrison, Young, and Pesonen of Toronto; Media Dimensions of Toronto; and Media Specialists of Toronto. All of them could have been asked to compete for this contract, Mr. Speaker. They were not.

I want to suggest that when Brian Mulroney said during the election campaign—

The Acting Speaker (Mr. Paproski): Order, please. It is the Right Hon. gentleman, the Right Hon. Prime Minister, and the Hon. Minister.

Mr. Cassidy: During the election campaign the present Prime Minister (Mr. Mulroney) said:

> The vulgarity of the Liberal patronage machine is such that we're all going to have to take a second look at our partisanship.

On the evidence it appears that a second look has been taken and that the Conservative Government has decided that it will be just as vulgar as the Liberal Government was when it was in office.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, first let me make it clear that no contract for $1.8 million has been awarded as the Hon. Member suggested in his question the other day. The company headed by Messrs. Nantel and Simpson, to which my hon. colleague refers, is in receipt of a contract worth $375,000.

This amount, it is true, is for three months work, from January 1 to March 31 at $125,000 a month. The old contract, the Hon. Member should note, was for $143,000 a month. This Government has saved $18,000 a month in terms of those advertising contracts. If the comparison were to be drawn between this contract and similar awards made under the previous regime, it would be seen that on a monthly basis this Government has saved the taxpayer—I repeat—$18,000 a month. The new deal that was entered into was negotiated bearing in mind this Government's commitment to working in the interests of the Canadian taxpayer wherever possible. Let us make one thing clear.

Traditionally the appointment of the Agency of Record was never one that was subjected to the competitive process. Indeed, I should point out that the principle of the Agency of Record, introduced by Peter Simpson in 1979, has resulted in substantial savings to the Government. In fact, by using the Agency of Record, the Government has achieved savings of some $3.6 million since 1981.

I have already said that the Government is committed to acting in the interests of both this country and its taxpayers. The objective of this Government is not patronage, not costly prestige, but solid savings so that our national economy can gain much needed momentum.

The Minister of Supply and Services (Mr. Andre) has already stated in this House that the business of advertising does not lend itself readily to the competitive process. It should be possible to select the most appropriate organization able to provide its client the services that are required for each specific program or project.

Mr. Cassidy: Why wasn't anybody else asked?

Mr. Scott (Hamilton-Wentworth): From a creative point of view, this would be ideal. It can be made possible if agency charges are made uniform throughout the Government, and this is the intention of my hon. colleague, the Minister of Supply and Services.

The criteria to be met will be those of creativity and competence, responsiveness and trust and individual creditability.

• (1825)

In conclusion, I repeat that the new Agency of Record contract has saved money for taxpayers. The principle of Agency of Record, founded by Peter Simpson, has brought large savings to the Government—$3.6 million since 1981. Our objective, unlike that of the former Government, is not patronage but to save taxpayers money.

At 6.26 p.m., the House adjourned.

HOUSE OF COMMONS

Wednesday, January 23, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SOCIAL SECURITY

YOUTH—NECESSITY FOR SPECIAL MEASURES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, during the holidays I met with several groups to discuss issues of current interest. Two subjects came up again and again, namely, the universality of social programs and unemployment, especially unemployment among young people. Many of the latter spoke to me about their concerns, and I would like to bring this to the attention of the House and especially the Members of Cabinet.

I am sorry to see that the Minister of State for Youth (Mrs. Champagne) is doing nothing to persuade her Cabinet colleagues to take concrete action, especially now in 1985, during the International Year of Youth.

We are told by young workers that they have knocked on the doors of private enterprise but new employees are not hired unless they have experience. Students told us they were shocked by the decision of the Minister of Employment and Immigration (Miss MacDonald) to cut the Summer Canada program.

Young farmers' sons are expressing their concern about the many farm bankruptcies being talked about in the press and on television.

I want to ask the Minister of Employment and Immigration to reinstate immediately the direct employment program for young students, referred to as Summer Canada, and not to rely solely on the private sector.

I want to ask the Minister of Agriculture (Mr. Wise) to introduce special measures to enable young people who want to get a start in farming to do so with confidence.

Finally, I would ask the Minister of State for Youth to take steps to ensure that the First Chance programs are reinstated in order to meet the needs, not only of young—

Mr. Speaker: I am sorry to interrupt the Hon. Member but his time has expired.

[*English*]

CANAGREX

CALL FOR REINSTATEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, last spring the Canadian Agriculture Export Corporation, Canagrex, started to serve Canadian farmers by assisting them to sell their products in the international markets of the world, and during several months of operation it has succeeded very well, closing some $16 million worth of sales, with an additional $100 million of transactions expected by March 31 of this year. It is very impressive, especially when we note the start-up costs were only $2.66 million.

In the years ahead we will see very competitive selling of farm commodities in the international markets of the world. The United States will be much more aggressive in marketing its farm products abroad, especially with the pressures expected from the new United States farm Bill.

The Government's decision to wind up Canagrex is very shortsighted. It is firmly opposed by many farm organizations, including the 300,000 member Canadian Federation of Agriculture and the National Farmers Union. Killing Canagrex is like shutting down the sales department of a company wanting to expand its sales.

Canagrex has all the power it needs to help sell our farm commodities abroad by providing farm financing packages, insurance, marketing, analysis, promotion and, most of all, a one-stop selling agency for foreign buyers.

I call on the Government to reinstate Canagrex, in the name of thousands of farmers who want this corporation retained so it can get on with the job it was designed to do.

* * *

THE UKRAINE

ANNIVERSARY OF INDEPENDENCE

Mr. Bill Lesick (Edmonton East): Mr. Speaker, I rise today to bring to the attention of the House the occasion of the 67th anniversary on January 22, 1985, of the proclamation of the independence of Ukraine.

As a Canadian of Ukrainian descent I want to join with hundreds of thousands of Ukrainian Canadians to acknowledge that the struggle for freedom and democracy may always continue.

Following the fall of the Tsarist empire on January 22, 1918, the Ukrainian Parliament proclaimed and established the independent National Democratic Republic of Ukraine.

S.O. 21

The Ukraine recognized the highest principles of democracy, of freedom of speech, press, religion, assembly, association, and basic human rights.

However, in 1922 the Russian communist regime subverted and conquered this new independent state by force. The Communist regime was more despotic and oppressive than the Tsarist empire.

Today, the spirit of the Ukrainian nation survives. The Ukrainians have paid the price for the pursuit of freedom. History has often forgotten the Black Famine of 1933. More than six million innocent people, victims of Communism, died unmercifully through forced starvation.

We pray that freedom and human rights will always be the hallmark of our nation, Canada. We pray for freedom in other lands, for oppressed people, including the oppressed people in the Ukraine.

Some Hon. Members: Hear, hear!

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[*Translation*]

AGRICULTURE

STUDY OF AMERICAN PROGRAM

Mr. François Gérin (Mégantic-Compton-Stanstead): From January 8 to 10, Mr. Speaker, along with a group of Canadian parliamentarians, I went to Washington as guest of the parliamentary exchange centre to study their agricultural bond program and draw inspiration from their experience. This program was launched about four years ago.

We were welcomed by Minnesota representative Jim Obestar and his wife who is on staff at the interparliamentary exchange centre. Our visit had been arranged here by Mrs. Barbara Reynolds.

I would like to say publicly just how much I came to appreciate the work and generosity of our hosts who spared nothing whatsoever to make it easier for us to learn all about this program.

We also had an opportunity to meet and discuss with the American Agriculture Secretary of State and to find out for ourselves that the problems experienced by the American agricultural community are practically the same as ours.

I want to thank all those people for everything they did for us and I can assure them that is was a worthy experience for their Canadian guests.

[*English*]

CURRENCY

INTRODUCTION OF DOLLAR COIN ADVOCATED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is time that Canada introduced the dollar coin. Recent public opinion surveys have indicated that Canadians desire such a coin. Various vending machine companies have urged the Government to move quickly in this area, as a dollar coin would greatly simplify their operations. In this day and age very little can be purchased for less than a dollar. Bus fares in many Canadian cities exceed a dollar, while parking meters and newspapers are fast approaching that figure.

A dollar coin would be more durable than the paper dollar with its short lifespan. It has been estimated that the federal Government can save up to $300 million over a ten-year period by moving to a dollar coin. In addition, a dollar coin is lighter than four quarters.

The introduction of a dollar coin would have a significant spin-off benefit to single industry mining communities. In the riding of Nickel Belt, Inco has the capability of producing the dollar coin, and in fact such a move would create hundreds of new jobs in this community which is experiencing an unemployment rate of over 15 per cent. If the demand for dollar coins were to improve, nickel producing communities would benefit from this innovation.

● (1410)

I urge the Government and the Minister of Supply and Services (Mr. Andre), in particular, to move as quickly as possible to establish the dollar coin in Canada.

* * *

SOCIAL AFFAIRS

FOOD BANKS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, there are many Canadians from coast to coast who carry with them the haunting images of the Great Depression. They remember well the long line-ups of dispirited men and women silently waiting their turn for a bowl of soup that might stave off hunger for another day.

It is a sad commentary on the priorities of our Governments that the soup kitchen has made a dramatic come-back. In British Columbia the community food bank is now a major growth industry. In Vancouver the food bank has doubled in size in one year and it now serves over 3,000 bags of groceries per week. Yet this week it will have to turn away at least 500 people.

In Kamloops the food bank serves over 2,400 families per month. A typical food hamper for one family for one month consists of 6 cans of soup, 2 cans of vegetables, a can of fruit, a package of oatmeal, a package of powdered milk, a bag of potatoes, some Kraft dinners, 2 cans of pork and beans, a

package of lunch meat, a package of sugar, a half pound of margarine, 2 loaves of bread, and a pound of hamburger.

This is emergency assistance for one family for one entire month. It is disgraceful. This is the product of Mr. Bennett's restraint program. This is not the new reality. It is simply the old Depression. Let no one be fooled. Mindless restraint is a recipe for economic and social disaster. That is the reality the people of British Columbia know only too well, and I hope it does not now happen on a national scale.

* * *

FORESTRY

NEED FOR REFORESTATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, each Member in this place is no doubt aware of the dismal forecast regarding the forest industry. Our valuable timber is being used at a rate much greater than it is being replaced.

The forest industry, which is the largest employer of any in Canada, faces virtual extinction in this generation if steps are not soon taken.

The Minister of State for Forestry (Mr. Merrithew) is doing an admirable job of consulting with forces within the industry. However, he cannot do it alone.

We, as parliamentarians, must rise to the occasion if our most valuable resource is to be preserved. Some politicians in Canada have gained a reputation for short-sightedness and self-service. Perhaps we in this Parliament can be remembered in history for our responsible planning for the future.

Roughly one million people are directly and indirectly employed in forestry related jobs, and their future depends on the wisdom of the present.

The replanting, weeding, thinning, and fertilization of logged land is sadly lacking proportionately to the harvest. It is bad enough to use non-renewable resources with wild abandon, but to ignore the disappearance of this renewable resource is truly criminal.

* * *

FARM CREDIT CORPORATION

REFINANCING OF LOANS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I rise to speak on an issue of concern to many farmers. Approximately 1,300 farmers from the Province of Saskatchewan had been locked into high interest rate loans through the Farm Credit Corporation. It came as good news last week when the Minister of Agriculture announced that these borrowers can now have their loans refinanced at 12.75 per cent.

This measure will mean a benefit of over $3 million a year for five years to the Saskatchewan economy. It will lessen the high cost of credit. Further, it will give some farm borrowers who are facing foreclosure the opportunity to remain viable.

I would like to commend the Minister of Agriculture (Mr. Wise), and further urge him and the Minister of Finance (Mr. Wilson) to help improve the plight of farmers by introducing the removal of capital gains tax on farm land and the use of agribonds to provide low interest farm loans.

* * *

EDUCATION

STUDENT LOANS AND UNIVERSITY TUITION FEES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, the Conservative Government's record on behalf of the students in this country is nothing—nothing short of appalling. It has done nothing for our unemployed youth at the very time when our young people are counting on a post-secondary education to improve their chances for employment. Many are even staying in school because they can't get jobs.

And what do the Tories do about this? The Finance Minister announces that they are cutting $5 million out of their budget and putting a freeze on the level of student loans. This will not only make it more difficult for our young people, it will even deny some of them the necessary funds to stay in school.

And as if this wasn't bad enough, the Tory Treasurer of Ontario calls for university tuition fees to be hiked by 13 per cent a year, and the Tory Ontario Minister of Education set up the Bovey Commission with both hands tied behind its back when, she said to the Commission, "Don't spend the province's money but go ahead and sock it to the kids"—so the report recommends hiking student fees by 50 per cent.

What a bind for our young people caught in this Tory squeeze play, with the federal Tory Government freezing student loans, and the provincial Tory Governments raising student fees. In this, the International Youth Year, it would have been fitting to give more to our youth, not less. The Tories truly should be ashamed.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

PETROLEUM INDUSTRY TAX—CANADIAN BROADCASTING CORPORATION REPORT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I could scarcely believe my ears this morning when I heard on a CBC broadcast that the Government had concluded a secret deal on a budgetary taxation matter with the petroleum industry. I have the transcript, just to verify what I heard. Indeed it would appear that spokesmen for the industry

claim that businessmen had been negotiating a deal with the Government more than a year before the election; that they feel, a fair deal has been struck; and that indeed the Budget in the spring will be the vehicle for putting that deal into action. Will the Minister of Finance stand in the House now and confirm or deny that such a deal has been made?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I really appreciate this opportunity to state for the record that the oil industry official quoted has since issued a statement denying that any such wording was used, saying that the report was totally wrong, and that he was referring to the helpful consultations which have been launched by our Government, and before by our Party, after a decade of unilateral action. His statement also says that the approach we have taken is the one which will create new economic activity and jobs for Canadians.

[*Translation*]

BUDGET INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Well, Mr. Speaker, of course I accept the statement of the Minister, and I am quite surprised that she had to convince the spokesman to issue another release today, which I have yet to read. But if we are to establish the integrity of our budget process, Mr. Speaker, I stress the fact that the Minister ought to table in the House any correspondence with that association, along with the minutes of all meetings, and then the public will be convinced that the integrity of our system is fully protected.

[*English*]

At the same time I would suggest that it is important that no one be able to profit from advance knowledge of any changes. I should like the Minister to confirm that the changes suggested in that statement this morning will in fact not be made in the Budget next April.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear that there has been no budget leak because the decisions haven't been taken. The Hon. Minister is still in discussions with her counterparts in the provinces. As she said quite clearly, the discussions which have been held with the industry as well as with other interested parties related to the energy discussions, have been very helpful in trying to focus on the needs of the industry and those particular things which have to be addressed to make the energy industry the engine of growth to produce jobs right across the country—

Mr. Speaker: Order, with great respect.

REQUEST FOR TABLING OF DOCUMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would be very interested in the telephone conversations which went on this morning between the office of the Minister of Energy and the Independent Petroleum Association. Obviously the Canadian companies in the oil patch were given the direct impression that there was a deal, that there was a commitment by either the Minister of Finance or the Minister of Energy. I ask either Minister to give us an undertaking that he or she will table all negotiations and all correspondence with that Association to assure the House that there is no such deal.

• (1420)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Right Hon. Member clearly does not understand Albertans if he thinks that I can convince an Albertan to issue a statement.

Some Hon. Members: Oh, oh!

Miss Carney: As we have explained, there is no deal yet. The statement issued by the Chairman of IPAC makes it very clear that any negotiations carried out will be Government to Government. That is the nature of the consultations taking place. We on this side of the House do not make deals with industry.

Some Hon. Members: Oh, oh!

NEGOTIATION AND CONSULTATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the word which the representative of the Independent Petroleum Association used this morning was "negotiate". It is all right for the Minister of Energy to say that negotiations are only with the provinces, although during the election she said there was a silent accord and that the people of Canada did not have the right to know. If there was negotiation with the industry, this House is entitled to know, because what has happened is that the Independent Petroleum Association and its members have been made insiders into the next Budget to be produced by the Minister of Finance. We take this as a very very serious issue in this House.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it is very clear from the Right Hon. Member's question that he does not understand the whole process of consultation. It is so alien to his Party that he cannot recognize it when he sees it. As the IPAC Chairman made clear, and I quote:

> The new Conservative Government is consulting with the fishing industry on fishing policy, farmers on agricultural policy and oilmen on oil policy. This is just plain common sense and will work to the betterment of all Canadians.

Some Hon. Members: Hear, hear!

STATEMENT ATTRIBUTED TO INDUSTRY SPOKESMAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have supplementary questions on the same matter. The Minister of Energy has suggested that there was no such deal, no such commitment, and has told the House that, miracle of miracles, a spokesperson for the industry has retracted today what he

said yesterday. I heard the same gentleman on the CBC report this morning. He said that what was going on between the Government and representatives of the oil industry was a matter that was one of simply working on the mechanics. What he clearly conveyed yesterday was that the deal had been worked out, that a commitment had been entered into by the then Official Opposition with the oil industry.

Notwithstanding what this individual is saying today, when the Minister met last year with representatives of the oil industry, did she undertake in any way or make a commitment in any sense with reference to tax policy that could have led him to reach the conclusion that a deal had been made?

Hon. Pat Carney (Minister of Energy, Mines and Resources): No, Mr. Speaker.

CONSULTATION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Prime Minister a question on the same subject since it is rather strange that the man who was clearly saying one thing yesterday is saying something quite different today as a representative of the oil industry. It would perhaps not be entirely bizarre if he saw the seriousness overnight of what was involved in all of this. Is the Prime Minister aware of any other representatives of his Cabinet who were then involved in negotiations? Did they talk with representatives of the oil industry and reach any kind of deal that would lead representatives of that industry to believe that they had a commitment from the Conservatives to make a change in taxation as it affects the oil industry?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker. The other member of the Cabinet who knew that was me. The arrangement that we reached was with the Canadian people, that we would cease the kind of unilateral intervention and hostility as represented by the NEP which crippled economic growth in western Canada for a decade. We were going to stop that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We also indicated that we were going to try, as we did, to make an arrangement with Newfoundland and Labrador where that rich resource could be developed for the betterment of Newfoundlanders and for all Canadians, and that we would do it in a spirit of fairness. Those were the undertakings that we made. Those are the undertakings that we shall continue to honour. This is a free-enterprise country and we plan to respect that.

• (1425)

Mr. Broadbent: Mr. Speaker, I say to the Prime Minister that this is the House of Commons and occasionally we expect answers to the questions we ask.

CONTENTS OF FORTHCOMING BUDGET

Hon. Edward Broadbent (Oshawa): I am sure that the Prime Minister is aware of the seriousness of this issue. If there were insider information, people in the oil industry, whether in Alberta or elsewhere, were potentially in a position to make hundreds of thousands of dollars if that is actually—

Mr. Speaker: With great respect, it is time for the supplementary question.

Mr. Broadbent: Mr. Speaker, I will come immediately to the question. Will the Prime Minister guarantee to the House that the forthcoming Budget will not contain changes affecting the oil industry of the kinds to which a spokesperson from the oil industry alluded yesterday? Will he tell us that there will not be those changes in the Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why the Hon. Leader of the NDP always presumes bad faith. He always presumes bad faith. The individual who made the comment—

Some Hon. Members: Oh, oh!

Mr. Mulroney: I think there is a spirit of fairness that should prevail, even with the NDP. The individual involved issued a statement in which he indicated that the news reports—or the one that was given to me in any case, as I did not hear the original statements—erroneously stated the nature of his comments. If that is his statement, then of course that would be entirely consistent with what the Government has been trying to do. What we have been trying to do is convey to western Canada and Newfoundland that, with regard to oil and gas, we will help them lift the burden of regulation and front-end-loaded taxation that has crippled the oil, gas, and energy sectors of the country. We want to make them engines of growth and national unity, as opposed to driving down entire sectors of the country.

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EXTERNAL AID

ALLEGATIONS MADE AGAINST GOVERNMENT OF ETHIOPIA

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and I put my question in the interests of ensuring a continued Canadian response from both Government and non-governmental organizations to the famine in Africa, particularly in Ethiopia.

The Minister is no doubt aware of the very serious allegations made on the CBC's program *The Journal* last night, to the effect that the Government of Ethiopia is deliberately starving and, in some instances, murdering innocent people in the Provinces of Tigré and Eritrea. Will the Minister undertake to give us a commitment in this House to acquire a full and independent third-party assessment of those very serious allegations made last night, and to make a full report to

Members of Parliament on the results of his investigation? I stress that the investigation should be a third-party and independent one.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I thank the Hon. Member for his question. Let me first of all point out that we were well aware that, by providing assistance to Ethiopia, we were helping a country ravaged by civil war. Two options were opened to us: we could either ask the Ethiopians to come to an agreement first, or—and as you will have guessed we opted for the second one—we could provide assistance to starving men, women and children.

I wish to confirm that we shall stay with this second option, and I can say that our aid is reaching Ethiopia and that a report will be distributed as soon as our coordinator, who has just come back from his mission, can give it to us, which should be within a few days.

[*English*]

REQUEST FOR INDEPENDENT ASSESSMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I would like to tell the Minister that I commend the fact that they have had a chance to be in Ethiopia. I commend the efforts that have been undertaken so far. I commend the Government for the assistance that is being brought to the people who are being assisted. However, I am concerned about reports that large numbers of people are not being assisted and are deliberately being denied. I ask this question as one who supports what the Government has been doing to assist those people who have received help up to now.

• (1430)

I ask again, will the Secretary of State for External Affairs, or his colleague, undertake to report back to the House on a full and, as much as possible—and I recognize the constraints—independent assessment of the charges made on the CBC program *The Journal* last night? That is important if the dollars are going to continue to flow from both Government and private sources in Canada to people in Ethiopia who still need our help.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to remind this honourable assembly that, as far as the aid sent to Africa is concerned it is distributed in co-operation with both Government and non-governmental organizations.

Perhaps I should add that two-thirds are distributed by non-governmental organizations and one-third by government authorities.

I repeat that the report of our coordinator, Mr. MacDonald, will be tabled shortly and that we shall be happy to share it with you.

* * *

[*English*]

ENERGY

STATEMENT ATTRIBUTED TO IPAC SPOKESMAN

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On the tape of the radio interview with Mr. Morgan—and I have the tape here—he was asked whether he was given any promises for a reduction in taxes in the spring Budget. He replied that the whole effort was accomplished before the election, that he worked with Pat Carney, and that he got the needed commitments for a profit-based system of taxation. What exactly did the Minister tell IPAC before the election?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I told IPAC that, unlike the previous administration, we were willing to listen to some of the problems of the oil industry and work together, in concert with the consuming provinces and the producing provinces, to ensure that we have energy security for Canadians and jobs for Canadians. That is what I told IPAC.

PRIME MINISTER'S CONSULTATIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, that was an incredible nothing answer. I would like to ask the Prime Minister a supplementary question. He just admitted, in answering a question from my Leader, that he too was involved with IPAC. I would like to ask him whether he told IPAC when he talked to them that he was going to make changes in the Petroleum Gas Revenue Tax, that he would give them that commitment, and indeed if they got that commitment from the Government to make those changes effective in the spring Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend seems to have implied that there is something nefarious in consulting or meeting with IPAC. I am meeting this afternoon with the Canadian Association of University Teachers in an ongoing process of consultation and mutual understanding. I have met with many other groups, and hope to continue to do so. We listen and from time to time we learn. We listened to various groups in western Canada, in agriculture, forest products, and the oil and gas sectors. We campaigned on a fairly clear-cut program that we think is beneficial to western Canada, and which is beneficial to a rebirth of the energy sector that is so important to all Canadians. We laid it out during the course of the election campaign. There is nothing untoward or secret. It was a straightforward

proposal. It was on that basis that western Canadians, and I believe other Canadians, made the verdict on September 4.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY JACOB DE RUITER, NETHERLANDS DEFENCE MINISTER, AND GENERAL G. L. J. HUIJSER, CHIEF OF THE NETHERLANDS DEFENCE STAFF

Mr. Speaker: I would like to take this opportunity to advise the House of the presence in our Gallery of His Excellency Jacob de Ruiter, Netherlands Defence Minister, with his Chief of the Netherlands Defence Staff, and a delegation which is here visiting us today.

Some Hon. Members: Hear, hear!

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IMMIGRATION

REPORTED APPLICATION BY NAZI WAR CRIMINAL TO ENTER CANADA IN 1962

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Prime Minister, but it is on a different subject. An American document which was released today shows that Josef Mengele, the notorious "Angel of Death" of Auschwitz, applied to immigrate to Canada in 1962 and that Canadian Government officials were informed at the time about who he was. I know that the Prime Minister received a letter on this subject suggesting the same possibility about a month ago, and that this morning he apologized for misplacing the letter and ordered an investigation on the subject. I would like to ask the Prime Minister whether that investigation will include reference to the Americans for documents which they may have about this Canadian immigration matter? I also want to ask him whether the investigation will include the public release of Diefenbaker cabinet documents, or any of them which may relate to war criminal questions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for his question. I responded to the letter which I received from the foundation this morning, as soon as it was brought to my attention. I communicated with the officials of the foundation and immediately instructed the Minister of Justice and the Solicitor General to initiate, on an urgent basis, a full inquiry to ascertain if the facts as raised in the letter might be accurate. Clearly we will investigate all avenues to ascertain if the facts suggesting that Mengele sought refuge in Canada were accurate, or any facts which flow therefrom.

I can think of nothing more offensive for any Canadian than to think that the Government of Canada might inadvertently have been a party to his seeking to find refuge here. That would be repugnant and repulsive in the extreme to our citizenship.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I would remind the Prime Minister that, according to the information in the story, it would not have been inadvertent, since officials were informed who Josef Mengele was.

[*Translation*]

WAR CRIMINAL MENGELE—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my supplementary is for the Solicitor General. The same article suggested that it was possible that Mengele had been or could still be in our country. My question to the Solicitor General is as follows. Did he ask or is he willing to ask the RCMP to initiate a manhunt for this war criminal in accordance with the RCMP policy for war crimes which I implemented when I was Solicitor General?

[*English*]

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I want to assure the former Minister that the RCMP have been investigating the particular circumstances involved, as outlined by the Prime Minister, since this was brought to their attention. Following the instructions of the Prime Minister, and my own inclinations, I have told the RCMP to use every possible resource they have to follow this matter to a conclusion.

* * *

ENERGY

STATEMENT ATTRIBUTED TO IPAC PRESIDENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to return to the Prime Minister on the question of today's unveiling of what might well be in the Budget, and to say to him frankly that the consultations which he is having are absolutely excellent. Nobody complains about the consultations.

Some Hon. Members: Hear, hear!

Mr. Deans: However, the President of IPAC said quite clearly in response to a question about commitments made, "The whole effort was accomplished before the election. We worked with Pat Carney, talked to Mulroney and got the needed commitments to profit-based taxation". Is that a true statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the gentleman himself, Mr. Morgan—and I quote from a document which was released by him earlier today—said that the news report which was carried on national radio erroneously stated the nature of his comments. I can only assume that

the gentleman is indicating the facts. To the extent that it involves us, to the extent that it involves me or any Minister of this Government is, of course, false.

COMMITMENT INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in the rather quiet final point which was made by the Prime Minister, I gathered that he said, to the extent that it involves the Prime Minister and the Government, the statement is false. In other words, what was attributed to Mr. Morgan is wrong. I would ask the Prime Minister this, so we can clear it up once and for all. During the meetings that were held between the now Minister of Energy, Mines and Resources and Mr. Morgan, or the meetings held between the Prime Minister and Mr. Morgan, was there any commitment made that there would be a change in the taxation policy of Canada in the forthcoming Budget, or subsequently, which would result in a movement to a profit-based tax system?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the only commitments which were made were those which were made publicly by the Progressive Conservative Party when it sought election from the people of Canada. We laid out our program, as did your Party, and there was nothing different. There were no commitments which were different at all from those which we made publicly. I hope the Hon. Member accepts that.

* * *

NATIONAL REVENUE

TAXATION OF DEATH BENEFITS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of National Revenue. Canada Pensions recently provided $1,500 death benefits to help cover the funeral costs of a young man who had little or no estate. Later the parents received a notice taxing the $1,500. Will the Minister bring in changes to this Liberal legislation which taxes the dead, and make funeral expenses a deduction! At the very least, will he make death benefits under the Canada Pension Plan non-taxable?

Some Hon. Members: Hear, hear!

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, of course, as the Hon. Member knows, the responsibility for the Income Tax Act is that of my colleague, the Minister of Finance, who, I am sure, had open ears when the question was asked. I can assure my colleague that I will look into the particular case as well. When a colleague such as the Hon. Member makes representations like this, we certainly listen.

[*Translation*]

EMPLOYMENT

SUMMER JOBS FOR STUDENTS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Last Monday, in answer to a question by my colleague from Notre-Dame-de-Grâce about summer employment programs for students, the Minister said that with regard to the new program that is to be announced, and I hope it will be very shortly because our students are getting impatient and the university representatives will certainly make this known to the Prime Minister, the Minister said that she had the support of the private sector.

In saying this, did the Minister mean that only the private sector will be involved in these programs and that there will be no input in the form of projects by community, cultural and sports organizations?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, last week I said that the summer programs for students would be announced in a few days, and when they are, the Hon. Member and other Members of this House will realize that these programs will not only involve the private sector but also the provinces and community groups. This is going to be a program for everyone this summer.

Mr. Malépart: Mr. Speaker, can the Minister give the House the assurance that, when she announces the program which, as she just said, will be offering jobs for everyone, including students in the social disciplines, arts or other areas, that each riding will have its own budget?

Miss MacDonald: Mr. Speaker, this is a program for students, for young people in this International Year of Youth. As I said before, the program is open to everyone.

* * *

[*English*]

ENERGY

MINISTER'S DISCUSSIONS WITH IPAC PRESIDENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance who met with Mr. Morgan recently. Would the Minister tell us what was said in her discussions with Mr. Morgan yesterday which would make him issue the statement which he did early this morning?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in the process of our consultations I met for several hours with Mr. Morgan. It was a listening session on the part of the Department of Finance and there was absolutely no commitment made of any kind in that meeting. We had a cordial relationship in a discussion of issues of mutual concern.

CONTENT OF DISCUSSIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of State for Finance. As part of these very cordial discussions which took place, did Mr. Morgan indicate to her that previous commitments had been made of the type that he had mentioned publicly that day?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I believe that the Hon. Minister of Energy, Mines and Resources has answered that question—

Mr. Broadbent: No, she did not.

Mrs. McDougall: —and there was no indication whatsoever that any commitments were made.

* * *

CANADA PENSION PLAN

SURVIVORS' ENTITLEMENT TO DECEASED SPOUSES' PENSION BENEFITS

Mr. Jim Jepson (London East): Mr. Speaker, my question today is directed to the Minister of National Health and Welfare, the Hon. Member for Provencher. I would like to know if the Minister has any plans to change the rules governing a widow's right to survivor's benefits under the Canada Pension Plan? This was an issue which was discussed but not acted upon by the previous administration. In defence of the family, and to prevent people from having to live common law, will the Minister assure the House that the Government will act to give wives or husbands the right to their deceased spouses' pension benefits in the event of remarriage?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that question is important in terms of any pension reform which is contemplated by the Government. I think it is generally accepted by those who have looked at pension reform. The earlier task force on pension reform had looked at the question. I frankly feel that this is an issue whose time has come. I would like to see a change made. As the Hon. Member possibly knows, in order to get changes to the Canada Pension Plan we need two-thirds of the provinces to agree to those changes. I hope that we can do it. The proposal which the Hon. Member makes has been made by others, and I think it is valid.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT AMONG VISIBLE MINORITY YOUTH

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister will no doubt be aware of a report from Toronto entitled "Who Gets The Work?", which builds upon the evidence of both the Abella and the "Equality Now" reports, which essentially say that the minorities of this country, particularly the visible minorities, are not being granted the same opportunities in the work place.

Given that this particular problem is paramount among the youth, and that in some regions unemployment among visible minority youth has reached over 87 per cent, can the Minister indicate to the House and to the country what special programs she has in mind to address this very real and unacceptable level of racism in the work place?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure that all Hon. Members of the House would join me in deploring racism and discrimination wherever they exist. We in Canada have always prided ourselves on being a tolerant and compassionate society. I would think that we would all wish to see that continue.

I have only had the opportunity to look at the report and I deplore the apparent findings with respect to discrimination which is reported in it. Nevertheless, I would tell the Hon. Member that, in my consultations on training and employment opportunities, one of the things which provinces raised with me, and something that the private sector and youth groups raised with me, is the way in which we could advance the hiring of minority groups. I would tell the Hon. Member that this will be addressed in the response of the Government to the Abella report.

GOVERNMENT PLANS

Mr. Sergio Marchi (York West): Mr. Speaker, I believe we have had a long address to that question. I appreciate the good intentions of the Minister and I agree that this House rebukes those acts of racism in the work force, but I would return to my question. We have had report after report. There have been staggering unemployment figures of 87 per cent for visible minority youth. Can the Minister tell those people, in specifics, what will be coming from the Government? Rather than studying report after report, or giving more study groups and perhaps more Members of Parliament that job, would the Minister tell us what concrete measures the people of this country will be getting from this Government?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is because we were not satisfied with the way in which the previous Government was handling those reports that we are taking an entirely different approach to it. The Hon. Member knows, as I have announced before, that information about employment programs and the distribution of the $1 billion employment and human resources development fund will be made available within the next few weeks.

• (1450)

NUCLEAR ARMAMENTS

DEPLOYMENT OF NUCLEAR WEAPONS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of National Defence. He will recall that yesterday in the House the Secretary of State for External Affairs said that if the United States requested, in an emergency situation, the deployment of nuclear depth charges or any other nuclear weapons on our soil, Cabinet would then consider it. The Minister knows that tactical nuclear weapons, for example, take about seven to eight minutes to reach target. I refer also to the Norway incident of just a few weeks ago.

In view of the fact that there would be virtually no time to convene a Cabinet to discuss the issue, will the Minister finally come clean with the House and the people of Canada and state whether he has already entered into an agreement, or is contemplating entering into an agreement, to have nuclear weapons deployed in Canada, or will he state categorically that under no circumstances will we have nuclear weapons deployed in Canada?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I would like to repeat for the Hon. Member that there are no such plans.

MINISTERS' STATEMENTS

Mr. Derek Blackburn (Brant): Mr. Speaker, why did the Secretary of State for External Affairs say that the Cabinet would consider the deployment of U.S. nuclear weapons on our soil when the Minister of National Defence is now saying there are no plans? Who is telling the truth here?

Hon. Robert C. Coates (Minister of National Defence): We have said a number of times, Mr. Speaker, there are no such plans.

* * *

EMPLOYMENT

JOB-CREATION PROGRAMS—APPLICATION OF HIRING GUIDELINES TO YOUTH

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Government has cut back on mobility grants. It has cut back on on-the-job training. It is not going to have a job creation program for youth like Environment 2000. It is the stingiest Government in Canadian history. Will the Minister of Employment and Immigration change the hiring guidelines on the present job creation programs in Canada which very seriously discriminate against young people and women, new entrants and re-entrants into the work force?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member knows, there are certain regulations that were put into effect by the previous Government with regard to these programs that do address the programs to those people who have exhausted their unemployment insurance benefits and have no income other than the welfare which may be given to them by the provinces. In the discussion that I have been having with the provinces about new approaches to this issue, we have been dealing with that problem. I can assure the Hon. Member that the new approaches that we will be taking to the whole question of unemployment and human resource development will be much more humane and compassionate than those which existed previously.

Mr. Baker: Yes, put it on the previous Government. I would like to remind the Minister that she is now a Minister in the present Government. The hiring requirements were signed by the present Minister rather than by Sir John A. Macdonald.

REQUEST THAT GUIDELINES BE CHANGED

Mr. George Baker (Gander-Twillingate): Since the hiring for 200,000, 300,000, or 400,000 jobs is being done now, will the Minister not act today to change these hiring guidelines which she has approved, which discriminate against the youth and women of the country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the programs under Section 38 of Canada Works for this winter apply to people of all ages who are either on unemployment insurance or who have exhausted their unemployment insurance. Those are the two groups to which these programs are primarily directed. There are other programs administered by my Department which apply particularly to young people. I would mention Youth Training Option, Job Corps, and Career Access, all of which apply directly to youth.

* * *

ENERGY

STATEMENT ATTRIBUTED TO IPAC PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. Earlier in the House the Prime Minister said that Mr. Morgan had denied saying what it was alleged he said earlier today on the CBC. The Minister of Energy, Mines and Resources said that he had retracted the words.

I had my staff contact CBC Calgary and I am told they have Mr. Morgan's voice on tape with reference to promises that were made about corporate tax changes in the oil industry. He said on tape, "We had a commitment from the Conservatives on the matter of tax reform", with reference specifically to these changes. In light of this comment made by Mr. Morgan on tape, will the Prime Minister promise the House that he will undertake to have a thorough investigation of this matter overnight and report back to the House of Commons tomorrow?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is unfortunately typical of the conduct of the NDP that, to try to get into this matter, the Hon. Member would call the CBC in Calgary rather than the gentleman who was alleged to have made the statement. If he is concerned with the truth, perhaps the next time the Leader of the New Democratic Party rushes out to make a phone call he will call the gentleman who was alleged to have made the statement. I can only presume good faith on his part. He issued a statement which is in front of me. I assume my hon. friend has it. He says, "Today the news reports carried on national radio erroneously stated the nature of consultations between the oil industry". This is the gentleman involved. He is a citizen saying that his statements were erroneously interpreted. I would hope that my hon. friend would take the time to speak with him, rather than dropping implications on the floor of the House of Commons.

REQUEST FOR INVESTIGATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I did my checking in light of what the Prime Minister himself had to say. He told the House, as did the Minister of Energy, Mines and Resources, that Mr. Morgan did not say what the CBC, in a nation-wide radio broadcast, said that he said. I thought it entirely appropriate, since the Prime Minister—

Mr. Speaker: With great respect—

Mr. Broadbent: All right, I will come to the question. I checked the source that claimed to have reported Mr. Morgan. They said that they have it on tape.

The Prime Minister did not answer the question. The CBC now claims that Mr. Morgan did say that he had a commitment from the Conservative Party to make these corporate changes and that he anticipates they are going to be in the Budget. Will the Prime Minister undertake to investigate this important matter and report back to the House tomorrow?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asked me the question. I said that I had made no such statement, nor had any Minister of the Crown made any such statement. The gentlemen who was alleged to have made the statement says that his statement was erroneously misconstrued. If my hon. friend feels that that is inadequate I can only suggest that he interrogate the CBC. I can say on behalf of the Government of Canada that the commitments we made were to the people of Canada and we were judged in consequence. We conducted ourselves accordingly, and built policy designed to help western Canada and all Canadians get back to work.

OFFICE COMMUNICATIONS INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, would the Prime Minister instruct his office and the offices of the Minister of Finance and the Minister of Energy, Mines and Resources to ascertain whether anyone in those three offices, or in the office of the Minister of State for Finance, got in touch with Mr. Morgan as a result of that report earlier this morning to ask him to clarify, change, or retract? I would like the House to know what pressure was put on Mr. Morgan by the Government.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I may have to apologize to the CBC. I think the Leader of the NDP did not call the CBC in Calgary. He called the Leader of the Opposition.

Some Hon. Members: Oh, oh!

An Hon. Member: You can't joke your way out of this one.

Mr. Mulroney: The last time the NDP raised an issue such as this, to the regret of my hon. friend one of his Members quite properly had to apologize. You are dealing with the reputation of an individual who, quite properly, set out the statement that he had been misquoted. All that I can tell you is that our conduct was honourable and above board at all times. A Canadian citizen says that he has been misquoted. Perhaps you can speak with him.

* * *

● (1500)

PENITENTIARIES

TREATMENT OF EDMONTON INSTITUTION INMATE

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is directed to the Solicitor General. There have been comments that Colin Thatcher, an inmate at an Edmonton maximum security institution, has been accorded special privileges, Could the Minister give the assurance to the House and the public that no inmate, no matter what his previous status was, will receive special privileges in our institutions?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I caused inquiries to be made. I can assure my colleague that such is not the case, that Mr. Thatcher is receiving appropriate treatment, and there are no special privileges being extended to him.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, January 22, 1985, meet the requirements of the Standing Orders as to form.

Introduction of Bills

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

ABORTION CLINICS

Mr. Bill Domm (Peterborough): Mr. Speaker, it is my duty to present this petition from the undersigned constituents of the riding of Peterborough who humbly pray and call upon Parliament to work for immediate change in the present law so that abortion clinics are made available to everyone in need of their services.

EMPLOYMENT IN MEAFORD, ONT.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition signed by 2,480 citizens of the town of Meaford, Ontario, in my riding of Grey-Simcoe. The petitioners would like to press upon the Government the serious and deteriorating employment situation in Meaford and request that the Department of National Defence take steps to reactivate the A.F.V. Range Meaford with the potential for local employment. Assistance is also requested through the Department of Industry to help relocate industry in Meaford to replace the closing of Westmills Carpets and the loss of over 100 jobs.

MILITARY INTERVENTION IN CENTRAL AMERICA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition to the House of Commons asking Parliament to urge the Canadian Government to state publicly and clearly, on an instance by instance basis, Canada's unequivocal opposition to United States military intervention in Central America.

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, it is my pleasure and privilege to present a petition of 54 residents of Scarborough West who humbly pray that Parliament reinstate capital punishment for anyone who pleads guilty and/or is convicted of premeditated murder.

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CRIMINAL CODE

AMENDMENT RESPECTING VERBAL THREATS TO KILL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East) moved for leave to introduce Bill C-220, an Act to amend the Criminal Code (verbal threats).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, the purpose of this Bill is to make oral threats to kill a criminal offence. Last October, Donna Kertzer, a Montreal woman, was shot to death by her estranged husband. Although the murderer had threatened to kill Mrs. Kertzer on several occasions, the police could not act because oral threats were not an offence. The purpose of this Bill is to correct that gap in the law.

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

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SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. André Bissonnette (for the Minister of Regional Industrial Expansion) moved for leave to introduce Bill C-23, an Act to amend the Small Businesses Loans Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally and indicated by an asterisk.)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: Nos. 8, 34, 47, 48, 51, 82 and 195.

[*Text*]

SEARCH AND RESCUE

Question No. 8—**Mr. McGrath:**

1. Does the government have plans to better serve the Hibernia areas by establishing a separate SAR region for Newfoundland?

2. Between 1983-84 to date, by province, what was the breakdown of spending on Search and Rescue by the (a) Department of National Defence (b) Canadian Coast Guard?

3. Between January and October, 1984 (a) how many incidents off the Newfoundland coast was the Atlantic SAR co-ordinating centre in Halifax required to answer (b) how many involved (i) pleasure craft (ii) fishing vessels (iii) oil industry vessels?

4. To the knowledge of the Government will there be increased drilling on the Grand Banks this winter and, if so (a) is the Government taking any steps to review its policy on winter drilling (b) will the Search and Rescue presence in Newfoundland be increased?

5. Are there any plans to have fixed-wing aircraft stationed in eastern Newfoundland before the start of this year's winter drilling season and, if not, for what reason?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. At the present time there are no plans to establish a separate SAR region for Newfoundland.

2. Neither the Department of National Defence nor the Canadian Coast Guard are able to break down the cost of providing SAR on a provincial basis.

3. (a) There were 35 marine distress incidents during the period January-October 1984. (b) (i) 12 pleasure crafts, (ii) 18 fishing vessels, (iii) none.

4. The same number of rigs (6) as in the previous year will operate in the area.

(a) Federal government and industry representatives continually review drilling policies;

(b) DND will deploy one additional Tracker aircraft to St. John's for the winter drilling season, and when the situation dictates, additional resources will be deployed in accordance with current emergency contingency plans.

5. One Tracker aircraft is deployed to St. John's full time and a second Tracker will be deployed for the winter drilling season.

UNIVERSITY PROGRAMS IN FEDERAL PENITENTIARIES

Question No. 34—**Mr. Howie:**

1. For the fiscal year ending March 31 (a) 1983 (b) 1984, did persons in federal penitentiaries avail themselves of university programs and, if so, how many?

2. In what penitentiaries did such programs operate?

3. What was the total cost of this program?

4. In what manner and to what extent were appropriate program objectives achieved as a result of the program?

Hon. Elmer M. MacKay (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned: 1. Yes.

(a) & (b)

	Fiscal Year Ending March 31, 1983	Fiscal Year Ending March 31, 1984
Average full-time students	188	138
Average part-time students	76	76

The decrease in full-time enrolment is attributed to the cancellation of the university programs (except for those in British Columbia) by the former Solicitor General effective April 1, 1983. After financial restructuring, all programs were reinstated for fiscal year 1984/85. It should be noted that since that time a steady increase has been reported in the enrolment.

On September 28, 1984 there were 184 full-time and 207 part-time students enrolled in university programs.

2. In the fiscal year ending March 31, 1983, campus-type university programs were offered at Laval Institution in Quebec; Prison for Women, Collins Bay and Millhaven Institutions in Ontario; Stony Mountain Institution in Manitoba; and Matsqui, William Head, Mountain and Kent Institutions in British Columbia.

In the fiscal year ending March 31, 1984, campus-type university programs were offered at Matsqui, William Head, Mountain and Kent Institutions in British Columbia.

Inmates could also avail themselves of correspondence courses at various other institutions across the country during both fiscal years.

3. Total cost for university programs in 1982/83; $818,000. Total cost for university programs in 1983/84; $470,000.

4. Correctional and university officials have found that the programs provide valuable and effective opportunities for personal development and academic advancement of inmates in the above institutions.

CANADIAN ADVISORY COUNCIL ON STATUS OF WOMEN

Question No. 47—**Mr. Howie:**

1. Are any persons employed by the Canadian Advisory Council on the Status of Women and, if so, how many and what is the estimated salary expenditure in the current fiscal year?

2. In each of the two preceding fiscal years, what was the salary expenditure?

Hon. Walter McLean (Secretary of State): 1. There are 37 people employed by the Council and presently 25 members. The estimated salary expenditure 1984-1985 is $1,020,000 (including employee benefits and honoraria to members).

2. The salary expenditure for fiscal year 1983-1984 was $1,014,207. In 1982-1983, it was $897,190, (both include employee benefits and honoraria).

MEMBERS OF CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

Question No. 48—**Mr. Howie:**

What are the names of the persons on the Canadian Advisory Council on the Status of Women and, in each case, what amount was he or she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Walter McLean (Secretary of State):

Order Paper Questions

Members of the Council are (and were)

Name	Earnings (F.Y. 1983-84)
Shirley Alcoe (N.B.)	$ 2,850
Nicole Arbour (Québec)	1,800
Jean Augustine (Ontario)	1,350
Constance Backhouse (Ontario)	900
Monique Bernard (Québec)	new appointment
Patrice Merrin Best (Québec)	1,800
Francine Boivin (Québec)	450
Shirley Bradshaw (N.S.)	2,400
Clarisse Codère (Québec)	new appointment
Patricia Cooper (Alberta)	3,450
Anne Enge (N.W.T.)	600
Mary Lou Fox Radulovich (Ontario)	900
Jacqueline Demers (Québec)	3,150
Kilby Gibson (B.C.)	900
Marthe Gill (Québec)	new appointment
Gerald Griffin (Ontario)	new appointment
June Marie Hampton (Yukon)	600
Dianne Harkin (Ontario)	2,400
Alison Hinchey (N.S.)	new appointment
Frederica Hodder (NFLD.)	new appointment
Lucille Huot (Manitoba)	$ 2,100
Joyce Krause (B.C.)	2,400
Lynne MacFarlane (B.C.)	2,400
Monica Matte (Québec)	new appointment
Edith Linda Nee (B.C.)	1,050
Jeannette Pelletier (N.B.)	2,250
Anne Marie Perry (P.E.I.)	2,250
Lynne Pieper (Saskatchewan)	2,400
Joanne Purvis (Manitoba)	new appointment
Berenice Sisler (Manitoba)	2,400
Irene Stayshyn (Ontario)	1,800
Donna Tink (Alberta)	2,250
Brigitte Turcotte (Québec)	2,100
Total	$46,950

Included in salary expenditures

E. Hendry (V.P.-West)	GIC4 $52,860 — $62,210
M.H. Boyle (V.P.-East)	GIC4 52,860 — 62,210
L. Pépin (Ex-President)	GIC5 56,640 — 66,660

ASSISTANCE OF CHATHAM-NEWCASTLE AREA

Question No. 51—**Mr. Howie:**

Since January 1, 1983, did the Department of National Defence announce any grants, contributions or assistance for the Chatham-Newcastle area in New Brunswick and, if so, what grants, contributions or assistance was announced?

Mr. Robert Wenman (Parliamentary Secretrary to Minister of National Defence): No.

NUCLEAR WASTE STORAGE IN ROCK

Question No. 82—**Mr. Angus:**

Is research being conducted in Canada to verify the safety of nuclear waste storage in rock and, if so (a) at what sites (b) by site, what was the financial cost for each year that such research was conducted?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Yes, Atomic Energy of Canada Limited has been pursuing a research program since 1978 to assess the concept of disposal of irradiated fuel wastes deep in the crystalline rock of the Canadian Shield.

(a) Geological research has been undertaken at research areas near the following:

White Lake, near Renfrew, Ontario

Chalk River Nuclear Research Centre

East Bull Lake, near Elliot Lake, Ontario

Atikokan, Ontario

Overflow Bay/Denmark Lake, near Kenora, Ontario

Whiteshell Nuclear Research Establishment, Pinawa, Manitoba

Underground Research Laboratory, near Whiteshell (Manitoba)

(b) Because of AECL's cost accounting system, costs of the studies to verify the safety of nuclear waste disposal in rock cannot be isolated from the total expenditures relating to the waste management program. Therefore, only total costs of the program are being shown.

1977-78	$ 2,085,000
1978-79	5,966,000
1979-80	6,909,000
1980-81	11,000,000
1981-82	15,520,000
1982-83	22,710,000
1983-84	26,940,000
April 1, 1984 — October 31, 1984	20,050,000

STATISTICS CANADA—SINGLE CANADIANS

Question No. 195—**Mr. Stackhouse:**

How many Canadians over the age of 21 are single and, of these, how many are (a) 55 to 64 years old (b) 65 years old and older?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Statistics Canada reports:

As of June 1, 1984 there were an estimated 3,061,200 single Canadians over the age of 21 and of these, (a) 154,500 were 55 to 64 years old; (b) 216,800 were 65 years old and older.

[*Translation*]

Mr. McDermid: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Deans: Mr. Speaker, with respect to answers to written questions, it is a normal practice in the House that the Opposition Parties' House Leaders receive a listing of the questions to be answered each day in advance of the Parliamentary Secretary rising. Has that practice been terminated for some reason?

Mr. McDermid: Mr. Speaker, I cannot answer the question right now. Normally the list is distributed to certain people on this side but they have not received it either. I can look into it right away and make sure that the House Leaders get a copy of it.

* * *

MOTIONS FOR PAPERS

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 30

POSSIBLE CHANGES TO TAXATION POLICY

Mr. Speaker: I must advise the House that I have received notice under Standing Order 30 which I should have dealt with before the notices of motions for the production of papers.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would simply like to move the following motion: That the House of Commons do adjourn to consider the serious implications of private commitments that may have been made by the Government to representatives of the oil industry, to the effect that specific changes to taxation policy will be introduced in the spring Budget.

Mr. Speaker: The Hon. Member for Oshawa (Mr. Broadbent) gave me notice of his application for an emergency debate.

Standing Order 30 provides a procedure for "discussing a specific and important matter requiring urgent consideration". What is envisaged by that rule is a sudden emergency of such importance that the national interest calls for its immediate consideration by the House. The Hon. Member in his submission has suggested, and he suggests again in the words he has presented to me, that there may have been a breach of budgetary secrecy and that private commitments may have been made by the Government to representatives of the oil industry. The matter is very speculative and hardly specific, the latter word being a very significant element in the criteria governing a request for an emergency debate. More importantly, perhaps, until we have seen the Budget we can hardly determine whether or not its secrecy has been breached.

I must therefore rule that the Hon. Member's application does not conform to the requirements of the Standing Order.

• (1510)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

Mr. Speaker: Consideration of an Opposition Motion. I had thought there would be someone rising on this matter.

Mr. Turner (Vancouver Quadra): I thought the motion would be read, Sir.

Mr. Deans: Mr. Speaker, I just wanted to say I noted, as you did no doubt, that there are two motions on the Notice Paper. After proper consultation, and since this is the first Opposition day in this Supply period, we recognize that the Opposition day should belong to the Liberal Party.

EMPLOYMENT FOR YOUNG CANADIANS

Right Hon. John N. Turner (Leader of the Opposition) moved:

That, in the opinion of this House, the Government has failed to provide for significant Canadian participation in the International Year of Youth by neglecting to prepare and to put into place comprehensive job training and employment opportunity programs designed to enable young Canadians to find useful and meaningful employment and to contribute to the future of our country.

He said: Mr. Speaker, this is the International Year of Youth and I have in my hand the document published by the Minister representing Canada's participation in that year. I think it gives us an excellent opportunity to focus in this House on the problems facing the young people of Canada.

The three themes set forth for the International Year are those of participation, development and peace. Those themes, to which young people in this country can subscribe, are thoroughly endorsed by those of us on this side of the House, in this corner of the House. This motion gives us an opportunity this afternoon not only to highlight the problems facing our young people in Canada, but also to invite the Government to find some real solutions.

I agree with the Minister of State for Youth (Mrs. Champagne) when she said in this House on Monday that there is no such thing as monolithic youth. Our youth are diversified. She did not spell that out, but obviously when we speak of our young people we are talking about 15-year-olds on the one hand and couples in their 20's with a child or children on the other. We are talking of those in school and those out of school. We are talking about high school drop-outs and those who have had or are having the opportunity and advantage of a university education. We are talking about our unemployed and those young people who have an opportunity for a job either full-time or part-time. Again, we are talking about those who work on our farms and those who live in the cities, towns and villages of Canada. The one concern which overrides all others, Mr. Speaker, is the question of employment. That is the focus of this particular debate.

The total of our unemployed in Canada now rests at 1.4 million people, or 10.8 per cent of the workforce. In the age group 15 to 24 that percentage rises to 16.7 per cent, or over a half a million young people. We can pinpoint the statistic even more accurately. Thirty-six per cent of all unemployed persons in our country are between the ages of 15 and 24.

[*Translation*]

This is an incredible tragedy for our young people. It also roses a challenge to our country and to all Canadians, not only a challenge but an obligation to act. All Members of this House, Mr. Speaker, whatever their party affiliation, are daily receiving requests for assistance from young constituents. We must make it possible for our young people to have a normal life in our society, otherwise they may well be doomed to spend the rest of their lives either unemployed or on welfare, with no hope for the future.

[*English*]

We risk having in this country a climate of despair where our young people will lose hope, ambition and their confidence and dignity. The Government has given us fine phrases since it assumed office. It has given us great rhetoric, but its actions speak volumes for its inability to accept unemployment for youth as a major issue. It has done nothing less than savage the youth employment programs since it assumed office. One of its first acts as a government was to eliminate the First Chance program. This was a program to meet a conundrum or a catch-22 situation whereby our young people go to a prospective employer and ask for a job. The employer says: "Fine, young lady, fine, young fellow; your marks are good. You have worked hard. I like your community involvement, but you have no experience". The young person says to the prospective employer: "How, sir, can I have any experience? I have not had a job. It is my first opportunity".

We have this tragedy in our country of half a million young people with no experience and, therefore, with no job. Until they get a job, they cannot have any experience. That was the reason for this First Chance program, to give our young people a first chance by on-the-job training.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The program was announced and implemented. We were seeking the co-operation of the provinces, of labour and of business. The program was endorsed by the Canadian Labour Congress, by the Canadian Federation of Independent Business, by the Canadian Manufacturers' Association, by the Chambers of Commerce across the country, by the Business Council on National Issues, and by the Canadian Federation of Labour. It addressed the crying need of young people to get their first chance and some experience to qualify them for a job.

What did the Government do, Mr. Speaker? It cancelled the program and substituted a pilot program—I see the Minister of Employment and Immigration (Miss MacDonald) is here—for three or four thousand young people. It was a pilot project only. This program would have filled a gap for those who do not go on to university to give them some training and experience to get the jobs of the future.

I have looked at the Government's paper which it produced in December, 1984. That paper argues forcefully for the necessity for a school-to-work transition program like First Chance. One turns to page 24 of that document entitled "Training" and reads:

> The second strategy would follow from the view that, in a time of spending restraint, federal expenditures should be increasingly shifted to those areas where the need for federal support is clearest—

It goes on:

> The result of this view would be to place greater federal emphasis on training related to the school-work transition, training for the unemployed and special groups, and training related to major career shifts.

We agree totally with the Minister's paper. We agree also with what the Minister for Youth said two days ago in this Chamber. Here are her words:

> We must attempt to break down the prejudices against young people and encourage our partners in the business and labour communities to make their fields more accessible to them.

We could not agree more. What happened? The Tories axed the very program that would have done that. If the Minister for Employment and the Minister for Youth are worried about the political credit for this program, they should change the name. We could help them find a new one.

An Hon. Member: That is what they will do.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): We will even relinquish the pride of authorship because it is more important for the young people to have this kind of a program.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): There is no more startling proof of the need for training programs like First Chance to ease the school-to-work transition than to look at the unemployment rates of young people who have a grade eight education or less. I should like to refer to the December, 1984 figures from Statistics Canada showing those young people with only grade eight education or less as a percentage of the unemployed in the country, 30.4 per cent; with only a high school education as a percentage of the unemployed, 18.4 per cent; with some post-secondary education, 11.6 per cent of those unemployed; with a university degree, 9.3 per cent of those unemployed. Those rates are unacceptably high in all areas, but they show clearly the need for a long-term commitment by the federal Government to training programs for young people. Those statistics are absolutely convincing. That is a great challenge for the country. There is a great need to have just as strong a commitment to early school-leavers as to traditional support for those who go on to post-secondary education.

● (1520)

I should like to give some other examples of the attack by the Government on programs for youth. Last summer, Summer Canada provided 89,000 jobs for youths and students. What did the Government do? It eliminated that program. What about Katimavik? It reduced expenditures for that wonderful initiative by $20 million. Earlier this afternoon my colleague asked a question in the House about there being $5 million less this year for student loans. Where is the commitment of this new Government to the young people of Canada? Where is the promise for them of more jobs and a better future? I submit that, like so many other commitments and like most of the promises made by those on the Government side before they came through the curtains, entered the Chamber and sat on Your Honour's right, it has vanished and no longer exists.

What we see here is a fundamental difference in philosophy. The Progressive Conservative Party wants to rely totally on the private sector. We agree that the private sector, particularly small business, is from where most new jobs will come. However, what about those regions with no strong private sector? How does the 18 year old boy or girl in rural Newfoundland with no high school education find a job? The unemployment rate in that category in Newfoundland is 57.9 per cent. The Government is abandoning its role in direct job creation.

[*Translation*]

In my first speech in the House, Mr. Speaker, I explained the principle of Liberalism. We believe in the private sector. We do. But the Government also has a role to play in the labour market when the private sector cannot or will not absorb the demand for jobs.

That is why we have direct job creation programs. According to another principle of Liberalism, equal access to training is essential to enable people to apply for the jobs available. However, equal access is useless if there are no programs available. That is what the situation will be as a result of the direction being taken by this Government today.

[*English*]

This is why we have chosen to draw this subject to the attention of the House and the country. This is why we in the Liberal Party in this quarter of the House will fight the destructive policies of the Government on training programs. I see the Minister smiles.

Some Hon. Members: She laughs.

Mr. Turner (Vancouver Quadra): There are a half million young people in the country who should see that smile; she is laughing now.

Again the Prime Minister (Mr. Mulroney) talked today about consultation, consensus and review. It is now clear that when the Government talks about review, it is little more than a code word for search and destroy. Young people need some help in starting their own businesses. This is why we created the Young Entrepreneurship Program. What happened to that program? It was scrapped. The Government is abdicating its role. How can we expect the private sector to do the job on its own, particularly in the field of training and retraining? The Government is eliminating employment and training programs willy-nilly, and we have not seen any alternatives.

I ask both the Ministers who are sitting here this afternoon: Where is that plan of action? Quite frankly I do not care if they change the names of the programs or find some other epithet for them. We will sit back and let them take some credit, but they should just restore some programs for the younger people in the country who are crying for jobs.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister is now taking credit—don't we all notice it—for the creation of 100,000 jobs since September when he formed the Government. He knows as well as I do—perhaps he does not—that there are time lags in economic policies. Economic policies introduced by any Government take 6, 9, 12 and 18 months sometimes to bear fruit. When he recites those figures, he is just reciting the effects of Liberal policy. Even on the basis of the figures themselves—and one of my colleagues has handed me some numbers from Statistics Canada—in the last three months of the administration of Prime Minister Trudeau the increase in employment was 32,000 people per month. During the three months I had the honour to lead the Government, the figure rose to 33,000 new employed per month. Since the Conservative Government took office, the number has been 26,000 per month. Let us not play games with numbers. It does not help people who do not have jobs. It gives the Prime Minister and the Ministry a little glow of undeserved satisfaction.

With the exception of placing over 100 party faithful in patronage positions after the House rose for Christmas, adding 700 policemen to the Unemployment Insurance Commission and hiring political commissars at 80 grand for each one of the Ministers, all 40 of them—and it is the largest Cabinet in Canadian history—there has not been a single program created by the Government for direct jobs since it took office.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have heard that deep voice before; you know what his former Leader, Mr. Diefenbaker, used to say about voices like that.

Because I think it is relevant, I want to turn briefly to federal Government funding for post-secondary education. At the moment the arrangement is a block funding agreement whereby cash and tax points are transferred to the provinces. I can speak in my capacity as Hon. Member for Vancouver Quadra in which the University of British Columbia with its 35,000 students is located. The people of British Columbia—and I am sure the people of other provinces—are concerned, as we discovered during the election campaign, that the moneys transferred by the taxpayers of Canada through their federal

Government to the provinces under post-secondary financing are not being used by most provinces for the purposes for which the funds are transferred. In British Columbia the figure is about 12 per cent. In Nova Scotia and Ontario the figure is somewhat less but still acute. The Government has not told us how it plans to renegotiate the agreement with the provinces to ensure that money destined for post-secondary education is used for post-secondary education, for research, student loans, grants and bursaries, and for a national standard so that our students can move freely and receive the same quality of education from one end of the country to the other.

I ask the Ministry—and perhaps it is the Secretary of State (Mr. McLean) one should ask—what the standards will be. How will the Government in renegotiating those agreements ensure the national criteria that moneys destined by the taxpayers of the country are really spent by the provinces for the purpose of post-secondary education? Is the Government planning reductions in these transfers? I would be interested in sitting like a fly on the wall to hear the Minister of Finance (Mr. Wilson); perhaps we just have to wait for the tape. Who knows? I would be interested in knowing what those conversations are. That will indicate quite clearly this Government's commitment to youth and youth programs because that formula is up for renegotiation this year. Does it agree, for example, with the Bovey report mentioned by one of my colleagues, commissioned by the Province of Ontario, which recommends a doubling of tuition fees for students so that the students themselves pay up to 25 per cent of university administration costs? What is the view of the Government?

• (1530)

We need a full debate in this House, and I hope the Government gives us the opportunity—otherwise we may exercise our rights in an Opposition day in the future—to debate the renegotiation of this transfer formula.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I spoke about it since my return to public life because I am very concerned that the dollars put by the people of this country into post-secondary education are not diverted by the provinces of Canada.

Members on all sides of the House, particularly those in the Liberal caucus who brought this motion before Your Honour and wish to speak this afternoon, and we as a nation, must be prepared to invest in young Canadians. We must be prepared to offer our younger citizens the chance to build better and lead more productive lives. We must replace the despair of a generation with hope. We must not lose a generation in this country for failing to respond to their needs. The meat cleaver approach taken by this Government to existing programs for youth is counter-productive to that renewal approach. Our young people do not want to hear the words "cut, cut, cut".

The Minister of State for Youth said on Monday that youth is one of Canada's untapped resources. We agree. However, I submit that the attitude and actions of this Government to date are an unqualified guarantee that Canada's youth will remain an untapped resource this year, next year and for many years to come.

I have outlined on behalf of this Party, and I will be followed by my colleagues, areas where urgent action is required now, today. Not next month or next spring, now.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Order, please. Under Standing Order 62(13), there is a 10-minute question or comment period. Are there any questions or comments?

Mr. Turner (Vancouver Quadra): Not on this one.

The Acting Speaker (Mr. Paproski): Under Standing Order 62(13), each speech is 20 minutes with a 10-minute question and answer period. That is our Standing Order here in the House of Commons.

Mr. Hawkes: Mr. Speaker, I have a brief question for the Leader of the Official Opposition (Mr. Turner). In 1981, a parliamentary committee of this House reported to the House a document entitled "Employment Opportunities for the Eighties". The committee was chaired by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). I was Vice-Chairman. One thing that has disturbed me for the last three years is that so little of the advice which that committee gave to the Government was accepted.

In the context of the debate on the motion today, I would like to read recommendation 135 and ask the Leader of the Opposition whether he supports that recommendation. I think he is aware that if he does, he is essentially supporting the comments of the Minister of State for Youth (Mrs. Champagne) and the Minister of Employment and Immigration (Miss MacDonald) about what this Government intends to do, which is to accept advice which comes from the consultative process. Recommendation 135 reads:

> The federal Government should continue summer employment programs for students, but they should be simplified, better designed and better coordinated with educational and training programs. To the greatest extent possible, the summer job program should provide additional on the job training for those who are in high school, community college or university.

That was our recommendation in 1981. The Liberals did not accept it then. Do the Liberals accept it today?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Member is just reinforcing what I had to say, and I thank him.

Mr. Dingwall: Mr. Speaker, I have a question for the Right Hon. Leader of the Opposition. In the last number of months he has travelled across this country, particularly in western Canada, and has had discussions with individual interest groups from Atlantic Canada, particularly the less fortunate areas of the country. Does he agree that it is incumbent upon the present Government, particularly the national Government, to provide some economic stimulus over and above what it may give to other areas in order to create jobs, not only for our young people but for older workers as well? Will he agree

with this sentiment that I am expressing and which has been expressed by other individual Canadians?

Mr. Turner (Vancouver Quadra): Mr. Speaker, with his usual perception, the Hon. Member has put it with even more eloquence than I could summon. When we talk about training, although the scope of the motion limited it to our young people because of our concentration this afternoon on International Youth Year, training and retraining is just as serious for the men and women of this country who, through no fault of their own, have been displaced by new technology, new machines, computers, the information processes or a robot. I echo the Hon. Member's sentiments very strongly.

There is another part to the Hon. Member's question. It is clear that this new Government has abandoned what was fundamental to previous Liberal administrations, that there should be equality of opportunity in this country, regional equality. There should be the opportunity for every young man and woman in every part of this country to have an equal chance at a job, whether they live in Cape Breton, from which the Hon. Member hails, Nova Scotia, New Brunswick, Northern Ontario, the Gaspé or Western Canada. That is a principle which we will reaffirm on another day before Your Honour when we are given the opportunity.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, I am wondering if the Leader of the Opposition had a chance to look at the Fiscal Arrangements Act which was amended last year whereby his predecessor forced six and five on education transfers, despite the serious opposition by this Party and the New Democratic Party. Did he look at the amendment produced in that debate by the Hon. Member for Kingston and the Islands (Miss MacDonald) which specifically demanded that the Government annually file an accounting as to how the education transfer for post-secondary education was spent by the provinces to ensure that the transfer by the Government was not being used for other purposes? That amendment was put by the Hon. Member for Kingston and the Islands. Eventually the last Government was forced or embarrassed into accepting it. Has the Leader of the Opposition had a chance to look at those debates?

Mr. Turner (Vancouver Quadra): As a matter of fact, Mr. Speaker, I have. Because of the exigencies of the election campaign, I even had the misfortune and burden of having to read some of the Conservative documents on the subject. I hope the Hon. Member for Mississauga South (Mr. Blenkarn) will remind the Member for Kingston and the Islands, now the Minister of Employment and Immigration, of the words in that amendment when she and her colleagues come forth to renegotiate those agreements.

[*Translation*]

Mr. Malépart: Mr. Speaker, perhaps the Right Hon. Leader of the Opposition (Mr. Turner) could inform the House whether he was not surprised when, in answer to a question I put to the Minister of Employment and Immigration (Miss MacDonald) about summer employment programs, the Minister replied that the new program she is to announce very shortly would certainly be better than the old one for manpower training.

Is it not surprising that a Minister would say her program will be better for manpower training, while at the same time, that same Minister is cutting millions of dollars from on-the-job training programs? I imagine the Right Hon. Leader of the Opposition is aware that in view of technological change, if our young people are to have jobs, they must be able to get training. I would like to hear the Hon. Member's opinion on the subject.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I agree with the Hon. Member. The statements by the Minister of Employment and Immigration (Miss MacDonald) are not only surprising, they are also grotesque, illogical and cruel.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

• (1540)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker—

Some Hon. Members: Oh, oh!

Miss MacDonald: I must admit to you, Sir, that in this House one always takes great satisfaction from hearing the boos coming from Members of the Liberal Party. One realizes then that one is doing something right.

I would like to begin my remarks today by saying that I express my appreciation to the House Leader of the New Democratic Party who because of my schedule made it possible for me to take part in the debate at this time by forgoing his Party's position in the debating order. I wish to thank him for that.

I also want to express my appreciation to the Leader of the Official Opposition (Mr. Turner) for having placed the resolution before us today. I would like to tell him that I am grateful for this for two reasons. The first of these is that it reminds the House once again that, as far as the Leader of the Opposition is concerned, expediency takes preference over addressing the real needs of the nation. Second, it gives me the opportunity once again to outline the steps that we are taking to begin to redress the legacy of despair that was left to the people of this country, including young people and older workers from coast to coast, by the former Government.

The Leader of the Opposition has placed this resolution before us and he did so just a couple of days after I had told him and others in the House that there would be programs announced for summer youth within a very short period of time. Of course, what I noticed about his remarks today was his selective memory. I realize that he has been out of the

House for some period of years and I can understand why he has forgotten that, as Minister of Finance, he did not see fit to come to this House for any discussion of the Fiscal Arrangements Act with the provinces prior to the time they were negotiated. That goes back a long time. I can see why he was unaware of the debate that took place on post-secondary education in this Chamber and the amendment that I moved to look at the accountability question with the provinces. He was out of the Chamber at that time so obviously he was not aware of what happened. However, I fail to understand how his selective memory is applied to events which have taken place since he returned to the Chamber.

The Leader of the Opposition made some reference to the fact that nothing has been said about job creation or training. I am sure he would have listened with interest to the remarks made by the Minister of Finance (Mr. Wilson) in his economic statement of last November. At that time the Minister said:

> We are committed to providing lasting jobs for all Canadians who want to work. The Government will therefore be committing an additional $1 billion in 1985-86 primarily to help Canadians to acquire new skills and to find jobs in the private and public sectors.

That kind of selective amnesia which causes the Leader of the Opposition to leap over the assignment of $1 billion this year to training, human resource development and the development of jobs in all parts of the country is what I consider to be the utmost in expediency and is just an attempt to mislead the country.

It is on the question of unemployment and training where the Leader of the Opposition goes badly off the track. That is not what the people of Canada want to hear. The people of Canada know that the new Government is tackling a whole host of problems, a legacy of problems that was left to it by the former Government. I would like to say that, as far as human resource development is concerned, this Government will make an impact on the economy with which the former Government would not come to grips or begin to address, particularly in a sector that is our greatest resource, our young people.

The Leader of the Opposition commented on the training paper I tabled in the House of Commons. I am glad that he was able to comment on it today and comment on it so favourably. The last time the subject of my training paper was raised, he had not read it, he had not seen it and I do not think he even knew that it was tabled. He is coming along. He is beginning to come to grips with the subject. I am pleased to see the interest that he is taking in this.

However, in his remarks he said that the way to approach this subject is simply to change the names of the programs. Quite frankly, Mr. Speaker, that is not what we intend to do. We are going to take a new approach to this question. I have said that in the Chamber and I will continue to demonstrate it throughout the year and the Government will demonstrate it as it has demonstrated it already over the past months.

The Leader of the Opposition might scoff and belittle the addition of 100,000 new jobs to the economy since last fall. However, I can tell you, Mr. Speaker, that that means that there are 100,000 people who are working at this time who were not working when the Liberal Government was in office. Every individual Canadian who has the opportunity to work means an improvement is made to the economy. That is what our efforts, consultations and developments of new programs are all about.

[*Translation*]

The International Year of Youth will give us all an opportunity to rethink the role of young people in our society. Fortunately, Canada's youth is talented, enthusiastic and energetic. Our young people can make a tremendous contribution in all areas of our society.

[*English*]

The ability of our young people to make this contribution depends upon the ability of all Canadians to help them realize their potential and to express themselves in a way that is constructive and beneficial to all of us. Ways must certainly be developed to allow young people to take their rightful place in our society so that they can build productive lives and contribute to the improvement of Canadian life.

During the consultations I have had in the last couple of months I have talked to many young people, and they have told me that they are fed up and disillusioned with the way things have happened in the past. They are looking to us now to develop skills for real, permanent and lasting jobs.

A few months ago, the people of Canada spoke through the electoral process and what they said was that it was time for a change, that it was time for a new and fresh approach to the ills that plague our society. I must say that regardless of how much the Leader of the Opposition wants to encourage us to use the old methods, they simply will not do. When the previous Government was faced with half a million young people out of work, all it could do was to suggest stop-gap measures that did little to relieve the suffering and distress that existed among our young people.

● (1550)

[*Translation*]

Since I took up my duties, Mr. Speaker, we have adopted a set of measures to turn the Canadian economy around and enable all Canadians to make a contribution to society through well structured programs.

[*English*]

The motion put before the House today by the Leader of the Opposition is really the kind of approach to the problem that the Canadian people have rejected. It is the idea that if we just go out and throw money at a problem it will go away. How does he expect to solve the problems facing the country when he does not know what they are, and when he has not come to grips with them? How can there be lasting jobs and lasting solutions when that Party's idea of solving issues is to practise confrontational politics?

The Leader of the Opposition talked about First Chance. What he did not talk about was that there was not a single dollar directed to that program.

Ms. Copps: That's a lie.

Miss MacDonald: I have said before that it was an unfunded fantasy. Where were the billion dollars he was talking about? The money was not there.

During the election campaign we told the people of this country that we would again get Canadians working. We have started on that with different programs, some of which are at work at the present time. But we did not use stop-gap measures and we did not make promises of unfunded fantasies. Yes, we have dedicated a billion dollars to job creation and training this year, but we went through the exercise of looking at every program in the expenditures of this Government. We looked at all of them. We reallocated funds. We looked at the priorities which had to be continued. It was a tough exercise to go through, but we ended up with $1 billion dedicated to training, job creation and human resource development in Canada which will provide the jobs, the skills and the security for which Canadians are looking. It will only be a start, because the whole approach which has been taken in the past will have to be turned around. We will not have the short-term, make-work projects that the Liberals liked. We will have the kind of projects that will be ongoing and permanent.

It is because of this, in looking for new approaches and coming up with ways which make skills and training fundamental to our economic development, that I have held consultations across the country with provincial Governments, business, labour, young people, women's groups and native organizations, in order to get their input to the programs which the Government is now considering. I have heard their ideas and I share their concerns. I know what they mean when they say that they do not have opportunities. I hear that all the time. They have not had opportunities in the past. That is what we will address by bringing in a coherent and cohesive policy which will work in all parts of the country and address training and retraining. That means streamlining government programs and eliminating duplications so that public money will be used in the most effective way possible.

The private sector has said: "Yes, we are willing to help in this renewal". We want them to help. The provinces will help. I met with the provinces last week and they indicated that they wanted to co-operate. It is through these consultations that we have discovered there are common themes, concerns and problems which must be addressed by all of us, not only by programs which take in one level of government and ignore the needs and the way in which we can co-operate with people, governments and the private sector in all parts of Canada. We will not use that old unilateralism. That is what the people of Canada rejected on September 4. It is a new spirit of co-operation, confidence and willingness to work together which will make it possible for people to find security.

I noted with interest that the Leader of the Opposition spoke of the need for comprehensive job training and employment opportunity programs. I have to remind him that that is exactly what the previous Government did not give the people of Canada. There was nothing comprehensive about the *ad hoc* approach which was taken.

[*Translation*]

Mr. Speaker, it has been the concern of this Government to turn the situation in this country around, to put Canadians back to work and to give our young people an opportunity to become successfully integrated in our society.

[*English*]

I know that my colleague, the Minister of State for Youth (Mrs. Champagne), has been addressing this program and consulting in all parts of the country. She spoke eloquently about it the other day. I commend her for the work she has been doing.

[*Translation*]

We shall be dealing with these problems during the International Year of Youth, but any real and lasting solutions will be the result of concerted and sustained efforts on the part of all groups in our society.

[*English*]

We have announced the formation of new programs and new approaches to deal with this very critical matter, particularly with regard to young people. The steps which we have taken over the past couple of months will lead, through these consultations, to the First Ministers' conference in February and to the economic conference in March. These meetings will provide an opportunity for leading representatives of all parts of the country to chart the future course for Canada.

We face a difficult challenge. It is one which will test the ingenuity and indeed the determination of Canadians everywhere. We must once again get our economy going. We have started to build confidence. We want to ensure that young people have their opportunity in that confident Canada of the future and not the despair that has been left to them. To that end, we have said that within a very short period of time we will be announcing, with the co-operation of the provinces and the private sector, training and job-creation programs for young people this summer. I would remind the Leader of the Opposition once again, although he is somewhat forgetful, that that has been indicated and it will be carried out. I reassure young people everywhere in Canada that that will take place.

I would also remind him that the way in which this Government is approaching job creation, training and skills development is not on an *ad hoc* basis. We are not saying that the problem can be solved by six-week jobs or ten-week jobs and then throw people back on to unemployment insurance. What we need is a cohesive and coherent approach to this very difficult problem. I can assure the Leader of the Opposition, who has endorsed my training paper today, that we will see that the goals and objectives stated in that paper are put into effect for young people, displaced workers, and the men and women of the country who want nothing more than to be able to find full and satisfying work. That is our commitment to them.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments?

● (1600)

[*Translation*]

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I must say I was very disappointed with the statement I just heard, made by the Minister of Employment and Immigration (Miss MacDonald). I would never have thought that a $40,000 raise could change a person as quickly as it has the Minister. I thought she was one of those Ministers who were compassionate and human and who were there to defend Canadians on middle and low incomes.

I remember when the Minister was in the Opposition: she would ask questions about people in trouble and insist on getting help right away. I remember when the Minister visited my riding with me during the referendum. She was human then, and I would never have thought that an increase in salary would turn the Minister into a defender of the Minister of Finance (Mr. Wilson).

I do not think Parliament is the appropriate place for putting on an act. It may be for some Members, perhaps, because it is the only thing they can do, but as far as the Minister is concerned, with her personality and her reputation, I cannot understand how she can tell us that the Government has set aside one billion dollars for job creation when she knows perfectly well that the Government has cut four million dollars from programs and projects whose purpose it was to to create jobs. This is money which would otherwise have benefitted Canadian workers.

When the Minister—I am sure her heart is not in it—when the Minister is trying to say that we have the Progressive Conservative Government to thank for the fact that additional jobs have been created, does the Minister also mean it is the Progressive Conservative Government's fault that 1200 jobs are going to be lost at Wabasso and elsewhere? If they want to take credit for the jobs that were created, they will also have to take the blame for the bankruptcies that will occur in this country.

My last question for the Minister . . . This afternoon, I asked specifically if there would be separate Summer Canada budgets for each riding, and the Minister did not answer my question. Does that mean there will be a general budget that will be coordinated, and that disadvantaged ridings like mine and several others will again have to suffer?

[*English*]

Miss MacDonald: Mr. Speaker, I will be making an announcement in due course on that issue. However, I would say to the Hon. Member that I hardly expect—and I am sure he does not—that I will be making that announcement in the House today in response to his question. We as a government are on a program which will lead us to much more involvement of young people and the development of the objectives of young people in this country. That is set on a schedule which will lead to the best possible development there can be. I can assure the Hon. Member that those programs will be announced very shortly.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to try to put this debate into its proper perspective, just briefly. I do not question the statistics quoted by the Hon. Minister, nor do I question the Leader of the Opposition (Mr. Turner) in his address to the House. We all see and hear about these tragic numbers of unemployed youth in our ridings every day. The Leader of the Opposition stated that the 100,000 new jobs created since September 4 are a result of lags in economic policy of six months, 12 months and 18 months and, therefore, should be credited to his Party. I would like to ask the Minister if she feels that the unacceptable numbers of unemployed youth of this country should also be credited to the Liberals as a result of the cumulative effect of poor economic policies by successive Liberal Governments during the last many years?

Miss MacDonald: Mr. Speaker, while there are young people or, for that matter, while there are Canadians unemployed, no one takes any satisfaction. I listened to what the Leader of the Opposition had to say and I do feel, Mr. Speaker, that we can at least hope—and that is what this country is really all about, hope—that the trends of the last few months and the decrease in unemployment among young people continue.

I was looking at the figures and I can say that the unemployment level for young people is down by 56,000 from what it was a year ago. It is down by 29,000 from what it was a month ago. That is a beginning but it is only a beginning. When we look at a total of 500,000, half a million unemployed, we know it is only a beginning. The steps which we are taking, Mr. Speaker, are designed to reduce that number further and continually.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I have just witnessed the most obvious demonstration of incompetence on the part of a Minister of the Crown, the likes of which I have never seen since I first came to the House.

The Minister gave us a flow of words, or rather a deluge of words which unfortunately fell on a desert of ideas. No specific proposal, Mr. Speaker, nothing at all from a Minister and a government that have already been in office since September. Not a thing! Only accusations against the previous government, a Liberal government which at least had gone to the trouble of creating programs such as Summer Canada. The only obvious thing done by the Minister since taking over her portfolio has been to sack this program which was intended to create tens of thousands of jobs for students this coming summer. That is the only thing she has done, Mr. Speaker.

As a result, young people are growing ever more desperate, uncertain as they are already to find jobs next summer.

And now the Minister has just wasted 20 minutes of the time of the House to say absolutely nothing. All Canadians are waiting for the announcements she has been promising all along. As a rule, new programs are announced in December.

I have only one question for the Minister: Whom does she think she is deluding by making such a meaningless speech this afternoon?

[*English*]

Miss MacDonald: Mr. Speaker, once again, I note that a Member of the Liberal Party, the Hon. Member for Saint-Jacques (Mr. Guilbault), is rising to make certain statements and I understand what he is doing this afternoon. However, I can tell him that his concern is more than matched by people on this side of the House. I would also like to remind the Hon. Member just in passing that those comments come from an Hon. Member whose constituency allocation under Canada Works was increased by 66 per cent this year.

Mr. Manly: Mr. Speaker, I notice that there are some Hon. Members from British Columbia sitting behind the Minister. I hope they had the good grace to be embarrassed when the Minister talked about creating an extra 100,000 jobs in Canada over the last four months, because since the Minister has taken office there has been a net loss of 25,000 jobs in British Columbia. In September there were 1,226,000 people employed in British Columbia. The December statistics which just came out indicate there are 1,201,000 now employed. There are 25,000 jobs less now than there were then.

Perhaps the Minister might want to attribute that to the attitude of the provincial Government under Bill Bennett, as her Leader, the Prime Minister (Mr. Mulroney), had said that he was taking a step in the right direction. Or perhaps she might wish to take credit for that herself.

I notice that when the Minister of State for Youth (Mrs. Champagne) was in British Columbia last week meeting with a group of young people, she said that young people cannot expect any special preference. She is quoted in an article in the Vancouver *Sun* on January 19 as saying:

> The situation of young people, while deserving special attention, must be examined in the context of the state of society as a whole ... A balanced approach must be taken. We can neither neglect nor show favouritism to any particular group.

Would the Minister of Employment and Immigration (Miss MacDonald) tell us when she is going to do something for the people of British Columbia? When are we going to see some jobs created in B.C. instead of the loss of jobs?

Miss MacDonald: Mr. Speaker, the programs which will be announced very shortly will indeed apply from coast to coast. However, they will take into consideration the regional needs of the country. In the past there have been programs that have come out of Ottawa which were applied in the same way in all parts of the country. That does not work. The example which he has given of British Columbia is a very relevant one.

• (1610)

The Acting Speaker (Mr. Paproski): I regret that the time for questions and comments has expired.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am not especially pleased to find it necessary to rise in support of the motion before the House. With that peculiar kind of naivety which affects new Members I sincerely believed that, despite the philosophical differences between us, the Government would treat the matter of the International Year for Youth with the urgency which the situation of Canada's youth requires. I expected that youth would have an effective spokesperson and that the Government would present bold initiatives consistent with the year's theme of participation, development and peace. Instead we have seen an ideological pursuit of the means of deficit cutting and confidence building based upon the promise of profits for the largely foreign-owned multinationals. At the same time, with unseemly haste, cuts were applied to programs benefiting youth while painful procrastination has yielded only promises of programs to fill the gaps and which will likely benefit profit enterprise more than youth.

The Minister of State for Youth (Mrs. Champagne) promised to be a spokesperson for youth. I therefore find it rather peculiar that the Minister of Employment and Immigration (Miss MacDonald) responded on behalf of the Government in this debate rather than the Minister of State for Youth. The Minister of State for Youth did promise to be a spokesperson for youth and to express their concerns. Youth are concerned about peace. Where was she when the Secretary of State for External Affairs (Mr. Clark) became starry-eyed about star wars? Youth are concerned about the environment. Did the Minister extend a helping hand when the Minister of the Environment (Mrs. Blais-Grenier) lay prone before the assault by the Minister of Finance (Mr. Wilson) on her Ministry? Youth are concerned about controlling their nation's destiny. Where is she as that destiny is being conceded to the economic priorities of foreign profit enterprises?

Canada's youth want to exercise their creative talents. Where was she when thousands of jobs were taken from the cultural community by the Minister of Communications (Mr. Masse)? Canada's youth are concerned about the Canadianization of our media. Where was she when the CBC was being savaged and as the NFB was rejected in favour of Walt Disney? Canada's youth are concerned about education. What did she say when Summer Canada was cut and 80,000 tuition-earning jobs were destroyed, student loans were frozen and provinces across the land were shutting the doors of our colleges and universities to those who need help most?

Most important, Canada's youth want jobs that will give them a sense of worth and accomplishment that will enhance our society and make it a symbol for all the world of how prosperity can be achieved by a commitment to social justice and peace. Where is she as the Minister of National Defence (Mr. Coates) looks to the engines of war as a vehicle for economic growth?

The Minister has intimated that we should place emphasis on what is good about Canadian youth. If she means to praise them for their character and accomplishment, I would join her. However, there is so much happening to them that is wrong. It is wrong that 701,000 young people in this country do not have jobs and that some have never worked and perhaps never will. It is wrong that in some regions such as Newfoundland as much as 70 per cent of the youth are unemployed.

I was in the Atlantic provinces the other day. There is so much there which is wrong. It is wrong that city sidewalks should be crowded with prostituted youths. It is wrong that young people steel food and rob garbage cans in order to eat. It is wrong that soup kitchens and flop houses are the meeting places of jobless and alienated youth. It is wrong that 80 per cent of black youth in Halifax have never been employed. Listen to Father McKenna of Halifax and the voices of St. John's and Sydney. Mr. Speaker, It is tragically wrong when joblessness means hopelessness, a sense of worthlessness, anger and alienation from peers, family and society. Mr. Speaker, it is wrong when old men play with weapons that may not let young people grow old.

It is perhaps unfair to focus upon the Minister of State for Youth for the failure of the Government, for the Government must in its entirety share the blame. However, she is the spokesperson and must impress upon the Government the real meaning of participation, development and peace. It is clear that if one examines the priorities set out by the United Nations to fulfil the requirements of the theme of this year, the Liberal motion must be sustained.

I will delineate in part what those program priorities are. One priority is to increase employment opportunities through formulation of effective programs, policies and plans to reduce unemployment and to eliminate discriminatory employment conditions amont youth. Another priority is to ensure access to every level of education and to make available technical and vocational training, particilarly in rural areas. A third priority is to focus on concerns and the role of young women in development. Yet another is to develop and promote intersectoral community-based activities for health education, sanitation, nutrition, family life education, family planning and other welfare services for youth with the aim of encouraging and facilitating self-care. Another priority is to create an appropriate cultural environment which facilitates the participation of youth in development.

We of the New Democratic Party have made positive proposals in respect to youth. In urging the Minister and the Government to fulfil their promise to the young people of Canada we have several recommendations for their consideration and implementation. We recommend the allocation of $1 billion to a youth initiative fund to allow young people to create their own jobs. We recommend an industrial grant levy system to provide training opportunities for young people. We recommend the restoration of the 6 and 5 per cent cuts imposed by the former Government to post-secondary education and additional funding to ensure quality, relevance and access and assured levels of funding in colleges and universities. We recommend a House standing committee on youth in order that all Parties may be involved in determining what the priorities should be with respect to this year. A national advisory council on post-secondary education should also be considered in connection with steps to ensure accessibility to the university system.

More than this and those five regional fora that have been described by the Minister, let her ensure that the youth are listened to and heeded on all the important issues of the day rather than just those affecting youth. They should be listened to on the issues of peace, the environment, our Canadian culture, economic development, equality between the sexes for all people, employment, disarmament, peace and so on.

Finally, let the Government change from bashing the deficit, and therefore the poor, to the creation of jobs as a first priority. The New Democratic Party has been clear on what initiatives should be taken and I commend those initiatives to the Government.

• (1620)

Mr. Rodriguez: Mr. Speaker, I wish to put a question to the Member for Windsor-Walkerville (Mr. McCurdy). As members will know, the Government has eliminated Summer Canada which is a program specifically designed to provide employment primarily to students during the summer months to give them the opportunity to earn so that they may continue their studies in the fall. That may not be such a problem in cities like Toronto or Montreal where the unemployment rate may be very low. However, in single industry communities, of which there are 811 across the country, it is extremely important for that kind of program to be put into effect because they do not have the corporate base on which to employ people.

What is his view with respect to ensuring that there be early notice and announcement of such a program specifically designed for summer employment for young people?

Mr. McCurdy: Mr. Speaker, I have been quite willing to attribute the most sincere and constructive intention on the part of the Minister of Employment and Immigration with respect to the introduction of summer employment programs for youth. However, in my view, it is the height of irresponsibility to accede to cuts in Summer Canada without having something to replace that program. It has caused a great deal of uncertainty and insecurity among young people and for many it is already too late to make decisions with respect to the coming year.

There is another aspect of Summer Canada which has been discovered in our consultations on the East Coast and elsewhere through communications received in many of our offices. It is that Summer Canada presented an opportunity to provide services to the disabled, for example, as well as others in our society who needed social services of some kind which were provided by young people. Not only have young people been deprived of the opportunity to earn money for tuition and other expenses, but a number of valuable services which are being extended to people in difficulty in our society have been

placed in jeopardy and are uncertain. That is also a serious matter.

Mr. Young: Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) indicated in her remarks that she entered into consultations with a number of groups in the country on employment programs. Of course, we welcome and applaud that action. However, she neglected to mention one group which tends to be forgotten by policy formulators, the disabled who constitute some 10 per cent of the total Canadian population. Within that group there is an unemployment rate of up to 80 per cent, such as the blind population where the unemployment rate is probably in excess of 80 per cent.

Prior to the election the Conservatives indicated to at least one of the major organizations, COPOH, that they would be willing to consider introducing a program of contract compliance within the recommendations that have been made by the House of Commons Special Committee on the Disabled and the Handicapped. In his considerations for this debate, has my colleague given any thought at all to programs that would go a long way to helping the disabled become fully participating members in the mainstream of Canadian life?

Mr. McCurdy: Mr. Speaker, as a matter of fact, we had occasion to talk to representatives of the organizations providing care for and composed of the disabled. I believe the Government should implement compulsory contract compliance which is a measure that group has been seeking. In that respect I would note that on August 14, 1984 the Prime Minister (Mr. Mulroney) said with respect to whether compulsory contract compliance should be provided: "Yes, along the lines proposed in recommendations 26 and 27 of the 1981 Obstacles Report".

Mr. Hawkes: Mr. Speaker, could the Hon. Member clarify the extent to which he believes contract compliance should go? Should it go to the smallest of businesses in Canadian society or should it apply only to big business?

Mr. McCurdy: Mr. Speaker, I believe that most of those who have an understanding of contract compliance as it has been implemented in other jurisdictions and been considered appropriate for implementation generally accord some limit of numbers of employees below which it would not be compulsory. I think that is something that would have to be taken into account with respect to deliberations and consultations on such legislation when it is brought forward.

Mr. Hawkes: Mr.Speaker, could we have an idea of the NDP policy with respect to those limits?

Mr. McCurdy: Mr. Speaker, I would suggest 100 employees.

Mr. Speaker: Further questions or comments? Debate.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am particularly pleased to participate in this debate and I believe it is most significant that the Liberal Party has chosen to address the Government's responsibility for youth on this our first Opposition day of the New Year. As this House reopens, we mark the beginning of International Youth Year, a year during which attention will be focused on recognizing and meeting the needs of our young people.

The Tories won the confidence of the population and were elected to effect change. They promised our youth a rose garden but to date, all they have delivered is a thorny bush. I have already said on a number of occasions in the House that the situation in which the youth of this country find themselves is tragic.

Many councils, much research and numerous studies have produced reports identifying the specific concerns and have provided the Government with the starting points for legislative action. A two-year in-depth study by Professor Reginald Bibby, Professor of Sociology at the University of Lethbridge, based on a survey of 3,530 teenagers was published in the Ottawa *Citizen* on January 21. It states that adolescents have pointed out that adults are against them. I find that very sad. They feel that their opinions do not matter and that they are powerless.

Indeed, both the action and the inaction of the present Government seems to substantiate the thought, feelings and claims of our youth. The teenagers are saying that they must manifest their own values and work hard as young people to emerge as whole individuals.

High on the young people's list of interests and concerns are unemployment, friendship circles, cultural events, sexuality, child abuse and crime, nuclear war, drugs and suicide. These reports lead one to believe that the Government should be directing activity toward supporting any projects or proposals aimed at these particularly crucial issues.

Let us look at the economic perspective of what the Government has done to see the situation today. The major area of youth concern has been that of jobs and the opportunity to feel that they can be active participants with a worth-while role and place in society. With no government programs or policies in place, their sense of deception is profound and it can affect them and society fundamentally in the future.

The elimination of the First Chance program by the Conservatives is perhaps the most blatant indication of lack of care and concern toward our young people's needs. This program was the most important public policy set forward by government in the interests of youth since Prime Minister St. Laurent established the responsibility and role of the federal government for support to secondary education. Prior to establishing this First Chance program concept—and as the Conservatives have this incredible penchant for only consultation and no action, perhaps this will be of interest to their Members—major consultations were held with the Canadian Labour Congress, the Canadian Manufacturers' Association, the Chamber of Commerce, the Business Council on National Issues, and the provinces. The reasoning which was discussed was very sound and very important. While the Government was spending billions of dollars, in fact $4 to $5 billion on post-secondary education, these programs were targeted to a small percentage of our youth who continue on to college and university. Very little was being done for the three-quarters of

our youth population who did not continue on to post-secondary education. Very few dollars are being directed toward their preparation and training. This was key. First Chance was a fair initiative by the federal Government to meet their needs. The cut from $100 million to $27 million in the youth training option, the First Chance type of program to serve only three to four thousand youth instead of the anticipated 10,000, and the cut of the $1 billion proposed and committed to serve 100,000 for this next fiscal exercise is inexcusable. It is poor planning and it shows a tremendous lack of caring. This is where the major area of unemployment problems are found. This is where unemployment is highest and this is where we need to put our effort.

● (1630)

Scaling down First Chance to an experimental program, cutting back funding to $27 million when the value and the need for this program is so evident and there is a necessity to go full steam ahead is unacceptable. In addition to the fact that no replacement project of acceptable proportion has been put in place, it surprises me that it was cut. It meets all the criteria for the True Blue. First Chance served the interests of the private sector as well as our youth. The programs were designed and tailored to the training needs of local and regional industry. The employer had his extra costs met as well as having a first crack at trained employees and could then keep permanently those who demonstrated high motivation. The employer serves as a good corporate citizen, the new entrant employee's First Chance salary was paid by the federal government.

The new entrant, during this transition from school to the work force acquires self-confidence, skills, good work habits and a sense of personal worth, in other words, a chance to earn and learn. That is what you cut out, a chance to earn and learn.

This First Chance program was a training program not a job creation one. It received support from the private sector and focused on those in difficulty. It was a co-operative program between government, the private sector, and community groups.

[*Translation*]

Young people have casual or temporary jobs for short periods which provide no security and force them to make only short-term plans. For our young people, unemployment is more than just statistical economic data; it is a factual reality, and for many of them, it jeopardizes their chances at independence. It means constant insecurity, the absence of autonomy, the impossibility of making long-term personal plans, and even more serious for both, society and young people themselves, it means a loss of value of their theoretical training if it cannot be put in practice soon enough. When there is no great demand for a particular field of training, employers prefer experience and they have a lot of choice. Many workers then enter a vicious circle: no experience means no job, and no job means no experience. Part-time employment is also a form of hidden unemployment with which many must be satisfied.

[*English*]

The youth unemployment level is almost twice that of the national level. By not taking action now, the Government risks establishing life-long negative attitudes of our young toward society because it is creating, through economic inaction, a generation of frustrated, discouraged, and therefore unproductive citizens. Unemployment of our visible minority youth is over 85 per cent. Handicapped and native youth need special consideration in employment. Employment equity as outlined in the Abella report is worthy of very careful consideration, and then mandatory affirmative action is needed. It is not only needed, but it is a moral imperative.

This is not just short-term disillusionment that we are looking at, it is a tragedy. Our youth need work and appropriate training. These are the key issues.

[*Translation*]

Mr. Speaker, it is a well established fact that the higher education one has, the easier it is to find a job. The situation is this: Of the great many young people who enter our education system, very few graduate with a terminal degree. And even among those graduating with a terminal degree, many cannot find a job. That is why we need special training programs which would ease the transition from the school to the labour market. This challenge could improve the training and maximize job opportunities.

The government, on the one hand, encourages young people to continue their education, while, on the other hand, the Bovey Commission suggests that tuition fees should be increased and student loans have been frozen. Some encouragement!

[*English*]

From the cultural perspective, what do we see? Cuts to the CBC children's unit, cuts to the Canada Council, cuts to the National Film Board, governmental agencies that are supposed to protect and reflect who we are, proud Canadians. "Oh, Canada, we stand on guard for thee" does not seem to be the Tory anthem. I put you on guard. It is our anthem, and we expect you to respect that.

How does the Government feel about the high proportion of non-Canadian programming currently available to our young people? Does it not realize that we as Canadians have ideas and creativity to offer in the area of culture? Should we not be promoting our Canadian identity, instilling a sense of pride in our youth in their distinctiveness? Would the Minister not have a feeling of accomplishment in the various Ministries that have supported policies to encourage Canadian initiatives?

The reduction of more than $75 million from the CBC budget, $3.5 million from the National Film Board, to mention but a few cases, reflects a major prejudice against both the cultural development and the economy of Canada. It is also a negation of the importance of a distinctive Canadian culture and our future generations will suffer the consequences.

According to Statistics Canada, 414,000 people are employed in work related to the arts, either within cultural organizations or as individual artistic creators. This level of employment is nearly equivalent to that involved in agricultural production in Canada or to the number employed in the federal civil service.

One of the immediate consequences of these budgetary cut-backs in the cultural industries is the reduction of employment, with concomitant negative effects on the economy, and certainly on our identity. Contrary to this spirit of Canadian direction, which we even see in the Investment Canada Act but do not know how it is defined, the Government remained passive while the CRTC refused consideration of an application by the National Film Board for its Young Canada Television/Téléjeunesse Canada. Here was an innovative proposal for French and English service, directly aimed at filling gaps in existing broadcasting. This youth-oriented cable channel offered high Canadian content and comprehensively included programming for children and youths aged 2 to 17.

[*Translation*]

The National Film Board's proposal was not the only one. There were others, but none offered such a comprehensive range of options capable of directly addressing young people and reflecting our cultural and national identity. As a matter of fact, the Canadian content of the other proposals was only 25 per cent. As to the rest, they were programs originating from England or the United States, depicting the American way of life, and not concentrating on issues young Canadians are confronted with. These things which make us different.

● (1640)

[*English*]

With respect to according this private youth-oriented cable channel, the NFB proposition would have included young people. In addition it would have given them the capacity to "help themselves", to use the Minister's phrase, and funding would have come from private industry, lotteries and subscriber fees. Government funding would have been in the form of a loan. The Board was not asking for hand-outs or free money.

The NFB proposal seemed to meet every criterion laid out by the Tory Government when talking of job creation and youth-oriented programming. It relied on private sector input. It directly involved young people. It responded to an identifiable lack in existing programs and addressed social and health issues which have not yet been effectively examined.

However, the National Film Board was caught in a classic catch-22 orchestrated by the CRTC in which the Government neglected to intervene—no approval, no licence; no licence, no authorization to approach the private sector for necessary funds. Yesterday I expressed my displeasure at attacks on the Minister of State for Youth (Mrs. Champagne). I meant that quite sincerely. She is not the person; it is the role and the mandate which she fills that I attack. I hope she understands that. Today I must ask her once again to define her commitment in her role to our young people.

In replying to pointed questions from my confrères, the Minister conveniently shifted responsibility to her fellow Ministers. This passing of the buck is unacceptable. The Minister of State for Youth should realize that her colleagues have not been acting in the interests of youth, nor have they intervened on behalf of young people. Youth need her support. They need her advocacy. They want to hear her speaking out loud; they cannot hear her in caucus. Where has her voice been? For example, in terms of the National Film Board proposal, did she contact the CRTC? Did she speak with the Minister of Communications (Mr. Masse)? Those are the kinds of things which we are hoping the Minister will be able to accomplish.

An opportunity to focus effectively and innovatively on youth concerns has slipped through the Government's hands. I am sure that is not what she wanted, or I hope it was not what she wanted. Its inaction has bitterly disappointed members of youth councils Canada-wide, as well as young Canadians and their parents.

I could elaborate further on the crucial implication of the Government's inaction with respect to the issue of youth broadcasting policies and programming. What is so astounding and distressing is that this is but one area in a list of many where youth concerns are being neglected, blatantly neglected. The Government has been eager to cut not one but a dozen programs and budgets aimed at helping our youth in the areas of employment, education, training and development. It seems to me that the Government has put dollars before humans. The Government continues to make a mockery of the themes of participation, development and peace.

From the social perspective, what has the Tory Government done? Program after program has been stripped by the Tory Government. Katimavik, for example, is a national youth service aimed at helping in the personal development of its participants and providing opportunities for a greater understanding of the country.

[*Translation*]

Young Quebeckers were very fond of the Katimavik program. I hope that the Minister is aware of that.

[*English*]

In the past two years, over 8,500 young people have taken part in this exciting venture. They have learned and lived what is Canada. Recently, however, more than $20 million was cut from the Katimavik budget. I ask why. Why cut a program which was specifically geared toward the themes of participation, development and peace?

Sadly, the list goes on. The Young Worker's Exchange Program was also eliminated. This program offered the means by which young Canadians could gain a better understanding of themselves, of society and of other countries. Their discoveries helped them in their development as individuals and in their ability to make further contributions to Canada. We should be looking ahead to the future of our country. We should be training our youth to be proud and to appreciate being Canadian and knowing what is going on in the rest of the world. Youth represent our most precious human asset and

resource. We cannot afford to let them drift aimlessly. We are taking away from them opportunities to develop independence and responsibility. We cannot do that.

Social housing and co-op cuts are of concern. For the growing number of single parent families with low incomes, shelter and a decent place to live with their families is absolutely vital. I wonder if the Minister is aware of the growing suicide rate among young people. I find it very difficult to absorb the statistics and their implications.

[*Translation*]

The suicide rate has increased by 400 per cent since the seventies. Even if I quote statistics for Quebec, the situation is similar elsewhere in Canada. Every week, eight young Quebeckers commit suicide and for each one who succeeds, 100 fail. This is serious.

Road accidents are the main cause of those deaths but some experts believe that many drownings, hunting and road accidents are really suicide attempts. Some young Canadians have told us about their fears, their despair and their doubts. Moreover, we are told that if we do not listen to them, the suicide rate will increase.

[*English*]

The questions of sexual exploitation of the young through the use of juveniles in pornography and prostitution and the high incidence of child abuse reported by the Badgley Commission are looming. Where does the Minister of State for Youth stand on these crucial issues? Will she begin to make herself heard, to act as the interlocutor for young people? Will she begin to oppose actions which greatly reduce and threaten opportunity for our young people? Will she appear at any hearings which involve the concerns of our young people?

The Minister of State for Youth stated yesterday that she would soon be putting into place an information and communication committee to listen to the concerns of young people. I wonder why, almost one month after the beginning of International Year of Youth and five months after the beginning of this Government, this committee was not in place at the outset of 1985. Moreover, I wonder why programs were cut before this committee was consulted. Existing programs should have at least been left in place until new Tory initiatives are ready to go. No wonder the youth of this country are discouraged and disoriented. The Government seems to be working in reverse—cut then consult, act and pick up the pieces later.

Can the Minister give the House and, more important, the youth of the country, some reassurance and a commitment on her part to become a true advocate? This winter has been particularly bitter for young Canadians. It saddens me to realize that it will only get colder if the Tory Government does not start to act in their interests, in the interests of all Canadian families.

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I am sorry to interrupt debate on a allotted day, but I thought I would take this occasion to announce House business after the consultations just held with Opposition House Leaders.

Very quickly I want to inform the House that the business for tomorrow will be a continuation of the debate of on Investment Canada, followed by Bill C-20 and the Small Business Loans Act in that order, in the event the Investment Canada Bill is given second reading and goes on to committee.

The other item is that I want to designate Friday as the second allotted day of this trimester. Also, there have been consultations with respect to a draft order. If, Mr. Speaker, you seek unanimous consent of the House, I think you will find it receptive to receiving and passing the following draft order:

For the purposes of Standing Order 2, the first sitting day in 1985 shall be deemed to have been January 14, 1985.

That is for the purpose of regularizing the calendar which has been published with respect to the days of sitting for this trimester to Easter.

Mr. Speaker: The House has heard the suggestion of the Government House Leader. Is there unanimous consent for its introduction?

Mr. Gauthier: Mr. Speaker, the Hon. Government House Leader referred to a small business Bill. I have not seen it on the Order Paper. I was just wondering if he could tell us just where it is.

● (1650)

Mr. Hnatyshyn: Mr. Speaker, it was introduced and given first reading today.

Mr. Speaker: Is there unanimous consent for the introduction of the draft order?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the draft order as read carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—EMPLOYMENT FOR YOUNG CANADIANS

The House resumed consideration of the motion of Mr. Turner, Vancouver Quadra:

That, in the opinion of this House, the Government has failed to provide for significant Canadian participation in the International Year of Youth by neglecting to prepare and to put into place comprehensive job training and employment opportunity programs designed to enable young Canadians to find useful and meaningful employment and to contribute to the future of our country.

Mr. Speaker: The House will now revert to the 10 minute question and answer period.

Mr. Binns: Mr. Speaker, I have a question for the Hon. Member for Mount Royal (Mrs. Finestone). When the Leader of the Opposition (Mr. Turner) spoke, he stated that 36 per cent of all unemployed are between the ages 18 and 24. He went on to say that a time lag of six, twelve and even eighteen months exists before government policy decisions begin to show up. Does the Hon. Member agree with her Leader that the current high levels of youth unemployment are the disastrous results of Liberal Government policies?

Mrs. Finestone: Mr. Speaker, I sometimes wonder if the Member recognizes that he lives in a very privileged country which had policies in place that supported an incredible international recession. This international recession was not suffered to the same degree in Canada as it was in the rest of the world because we had a wonderful security net in place. The fact that that safety net may have cost some money and increased the deficit is not what requires extra concern at this particular moment. What is important is that our youth and their families were supported.

Mr. Baker: Mr. Speaker, I congratulate the Hon. Member on her speech. I am glad she mentioned the hiring criteria of the federal Government. I want to observe for the benefit of the House that the problem is more serious this year than ever before because this Government has done away with the direct employment programs for youth like Environment 2000. There is no such program. It has taken the hiring criteria left over from the federal-provincial agreement on need.

I want to mention briefly to the House the case of a widow living at home on a pension from CN of $350 a month. She has two sons aged 18 and 19 who are at home. They have finished school and cannot find work. She has a daughter who came out of trade school with a bookkeeping course. There is a federal job creation program in that community, but not one of them qualified for a referral under a job creation program. Welfare does not pay for children after they reach the age of 18. Even though the daughter was trained in the trade school and the two sons are capable of working, not one of them qualified for a referral under a job creation program in that community.

The community wants to hire somebody from that family, but it is not allowed to do so. Why? Because the Minister of Employment and Immigration (Miss MacDonald) signed the hiring regulations which state that first they have to take someone who is on social assistance. The social assistance may be higher than what could be made on the program because Canada Works pays only $200 a week. They then have to take people on UIC even though somebody may be getting the maximum $255 a week on UIC. Forcing that person to go to work for $200 a week will take food out of the mouths of his children.

I have a question to ask. Does the Hon. Member not feel that this is absolute, plain discrimination against the youth of this country and against unemployed mothers who are seeking work? Is it not disgraceful that the Minister of State for Youth (Mrs. Champagne) has not been successful in convincing the Minister of Employment and Immigration to change the hiring criteria after cutting off the direct job creation programs for youth?

Mr. Speaker: The Hon. Member should be clear that the 10 minute period is for both questions and comments. It does not have to be a question, but it does have to be brief.

Mrs. Finestone: Mr. Speaker, I wish I could have stated it as clearly and been as precise as my colleague. I do think it is a disgrace. I sincerely hope that the blarney that we have been listening to from the Minister will be the last time we hear such a litany. Perhaps in her next approach in this House she will present good, solid evidence that she has a big heart and is going to present decent programs.

Mr. Hawkes: Mr. Speaker, I will begin with a brief comment. The Hon. Member for Mount Royal (Mrs. Finestone) mentioned the suicide statics, which are of concern to all of us. I brought those statistics to the attention of her predecessor in 1980 in the form of a prediction of a logical consequence of the policy initiatives being put in place at that time, including the National Energy Program and other policy initiatives. I brought that to the attention of the former Prime Minister. I said that if those policies were followed, suicide rates would go up. It gives me no pleasure to have her confirm that that advice was not taken and that the consequences did follow.

The Hon. Member raised the matter of employment in the cultural industries and brought to the attention of the House that over 400,000 people are currently employed in those industries. Having come to the House with that kind of figure, I would assume that she has done her homework. Can she enlighten the House as to what portion of those jobs are totally government supported and what portion are private sector supported?

Can she also indicate how many of those jobs disappeared in the last four years because of economic policy which made it impossible for people to buy tickets, books or records? Is it not clear to her that the 1983-84 report of Employment and Immigration showed that 37,200 jobs had been created by all of these marvellous programs for the youth of this country, person years of employment, and that this new Government in four months has created over 50,000 jobs for young people? Will she admit that maybe we are on the right track and that it is better for the cultural industries and better for youth to follow the course that this Government was elected to follow?

Mrs. Finestone: Mr. Speaker, I have two observations to make. First, if the Hon. Members wants all of those statistics, they are available from Statistics Canada. If he does not have the address, I will forward it to him. Second, I would be thrilled to announce and to accept the Hon. Member's observations if I had heard any kind of program being announced across the floor.

Mr. de Jong: Mr. Speaker, I wish to make a brief comment. I have listened to the present Minister of Employment and Immigration (Miss MacDonald) and previous Ministers of Employment and Immigration. To tell you the truth, there is not much difference. I hear the same sort of promises, studies, how things will get better and how we are following the right economic course. Of course, nothing got any better for young people in the last number of years.

To hear the Liberals now blame it all on the Tories who have been in power for four months is somewhat hypocritical. They have to accept a fair amount of the blame for the state in which young people find themselves today.

Liberals quote figures about suicides among young people. A year and a half ago I rose in this House to make a statement about a young artist in my constituency who had been on unemployment insurance. Attempting to do something about his state, he started a small company which made posters so that young people learning to play the guitar could look at a poster rather than a book. The unemployment insurance scheme decreed that he was self-employed and cut off all benefits. The man was without any resources and ended up killing himself. That was laid on the doorstep of the Liberal regime and all of their little niggly type of regulations they had introduced into the UIC scheme.

The Conservatives came to power on promises of reform and new hope for young people. Young people in this country are thoroughly disappointed because there is no new hope from this bunch. In fact, it is just a continuation. It is blaming the victim, blaming the young, and blaming the unemployed. They are the ones who are shouldering all of the hardships in this country.

• (1700)

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, on Monday and again today, a number of Members of the Official Opposition, showed, more or less appropriately, their affinity for culture and drama. I know one role that would fit them like a glove, and that is the role of Tartuffe, the impostor.

How can a Party that has dashed the hopes and aspirations of an entire generation of young Canadians tell us what to do? We have been in power for only four months, while they held the reins for almost 22 years without interruption. They would have us believe that they would have been able to achieve in four months what they were unable to accomplish in 22 years. Who knows—hindsight is a wonderful thing.

The Hon. Member for Mount Royal (Mrs. Finestone) said that between 16 and 37 per cent of our young people are unemployed, and I say that is an immediate consequence of her Party's policies when it was in power. These policies have led to an alarming increase in the unemployment rate among the young. Now the Liberals have the unmitigated gall to hold us responsible for this situation today.

In June 1984, the number of young Canadians who had jobs dropped by 278,000 compared to March 1980, which is when the Liberals came back to power. Between 1980 and 1983, the youth unemployment rate rose from 13.2 to 19.9 per cent in the country as a whole. The number of young people without full-time employment rose by 406,000 between 1980 and 1983. In 1983, the number of young people with jobs dropped by 97,000 in Quebec and 80,000 in Ontario compared to 1980. And now we are being accused of failing to correct the situation in four months!

The Liberal Government's training programs were inadequate and were not set up in terms of labour market requirements.

Programs designed specifically to alleviate youth unemployment were short-term projects only and were not sufficiently geared to the training or job experience already acquired by participants. Although the situation was serious, the Liberals made very few attempts to coordinate their activities with those of the provinces, municipalities and the private sector or to make their programs compatible with long-term economic development programs in various regions.

I said the other day in the House that as we embark full of hope on this International Year of Youth, we must bear in mind that our aim is not to find some magic formula. Neither should it be to encourage hypocrisy. With nearly one-half million unemployed young people on its conscience, the Official Opposition wants to set itself up as an arbiter . . . Let us not be obscene!

What kind of credibility can we assign to the Liberal Party's recriminations and tales of woe? What kind of credibility does a political party deserve which sees Canadian youth as shiftless, suicidal, alcoholic, addicted to drugs and delinquent? This deliberately pessimistic view is an insult to our young people and to anyone's intelligence. Fortunately, most young Canadians are sound in mind and in body. They are diligent and active, with a thirst, yes, but a thirst for life and for ideals.

According to the results of a poll published this week to which the Member for Mount Royal (Mrs. Finestone) was referring earlier, young Canadians care most about friendship. Is it friendship to say that they are just a bunch of failures? Friendship means helping people to stand on their two feet.

I certainly do not mean that this Government intends to leave disadvantaged youth to its own devices, but I think it is rather far-fetched to see this group as representative of Canadian youth, as a whole.

So if you please, stop shedding those crocodile tears, as I asked you earlier this week. Stop using youth for political gains. I ask you once more, please! The interests of the young are at stake.

As Jean-Paul Sartre once said: "The essential thing is not what has been done with Man, but what Man does with what

has been done with him." In a political environment, reflecting on that thought can be most comforting. It is indeed when, for instance, the Hon. Member for Mount Royal (Mrs. Finestone) gives me but two alternatives: either, as she says, I do not understand the nature of my mandate, or my colleagues do not listen to me. I put it to the Hon. Member that I have a very clear notion of what my mandate is, and I am in a better position than she is to assess the impact I have on my colleagues.

For the past four months, the Government to which I am privileged to belong, has been working actively. And soon, very soon my colleague, the Minister of Employment and Immigration (Miss MacDonald) will show how unfair such criticism by the Opposition is with respect to youth training and employment. What is to be announced will have nothing in common with the previous Government's huge but unrealistic, if not unworkable, training program. It would take a serious dose of bad faith to shed tears over programs that have been altered or simply cancelled because they were failures, without waiting for the new programs to be announced very soon.

Also, I am working in close co-operation with my colleagues whose responsibilities partly concern our youth. However, it would be premature to report on our exchanges here. All the areas, all the issues referred to by my counterparts from the Liberal Party and the New Democratic Party are part of our concerns. Rome was not built in one day.

Contrary to what the Opposition is suggesting, the International Youth Year in Canada was launched under the best of auspices.

When travelling across our great country, I have been able to see that the International Youth Year everywhere is being met with the same enthusiasm. It is being supported equally by the young, the various levels of Government, the business community, labour and non-governmental organizations.

Last Monday, the Minister of Employment and Immigration pointed out to you, Mr. Speaker, and she has repeated it today, that Liberal Members stubbornly refuse to see anything positive in this Government's doings. Given such blindness, I think it is appropriate to say that, like my Cabinet colleagues and contrary to the practices of the previous government, I had very fruitful discussions with my provincial counterparts in November and December. Indeed, we have agreed to keep in touch and the same thing goes for our other social partners.

Having stressed that International Youth Year is more than a program and a series of projects, having emphasized that it will be a year to reflect and take action, I should like to explain the program envisaged by the Canadian government to mark the occasion.

Before mentioning specific projects already approved and to show our openmindedness, let me define the context within which we in the government make such grants.

First of all, we want to encourage young people to carry out various projects which will open their mind to their personal and collective situation, and to give us their advice on the best way to find long-term solutions to their problems.

We do not think that young people can do everything themselves. That is why I decided that eligibility criteria for grants should include a salary or a fee which, among other things, will make it possible for young applicants to use the services of advisers who will help them draft their bids and administer their projects. That will give them an opportunity to benefit from the experience of their elders.

We do not intend to reject any worthwhile project sponsored by young people simply because it would require financing to see it through. I hasten to point out that I do not claim exclusive rights over that initiative since it was recommended to me by groups of young people whose projects had been cavalierly turned down by the previous administration.

Unlike our predecessors, we in this government will go out of our way to ensure that young people have ready access to any program offered to them. Instead of saying simply the program is there, just use it, we tell them how they should proceed to take full advantage of it.

• (1710)

The way we operate is to personalize programs for young people so that they will know where they stand without worrying about red tape.

To promote the implementation of special projects undertaken by or for young people through voluntary groups and organizations, we have allocated over $1 million in grants in recent months.

Let me give a few examples of the subsidies we have granted.

To the National YMCA Council, we have allocated $94,500 to organize, for young people between the ages of 18 and 25, a leadership development program which will include local, national and international studies.

To the organizing committee of the 32th World Congress of the International Federation of Youth and Music, we have granted $50,000 to finance a series of seven regional concerts to be held throughout the country in which will take part 500 young musicians of the 37 member countries of the Federation.

To the Société de recherche en orientation humaine Inc., we have granted $20,000 to organize an international seminar in Montreal.

To the Last Touch Regional Youth Council Inc., we have allocated $75,000 for a national conference organized by young people from Saskatchewan to be held in Fort San next August.

The Conference on Young People and the Law has also received a grant to bring together at an international conference young lawyers and para-legal workers as well as law students. The conference will be held in Montreal in 1985.

A subsidy will help a youth committee to organize the winter games for native youths to be held in Winnipeg during the week beginning February 17. The games are open to all native youths in Manitoba and will include various sports.

An amount of $5,000 has been allocated to the Canadian Ecumennical Youth Coalition to organize a national consultation of young people within the framework of the triennial assembly of the Canadian Council of Churches to be held in Halifax. Its purpose will be to promote increased participation by young people in the decision-making process of Churches.

These are but a few examples. We are not giving our grants in an haphazard fashion, but on the contrary for a precise objective: obtaining from our young people their views on issues which are important to them, their current development and future orientation.

I have stated many times that our action is based on consultation and concertation. The previous government might claim that so was its own action. In this connection, Mr. Speaker, let me tell you something. During my initial round of consultations which I held with my provincial counterparts responsible for the International Year of Youth, three of them emphasized that they had had more contacts over the past three months with federal ministers about programs of common interest than during the last five years of the Liberal administration. Imagine that!

This is not much, really, compared with the problems and difficulties of all kinds that members of the Official Opposition left at our door on September 4. So, whatever our efforts, they will certainly be more positive that those of the previous government. Which does not mean that we will be satisfied with doing the minimum, or that we will do just about anything.

The Acting Speaker (Mr. Paproski): Questions or comments?

[*English*]

Mr. de Jong: Mr. Speaker, young people are very concerned about the quality of university education. I agree with the Minister wholeheartedly that many of the problems which young people face certainly did not originate in the last four months. Those problems have originated because of past policies of former Liberal Governments.

One of their sins was the radical change in the cost-sharing arrangements between the provinces and the federal Government respecting higher education. I felt—and certainly my colleagues in the NDP felt—that transferring money in an unrestricted way contributed to the decrease in funding by the provinces toward higher education. Today we are finding that many students across the country are being turned away because facilities, teaching staff and classroom space are inadequate. More and more universities are restricting the numbers of students who are able to enter the system, either by increasing the academic standards or by increasing tuition. The latter is the most repugnant, because it means that only the sons and daughters from well-to-do families will be able to afford education, and the universality of the higher education system will soon erode.

I wonder if the Minister would care to comment on the very important area of the financing of higher education, and indicate whether she has made suggestions to her Cabinet colleagues, particularly the Secretary of State (Mr. McLean) who is responsible for funding and federal contributions to the provinces. In addition, could she indicate if she has met with the National Union of Students to hear their concerns about funding for higher education?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Yes, Mr. Speaker, I am quite concerned about that problem. We have held discussions with the Secretary of State, and the problem is on the agenda for our next meeting with the Secretary of State. He has just returned from a meeting with the provinces in which this was the main subject of conversation. We have not yet had the time for a report, but I expect it very soon. I am sure the Minister will be glad to answer that question more precisely in a few days.

Mr. Hawkes: Mr. Speaker, I have had some consultations with officials of the Minister's Department and have concluded that one of the priorities for spending in the coming year relates to the funding of cultural activities for young people, in particular those who might become performing artists in groups like Jeunesse Musicale. An I correct in drawing the conclusion that one of the priorities for spending in the International Year for Youth is for cultural organizations?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, the Hon. Member would be mistaken in saying that it is a priority, even though it might be within my heart to want to make it a priority. I think that to help the Jeunesse Musicale in the middle of an international conference is very important, but I have enumerated quite a number of the grants, some of which are related to the cultural field. There is not really one sector which is placed over another. It depends on the projects which are presented. The recommendations which come from the Department depend on the project itself, and not necessarily on the field to which it relates.

• (1720)

[*Translation*]

Mr. Malépart: Mr. Speaker, I listened carefully to the comments of the Minister of State for Youth (Mrs. Champagne). She spoke about young people who are excellent and exemplary citizens who will undoubtedly be more effective than we are, but the Minister should admit just the same that there is also a large number of young people in trouble.

I think that all members of all parties in this House would rather have no unemployment at all. We all agree on that.

However, should we not be a little more realistic and humane? Being from Quebec as myself, do you not think that there are thousands of young Quebecers who are experiencing discrimination as far as social welfare is concerned? Young people receive only $150 a month. Until the private sector is reorganized and a full employment policy is implemented, would it not be advisable, rather than let them starve, to provide short-term projects to enable them to work or get some

new training? I feel that there is an element of compassion in those projects.

Before concluding, Mr. Speaker, I would like to put a question to the Minister of State for Youth (Mrs. Champagne). When she met her provincial counterparts, did she ask the minister responsible in Quebec to alter his discriminatory policy with respect to young Quebeckers, whose social welfare benefits are reduced by 50 per cent solely because they are under 30 years of age?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Of course, Mr. Speaker, like my hon. colleague I would be most happy if we could completely stamp out unemployment, discard this word once and for all in Canada. But this will not happen overnight, and as was said earlier, we have met with problems. He has referred to the short-term, to retraining. We have seen how the Liberal Government's short-term policies worked out. As a result, the situation has but worsened. This is why this Government, as the Minister so aptly suggested earlier, would like to substitute to the short term something that has a better chance of enduring. As regards retraining, please be a little patient. The Minister told you earlier that she would be announcing whatever plans she has, and I am not here to speak for her.

You were wondering whether I was aware that many people have trouble finding jobs and do not qualify for unemployment insurance benefits. I could tell you about the situation of people you may not even be aware of yourself. I could tell you about the artists, since you are constantly bringing that up, who can never qualify for those benefits. I could tell you about film technicians who never have an opportunity to work 20 weeks in a row. What have you ever done about that?

I remember very well representations that were made to the previous Government on that matter. They were laughed away. I would therefore think that before blaming me after four months, one should look further back and not assume that I am unaware of the issues.

Concerning the problems you referred to with respect to the Quebec Minister, I would point out to you that the Minister whom I have met the most frequently is the one who is responsible for the International Youth Year and President of the Treasury Board. He is not responsible for the problems you referred to.

[*English*]

Mr. Dingwall: Mr. Speaker, I find some of the comments made by the Minister to be a bit grandiose and hypocritical in the sense that she seems to be operating in a vacuum. May I forewarn her and the Minister of Employment and Immigration (Miss MacDonald) that there are other Ministries of the Government which have a direct effect on the creation of jobs in Canada. Far be it for me, Mr. Speaker, to remind the Minister of State for Youth (Mrs. Champagne) and the Minister of Employment and Immigration of one such agency, namely the CBC, and the cut-backs which have occurred there, with the accompanying loss of jobs not only for employees, technicians and artists, but for other individuals who have had contract work with the CBC. Therefore, I cannot understand the Minister's thinking. Can the Minister confirm to the House that, in terms of developing an over-all employment strategy, she is setting out a special employment strategy for youth in this country? Can she confirm to the House whether, in fact she is the lead Minister of this Government in setting forth a strategy for youth employment in Canada?

Mrs. Champagne (Saint-Hyacinthe-Bagot): Mr. Speaker, in this Government, Sir, there is a Minister of Employment. This Minister is not myself. I am the spokesperson for youth. The Minister and I have a very good relationship and, as she said earlier today, the youth of this country will be looked after very well in very comprehensive new programs which she will announce very shortly.

• (1730)

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. The Hon. Member for Shefford (Mr. Lapierre).

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am delighted with this opportunity to take part in the debate today, first of all as the former Minister of State for Youth and second, because my Leader has proposed a motion today to draw the attention of the House to that very important subject, our young people. This issue was raised in the House thanks to the Official Opposition. Since Parliament reconvened and in fact since we started a new session, this Government has failed to take any time in the House to propose measures that will benefit our youth. It was therefore up to the Opposition to raise this issue and to discuss the concerns and problems of young Canadians. Canada's future and prosperity is in the hands of our young people, and the federal Government therefore has a duty to ensure that young Canadians are equipped to undertake the task of sustaining Canada's growth.

The creation of a special portfolio for youth almost a year ago was the Liberal Government's way of showing that it was aware of the problems besetting Canada's youth and that it would give young people its special attention.

I was listening to the Minister of State for Youth (Mrs. Champagne) criticize the former Government. I would say she has us to thank for the youth portfolio and her seat in Cabinet, since the portfolio was created by the Liberal Government.

But I should like to examine now what has become of the portfolio of the Minister of State for Youth under this Progressive Conservative government. When the debate was opened earlier this afternoon, we saw the Minister of Employment and Immigration (Mrs. MacDonald) "shove aside" the Minister of State for Youth, make her remarks and give the news she could. The Minister of State for Youth (Mrs. Champagne) took a back-seat to her, and the government has demonstrated

through its actions that she is just a junior minister not only in the House, but in all government decisions.

Under the Liberal government, Mr. Speaker, the Minister of State for Youth never played second fiddle to his colleagues. He had his own responsibilities. This Minister has allowed the Ministry of State for Youth to become the puppet of Employment and Immigration. Now, she has no choice but to kowtow to the Minister of Employment and Immigration to exert some influence with regard to youth employment policies. She has given up on the Student Exchange Program. Under Liberal governments, the Minister of State for Youth was responsible for Student Exchange Programs. Again, this Minister must bow and scrape to her colleagues.

As far as employment programs are concerned, she calmly accepted the cancellation of Summer Canada. She let this program be completely destroyed, Mr. Speaker. Now, the Minister of State for Youth must make empty speeches such as the one we heard today. I am not blaming the Minister, but I do blame her Government, which is leaving her with the simple job of taking care of public relations for the International Youth Year. She has no other responsibility or power in the Government.

This shows how low a priority the new Progressive Conservative Government is giving to the situation of young people.

I want to remind the Minister that her role is to speak on behalf of young people in Cabinet, not the opposite, Mr. Speaker. What she is doing today is to sing the praises of her Government without worrying about the problems of young people. In my opinion, this is not consistent with the mandate she received as Minister of State for Youth. She has now become a spokesperson for big business and the banking friends of the Progressive Conservative Party, and the only issue which does not concern her is the situation of young people. Yet, her mandate is quite clear. It is not to be the Government public relations officer for young people, but rather to be the soul and conscience of the Government where young people are concerned.

Mr. Speaker, what has the Minister done in the last five months? What has she announced? She has spoken only of consultations, and conference after circumference as one of your political heroes would have said. I think that the only speech I heard the Minister of State for Youth make which was reported in the newspapers is the one where she said: "As Minister of State for Youth, I shall take care of those who are doing well." However, I wish to remind the Minister that those who are doing well do not need her. Those who need the support of a politician like herself are those who are having problems in our society.

I wish the Minister of State for Youth would stop turning a blind eye to those of our young people who are not as successful and that she would realize that as the Minister, she is politically and socially responsible for providing equal opportunities for all elements of our society.

Since proportionally, more young Canadians are unemployed than any other group of Canadians, action is necessary to correct this situation.

We have been treated to a flood of words from the Minister of Employment and Immigration (Miss MacDonald), but she has yet to make an announcement today. She says she will be making one soon, and it is high time, Mr. Speaker, because we are nearing the end of January. Usually, students could count on programs being announced before the holidays so they could prepare projects and proposals. Companies accustomed to hiring students would know about the programs and be able to plan their activities for the summer, while now, it seems—yes, she said very shortly she would be announcing programs, but her announcement will come at a time when students are starting to prepare for their exams. And, of course, there is the approval process and the usual red tape. When will students be sure they will have a summer job, Mr. Speaker? That is what worries us.

I realize they want to review and rename and repaint and do everything they can to remove any trace of Liberal initiatives, Mr. Speaker. However, they should realize that the welfare of our young people is more important than political gain. They should understand that the interests of Canadian youth, of students who will be leaving school in May and June, are more important that the interests of Progressive Conservative flagwavers.

During our term as a government, and my own brief term as Minister of State for Youth, we took some important measures and it did not take five months. We took important measures to respond to the valid concerns of young Canadians.

The First Chance program, designed to provide young people with specialized training, was to have been a highly original and effective way of dealing with the Catch 22: 'No experience, no job—No job, no experience', facing those entering the labour market for the first time.

Mr. Speaker, this was a $100 million program. The Government took this from under the nose of the Minister of State for Youth, and she saw nothing!

There was a commitment of $1 billion for the next fiscal year, but once again, the Minister of State for Youth said nothing and let this amount pass her by. She has let the Minister of Employment and Immigration (Miss MacDonald) look after the money in her envelope. I could bet anything, Mr. Speaker, that the Minister of Employment and Immigration will not use this billion dollars only for young people. Once more, young people will be taken for granted; their concerns will be forgotten, and once again, their unemployment rate will be higher and their hardships worse than those of other Canadians. However, the Minister of State for Youth says that she is taking care of those who are doing well.

The proposed young businessmen program, Mr. Speaker, was aimed at meeting the funding needs of small businesses to promote job creation. No one can say that it goes against Conservative principles to help businesses get a start so that jobs will be created. Yet, even this program was axed. But what do they intend to do? Is everything which was faintly Liberal to be eliminated? Are political games going to be played on the backs of young people who want to set up a small business? Will they be left to fend for themselves as they have during the last four months?

Mr. Speaker, you must, like me, have the impression that this Government is trying to save money on the backs of those who need help the most. We know that the Environment 2000 Program—and we know to what extent the Minister of Environment (Mrs. Blais-Grenier) has also been victimized by the cutbacks—was going to create jobs this winter. This program has also been axed.

Mr. Speaker, we must ask ourselves what clout the Minister of State for Youth really has. Is she being used only to make speeches here and there and to offer a few small subsidies? One would have thought we were at a bingo game when she was announcing grants of $5,000 here and $2,000 there!

Mr. Speaker, this is not what will solve the problems of young Canadians now that we have a new government and the same is true of election promises.

I recall that, during the election campaign, they made nothing but promises, promises, and more promises. And I can still remember that, at the Granby Cegep, the Conservative Party made strong commitments about jobs for young people, among other things. Well, now that they have taken over, their only commitment is to slash into every youth-oriented program, Mr. Speaker. I think that the people, particularly young people, are beginning to see the light and will start applying strong pressure on Members opposite to force them to rise and tell the Minister of State for Youth (Mrs. Champagne) to get the job done.

Mr. Speaker, International Youth Year will give us many opportunities to raise the issue of youth over the next few months. Let us just see how that year was inaugurated and what kind of priority this government gives to International Youth Year. For starters, the Minister of State said during the holiday season that she would be making a major statement after the House had resumed. She gets here with a nice little prepared speech, but the Secretary of State for External Affairs (Mr. Clark) butts in and says: If you do not mind, I have a more important statement to make. And the Secretary of State goes on to express his views on the star war, something which young people are dead set against. Once again, Mr. Speaker, the Minister of State for Youth was brushed aside, without getting any press coverage, and that is what she calls a great launching to make the people aware of International Youth Year. But worse, when the Minister of State for Youth took the floor, all the members on that side got up and left. Mr. Speaker, if that is how they show that the problem of youth is a priority for them and that International Youth Year will be a meaningful event, in my opinion, it is a very poor performance.

Therefore, it is all very well indeed to have a slogan, to have a grant program, but what we should know is what the Minister announced. She promised some changes, but on reading her speech, all I found was rehashed. She promised grants; the program existed already. The measures to be taken jointly with departments and other federal agencies have already been taken, Mr. Speaker. The program Peace and Development is nothing new. The same goes for the Information and Communication Program. As for the advisory committee, there was one already. The Conservatives preach participation and say that young people should be consulted and involved in the decisions affecting them. The Minister has announced a grant program and various activities that will take place during International Youth Year and yet, her advisory committee has yet to be appointed, Mr. Speaker. Therefore the young must share in the development of whatever concerns them, of the program affecting them, but they are not appointed, Mr. Speaker.

Of course, I am sure that in her travels she has not as yet met all the young Conservatives and that she must wait for the striking committee to give its blessing, Mr. Speaker. But the problem is that all the decisions have been made before an advisory committee has been established. Advising on what, Mr. Speaker? Once more, this is using young Canadians as rubber stamps. The decision have been taken. Hopefully, the young people who are going to sit on that rubber stamp committee will be able to tell the Minister: 'No, we will not rubber-stamp decisions you have already taken.'

Mr. Speaker, if the International Youth Year is going to be more than a slogan, its three themes will have to be considered in a Canadian context. Those themes are: participation, development and peace. The concepts of youth participation and development are of course closely linked. Unfortunately, despite all the attention which the International Youth Year will focus on the concerns of the young, the current situation does not lend itself to youth participation. While more than 500,000 of our young are unemployed, as pointed out by our leader, the prospects for more active involvement of the young in our society are slight indeed. Therefore, if the theme of participation is taken into consideration, we should make sure that we have the means to foster youth participation in our society. And what they want more than anything else, as far as participation is concerned, is to take part in the labour market. Therefore, given the dullness of the speech we just heard, nothing in the remarks of the Minister will enable our youth to have greater access to the labour market. The growth and development of young Canadians depend largely on the training process, self-sufficiency and the dignity of a well-paid job.

Having said that, rather than implementing badly needed training and job creating programs at a time when unemployment could hardly be worse among the young, the new Conservative Government has decided to put an end to the First Opportunity Program which had been very well received, without proposing anything else instead.

As regards participation and development, there are also problems in many other areas. We can, among other things, consider the post-secondary education system. Again, the Minister of State for Youth (Mrs. Champagne) will evade the issue, saying that it falls under the Secretary of State's responsability. But she must admit that even if education comes under provincial jurisdiction, the Federal Government has a very important role to play towards the Established Programs Act. Canadian universities and colleges are underfinanced, which has a negative impact on the quality of our education system and is characterized by drop-outs.

In addition, if she has consulted young people and listened to them, she has certainly heard some evidence about the financial problems of our universities, access to education problems, and I am convinced that the representations she heard should encourage the government to make a renewed effort to help our colleges and universities.

Even worse, she may be aware of those problems but government action does nothing to solve them. In the few months that they have been in power, the Conservatives have already worsened this situation by reducing by $5 million its contribution to the Student Loans Program and by doing away with the important Summer Employment Program, thus denying many other students the possibility of paying for ever-increasing registration costs.

Therefore, Mr. Speaker, with a theme like "participation", opportunities for participation and youth development are getting scarcer everyday.

Certainly, I could also speak about the issue of peace. Given the nuclear arms race in which both superpowers are engaged, the issue of peace and global stability is very important in the minds of all Canadians, but it particularly haunts young people. Unfortunately, the government of Canada does not seem to recognize nor respect the gallant and legal efforts made by Canadians to bring back peace in the world.

The Minister of National Defence (Mr. Coates) was quoted in *The Toronto Star* of December 25 as saying that "The initiatives taken by pacifists do not deserve so much attention". Mr. Speaker, we know that a great number of young people are members of peace movements. The Minister of National Defence insults them publicly. And what happens? The Minister of State for Youth should have taken him to task for it but she did not say a word.

Mr. Speaker, we could mention a host of other initiatives that the Minister of State for Youth should take. She should assume her role. She should certainly make sure that the crisis among young people is not hidden by the good fortune of some of them; she must address the problems facing the others. Unfortunately, she did not get a mandate from the Government.

In closing, Mr. Speaker, I must say that the cause of youth has suffered successive setbacks within the Government, particularly because of the insignificance of the role played in Cabinet by the Minister, a person who, in her professional career, was in the limelight, but has now been relegated in the Cabinet to a minor part.

I would like her, Mr. Speaker, to go see the Prime Minister and ask him for a real mandate and some powers to do the job she should normally be doing, and if the Prime Minister refuses to give priority to young people, she should have the courage to do the honourable thing and resign.

The Acting Speaker (Mr. Paproski): Questions and comments.

• (1740)

[*English*]

Mr. Hawkes: Mr. Speaker, it has been quite a day. One can sense the pleading for a return to a system that produced first and second class unemployed Canadians through encouraging politicians to hand out money, much greater amounts of money to ridings which were held by Liberals.

I would encourage the Government to continue the path it has chosen, which is fair and just and does not create first and second class citizens. One gets the feeling in speech after speech by the Liberals that they want to return to the good old days when they were the dispensers of pots of money to their friends and the heck with the rest of Canadians. This Government will not return to those days.

The thrust of the Hon. Member's speech was to make laudatory comments about the Liberal Party and its wisdom in creating the Ministry. If the Hon. Member looks at youth unemployment statistics, he will know that from the time of the defeat of the Conservative Government to 1982, the unemployment rate for youth went up to better than 22 per cent in a little more than a year. Why did it take his Government until 1984 to set up such a Ministry if youth are so important and the Government was so concerned about youth? Why did his Government wait until 1984 when those unemployment rates began to fall? Why did the Liberals not move when the problem was at its height in 1982?

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have heard the Hon. Member say that the Government intends to continue in the same direction. If they continue to do what they have been doing since September, they will do nothing at all. And I am sure that an Hon. Member of such high standing as he is would never accept to be part of a government that is doing nothing. For the time being, they are simply going with the tide. We know that the Minister of Employment and Immigration

(Miss MacDonald) has announced nothing and done nothing, except hold consultations. We know that the Minister of Finance (Mr. Wilson) is holding consultations too. That the Minister of Energy, Mines and Resources (Miss Carney) is holding consultations and making petty arrangements. However, Mr. Speaker, I am convinced that this Hon. Member with a social conscience would not let 500,000 young Canadians, or whatever the figure is, be without jobs. That is far too many! And it is in this direction that I should like the government to step in. If they really think that their private enterprise can solve the problem overnight or within six months, let it say so!

But, in the meantime, there are young people suffering. The ones on welfare are getting $140 per month.

And when I see the Hon. Member fiddling with the figures, I must tell him that he is doing it on the backs of the poor. Think in terms of human suffering and not in terms of statistics. There are things to be done, and it is not by doing nothing that you will provide assistance to young people who need it so much.

Mr. Hamelin: Mr. Speaker, I have a brief comment to make of course on the comments voiced by the Hon. Member for Shefford (Mr. Lapierre) and by the Liberals in general. As we would say back home, in Charlevoix, the speech made by the Hon. Member for Shefford does not sound like much and upon closer examination there is not much to it either, for in fact, Mr. Speaker, it is a great privilege to be doing nothing. Their Government, and that Minister in particular, had every opportunity to do something for our youth, yet young Canadians voted Progressive Conservative on September 4th, and decided to support us. I feel that instead of making lengthy speeches on our youth's needs, we on this side are examining the situation and most of all acting.

Next week in my riding I will have the opportunity to announce two projects in which the Government of Canada is involved and which will create something like a hundred direct jobs. Of course we could spend our time in the House of Commons making lengthy speeches on the needs of our youth which are real. But I feel that instead of attacking the Minister of State for Youth (Mrs. Champagne) who is involved in a consultation process with the Provinces and all the groups concerned, we are getting at much more significant solutions than all your rhetorics ever did over the years.

And how many times during the election campaign did I hear young people complain that they were fed up with these small-time projects from which they could only eke out a meagre living. We are all looking for something else and, together, we will find it, in my own riding we will find a solution.

Your speech, this afternoon, was meaningless from beginning to end. It had no substance at all. In our case, we will take time for reflection. This is what we are doing and the Minister as well. And we will come forward with concrete proposals provided the cupboard is not entirely bare, which is the situation you left us in. We are now using the financial ressources available in the best interests of all Canadians, especially our youth. This is my concern and that of my Government. Therefore nobody is impressed when you are calling for someone's resignation. Besides, you are it seems in no position, according to the polls, to ask for anyone's resignation. If the elections were held today, you would get licked even worse than you were last September 4.

Mr. Lapierre: Talk about insignificance, Mr. Speaker, we have just been given an example. He is talking about a meaningless speech, but the Hon. Member has just shown us that his only claim to glory is to have won the September 4 election. Mr. Speaker, the Member ought to know that winning an election is one thing, but now he must act instead of limiting himself to studying. This is as good a time as any to tell him that if he keeps up that kind of performance he will prove that he does not even know what the Standing Orders are all about. He should beef up on the Standing Orders before making accusations against others. I might add that he will simply confirm that he was elected under false pretenses.

While he is considering and searching, young people in his riding are experiencing problems; they thought he would come up with practical solutions. Well, he does not have much to say to them right now. He keeps his fingers crossed, marking time in the hope that our economic woes will vanish in thin air. Mr. Speaker, the Hon. Member would be well advised to stop playing petty politics at the expense of young people and the Liberals, and he ought to be thankful that we raised the issue of youth in the House, something he has yet to do.

• (1750)

The Acting Speaker (Mr. Paproski): Any supplementary question? Does the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) have a question?

Mr. Malépart: Yes, Mr. Speaker, I believe he could not put a supplementary. He has made his first effort. And I want to congratulate the Hon. Member for Charlevoix (Mr. Hamelin). But it is a good thing, Mr. Speaker, if we succeeded to wake up a few backbenchers. I would like to ask my colleague whether conservative backbenchers are not supposed in their caucus to make sure that young people can have some work programs? Instead of hanging around the Minister and playing kids cameras, they should speak up in their caucus and help the Minister of State for Youth. As I know her, that Minister wants to have funds, but when times are hard, it falls upon you to help her get those funds. I would ask my colleague for Shefford (Mr. Lapierre) whether he finds it curious when we have such an important debate concerning employment and youth, that the Minister for Youth and the Minister of Employment and Immigration are not in this House?

Is that not the proof that those ministers do not care about needy people but are only interested in multinational oil companies?

Mr. Lapierre: Mr. Speaker, my colleague is perfectly right. We are discussing a matter which affects 35 per cent of Canadians and there are only a few Tory members. We did not hear a single backbencher speak of the condition of young people because the ministers muzzled them. And this is what is since the beginning of this Parliament, Mr. Speaker: the members have been denied the privilege to say to the House and to Canadians what their solutions would be.

I would like to hear the Hon. Member for Charlevoix (Mr. Hamelin) suggest solutions to the problems of youth. Instead of being under the thumb of his leader, he should rise to say how Wabasso or Melchers could be saved. Jobs of Quebeckers are involved, Mr. Speaker, and the Hon. Member remains silent.

The Acting Speaker (Mr. Paproski): Questions and comments are over. I will recognize the Parliamentary Secretary to Minister of Employment and Immigration (Mr. Hudon).

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am one of those few on this side who will challenge the handfuls on the other side because even though we are only a handful in this place, we still outnumber them six to one. It is because we were pretty good that we got 211 members elected. Our fellow citizens knew what they were doing. They made their choice, Mr. Speaker.

It came to me as a surprise that the Leader of the Opposition could boldly accuse the government of not having helped the young to secure meaningful and stimulating jobs. He apparently forgot—or may be he dared not to remember—that as recently as a few months ago, his own government had the responsibility to find those meaningful and stimulating jobs. Did that government do anything? Not much.

That government left us a sad legacy of programs not designed to meet the challenges in the workforce, an inconsistent policy that could not resolve past and present problems which have to be tackled in systematic way if we are to give our youth some kind of future. Work creation programs were to be short-term solutions to current problems which are still with us. The former Government knew very well that young Canadians were faced with an extremely high unemployment rate which was not going to disappear overnight. Instead of reaching an agreement with the provinces on the way to deal with the problems of training young people and creating employment, they prepared for us a very sad legacy: partial agreements, broken promises and no consideration whatsoever for any particular needs, to the point that no co-operation, at any level, seemed possible or even desirable.

The former Government did next to nothing in preparation for the International Youth Year and, to add insult to injury, the small tired group opposite claims that we are following in their footsteps. In their opinion, we are putting too much energy in worthless endeavours instead of dealing with real problems, looking for help from our economic partners and preparing solutions. The present Government has chosen to approach training and development for our youth in a coordinated way. The Minister of Employment and Immigration (Miss MacDonald) has just returned from a round of consultations with the provinces and the economic sectors. And she has stated clearly, Mr. Speaker, that the private sector whose views were not recognized by the previous administration expects the federal government and the provinces to prepare in co-operation a coherent national policy on training, retraining and job development. Instead of working in consultation with the provinces to find practical solutions, the previous government took pleasure in acting alone. Therefore federal and provincial programs conflicted with each other and they did not allow for the hope that young people could have one day their place in our country.

Young Canadians, in fact all Canadians, expected more from the federal government. In September, they expressed their total disillusion with that policy of confrontation, and they suggested that they wanted a government determined to co-operate with the provinces. This is what we are doing. Last week, the federal government and the provinces acknowledged the necessity to emphasize co-operation rather than confrontation. This promising start is a tremendous breakthrough as far as federal-provincial co-operation is concerned. The Canadian people hope to see more joint programs implemented and better harmonization of the programs, which could only be to their advantage.

The Acting Speaker (Mr. Paproski): Order, please. It being six o'clock p.m., it is my duty to inform the House that proceedings on motion are expired in accordance with Standing Order 62(11).

Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, January 24, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Tuesday, January 22, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, when I left off my participation in this debate two days ago, I had suggested that what we should be doing instead of opening our doors through Investment Canada is finding a new mechanism to ensure that investment money, whether Canadian based or from countries beyond our borders, can be used to the benefit of Canada and its people. In my remaining five minutes, I want to indicate how I see those funds being attracted to the investment needs of Canada.

One of the things we should be looking at is a greater intensity in trying to match the need. When I talk about the need, I mean people who have ideas, entrepreneurs who need capital to develop their ideas into fruitful enterprises which will create real jobs and therefore wealth. On the other hand, we have people in Canada who do have money and who want to invest in new enterprises to create additional wealth for themselves while at the same time setting up a new business that in itself will create wealth for the participants. We would be better off if Investment Canada were to become the vehicle to match investors with needs. Perhaps from time to time there will be no investors in Canada prepared to take the risk to develop new enterprises. Perhaps at times there will be ideas generated in other countries. Perhaps the originators of those ideas may want to bring them to Canada to assist us. We are not opposed to that. We want to make sure that whatever mechanism we establish will be for the benefit of Canadians.

We should also ensure that our mechanisms prevent the outright takeover of Canadian-based, Canadian-owned companies by foreign interests. That is not in the best interests of this country or its people. For example, if you have a functioning plant whose owner wants to retire and dispose of his assets, I think the Government of Canada has a responsibility to ensure every step is taken and every avenue explored to find a Canadian buyer. When it comes to looking for employees, the Government does not hesitate to say to an individual who wants to bring someone from abroad to work in his or her facility, whether a small or a large business, "Have you done a job search in Canada? Have you gone through Canada Manpower? And have you searched across the nation to find an out-of-work Canadian to fill this position?" Very clearly this was a policy of the old government and it is a policy of this Government. Why do we not use the same philosophy when it comes to investment? It is capital that is not working. It is unemployed capital that we are trying to put to use. As a Government and as a Parliament, we should be saying to people who have need for investment: "Have you fully searched throughout Canada? Here are some things we can do to help match you with an individual who has some out-of-work capital".

We would be much better off, Mr. Speaker, if we took that approach rather than saying that the doors are open, buy us out. I do not want to be bought out. I want Canadians to have full partnership in this country. I think the Government has a responsibility to ensure that people have every opportunity and it should assist and boost them along.

I am quite pleased to see the motion before us to delay this Bill so that the Government can have the six months it needs to rethink its rhetoric and to put in place something that is practical for our country.

• (1110)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, it is a pleasure for me to take part in the debate today, and I would like to ask the Government to consider our proposal to postpone adoption of this legislation for six months as an opportunity to reconsider and rethink this Bill.

It is clear that basically, the Government tabled this legislation on investment in Canada for the purpose of facilitating the entry into this country of investments that will create jobs. However, I feel that the Progressive Conservative Government made a very serious mistake in attempting to rewrite the history of the Foreign Investment Review Agency.

Naturally, a new Government will think it can do better than its predecessor and want to start from scratch and rewrite history. Nevertheless, the Minister should consider how the Foreign Investment Review Act has benefitted Canada. Granted, a number of administrative adjustments to the legislation

were made in the course of its history. From time to time, the Agency was criticized for taking too long to respond to applications by prospective buyers of Canadian companies or prospective investors. However, it was a matter of administrative measures that could easily be dealt with, but to repeal the existing legislation which protects our Canadian economic interests, which is what the Minister of Regional Industrial Expansion wants to do, is, I think, a very serious mistake. The Government's Bill will neither boost the economy nor create the expected jobs. And why will the Bill fail to live up to the Government's expectations? Because it gives foreign investors *carte blanche*. In fact, it allows them to come and buy whatever they want in Canada, with no consideration for the country's economic interests.

Over the years we have had regional development policies enabling the Government, whenever appropriate, to attract investment to a region with less industrial development and higher unemployment than other regions. Mr. Speaker, I maintain that this regional development policy has been beneficial to our country. I also believe that letting foreign investors invest only where they want to put their money and, as often happens, purchase a Canadian company with which they compete on the international market, will, in the long term, have a disastrous effect on the Canadian economy, despite the short-term financial gain. We already have a very high concentration of Canadian companies. Competition in Canada is already limited as it is. It is a fact that in many sectors of the economy, the market is dominated by only one or two companies, and this lack of free competition is not always to the advantage of the consumer. In fact, if the Canadian economy were more competitive, we would all be better off.

The policy this Government is proposing will be a blow to the free market system in Canada. I predict that foreign investors are going to buy Canadian companies to reduce competition on the Canadian market and that both in the short and long run, this will not be in the best interests of Canadians or of Canada's economy.

I think it is incredible that the new Government is getting involved in decontrol of investment in our country. This does not happen in any other industrialized country, and especially not in those countries that compete with us on the international market.

Mr. Speaker, just try and buy a Japanese company or a French company, just try to invest in countries that are our main competitors, in Japan and in the Common Market countries, and let me know whether they let you invest freely, without any constraints, and without making any commitment to promote the economic interests of the country concerned. It just does not happen! It doesn't happen in France, it doesn't happen in Germany, and it doesn't happen in Japan. And why should we let it happen in Canada? Because the Minister of Regional Industrial Expansion wants to do some Americans a favor. Some of those big American corporations felt frustrated in the past because they could not take over certain Canadian companies and that was because at the time, we judged that the take-overs would not be in the best interests of this country.

• (1115)

I think it is very sad that one of the first actions of this new Government should be to bow to certain American economic interests. To do a few Americans a favour, we are risking our economic stability and our ability to compete freely on the Canadian market. I also predict that this kind of legislation will not create those hoped-for jobs.

I am particularly concerned about this offer the Minister made together with the introduction of his bill to sell a number of major Crown corporations which have played, are playing and should continue, in my view, to play an important economic role in this country. I am referring to such corporations as Canadair, from Montreal, and de Havilland, from Toronto, which are operating in a high technological industry with great job creating potential in Canada, and which the government might be tempted to sell off at bargain prices to foreign interests which will not protect the permanent job security given to many workers with these two aeronautics industries in the Montreal and Toronto areas.

For these reasons, we will fight against this bill as long as the government will not commit itself to imposing specific conditions on those who want to invest in Canada, in order to create jobs and protect existing ones in our country, so that the firms which might be sold to foreign interests may continue to operate and play a significant economic role in Canada. I suggest that the House should not adopt this bill, for it is much too dangerous.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too want to say a few words on Bill C-15 and argue in the House that we should be delaying this Bill for several months until the Government has a chance to reassess it once again.

There is a myth in this country that foreign ownership of our industries has made Canada a very prosperous country. I would like to make the argument that that is not the case. So much foreign ownership of our key resources has made us a poorer country and over the years has lost us many thousands of jobs.

[*Translation*]

In this country, Mr. Speaker, 26 per cent of our industries are controlled by foreigners, compared with 3 per cent in France and the United States, and only 1 per cent in Japan.

[*English*]

The contrast is really quite stark in terms of our country and their countries with regard to foreign ownership of our economy. If you look at it sector by sector, in 1980, 1981 and 1982 some 48 per cent of our manufacturing in Canada was foreign

owned. Some 76 per cent of our rubber industry was foreign owned. In 1982, 19 of the 50 largest firms in this country were foreign controlled.

• (1120)

I think there are a number of consequences of foreign ownership for our economy that make this country much poorer than it could be when compared to other industrialized nations around the world. One of the consequences of foreign ownership is that our industrialized base becomes very fragmented because our economy tends to be a mini-version of the economy of the United States. It tends to mirror that of the United States. The United States has a much larger market than Canada. Its market is 10 times the size of Canada's. For example, if the United States has 10 firms in a particular industry, such as refrigeration, we in this country, because we are a mini-version of the United States, tend to have the same 10 firms in that same industry. We simply do not have the market to support that kind of industrial breakdown. Therefore, we have more unemployment and less efficiency than in the United States because of the varied sizes of our markets.

Even many efficient firms in Canada tend to close down because of decisions that are made in foreign boardrooms, particularly in the United States of America. I recall very vividly that a couple of years ago the Bowater plant in Newfoundland laid off some 700 employees despite the fact that it was making profits and paying dividends to its shareholders. In fact, it laid off 700 employees at a time when it paid some $40 million worth of dividends to foreign shareholders in the previous two years from 1980 to 1982. An efficient firm will also close down in this country because it is part of a multinational corporation if it is not in the interests of the corporation as a whole to keep that firm in operation in this country. This can happen because of plans made elsewhere in the world or in the United States of America. We have seen this happen time and time again.

When looking at industrial development in Canada, one sees that often the most efficient, stable or successful industries are those that are Canadian owned and not excessively fragmented. Examples of this can be seen in the steel industry, the breweries and the telecommunications industry, to name but a few.

Another consequence of foreign ownership in Canada that makes us poorer is that we tend to lose out on an awful lot of research and development. Members of the Conservative Party, when they were in opposition and during the election campaign, said: "Elect us and we will increase that percentage of money that goes into research and development". Yet we heard the mini-budget statement in November in which the Minister of Finance (Mr. Wilson) cut back again on many research programs and particularly on funding for the National Research Council of Canada. Once again we are seeing a breach of a very important election promise and a breach of faith and understanding of the Canadian people about future industrialized development.

As I said, in 1981 we spent 1.2 per cent of our GNP on research and development. The United States spent 2.5 per cent of its GNP on research and development and Japan spent 2 per cent of its GNP on research and development. France spent 1.8 per cent of its GNP on research and development. As you can see, Mr. Speaker, we are behind almost every industrialized country in the world in terms of money that is spent on research and development. Our percentage of GNP spent on research and development is lower than many other countries such as Belgium, Norway and Yugoslavia. It is my understanding that we are on a par with countries such as Ireland and Egypt when it comes to money being spent on research and development.

Looking at the new and innovative fields of high technology, Canada is now importing around twice as much high technology as it exports. That of course means a loss of jobs for Canadians and particularly for young people. In 1980 our high-technology trade deficit was some $8 billion. In computer technology alone the estimates are that by the year 1990, only five years away, our trade deficit could hit some $10 billion. I do not see any reason in the world why we should have a trade deficit of some $10 billion in computer technology when we are moving into an era in which every child will have a computer on every desk in every classroom in our country. There is no reason at all why we cannot be producing those computers here at home, whether in Quebec, Ontario, the West or the Atlantic Provinces. There is no reason why we cannot be supplying our schools and hospitals with our own computers. There is no reason why we should not be supplying not only the government sector with our own computers but the private sector as well. If we had some imagination, that is the way it would go. One of the consequences of foreign ownership is that we do not do the research and development and forward planning we need because it is done for us in Dallas, Texas, New York, or any place which seats the headquarters of the firm.

• (1125)

Another consequence of foreign ownership is that there are often exports in Canada which are restricted because the parent companies make decisions about export policies in their branch plants around the world. If we look at the Gray report which came out ten or 12 years ago, it indicates that about 58 per cent of Canada's manufacturing subsidiaries operated under some kind of export restriction. It was over 50 per cent then, and the situation is almost as bad today.

In 1981 Statistics Canada provided a report which was quite controversial in Canada. The report indicated that foreign-owned firms imported about four times as much as domestic firms in the same field. That meant the loss of thousands of jobs for Canadians. Therefore, a foreign firm, because it is a subsidiary of a company which is based elsewhere, will tend to import four times as much as a Canadian firm. In addition, foreign ownership has made us a supplier of raw materials and an importer of manufactured goods. The deficit in manufacturing in 1981 alone was some $21 billion. That resulted in the

loss of thousands and thousands of jobs in Canada each and every year.

We must also consider the outflow of capital in terms of dividends, interest payments and direct capital which amounts to billions of dollars. Between 1976 and 1981 it amounted to an outflow of some $38 billion of Canadian capital by foreign shareholders in terms of dividends, interest rates and direct profits to countries other than Canada.

These are but a few of the arguments which lead me to support the motion which is before the House and to call upon the Government to rethink the whole foreign investment strategy. The agency which is being replaced is FIRA. FIRA had most of its teeth pulled by the former Liberal Government. The former Government and this Government have been backing away, and I believe for the wrong kinds of reasons. I would argue before the House that the Government should accept the amendment, do some rethinking, and come up with a stronger Bill which will help Canadians take control of their own destiny and economy and build a society which is controlled by Canadians. If we do that we can start in the 1990s and the latter part of the 1980s to repatriate the Canadian economy, just as we did with the Constitution in 1982. If we do that, we are making some meaningful progress in terms of making Canada a country in which Canadians control their own destiny, a country which will have jobs for every Canadian, regardless of where they may live. However, we will not achieve that by trying to woo large multi-national corporations which will come into the country, set up subsidiaries, do little research and development, import components and parts from abroad, export little and create few jobs for Canadians. Foreign companies often set up in communities such as mining towns which become single-industry communities. When it is no longer possible to be in that community, they leave, destroying a town such as Schefferville in Quebec. It destroys the future for the people who live in those communities.

In closing, I would like to say that I come from the Province of Saskatchewan, which probably has more locally-owned and locally-controlled industries and businesses than any other province in Canada. That is a result of the tremendous power of the co-operative movement. The wheat pools which are owned by the farmers now sell 70 per cent of our wheat. Saskatchewan has a powerful credit union movement. There are credit unions in every town and village across the province. Saskatchewan has co-op stores, retail stores and all the businesses in which they are involved, such as the refining of petroleum. Saskatchewan also has a very powerful public sector, such as the Potash Corporation of Saskatchewan, the gas and oil companies and the Saskatchewan Power Corporation. I believe that all of these developments have contributed to the fact that our province has one of the two lowest unemployment rates in Canada. If we had followed that kind of a lead, this country would be better for each and every one of us.

• (1130)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is with a sense of history that one joins in the debate on Bill C-15. Indeed, Sir, this is part of an ancient debate which goes back to the time of Confederation and, in all probability, before that. When we talk about the movement of goods and capital between Canada and other countries, mainly the United States of America, there has always been a certain amount of discomfort on the part of Canadians because our neighbours to the south are so large in comparison to ourselves. We have never really known how to deal with this problem. When times have been good in Canada, we sometimes felt that we did not need the money coming across the border and legislation was passed, such as FIRA, which tried to keep it out. On the other hand, when times are not quite as good and we need more jobs in Canada, the tendency, as it is today, is to open up the doors, get rid of things like FIRA and invite some of that money into the country. I suspect, Sir, that this debate will continue to wax and wane over the next centuries as it has over the last.

What we see with Bill C-15 in comparison with the old FIRA is a difference in outlook towards life on the part of the Liberals and the socialists, on the one side, and the Conservatives on the other. If we examine what has been said during this debate by the Liberals and the New Democratic Party, we see that their view of life is very introspective. They tend to look inwards all the time. When there is any new development of any kind, their natural reaction is to be frightened. They tend to be reactionary. In their policies, they always tend to stress protection. They want to protect themselves from anything which might be happening. It seems, Sir, that the Liberals and the socialists are like so many snails. Whenever anything happens which comes close to them, they retreat back into their shells.

If we contrast this with the general views and principles espoused by the governing Party—which, I might add, represents the majority of Canadians who saw fit to elect this new Government with these new ideas with one of the largest majorities in Canadian history—we see that its views tend to be outward looking. We see opportunities and not threats when there are new developments in the world at large. We on this side of the House feel that Canadians can compete with anyone from any other country in the world. We have confidence in Canadians and in Canada.

In keeping with our views on the minimization of state interference and control in the lives of private citizens, what they can do with their own property, to whom they can sell, and so on, the legislation before us today was brought about. In Canada in the past we have tended to build walls around ourselves which have been so thick and so high that we ended up not being able to see over the top. We want to dismantle some of these walls and Bill C-15 is one of the ways in which we want to do that.

There is a new world out there. It is a new and exciting world and it is full of opportunities and challenge for Canadians. We feel that Canadians are up to that challenge and can

take advantage of it. My plea, Sir, is that Canada gets plugged into the new world.

It is a simple fact, Mr. Speaker, that if we want a high standard of living in Canada—and that translates for most people into high wages—then we need capital investment in this country. If we want to be able to pay higher wages, it means that we have to have more machinery available to us so we can be more productive and that with the time which is put in by way of labour, we can extract more out and, as a consequence, can enjoy that higher standard of living. That means that capital investments are of the utmost importance to Canada and Canadians.

Under the previous administration in this country, although there was capital coming into Canada helping us develop our industries here, by the time that administration's stint was over and it had been thrown out by Canadians, that capital flow had reversed. Not only had that administration installed barriers to foreign capital coming into Canada, but it had also made it very difficult for Canadians to invest in their own country and Canadians were taking their capital abroad to the United States and other countries. Therefore, there was a net capital outflow from Canada, and that is one of the reasons we are saddled with so much unemployment today. It is a direct result of government policies in the past which have created this negative flow.

What we intend to do now and in the next few short years is to reverse that process so that we have a positive flow, so that Canadians will invest in their own country, because opportunities for profit making are here. We also must have money from abroad coming into Canada because we do not have enough in this country to provide all the jobs which we would like to see created in order to get the unemployment rate down. As a consequence of the reversal in capital flow, there will definitely be more employment. The horrendous figures for unemployment will get better and better as the years go by under the new Government and as this reversal is made possible. There will be increased business opportunities for Canadians whatever their line of business.

The principles contained in this Bill were expounded at length during the recent election campaign. They were a fundamental plank in the platform of the Progressive Conservative Party going into the election. These ideas received the overwhelming support of Canadians and, therefore, in my opinion it would be wise for the Opposition not to try to drag out debate for ever and ever by bringing in things like the six-month hoist which we are debating today, but rather accept the wishes of Canadians and help us constructively to make a better Bill. The Opposition should not object to the principle of the Bill and what Canadians want but should try to refine it and make it better. That, Sir, is my suggestion to opposition Members and I hope they will take heed of it.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would ask the Government to reconsider the Bill it calls Investment Canada. I think it should be called the foreign investment act because it does absolutely nothing for investment in this country. The only beneficiaries of this Bill will be foreign investors.

If the Government would only take the time to look at this Bill, it would see the fallacies which are contained within it. How can we expect a foreign company which owns a branch plant in Canada to maintain the research and development which is maintained by a Canadian-owned company? It is just not going to happen. The parent company in a country other than Canada, primarily the United States, is not going to let it happen. The politics of that country are not going to let it happen. How can branch plants export products the way Canadian-owned companies can? It just is not possible. It is not allowed by the parent company. Only a Canadian-owned company which has developed the product with state of the art technology can export it. A Canadian branch plant is just that, a store-front to sell an existing product in Canada. It is nothing more and will be nothing more. How can the Government say it is going to create more jobs with this Investment Canada Act? A branch plant is forced by its very nature to import more parts and equipment and technology than a Canadian-owned company would. Both statistics and common-sense tell us that, Mr. Speaker.

• (1140)

When there is a downturn in the economy, where will the jobs be lost? They will be lost faster and in greater numbers among foreign-owned companies because they will protect the operation in the country of origin. They are not going to be concerned about branch plants in Canada or unemployed Canadians. Canadians will be employed if the work is there but when a downturn comes, when difficult times arrive, it will be primarily Canadians who suffer and they will suffer first.

That is not to say this Party is against foreign investment; not at all. Foreign investment is extremely important. It has played a great role in the economy of this country. We invest in foreign countries as well so it would be extremely short-sighted to say we should not allow foreign investment in this country. However, that is not the question. The question is, if we completely destroy the existing framework which allows us to monitor and regulate foreign investment in this country, which gives us a window on our economy and our industries, we will be courting disaster. We will suffer economic reversals the like of which we have never suffered before.

You can say that FIRA has not worked. Certainly the Government says FIRA is too restrictive. My friend from Yorkton-Melville (Mr. Nystrom) says that FIRA was not strict enough. Obviously the former Liberal Government was doing something right. So why not take this Act, as my colleague from Papineau (Mr. Ouellet) has said, and adjust it and see where the problems are? Certainly there were problems with FIRA. Application review took far too long and that is just one problem; but here we are dismantling a positive Act and agency which served this country and its economy very well.

The Government has said this Bill will be a boon for the economy. The Americans in turn have said they are not

waiting at the Canadian border with bags of money. Do not expect a change in FIRA to bring American investors pouring into the country. The Americans are saying that they are not going to pour into this country and invest in great numbers, yet this is what the Government is basing its whole argument upon. It is willing to destroy completely the economic fabric of this country in order to take a flying chance that there will be additional investment in Canada. We need jobs now and if we cannot get them, for heaven's sake, let us be prepared to do everything we can to retain the jobs we have.

The Government has encouraged foreign investment in Canada. It wants that investment. The question is, what will happen with this framework? Any direct takeover worth less than $5 million will not be reveiwed under this Act. I say to the Government that nothing is going to be reviewed under this Act. You cannot tell me that, given the dialogue the Government has started in order to encourage this friendly attitude towards the U.S., it will now suddenly review the activities and investments of Americans in Canada. No, it is not going to do that. It was a fallacy to imagine that was going to happen.

This is particularly evident in the energy sector where the most damage is going to occur. Stock prices in the energy industry are depressed. There are multinationals who perhaps have the marketing capacity right now but they do not have the resource capacity and Canadian energy companies are ripe for takeover by foreign firms. The Government is going to turn a blind eye into this danger, yet the Minister of Energy, Mines and Resources (Miss Carney) has said that enhanced Canadian participation is one of the objectives of her Government. There is obviously a very large discrepancy in the policies advocated by two different Ministers of this Government.

A lot of the complaints about FIRA have naturally come from those people who are going to do business with the companies investing in Canada, such as lawyers and accountants. That is natural. But it is not the responsibility of those people to look after the economy of this country. The Government has to do that and the Government is sadly neglecting or completely abandoning its role. What will happen to small business? The Americans are not going to invest in new businesses, they are primarily going to take over existing Canadian businesses and this is where we will lose the jobs. What about the Government's promise to free up capital for small businesses and Canadian businesses in general? Instead, it is leaping into the path of least resistance and doing something which does not require and has not been given any thought. Canadians have paid for the Canadianization of the energy sector but the Government is turning the clock back to the beginning and giving over the energy sector and other sectors of the economy to foreign investment. It will be all completely done away with in a few short years.

The Government has fostered the belief that foreign investment will mean investment will occur all over the country. The have-not areas will have their big moment and foreign companies are just going to come pouring into their regions. Well, that is not true; it is not going to happen. Statistics indicate that if you lift the restraints on foreign investment, the foreign investors will all end up in the same area. They are like fast food outlets; they want to be on top of one another. How is this going to help one of the crying needs of this country, the need for regional development? Not only will it not help, it will exacerbate the problem and make it worse.

I think this is a travesty. The Government is not managing the economy, it is throwing it open helter-skelter and allowing foreign firms to come in and do whatever they want without regard to the Canadian economy itself. There is no consideration given to regional development or to where the economy is going and how jobs will be created. The Government is not prepared to give any thought to this. It only wishes to make friends on the other side of the border and it is doing so at the expense of the average Canadian. It is a travesty and I ask the Government to reconsider its position in this regard. It will be a very bad mistake if the Bill goes through in its present form.

• (1150)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-15 which proposes an agency called Investment Canada. Its purpose is to encourage investment in Canada by Canadians and non-Canadians.

The goals of this legislation have been set out as follows: one, to increase the entrepreneurial spirit in Canada; two, to increase research and development and the diffusion of new technologies; third, to expand Canada's economic and industrial base; four, to stimulate trade; and finally, to create jobs.

These goals I am sure are unexceptionable to all Members. Indeed, few Bills are introduced in the House to achieve more desirable goals than these. However, in measuring the value of this legislation surely we must examine whether the vehicle that it proposes is commensurate with the goals being sought, whether it reflects ideology or reality. I believe it reflects ideology, for the facts do not support the assumption that unencumbered foreign investment will achieve the economic benefits described.

Obviously, the biggest foreign investors are the Americans. To oppose this legislation is likely to evoke the usual allegations of anti-Americanism. Let me put that to rest. I am from Windsor and no Canadians are more familiar with Americans and less anti-American than we. Our jobs are unusually dependent upon the automobile industry, which is American owned and a classic example, through the auto pact, of what can be achieved through American or foreign investment when appropriate protections are implemented.

We are overwhelmed by the American print and broadcast media. We are Pistons fans, Lions fans, Tigers fans and Red Wings fans. Much of our entertainment and culture are pursued in Detroit. My wife and children are Americans. I obtained my doctorate in the United States.

We are not American but we do sometimes feel that our country has ceded us to the United States and that we must struggle against that, as we have with respect to the insensitive cuts applied to Windsor CBC. We struggle constantly to assert

our Canadian identity. We are then not only admirers of Americans, we are more aware than most Canadians of their shortcomings and the dangers of American dominance. We know that the pursuit of their national or corporate goals are unencumbered by philanthropy or concern about Canadian economic or political independence. We must pursue those goals ourselves. Where we have done so, Windsor has benefited.

On the other hand, hundreds of Windsor workers can testify to the results of the failure to defend Canadian interests. Let us just cite a few examples: the 200 jobs at Canadian Motor Lamp, the 500 jobs at Bendix, the 500 jobs at Dall Specialties and the 500 jobs at Walker Metals. They are jobs lost because Canada's interest was not sufficiently protected.

The Prime Minister (Mr. Mulroney) went to New York to speak to the Economic Club and promised Americans that Canada would have a new direction and new national purpose. That purpose was to enhance Canada's sovereignty and independence by declaring that Canada was now open for unencumbered American investment. The Americans were ecstatic. They reap profits and payments amounting to 61 per cent of all external remittances. U.S. subsidiaries in Canada account for a large share of American exports to Canada. As was discovered by the U.S. Senate and the Harvard Business School, investment in Canada generates jobs in all sectors of the American economy. American professionals, technologists, scientists and engineers occupy the top spots in American-owned subsidiaries in Canada.

What benefits will Investment Canada bring? Let us look at the Government's goals. The first is to increase the entrepreneurial spirit. This, of course, must be one of the more curious aspects of the Bill. The Government says that the purpose is to increase Canadian investment. Of course, that should be done but nowhere in the Bill do we find any direction on how that should be achieved. We will disregard the philosophical nonsense involved in increasing Canadian entrepreneurial spirit by encouraging American investment and profit taking.

Will Bill C-15 increase research and development? This Bill is almost absurd in its disregard for reality. The fact of the matter is that the sorry record of Canadian industry in research and development is attributable largely to the failure of American subsidiaries because Canadian-owned industry has invested 10 per cent of sales as compared to the American Subsidiary rate of 3 per cent. That 10 per cent is quite comparable to a reasonable average.

We are supposed to gain technological diffusion. This is usually measured in terms of productivity but, as the Science Council has reported, American subsidiaries have a very sorry record compared to Canadian-owned firms with respect to productivity improvement. Of course, technological diffusion will not be attained if we do not have recipients, and we do not have the scientific and engineering underpinning to receive such diffusion.

We are supposed to be expanding the economic and industrial base. That would assume technological diffusion and would be based on increased international markets, which are not attained. It depends upon reinvestment, which does not occur. It depends on foreign-owned subsidiaries buying supplies in Canada, which they do not do. Let me cite an example of what happens even under protective instances. Chrysler vans that are made in Windsor are composed 70 per cent to 80 per cent of out-sourced parts.

We are told that our trade will be stimulated but the record shows that foreign companies are geared only to Canadian markets. Indeed, apart from exports to parent companies which account for 90 per cent of those exports from this country, subsidiaries may be restricted by their parent companies and indeed may be subject to the extraterritorial application of U.S. restrictions.

Will jobs be created? Let us examine the record. In 1982, 50 per cent of all jobs lost in Canada were lost among those American-owned companies constituting a portion of the 50 largest companies in this country.

In considering this legislation, it is difficult to see what has motivated it. It is alleged that there is a discouragement of American investment, but in fact between 95 per cent and 98 per cent of the applications have been approved in the last couple of years. Only 50 per cent have been required to meet any job conditions and 15 per cent have involved no new jobs or any new investment. In fact, the Conference Board has pointed out that only 11 per cent of foreign investors were at all deterred by FIRA.

It may well be that prompter, more efficient processing of applications would help, but clearly if we wish to achieve what the Conservatives say we must achieve to increase trade, jobs, research and development and to expand our industrial base, then it should be provided for, as it is not in this legislation. Instead, the Government is offering up the country for sale. It is a garage sale in which the house and children are thrown in for good measure.

The fact is that the wreckage of FIRA is unlikely to achieve anything. As a matter of fact, when consulted on the matter, American bankers have said that if there is new investment it will probably be a decade before it occurs and most of it will go into primary industry, which is of no help to us at all. The Prime Minister (Mr. Mulroney) has promised us a new direction and a new sense of national purpose. That is what is needed, but it will not be achieved by looking to the United States or elsewhere. No nation has pursued a national vision in a foreign territory. We must look to ourselves, to Canadian interests and investment opportunities, if we are to achieve those goals which this Bill seeks to achieve.

• (1200)

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, so many things have been said in this House in the discussion of Bill C-15, the Investment Canada Act, which would allow foreign countries to take control of our small and

medium-sized businesses without having to meet any requirements whatsoever.

Since this is my second opportunity to take part in this debate, I will limit my remarks to the Bill as it relates to the situation of women in Canada. The number of women in the labour force is greater than ever. In 1981, 51.6 per cent of it were women. The Dodge report indicates that 10 years from now, women will account for 65 per cent of the labour force. The ever-increasing participation of women has mainly been confined to the service area. According to the latest figures published by the Department of Labour in February 1984, 61 per cent of all service employees in 1981 were women.

Mr. Speaker, Bill C-15 is a threat to women workers in Canada, because they are employed in the service and administrative areas, and as we know this means in our small- and medium-sized businesses.

When one looks closer into the role of women in small- and medium-sized businesses, one realizes to what extent these are dependent on women. This legislation, as has been said repeatedly, is a threat to the integrity of our small businesses. It is a threat to the integrity of women employment in that sector. Most women remain confined to the traditional employment ghettoes, such as cashier, secretarial, sales jobs in stores, and so on and so forth. And it is precisely those jobs that are directly threatened by the advent of microtechnology. If we add the negative consequences of the Investment Canada Act to the jobs that will be suppressed by high technology, we see that women once more will be the victims of bad Government policies.

Moreover, there is a significant salary differential as between men and women for similar work. It is a fact that employers look for women workers for more routine-like, less stimulating and, above all, low-salary jobs.

In 1980, average women's earnings amounted to 58 per cent of men's earnings. The average salary is $15,000 for women, as against $29,000 for men. In the 25 to 34 age group, a man with a Grade 9 education earns $15,696, while a woman with an M.A. or even a P.h.D. degree earns less. Her average earnings are $15,527.

Many families depend on the financial contribution of outside working wives for an adequate family income. In 1980, more than 49 per cent of wives with salaried jobs were married to men earning less than $20,000 a year. Those women therefore were providing their families with much needed extra income. Without their participation in the labour force, many families would be living below the poverty line.

A number of reports and studies often referred to in parliamentary debates shed a spectacular light on the scope of the problem. And as I said, technological changes are a serious threat to the areas of employment that are traditionally reserved to women, at a time when they enter the labour force in ever-increasing numbers.

During the election campaign, the three main political parties made many policy statements on the necessity of implementing training and retraining schemes for women as well as affirmative action programs. For example, the statement made by the Prime Minister (Mr. Mulroney) on the status of women shows that he seemed willing to provide new opportunities for women, and I quote:

> Nothing less than a retraining program of unprecedented generosity and ingenuity would be needed to face up to this new reality, when hundreds of thousands of women will suffer financially unless we make a national commitment to prevent such conditions.

I have closely scrutinized the measures taken by the government since it came into power on September 4, and I regret to say that all those fine words about women like many others were nothing but pious wishes.

Mr. Speaker, I am trying to show the part played by women in the Canadian economy. She is by far the mainstay of the economy. She is often compelled to accept menial jobs either because of family responsibilities or lack of opportunities. Some women who are heads of families have been forced to take two part-time jobs because they could not get job security.

When a working women is found in a small- or medium-size business, either she works with her husband or she is self-employed. Mr. Speaker, I have been made aware by my constituency office of the problems and discrimination experienced by women workers in their working environment, and today I must plead on their behalf.

The problem of employment for women has been raised on various occasions over the years. A policy in this field has yet to be developed. Past experience has shown that when a company is in financial straits, women are the first to be dismissed and are reduced to accepting part-time jobs, which condemns them to poverty in their old age. It is well known that low wages result in a small pension.

If Bill C-15 were passed in its present form, I think it would jeopardize all small- and medium-size businesses, which are the backbone of the Canadian economy. Moreover, the Investment Canada Bill does not guarantee in the least a strong economy and, still worse, it provides nothing at all to safeguard jobs in Canada. Mr. Speaker, I therefore hope that we will take all the time required in committee to make the necessary amendment to this bill.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have just a few comments on this Bill. I have not had an opportunity to speak to this issue so far in the debate and I think it is an important debate. It is one to which more attention should be paid. In it we find articulated some of the serious differences that exist between the Government and the New Democratic Party, in particular with respect to how we view the Canadian economy and how we view the global economy.

I think I am being fair to the Government if I say that it regards the global economy and the investment decisions made by the international investment community as a series of neutral and independent decisions which we in Canada, particularly those in government, have to take into account as simple facts of life similar to the way in which we take the weather into account. Viewing as a simple fact of life that investment decisions are made according to certain criteria, the responsibility of government is then to create in Canada the context, or, as the Conservatives would call it, the investment climate, in which, given the rules of investment behaviour, investment will come to Canada and not go to other countries.

• (1210)

We have a different view of those kinds of decisions. To start with, we would like to see an international economic order in which those decisions are not made independently in the boardrooms of multi-national corporations, or global corporations, as they are more appropriately called in many instances. We would like to see an international economic order in which those decisions were accountable to the well-being of the global economy itself and the well-being of countries, not just the ones in which investments may or may not be made but other countries as well.

Of course, that brings into play the whole question of the North-South dialogue, et cetera, not in any charity-related way but in the way the Brandt Commission so well indicated—that the economic well-being of the North is related to the economic well-being of the South.

But I would like to return to the major point which I wanted to make concerning how we in the NDP regard investment decisions. We see the criteria by which these decisions are made not as something with which we simply have to live. In the name of the public interest, of the well-being of the Canadian economy and of common good, we would want to see, if we were in government, these investment decisions made in the interests of Canada. The interests of investors should not stand against and above the interests of the community, in this case the interests of the country. This is why in the past we supported and indeed initiated from this side of the House ideas such as the Foreign Investment Review Agency.

We were not happy with FIRA. We did not think it did its job as well as it could have. We did not think it was tough enough with respect to foreign investment. Despite the existence of FIRA, there were many cases where companies met its requirements but, after having been allowed to invest in Canada, behaved in a way contrary to what they said they would do, in ways contrary to the Canadian public interest.

This is an internally coherent measure on the part of the Government. It is not that the Government is contradicting itself. It has a view of investment with which this piece of legislation is quite consistent. Its view is that as a country we should simply capitulate to international realities, that we should simply capitulate to the world of international investors and say that we as a government are here for whatever those guys would like. "You do not want to invest unless we have the following climate and conditions—that is our job", says the Prime Minister (Mr. Mulroney). He says that it is their job as the Government to create the conditions in which investors feel good so that they will invest.

That is not the way we see it. We see it as not only acting against the interests of the Canadian economy but as acting against the future of the global economy and against the possibility of having a new, just and sustainable economic order in which one country is not played off against the other, in which workers and farmers in one country are not played off against workers and farmers in another, in which people generally are not played off against each other by those who decide where money will and will not be invested. I am referring to those who sit there and say: "Well, Canada likes to have certain environmental laws, it has a labour movement with which we have to contend and various other things. Unless it softens up and creates the right climate, perhaps we will invest somewhere else".

By acceding to this kind of attitude on the part of the investment community, the Government of Canada is not only acting against the interests of Canada but against the possibility of finally creating some day a global economy in which that kind of blackmail cannot occur. There is no other word for it. That is why corporations are in business, either domestically when they play one province off against another or internationally when they play one country off against another.

In this Bill we have a classic opportunity to see what are the differences between the New Democratic Party and the Government. Although we were always very unhappy with the tokenism involved in FIRA with respect to the Liberals, we see this as a step backward on the part of the Progressive Conservative Government. It is trying to abandon altogether any pretence of ensuring that foreign investors act in the interests of Canada. At least in that respect we might be able to say that the Government is being more honest. It is not interested in pretension; it is interested in coming clean about the way in which it views the world. Our objection is that we do not think the world operates that way. We do not think that the international investment community is a sort of innocent, well-meaning group of people who are asking themselves how they can benefit the world or how they can distribute goods and services in the most equitable way. We just do not fall for that line. We know that when they meet they have global profit strategies and do a lot of thinking about how they can play one country off against the other. We know that any country which takes the kind of supine, acquiescent role which the Government is now advocating for Canada will live to regret it.

Unfortunately it is not just the Government which will live to regret it. If it were only the Government, it would be all right because at least the Government would have brought it upon itself. Unfortunately all Canadians will come to regret the decision being taken by the Government in the form of this legislation. That is the unfortunate part.

I have nothing else to say with respect to this particular piece of legislation.

Some Hon. Members: Good.

Mr. Blaikie: I hear Hon. Members across the way saying "good". It always makes them uncomfortable when someone else can articulate their position better than they can. Nevertheless, it is useful to help them to understand how they in fact see the world so that they can see themselves clearly compared with what others are saying. They do not like a clear kind of debate where Canadians are presented with clear philosophical choices. A genuine, clear clash of ideas might threaten the efficiency of their rhetoric and the way in which they like to pretend other things.

I am sorry if I have caused the Hon. Member for Bow River (Mr. Taylor), the Hon. Member for Western Arctic (Mr. Nickerson) or any other Member over there a certain amount of discomfort by trying to paint more clearly what is going on here. I hope in future they will be more interested in a clear exchange of ideas, not feel so uncomfortable with that kind of exercise.

• (1220)

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I consider it my duty to take part in the debate on Bill C-15 to create Investment Canada which, in my opinion, is a mistake that all Canadians will regret in the future.

If we look at the history of the Foreign Investment Review Agency, as many have done before me, we see that the Agency was created in 1974 and given the responsibility to apply certain criteria. One thing we have to remember is that the major purpose of this agency was to guarantee that any foreign investment would produce substantial benefits for Canada. This means benefits from every aspect, especially with regard to jobs and to prevent wealthy foreign investors from taking over some of our major industries and making them into subsidiaries of an American, British or Australian parent company which would eventually have meant fewer jobs in Canada than if the same industry had been Canadian owned. However, I believe that FIRA had a much loftier purpose, namely to canadianize our economy and make us proud to be Canadians. We often hear that it was because we were afraid of American investment. There might be some truth in this, Mr. Speaker, when we think of the enormous strength of the United States, a country with a population of over 225 million while we are just 26 million. We have to find means to assert our Canadian sovereignty and give us this pride which we lacked for many years, but which has emerged gradually because we are still a young country. I can give you examples of this pride: the Canadian flag is one. In passing, I can assure the House that our pride is still increasing because, just recently, the Canadian union of automobile workers severed its ties with the International union so that the Canadian workers and American workers would handle their business separately. This is a sign of canadianization and it shows the will for sovereignty and the pride of belonging to Canada.

We could also refer to history. It would have been very easy to let the Americans through in 1814 at Châteauguay, but a small handful of Canadians rose up against that notion for the simple reason that they were proud to be in their own country.

I said earlier that we had to give ourselves the tools to fight against foreign invasion, and that the investments we must fear most are naturally those from the United States since the Americans are so powerful. What saddens me the most about this change, which is simply a cosmetic change for appearances' sake, is that the new Investment Canada agency excludes 90 per cent of small businesses, which are responsible for creating the most jobs in Canada.

We have to recall also that, for all practical purposes, FIRA rejected only 3 per cent of all applications submitted to it. This goes to show, Mr. Speaker, that this agency created in 1974 was there to apply what I would call criteria of pride and to help Canada to progress independently, both at the economic and political levels, because if ever we lose our economic independence, we would quickly become politically dependent.

These are the reasons why I wanted to make my humble contribution to this debate, in an effort to increase the awareness of the Government because, even though it promised changes during the election campaign, it was simply a promise to add its own seasonings to the great banquet it would offer the Canadian people. That was its right, of course. But with this change that is basically radical, especially in the area of foreign investment, I think that viewed from the long term we are making a mistake.

I submit that with the Foreign Investment Review Agency, established a few years back, Canadians gave themselves something to be proud of. I referred to the flag. I could have referred to the national anthem. I could have referred to a number of other things. Those are landmarks, markers we set up from time to time along the road to free Canada from any investment that could be harmful to our national, political and especially to our economic unity.

Such is the contribution I wanted to make, because it is my feeling that in view of the data and figures which I brought up earlier, we are opening wide the door to foreign investment, and, as a result, to a loss of our political identity following the loss of our economy. If we look at the reason why FIRA was created in 1974, we find it was to safeguard the future, the jobs, the economy and the youth of this country. This is something that cannot be over-emphasized.

Recently, my good friend from Ottawa-Vanier (Mr. Gauthier) brought up before this House a striking example indeed of why the Foreign Investment Review Agency was established, when he referred to the University of Ottawa bookstore. This bookstore, as I think the Hon. Member mentioned, is a very large employer. It was in the process of being taken over by

American interests. Thanks to FIRA, this process was slowed down and today, although certain amount of American money is invested in it, the business is controlled by Canadians instead of foreigners.

To conclude, Mr. Speaker, I have had the privilege of making this humble contribution. Everything has been said or almost, the arguments are completed. But certainly it was absolutely necessary for all Members in this House to take part in the debate, and this is why I rose today. This is also the prime reason why my colleague from Windsor-West (Mr. Gray) has introduced an amendment to postpone the whole matter for another six months, in order that all Members may take part in this debate.

[*English*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to participate in this very important debate on Bill C-15. Before I begin, I would like to make several observations on the process of how this Bill came to the House of Commons. It is interesting to note that there was very little, if any, consultation with respect to Bill C-15. This is an extremely important piece of legislation with very serious ramifications from coast to coast in this country, yet in its wisdom the Government decided there would be very little if any, consultation. I understand there was no consultation with the provinces or with the various interest groups. They would have appreciated the opportunity to give their point of view with respect to Bill C-15. The Government promised that it would be an open, accessible and consultative Government. However, with this particular piece of legislation it decided not to go through the consultation process.

• (1230)

The other observation I would like to make is that this is the first major piece of legislation for the new Government. It is interesting to note the Government's priorities. One can assume that because it is its first major piece of legislation it is the Government's top priority at this point in time. It is strange that that should be its top priority when the Prime Minister (Mr. Mulroney) is telling Canadians that the top priority is the economy and jobs. There are other more important pieces of legislation that should be coming forward.

In announcing Bill C-15, the Minister responsible for industry stated that this legislation heralds a new day for Canada. Indeed it heralds a new day but it is a sad new day for this country. By introducing this Bill, the Government is dashing any hope of having Canada ever gain control over its own economy. It is dashing any hope of our becoming masters in our own home. The lack of concern among Tories for Canadian independence and sovereignty, whether political or economic, should not come as a surprise.

The Tories have never quite been able to shake the master-slave mode of thinking. In the early years of this century, the Tories were determined to keep us bound to Britain. Arthur Meighen said "ready, aye ready" to Lloyd George during the Chanak crisis. Now we have "Branch-Plant Brian" saying "ready, aye ready" to Ronald Reagan and the captains of U.S. industry.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Nunziata: It is hardly a coincidence that the Government should make the announcement of FIRA's demise on the eve of the Prime Minister's cap-in-hand speech to the Economic Club of New York. I am sure he will make the corporate boys at the Iron Ore Company misty-eyed with pride.

The Minister responsible for industry in announcing this legislation stated that Canada is open for business. As my Leader has indicated, this country has always been open for business. It has never been closed to business. We have always welcomed foreign investment. We want foreign investment, but we want it on our terms. As my Leader quite eloquently put it, this country is not for sale. Yet the Government has put the "for sale" sign on Canada. It is prepared to sell out our cultural identity and our economic sovereignty.

The Minister is thoroughly misguided with respect to this particular Bill. It is a regressive piece of legislation and it is a tremendous step backward. This piece of legislation comes as no surprise, though. After all, it is the Conservative way of doing things. As far as the Conservative Party is concerned, what is good for General Motors is good for the country. Conservative Members have blind faith in the private sector. With this particular piece of legislation, they have blind faith that foreign investment will enter Canada and provide much needed jobs. After years of slowly and methodically gaining control over our economy, the Tories are prepared to sell our country to foreign interests.

With respect to this particular piece of legislation, the evidence will suggest that 90 per cent of foreign takeovers will go ahead without review. Why is there a need for Bill C-15? The Tories argue that this legislation will lure foreign investment and will create jobs. Yet they have no concrete evidence that that in fact will be the case. I will try to indicate why I believe the opposite may be true.

The Conservative Party also argues that FIRA was a barrier to foreign investment. The facts simply do not bear that out. FIRA was not a barrier to foreign investment. As we are all aware, since its inception in 1974 there were in excess of 6,000 applications. Of those 6,000 applications, 92.2 per cent were approved. In 1977 and again in 1982, certain amendments were made to the Act to streamline the review procedures. Since 1982, 97 per cent of the applications were approved. The Government says that FIRA was a barrier to foreign investment but the facts simply do not bear that out.

FIRA was good legislation. It was not perfect legislation but it was good legislation. That legislation provided that foreign investment was welcome in this country but it had to be of significant benefit to Canada. We in the Liberal Party recognize the benefits of foreign investment. There is good foreign investment and there is bad foreign investment. The Foreign Investment Review Act said to the world that Canada is open for business and wants foreign investment, but we want investment that will be of benefit to Canadians. If it is not of benefit

to Canadians, then we are really not interested. Why, pray tell, would we want foreign investment that would not be beneficial to Canadians from coast to coast?

In my respectful submission, there are even limits to good foreign investment. For example, study after study has shown that foreign-controlled companies do less research and development than domestic companies. Studies also show that most foreign-controlled companies in Canada purchase most of their parts and components from other countries.

FIRA was set up as a review mechanism to ensure that Canada would not suffer as a result of foreign investment. We said that we wanted foreign investment but we insisted that there had to be significant benefit from it. As well, we wanted foreign investment on our terms. What is important is the fact that FIRA gave this country the opportunity to have a very strong negotiating tool with foreign companies which wished to enter the country to do business. We were able to say to these companies that if they wanted to come to Canada to do business, they would have to do it on our terms. They would have to create jobs in the country and would have to do other things that would be of benefit to our economy.

Legislation like FIRA is not unique to Canada. As Hon. Members are aware, there is similar legislation in the U.S., Australia and Japan. These places have extensive controls. For example, in the United States there are very strict controls over whole sectors of the U.S. economy and specifically in the shipping, broadcasting, air transportation and defence components of the economy.

FIRA had the effect it was intended to have. With respect to the recession years, foreign investment increased annually from 1974 onward. Between 1964 and 1973, foreign investment in this country averaged $690 million a year. Since 1974, foreign investment has averaged $1.4 billion each year. In the past four years the average has been $2 billion per year. In 1983 the capital inflow into Canada was $2.8 billion.

What will Investment Canada do? The Government argues that it will create jobs. However, there is no guarantee of more jobs. There is the distinct possibility that foreign companies may enter this country, purchase competitor companies and then close those companies down in order to secure the Canadian market. Is this the result the Government wants? It is inevitable and one must be cautious.

As a result of this new legislation, we will slowly lose control of our economy. There will be a tremendous loss of jobs. As I have already indicated, FIRA was good legislation. It allowed us to gain control over our economy. In every major sector of the economy there was a reduction in the amount of foreign ownership. One need only consult the figures for foreign control of Canadian industry from 1971 to 1981. Mining went from 62 per cent foreign control to 30 per cent. Oil and gas went from 90 per cent foreign control to 49 per cent. Primary metal manufacturing went from 41 per cent foreign control to 13 per cent.

• (1240)

I understand, Mr. Speaker, that my time has expired. I simply wish to say in closing that we in the Liberal Party will fight this legislation every step of the way. In our view it is bad legislation. I would encourage Hon. Members opposite to take a good hard look at the possible serious and detrimental ramifications of Bill C-15.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is with a great deal of pleasure that I rise to speak in the debate this afternoon. In reflecting back on the nature of the Bill before us and the law we are considering this afternoon, I recalled an old story which I read in a magazine about the Liberals. It seems to me that the Liberals are really the ones who sold out Canada.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Skelly: I think they protest too much. The Liberals are already beginning to complain. In fact, my Conservative colleagues agree with me that the Liberals did sell out Canada. The Liberals have been in power for 63 years during this century! Who else could have sold the place out?

Mr. Gauthier: We put in the FIRA legislation. We thought about that.

Mr. Skelly: I am trying to be as constructive as I can. I can remember the Hon. Alastair Gillespie who was a former Liberal Minister of Industry. There was an instance when someone asked him what he would do about foreign ownership. Mr. Gillespie said that once in a while, if his secretary spotted something in a magazine or newspaper article, she would clip it out and call it to his attention. He was asked what he then would do about it and he said "Generally, nothing". He said that investment was good for Canada. The country was sold out with a bang by the Liberals over the years.

Mr. Gauthier: That's nonsense.

Mr. Skelly: That certainly is not nonsense. It is fact. The record stands and the Liberal Party and Liberal Governments sold out Canada.

Some Hon. Members: Oh, oh!

Mr. Skelly: The Liberals can rest assured that I will not let the Conservatives off the hook. Just relax.

It has been pointed out that the Liberals created what the previous speaker called good but not perfect legislation. I'll say it was not perfect? The Liberals, in order to prevent the selling out of Canada at the enormous rate which they were letting it happen, concocted the piece of legislation which established the Foreign Investment Review Agency. In their wisdom they always attempted to address a question. They usually placed good legislation before the House and then promptly gutted it before it came into play; just as they gutted the FIRA legislation. When the Liberals had finished with their jiggery-

pokery of that legislation, it was a more open door policy than that of Alastair Gillespie's secretary.

The previous speaker, the Hon. Member for York South-Weston (Mr. Nunziata), admitted that 92 per cent of the applications which were put before FIRA up to 1977 were approved. The only people who had the remotest bit of difficulty were the Mafia when they attempted to launder money in order to get it into Canada. The Liberals might have had some pangs of conscience in that instance, but I am not sure—

Mr. Gauthier: Careful!

Mr. Skelly: Okay, I will be nice.

Recognizing this dastardly record—that these companies would come in, buy out Canadian businesses and shut them down—it was called to the attention of the Liberal Government of the day. But they still allowed it to happen. They were not satisfied that it was enough. The previous speaker, knowing how abysmal the record was, had the nerve to stand up and say that improvements had to be made. What I think he wanted was maybe for the Mafia to be able to bring in investment money. Why let it go somewhere else? At any rate, from 1977 to 1982, 97 per cent of the applications were approved.

I think it is firmly established on the record that the Liberals did in fact sell out Canada. They knew when they did that that research and development was going to the United States. They knew that service costs from the United States against Canadian companies were enormous. They knew that the dividends paid to the United States were debilitating Canada. Canada has paid back 10,000 times more than the dollars we received in investments to the Americans at our own expense. Market arrangements for Canadian branch plants were often completely an end run done on the firms in Canada so that the American parent companies could receive the export benefits in the world market. The Liberals knew that.

One of my colleagues raised an interesting figure, which was that the cost Liberal Governments imposed on Canada cost us in the order of $2,170,000 per hour, every hour of the day, every day of the week. It was an enormous cost on Canadians. That was the product of the Liberal Government who put forward good legislation and then gutted it. It put together an open door agency. FIRA should have been called "Open door Canada".

The Liberals are not all bad.

Mr. Langdon: They are an endangered species.

Mr. Skelly: I think they are sincerely trying to repent after the disciplining that the people of Canada gave them.

Mrs. Champagne (Saint-Hyacinthe-Bagot): Too little, too late.

Mr. Skelly: The Hon. Member says "Too little, too late". She is right. Unfortunately, the Canadian people did not go far enough. Canadians did this because of the Liberals' failure to address properly the question of foreign investment in Canada.

That brings me to the amendment, which I feel we should support. Anything to delay this legislation in order to have a decent look at it—and now I am addressing my comments to my Conservative colleagues and appealling to their good nature and intellectual capability—

Ms. Mitchell: Don't count on that!

Mr. Skelly: Be nice. The Conservatives should consider this amendment. Their election promises to consult were worthwhile promises. Those promises were accepted as an honest attempt to clean up the Government of Canada and to make it more responsive to the people. I think it is fortunate that the Liberals have put forward this motion. They are not generally capable of good ideas; however, in this particular case there is a good idea before us and this Bill should be hoisted for six months.

The Liberals' record in foreign investment is dastardly. The House should be permitted the time to look at that record. Beyond that, the only thing that we have—

Mr. Nunziata: Have a look at the past.

Mr. Skelly: My hon. colleague says that we should have a look at the past. That is where Liberal heads are turned, back into the past to the glorious days of the Liberal empire in Canada. Well, it has collapsed and gone forever. Let's look ahead.

Mr. Nunziata: We are resting.

Mr. Skelly: They are resting! They are out to lunch is the truth.

Mr. Taylor: They are dead and won't lie down.

Mr. Skelly: My hon. colleague from Bow River (Mr. Taylor) says that they will not lay down. Let's string them up!

The concerns of the NDP have been expressed by many of my colleagues. We would certainly like to see the Bill suspended because it will create a worse situation than even the Liberals were capable of creating. One thing the Conservative Party can truly say for itself is that in the last election campaign it said: "Let us at the levers of power. We will do it better". I am afraid that by this Bill they are telling the Canadian people that they are prepared to sell out Canada faster than did the Liberals. They are prepared to sell us out faster than the rate of 92 per cent or 97 per cent of the applications. I am concerned that the Conservative Government, in its haste to acquiesce to the United States, is literally going to sell out Canada's opportunities.

We have stated the sins of foreign investment and the failure to establish Canadian control of our economy, as well as what happened during the Liberal regime—the loss of research and development in Canada. That will be accelerated. There is no doubt about it. There will be loss of jobs because of American parent companies shutting down Canadian branch plants. Once they have bought them out, they will simply eliminate competition to their domestic industries in the world

market, even in the Canadian market. The purchase of parts and components will further drain money out of this country as well as the purchase of services from the United States, whether engineering, architectural, financial or accounting services, at inflated rates. That will continue to drain more and more money out of Canada.

• (1250)

Again, there is the question of dividends. If we allow foreign investment in, that investment, instead of coming to Canadians to reinvest in Canada, will certainly be sent back to the United States, which will represent substantial job losses for Canadians. We will be effectively following the pattern of the Liberals of destroying the attempt of Canadians to compete in export markets around the world. In fact, this Bill should certainly be hoisted for six months, if not withdrawn.

I see the time now, Mr. Speaker, and I wonder if I might call it one o'clock?

The Acting Speaker (Mr. Paproski): I do not want to disappoint the Hon. Member but I do not think he will call it one o'clock.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am not, as Hon. Members will know, a frequent speaker in the House, because I often think we can be more effective through our work in parliamentary committees, in caucus, and by travelling across the country to meet Canadians and listen to their major concerns.

My reasons for taking part in the debate today, however—and I will be brief, because our allotted time is very limited, only ten minutes to explain to Canadians what is happening. In other words, at this point we have had eight hours of debate on the main motion and we are now limited to ten minutes. Speed is therefore of the essence.

Mr. Speaker, I would like to make several comments. First of all, I would like to talk about Canadian pride and what it means. Second, I would like to respond, without animosity, to my hon. colleague and friend from Comox-Powell River (Mr. Skelly), who should, I think, read up on the history of Canada and the history of the Liberal Party. Third, I would like to explain how I see this Bill and the dangers I feel it contains.

I have no doubts as to the competence of the Minister sponsoring this legislation. In fact, I know him very well since he was a Member of the Standing Committee on External Affairs which I had the privilege of chairing for a number of years and of which I was a member for nearly twenty years.

The present Minister took an active part in the business of the House and that of the task force on Canada's relations with Latin America, chaired by my colleague from Labelle, Mr. Dupras, who is no longer a Member of the House, not because the voters decided it that way, but of his own volition.

I think it is basically a matter of pride. What does it mean to be Canadian? To be Canadian is not to be anti-American. To be Canadian is not to be anti-British. To be Canadian is not to be anti-French. I put it this way because these are concerns that are close to most Canadians. Our neighbours to the South, the Americans, are our friends, I say it and I say it again, but we do not have to *be* American! The countries by which this country was founded, France and England . . . England gave us its system of government, and I am very happy with it and I will always be ready to defend it because I think it is one of the best political systems in the world. I say it, and I am not afraid to say it, and I am not saying it in English, I am saying it in French, because I believe in the British system. So being pro-Canadian does not mean being anti-British or anti-French, as I said before. It means that every day, we want to help make our institutions truly Canadian.

You were not here, Mr. Speaker, and very few Members will remember the stormy debates we had, I think it will be twenty years ago next month, about the flag you see on your right. With respect, I may say that the word "right" is very appropriate in your case. The flag was to make us a little more Canadian. There were the traditionalists, and there were those who wanted to develop this idea of Canadianism for the benefit of the young people sitting in front of you, Mr. Speaker, and make Canada a place where our foreign friends, and they are our friends, will not take control of what is ours or undermine our pride in developing the economy of our country as we see fit.

My hon. colleague and friend from Comox-Powell River (Mr. Skelly) put the blame on the Liberals, but he had his facts wrong.

The Liberals don't claim to be the best in the world. There probably are people in Canada who could do better, but they have yet to prove it. As for my friends in the New Democratic Party, they will never get the chance. What he did say however, and he said it very well . . . Actually, I know the Hon. Member from our frequent travels together. I am not so sure he said it in a spirit of friendship, but I do not think he has that much of a grudge against this great political Party that has presided over the destiny of our country and made it the world power it is today, but that is exactly what it means to be a Liberal.

I should perhaps lecture him on what it means to be a Liberal. I see the Hon. Minister of State for Youth (Mrs. Champagne) smile pleasantly. She seems to agree. What does it mean to be a Liberal? I am going to hazard an opinion, Mr. Speaker, and say that it is a matter of balance. In this Bill, a Minister is saying: "Come to Canada, do what you want, and try to create jobs." We do not believe that this Bill will create jobs any more than it will promote research and development in Canada. We have to be very cautious in choosing between a door which is completely open and a door which our friends from the New Democratic Party would like to be completely

closed. They refuse everything. They are suspicious of our neighbours to the South, our American friends. For many of them, and I respect them a lot because I have admittedly much in common with their Party, anything American is necessarily bad. I do not share this view. My Party, which has done a lot to make Canada what it is today, does not share this view, nor does it agree with many members of this Government who believe, something which I simply cannot understand, that they just have to say: "Come to Canada, FIRA is no more."

I believe that the mistake of the Liberals was perhaps not to explain well enough to foreign investors, including the Americans who seem to be the ones this Government wants to attract to Canada, what were the true intentions of the review agency we called FIRA. We should have told them that we would behave exactly as they did, our purpose being similar to theirs. As a matter of fact they protect themselves thanks to a very powerful Senate and a very powerful Congress which look carefully at every economic sector in the country for any thing that might harm their businesses. How can these people deny a country as proud as Canada, a country as faithful to its friends, whether it be on military, social or economic matters, as Canada has been to the United States, how can they refuse us what their Congress gives them so easily because of their incredibly powerful lobbies in every industry, including wood and steel?

Mr. Speaker, I am afraid of what will happen to our young people in whom we want to instil a sense of patriotism of which Mr. Reagan spoke so eloquently. I know Mr. Reagan. He came to this Parliament. I saw him. I do not know him well, but I have met him. I have a lot of respect for him because he was able to do something when he was re-elected. He was able to instil a sense of patriotism in his people. Is there anything wrong Mr. Speaker, with making our young people feel proud to be Canadians and with explaining what is in the best interests of Canada? I have two minutes left, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member, but his time has expired.

[*English*]

It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INCOME TAX ACT

TAXATION OF WORKERS' COMPENSATION BENEFITS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, for several months I have been inundated with letters and phone calls about provisions in the Income Tax Act relating to workmen's compensation and the Guaranteed Income Supplement. I have introduced a notice of motion advising the House to amend the Income Tax Act in order to eliminate the hardships brought about by previous amendments which now make workmen's compensation reportable as income for income tax purposes and GIS purposes.

As many of the Members present are aware, I have been fighting for this change to a law which has greatly affected the already meagre incomes of many of my constituents, particularly senior citizens. It is having far-reaching consequences for many Canadians suffering from economic adversity. Previously this was a special tax break given to our senior citizens. I would urge all Members of this House on all sides, in all political Parties, to consider repealing these provisions of the Act so that it can revert back to the way it was previously.

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PUBLIC SERVICE

TRIBUTE TO OFFICIALS

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise today to bring to your attention and that of this House a change in attitude which I have seen developing in the short time the Progressive Conservatives have formed the Government.

I have in my hand a copy of a letter sent to me by one of my constituents, a Mr. Mike Mallory, concerning a situation which arose in the course of his business. Mr. Mallory originally approached me last fall, concerned about an impending meeting with Canada Customs officials. I assured him that the meeting would be conducted in a most positive, business-like fashion, and I was hopeful his problems could be resolved. I am sure you will be as delighted as I am, Mr. Speaker, to learn that I have recently received a letter from my constituent praising the high level of professionalism and co-operation which he found. This occurred not only in dealing with people from Revenue Canada in the Customs and Excise Branch, but with all members of the Civil Service with whom he came in contact.

I think that all Canadians can be proud of and applaud the situation which has evolved a new spirit of co-operation between Government, the Civil Service, and private industry, one that will surely bode well for all Canadians in years to come.

Some Hon. Members: Hear, hear!

S.O. 21

CANADIAN ARMED FORCES

PURCHASE OF UNIFORMS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to call to the attention of the country the completely irrational plan of the Minister of National Defence (Mr. Coates) to buy new uniforms for the Armed Forces at a cost of $36 million. The Minister knows that the majority of people in the Armed Forces have never worn a uniform other than the one they have. He should know that members of all ranks are now criticizing this irrational plan to spend 36 million hard-to-find defence dollars on new and unnecessary uniforms.

I would point out to the Minister that one of the most pressing needs of Canadians from the Department of National Defence is not new coats of many colours, or new, high-tech star wars machines. What we need is more search and rescue helicopters on the West Coast, and the proper deployment of the five existing helicopters at Comox. The Minister knows that the cost of doing that would be only $10 million. Why is the Minister spending $36 million on new suits when $10 million would save lives?

* * *

FINANCE

TAXATION OF AIRLINE EMPLOYEE BENEFITS

Mr. Howard Crosby (Halifax West): Mr. Speaker, remember November 12, 1981? That was the day the Hon. Allan MacEachen promised equity in the tax system. The legacy of his disastrous Budget will haunt ordinary working Canadians forever. The unfair taxation of travel privileges of Canadian airline employees is just one example. Lost among regressive proposals like the revocation of tax deductions for Canadian pensioners and the attempt to tax Canadian workers on health plan contributions, the taxation of airline passes survives the massive public criticism which swamped the MacEachen Budget.

Here is how the tax measure was implemented. Any employee of a Canadian airline who receives a confirmed seat on a flight and who pays less than half of the regular economy fare would be taxed on the difference between the amount paid and 50 per cent of this fare.

This week Air Canada announced its new Red Tag fares. To travel from Toronto to Vancouver the new fare is $299 compared to the regular economy fare of $810, a reduction of more than 60 per cent. In the result, an ordinary Canadian travels for less than 40 per cent of the regular economy fare and pays no extra tax. An Air Canada employee paying the same fare is taxed on an alleged benefit of $106.

The former Liberal Minister of Finance has gone to his political reward, but airline employees will pay for his mistakes.

ENVIRONMENTAL AFFAIRS

FUNDING OF UNITED NATIONS PROGRAM

Hon. Chas. L. Caccia (Davenport): The Secretary of State for External Affairs (Mr. Clark) has placed great importance on Canada remaining silent, which can only be interpreted as support for star wars research and the escalating that will flow from it. The Minister believes in the theology that, once negotiations start, Canadian anxiety over star wars research should not be expressed for fear that our views would disrupt negotiations. He also believes that it is virtuous to resist pressures from home and refrain at any cost from conveying to the United States Government Canadian concerns on this very important issue.

This argument is spurious but, be that as it may, the Minister owes an explanation to this House and the country as to why, on the one hand, he is supportive of research programs in outer space which may one day destroy all of us, but fails to increase Canada's contribution to the United Nations environment program whose role is to find ways and means of protecting the environment on this planet and ultimately the protection of all of humanity.

If outer space research is to go on for the sake of negotiations, why does the Minister not at least ensure that environmental research at home and abroad, and through the UN environment program, is awarded the same support by the Government as it is now giving the star wars program?

* * *

NATIONAL DEFENCE

CANADIAN FORCES BASE CHATHAM—PROTECTION OF JOBS

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, concerning the Department of National Defence let me say that with this Government a commitment made is a commitment kept. Some three years ago the Minister of National Defence of the day announced the stand-down of the operational squadron at Canadian Forces Base Chatham. That came like a bombshell because there was no other commitment, statement, or solution to the plight of hundreds of public servants who stood to lose their jobs. I believe the Minister's statement at the time was something to the effect that it was a wonderful opportunity for them to use their initiative. Well, they did, Mr. Speaker. For the first time in 42 years they turned out in record numbers to vote, and vote Conservative.

Just before Christmas our Minister of National Defence (Mr. Coates) kept faith with the people of New Brunswick, kept faith with the people of Miramichi, by announcing a military package that will ensure the jobs, livelihood, and future of these loyal public servants well into the next century. On their behalf I thank the Prime Minister (Mr. Mulroney) and the Minister of National Defence for keeping the faith and for keeping a promise.

AIR CANADA

ACTIONS AFFECTING WESTERN CANADA

Mr. Les Benjamin (Regina West): Mr. Speaker, the anti-west bias continues under Conservatives.

Some Hon. Members: Oh, oh!

Mr. Benjamin: In spite of loud proclamations from the Conservative Party and its Leader before the election, and more since forming the Government, about a better deal for western Canada, this Government continues the ways of the old Liberal regime by allowing the removal of services from western cities, and by continuing the discriminatory actions of the previous Government.

The three latest slaps to western Canada are the removal of 43 Air Canada reservations employees from Regina and Saskatoon, some to Winnipeg and some to the unemployment line, and Air Canada's refusal to allow low-price seat sales in these same two cities. In addition, the Ministry of Transport intends to remove the RCMP security officers from Regina airport.

The Liberals denuded Regina of weather forecasters, air traffic controllers, customs and excise personnel, our income tax files, and now the Conservatives are continuing this discriminatory treatment. We call on the Minister of Transport (Mr. Mazankowski) to do his duty to his native west and use his powers to require Air Canada to retain its reservations offices in Regina and Saskatoon, offer seat sales in Saskatchewan, and maintain the RCMP officers on security duty at Regina airport, the city which is their home and the home of the RCMP.

The Tories promised us jobs. When are they going to deliver them, instead of getting rid of them?

* * *

[*Translation*]

STAR WARS

PURPOSE OF STAR WARS PROJECT

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to take this opportunity to express my views on the new nuclear defence system proposed by President Regan.

The Star Wars project of the American President, which has the support of the Hon. Secretary of State for External Affairs (Mr. Clark), is a revolutionary concept in defensive weaponry whose purpose in the long run is to make it possible to eradicate all nuclear missiles from the surface of the earth or at least to prevent their constant proliferation which has been worrying us for several years.

I am surprised that the Opposition should be so bitterly critical of a project which would allow us to reduce substantially the likelihood of a holocaust. This weapon system is much more moral than any other because its aim is to destroy enemy weapons and not people. Confrontation with our

American neighbours has been the attitude of the opposition for many years. This program has unleashed many passions. Certain experts question the fact that the Americans and their allies will ever be able to develop this new technology. They say that the basic principle, which is to install in space a 100-meter mirror 36,000 kilometers from earth, is unworkable. Of course, the risks are great and often impossible to evaluate, but it is important to believe in our potential. We have to support a partner which is spending enormous amounts of money for our security.

Mr. Speaker, I am convinced that the Canadian people will understand and support our position, which is realistic and basically humane, because where weapons are concerned morality is not to allow one's destruction by claiming one is a pacifist, but rather by choosing the lesser of two evils.

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

• (1410)

[*English*]

THE ADMINISTRATION

DISTRIBUTION OF INFORMATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Conservative Government plans to create a super information agency in an effort tantamount to creating a Pravda Canada.

The year 1984 may be over, but the spirit of George Orwell's *Nineteen Eighty-Four* is alive, well, and living within the Conservative Government. The Tory Big Brother, the Deputy Prime Minister (Mr. Nielsen), has imposed his authoritarian presence in all Government Departments. Typically, he has done it in the same covert manner which marked previous Tory communications schemes, such as the Public Service gag order imposed last September.

The Conservative Government is also continuing its arrogant and cynical disregard for promises and commitments made to Canadians prior to the election. The Conservatives in opposition were vocally opposed to Information Canada a decade ago, and opposed to the Canadian Unity Information Office. In Government, they are creating a giant system which dwarfs the Canadian Unity Information Office. Instead of open government, the Conservatives are providing closed government, in which all information is to be carefully manipulated by central government, real Big Brother government.

The centralized information agency will also further the politicization of the Public Service by putting major government information programs in the hands of the private sector. A fitting name for the super agency would indeed be Pravda Canada.

S.O. 21

AIRPORTS

CALL FOR INSTALLATION OF RADAR AT VICTORIA INTERNATIONAL AIRPORT

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, last week the Ministry of Transport issued a press release describing the impending improvements to double the passenger handling facilities over the next 18 months at Victoria International Airport. The announcement indicated that possibly radar would be installed as early as 1987 or 1988.

Victoria Airport serves the provincial capital. Greater Victoria is a tourist mecca. Victoria International Airport is as described, an international airport, and is an emergency or diversion airport for Vancouver. Victoria is one of the ten busiest airports in Canada.

Radar, an essential safety device, is long overdue and long promised. I urge most strenuously that the Government reconsider its timetable and install this most necessary equipment as soon as possible.

* * *

VIA RAIL

NEED FOR WINNIPEG REPAIR SHOP

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, one can only approve of recent announcements by the Minister of Transport pertaining to the reinstatement of passenger rail services that were cancelled by the Liberals, and one can only hope that the announced intention to upgrade, modernize, and expand passenger rail service will be followed up with real money and concrete action.

However, if such modernization and upgrading do take place, then sooner or later VIA must have a new repair facility in the West, and in Winnipeg in particular, if logic and common sense are to be heeded. I therefore regret that the VIA repair shop scheduled to be built in Winnipeg appears to be on indefinite hold, or even cancelled.

The Minister of Transport (Mr. Mazankowski) ought not to make the same mistake made by the former Minister of Transport, the Member for Winnipeg-Fort Garry (Mr. Axworthy), and be tempted to allocate such facilities on a political basis. It was the selection of the Fort Rouge site in Winnipeg, which just happened to be in the riding of the Member for Winnipeg-Fort Garry, over other potential sites, without consulting the city or the railways, that endangered the project in the first place. The City of Winnipeg then compounded the problem with delay, thereby giving the new Conservative Government the opportunity to play its own brand of politics with the project.

I call on the present Minister of Transport to rise above the politics of the issue, show the foresight that I know he is capable of, and ensure that Winnipeg is indeed the place for new VIA facilities in the West.

AIR CANADA

TENDERING PROCESS FOR EXPO PAVILION CONTRACT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I wish to bring to the attention of the House a matter concerning Air Canada. This was brought to my attention by a segment of the construction industry. Air Canada has used a method of select tendering for its Expo pavilion, which is perfectly legal and which it is free to do.

However, as a result of its selection process there has been the elimination of 10 to 12 companies that were interested in submitting a tender for the pavilion. The non union firms, of which there were two, were also not invited to submit a tender. I am suspicious of why the non union firms were excluded. Perhaps Air Canada feels that non union firms are incapable of building pavilions at Expo, even though a number of pavilions have already been awarded to non union firms. I fail to see how Air Canada's tender selection process can be the most cost effective if competition among firms is minimized.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN UNITY

RENEGOTIATION OF CONSTITUTION WITH QUEBEC

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last December the Right Hon. Prime Minister of Canada made it clear that constitutional talks with Quebec were not a high priority for his Government.

This morning, the newspaper *Le Devoir* reported that apparently the Prime Minister was now prepared to start constitutional talks with Quebec and to accelerate the process.

My question to the Prime Minister is as follows: Since at its convention last weekend, the Parti Québécois decided that the issue of sovereignty or independence would not be part of its election program in the next provincial election, and since, according to Premier Lévesque, an election would be held in a matter of months, is it true that the Prime Minister of Canada is prepared to resume constitutional talks with Quebec with a view to reaching an agreement with the Quebec Government before the next election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think I said anything about encouraging the kind of proposals reported in *Le Devoir* or elsewhere.

I was asked yesterday whether I thought Mr. Lévesque had a mandate to negotiate. I said: Of course. He is the duly elected Premier of Quebec and he has a mandate to negotiate in constitutional as well as economic matters. The fact that he

is nearing the end of his term does not in any way restrict, I would think, the scope of his mandate.

That being said, we have always stated that our concern was basically economic, but we certainly would not prevent the premier of a province from submitting proposals in another area.

This was in connection with a meeting we had with Mr. Lévesque, at which he indicated his priorities and said he might be submitting some constitutional proposals after Easter. I said at the time that I would be delighted, as the Prime Minister of Canada, to consider objectively such proposals.

I still believe that Quebec's concerns are basically economic, but I am nevertheless willing to meet with the Premier of Quebec at any time with a view to seeking a formula for bringing Quebec within a Canadian constitutional agreement.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister referred to Mr. Lévesque's mandate. He must be aware that in a motion passed by the National Assembly of Quebec on November 24, 1981, the Government of Quebec laid down its conditions for resumption of constitutional talks. Could the Prime Minister of Canada inform the House what his Government intends to put on the table to show its good faith, after the gesture made by the Parti Québécois, the Quebec Government, last weekend, in order to achieve a speedy integration of Quebec within the new constitutional framework created following patriation of the Canadian Constitution?

Mr. Mulroney: Mr. Speaker, I think it may be somewhat premature and even undiplomatic on my part to submit any proposals when it is understood, as Mr. Lévesque said himself in Quebec City, that the ball is in his court. And he was right. It is true that a number of proposals were adopted by the National Assembly in the fall of 1981, which probably will be part of a constitutional discussion. I am aware of that, and after Easter I will be ready to consider the situation outlined by Mr. Lévesque, and see if the proposals are still the same, whether any minor or major changes have been made.

• (1420)

QUEBEC—CONSTITUTIONAL REVISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister's attitude does not seem to reflect the same enthusiasm as this morning's report. May I ask him whether he is prepared to put the issue of constitutional review for Quebec on the agenda of his meeting with the Provincial Premiers on February 14?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, because our priority remains the economy. The agenda for Regina was set with the unanimous consent of all provinces and all premiers. The problems to be discussed are economic ones, and that is what we are going to work on.

Mr. Lévesque said publicly that after Easter he would be ready and willing to submit specific constitutional proposals, and at that time I may start the negotiating or consultation process at the federal level.

* * *

[*English*]

ENERGY

PETROLEUM INDUSTRY DISCUSSIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, before the Minister of Energy Mines and Resources pushes that instant replay button on the benefits of consultation, or breaks her arm patting herself on the back—

Miss MacDonald: That is John Turner.

Mr. Johnston: —I want to tell her that we support her in pre-budget consultations—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Johnston: —the preceding Government having carried on the most significant and broadest pre-budget consultations in the history of Confederation.

Some Hon. Members: Hear, hear!

Mr. Johnston: We even went so far, Mr. Speaker, as to consult with the head of the New Democratic Party, Mr. Dennis McDermott.

Some Hon. Members: Oh, oh!

Mr. Johnston: The Minister knows that there is a difference between that kind of consultation and secret negotiations and secret commitments given behind closed doors to a particular sector or interest group. Would the Minister confirm that any commitments given in those secret negotiations with the petroleum interests were no different from the public commitments given by spokesmen for her Party?

Mr. Deans: That is a home-run ball.

Mr. Hnatyshyn: No, it is a lob.

Some Hon. Members: Oh, oh!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can certainly tell the House that any commitments made were, as the Prime Minister said, commitments that we made in public during the election campaign. There were no commitments of any sort made at all to the oil industry or any other industry behind closed doors.

Some Hon. Members: Hear, hear!

Mr. Johnston: I suppose we are left wondering why then negotiations took place behind closed doors if the only commitments were those made in public, Mr. Speaker.

Some Hon. Members: Oh, oh!

IPAC PRESIDENT'S STATEMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, could the Minister of Energy, Mines and Resources confirm, in response effectively to a question from the Leader of the Opposition yesterday, that officials or Ministers in the Government contacted the IPA yesterday to suggest that Mr. Morgan issue a new statement changing the position he had initially taken? Could that be confirmed?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, first there are no negotiations taking place at all with the oil industry. As the Hon. Member does not understand, the only negotiations taking place are between myself and my provincial colleagues, and they are still in process.

In terms of the Hon. Member's other suggestion, it is just truly offensive.

Mr. Gauthier: You did not answer the question.

* * *

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—COMPENSATION INQUIRY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have a question for the Minister of State for Multiculturalism. Press reports this week have suggested that the Government may be considering unilateral action on the matter of compensation to the Japanese-Canadian community for the injustice that community suffered during the Second World War. In the light of the comments of the Minister on leaving the Planning and Priorities Committee of the Cabinet this morning, could he confirm to the House that the Government has not yet made any decision to take any such arbitrary action on this matter?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, in reply to the Hon. Member, the Government is attempting to pursue what we consider and what we hope is a just and honourable course. I hope that the Hon. Member and his Party, and members of the Liberal Party, join us in what I believe is a very worth-while task and objective.

Mr. Deans: We are not involved yet.

Mr. Benjamin: It's been going on since 1942.

Mr. Murta: What I indicated to the press this morning is that the Government House Leader is in the process of having discussions with the opposition House Leaders. Until those discussions are completed, I am not in a position and I will not comment publicly on what may or may not transpire.

GOVERNMENT ACTION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, given the complexity of the issues involved in this matter of appropriate redress to the Japanese-Canadian community, will the Minister assure the House that the Government will not take any action before it has arrived at an agreement with the National Association of Japanese Canadians?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, we have attempted to have as broad-ranging a discussion on this very important matter as is possible. As I indicated to the Hon. Member, certainly later today, and if not today, tomorrow, hopefully, the discussions can be concluded so that this House of Commons may proceed in some form at least to acknowledge what I think we all would agree has been something long overdue in this country.

Mr. Blackburn (Brant): Forty-three years.

DEADLINE INQUIRY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have a supplementary question for the Minister of State for Multiculturalism. Given the statement from his own Ministry in December that a process of negotiation had begun, and given that there have been only a couple of meetings since then which served to explore the parameters of various questions and came nowhere near to an agreement, will the Minister assure this House and the National Association of Japanese Canadians that he will not impose early deadlines as a way of forcing an agreement on something that is so important to national honour?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member knows, I believe, and so does the National Association of Japanese-Canadians, as do the Japanese-Canadians themselves, that what we entered into in December was a discussion with them, not a negotiation of any sort. They know that. The Hon. Member knows that. In my opinion we have had fruitful discussions. We have been able to set down both sides of the issues. As I said to the Hon. Member in my two previous answers, we hope that this matter will be dealt with in the House of Commons by all Members in a very appropriate and honourable way in the near future.

• (1430)

[*Translation*]

CANADIAN UNITY

MAIN CONDITION FOR QUEBEC ACCEPTANCE OF CONSTITUTIONAL AGREEMENT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and stems from an article published this morning in the Montreal daily *Le Devoir*. Could the Prime Minister indicate to the House whether he finds acceptable the first condition set by Quebec's Assemblée nationale as a prerequisite to signing the Constitutional agreement and which reads as follows: "It should be recognized that the two founding nations of Canada are basically equal and that Quebec forms within the Canadian federation a distinct society which has its own language, culture, and institutions, and which possesses all the attributes of a distinct national entity"? If he does not find it acceptable, what changes does he think should be made, so that Quebec might sign the Constitutional agreement as soon as possible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member knows full well that I cannot answer such a hypothetical question. I think that on such a vital issue as the Constitutional dialogue, we should avoid ambiguity at all costs. Elementary caution demands that I await, as agreed with Mr. Lévesque, the specific written proposals which Quebec is to submit after Easter. Once we have had the opportunity to study and analyse them thoughtfully, I shall tell my counterpart what I think of these proposals as a whole and not only on some isolated parameter.

Mr. Garneau: I have a supplementary question, Mr. Speaker. The question which I have just directed to the Prime Minister is in no way a hypothetical question. It has to do with a specific motion that has been passed unanimously by the Assemblée nationale. I should like to ask the Prime Minister under what terms . . . I suggest that it is a thoroughly valid condition which could serve as an interesting basis for discussion. It seems to me that if the Prime Minister would indicate to the House and to the Canadian people under what terms his government is planning to negotiate—because for negotiations to happen both sides have to forward proposals—if he could give us some indication on such a simple matter, that could facilitate the forthcoming debate.

Mr. Mulroney: What we are trying to do, Mr. Speaker, is to restore a climate of confidence between the Federal government and the Quebec government, between all Quebecers and all other Canadians, and I suggest things are developing rather nicely. We are building bridges of trust and trying to bury the Liberal tradition of systematic mistrust which has existed far too long in Canada. That is what we are trying to do.

[*English*]

ENERGY

PETROLEUM COMPENSATION CHARGE—ACCOUNT DEFICIT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy who is becoming quite a patsy for the oil industry.

Some Hon. Members: Oh, oh!

Mr. Waddell: Given that the Minister has committed herself to changing the PGRT to a profits based tax, resulting in more money for the oil industry, and that when the Government goes to world oil prices four large American controlled oil companies in Canada will make over $234 million as a windfall, will the Minister give a commitment to the Canadian consumer that the consumer will not have to pay the $1 billion deficit which is now running in the Petroleum Compensation Charge? Will the Minister give a commitment to the House and to the Canadian consumer that she will tax back that windfall to oil companies?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the $1 billion deficit in the petroleum account was left by the Liberal Government, with the full support and encouragement of the NDP.

Some Hon. Members: Hear, hear!

Miss Carney: The Canadian consumer who is now paying more than world prices—it is not more than world prices but he is paying a high, high price for oil—

Mr. Riis: You had it right the first time.

Miss Carney: —can thank the Hon. Member for the privilege.

REDUCTION OF DEFICIT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I can tell the Minister that I do not care what the previous Liberal Government left behind. The Minister has a problem—from where will she get this money? She can smile, but she has a problem. How does she propose to pay for this $1 billion deficit in the Petroleum Compensation Charge? Will the Government absorb it, or will she take it from the industry? Will she get it from Premier Lougheed, or will she charge the Canadian consumer?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would suggest that the Hon. Member is addressing his question to the wrong Minister, because this is a budgetary matter and does not fall within energy. However, I could point out once again that the problems this energy industry faces, and the problems which are being experienced by consumers, are the direct legacy of the Liberal Government that was supported by the NDP.

IPAC PRESIDENT'S STATEMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. How can the Minister say that the federal Government has not coached Mr. Morgan in what he should say in reply to his statement on CBC radio yesterday, when Mr. Morgan in his own statement today says the Government is consulting with the fishing industry on fishing policy, and with farmers on agricultural policy, something over which—

Some Hon. Members: Hear, hear!

Mr. MacLellan: Well, we have just heard from "Incompetence Overload". Would the Minister tell us how Mr. Morgan would have information on those negotiations, something that did not happen before the campaign, unless the federal Government put those questions in his ear?

Some Hon. Members: Oh, oh!

Mr. MacLellan: What I would like to know from the Minister—

Mr. Speaker: With great respect, I have heard one question.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am prepared to assure the Hon. Member that possibly the reason Mr. Morgan is aware of the consultative process is that, unlike the Hon. Member, he reads the papers. It is no secret that my colleague from Vancouver has been consulting with the fishing industry. It is no secret that my other colleagues have been consulting with a whole range of interests in Canada. This is because we are a new Government, and we intend to bring in changes in consultation and in co-operation with Canadians.

CONSUMER INTEREST

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, what do those consultations have to do with what happened before the election? That was the point of contention. The only point which was not contained in Mr. Morgan's statement was the fact that the consumer has been forgotten. What will the Minister do to tell consumers what the actual conversation and vested interest were with the industry?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I suggest that the Hon. Member follow the dictates of his leader to have caucus solidarity. We have already had one of his front-benchers say that he supports our consultative process.

For the record, let me quote Mr. Morgan's remarks after this dead horse had been flogged yesterday. He said:

> The unfortunate problem was that the story—the lead-in to the story created the impression that we had some sort of a special deal. Nothing could be further from the truth.

NATIONAL DEFENCE

SENATE COMMITTEE REPORT—SPACE PROGRAM RECOMMENDATION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. He will have had time to read at least the recommendations in the report of the Special Senate Committee on Canadian Air Defence. In the report the Senate calls for Canada to develop its own national military space program. In view of the fact that the Minister, the Prime Minister, and their Government have failed to repudiate the U.S. star wars program, will the Minister tell the House that Canada has no intention of going ahead with its own star wars program?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, we in this Party appreciate very much the excellent work done by the special defence committee of the other place. It was a most useful exercise which will be of value to our Party and to the people of Canada as we move forward in the discussion of a white paper to determine what defence priorities Canada should be looking at in the next five years, and maybe the next 15 years.

● (1440)

CONSIDERATION OF GREEN PAPER

Mr. Derek Blackburn (Brant): Mr. Speaker, the Minister did not answer my question. He did not say whether Canada would proceed with its own strategic defence initiative. The Minister has made a lot of fudgy statements both inside and outside the House. Will he tell the House today when the green paper is coming on for consideration, and when the special defence committee will be able to look at it so that we can clear the air which the Minister has sort or murked over.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I will be very specific to the Hon. Member. The green paper should be ready and available in early March. As soon as it is available, we will proceed to have the white paper discussion. I say again that the Senate committee report will be very helpful as part of the total discussion that will be held by Canadians.

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CONSUMER AFFAIRS

PRODUCE PRICE GOUGING

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Recently, record low temperatures in Florida damaged citrus and vegetable crops. It was reported that Canadian consumers could expect higher produce prices as a result. As early as Monday of this week, grocery retailers in Canada were hit with wholesale produce price increases of as much as 100 per cent which will, of course, be passed on to Canadian consumers. This is existing stock, unaffected by

Florida crops. What protection can the Minister offer Canadian shoppers against this blatant act of price gouging?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to reassure the Hon. Member. Of course, we are concerned with food price increases. We are monitoring the situation very closely and we intend to made adequate representations to that effect in due course.

* * *

[*English*]

NUCLEAR ARMAMENTS

NATO SECRETARY GENERAL'S SPEECH

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. As he knows, Lord Carrington, in a major speech in Toronto yesterday, said that the United States should consult Canada and its other allies when drawing up contingency plans for the deployment of nuclear weapons on their soil, and not leave consultation until times of crisis. The Minister of National Defence has already made it clear to this House and to all Canadians that he was uninformed about such proposals which dealt with Canada floating around the Pentagon. So much for in-depth briefings. Even though the Minister denied there are any such plans or proposals, will he give his absolute commitment to this House and to all Canadians that Canada will be involved in even the initial discussion stages of all such plans because, as Lord Carrington clearly states, it is too late to negotiate once a crisis exists?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I say to my colleague and friend that Lord Carrington is a very wise man. I am sure that our friends in the United States and our other NATO allies will pay very close attention to what he said here in Canada. We certainly will, and I am sure the people in the United States will as well.

CANADA-UNITED STATES CONSULTATIONS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, as usual the Minister was very evasive and took off on cloud nine instead of a CF-18. Because the Minister is so adamant about saying that Canadians will be consulted, and he said that before, will he explain to the House why he, as Minister of National Defence for Canada, was not even consulted or informed in any way about proposed Pentagon contingency discussions to deploy nuclear weapons in Canada when he had his in-depth meetings in Washington just a few weeks ago?

Mr. Speaker: Order.

Mr. Hopkins: Is he, or is he not, in favour of nuclear weapons on Canadian soil?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I said last week, and the Secretary of State for External Affairs said last week, that we will be consulted, and that will be the case.

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FORESTRY

CANADA-BRITISH COLUMBIA REFORESTATION AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of State for Forestry. I am sure most Members know that forestry is the largest industry in Canada. A full 50 per cent of the timber harvested comes from British Columbia. In light of that, will the Minister explain why he and his Cabinet colleagues are only prepared to put forward $30 million per year for the five year Canada-B.C. reforestation agreement, when the University of British Columbia has identified a need for $600 million a year, and his own officials have identified a need for $200 million a year? Why so little money for B.C.?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, it should be no secret to the Hon. Member that this Government at least supports the industry with the appointment of a Minister. We have been able to sign two agreements, one with Alberta and one with Ontario. The negotiations are in the final stages with the Province of British Columbia and the Province of Quebec. Hopefully we will be able to announce something in the near future.

SIZE OF FEDERAL FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. The Prime Minister and his Cabinet are now looking at the amount of money that goes to British Columbia. A study has been completed by the Canadian Forest Service which concludes that between 25 and 35 per cent of the forest industry will collapse if there is not a proper reforestation agreement.

Mr. Speaker: Order. Does the Hon. Member have a supplementary question?

Mr. Fulton: Is the Prime Minister prepared to put forward the amount of money that has been identified as required by the federal Government, $200 million a year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we recognize the vital importance of the forest products industry to Canada and, I suppose in a special way, to British Columbia. I want to tell my hon. friend—

Some Hon. Members: Oh, oh!

Mr. Mulroney: There is it is, Mr. Speaker; we are talking about trying to help British Columbia and the NDP are laughing.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There is a typical NDP stunt. Notwithstanding the frivolous attitude of the NDP, this Government will bring substantial help to the forest industry in British Columbia because we believe that it is vital to national economic renewal.

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PARLIAMENT HILL

PRESENCE OF PEACE CAMP

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Public Works. I asked the Minister questions with respect to the Peace Camp earlier this session. He suggested that the Camp would likely go away with the cold weather. The weather got cold, it is getting warmer, and it will soon be spring. What action will the Government be taking with respect to this use of public property, or is the Government going to allow other protest groups to establish protest camps on the front lawn of Parliament?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I feel inclined to say I am exercising as much patience as those people in the peace camp.

However, if my hon. colleague is concerned that other groups might want to set up camp on Parliament Hill, I would suggest that a decision might then be taken rapidly.

I said of course that I would wait and see. It seemed then that the peace camp would end before the holiday season but I will give every consideration to the representations made by my hon. colleague.

* * *

[*English*]

NORTHERN AFFAIRS

CYPRUS ANVIL MINE AT FARO, YUKON

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It concerns the future of the Cyprus Anvil mine and the people of Faro, Yukon. As the Minister knows, in 1983 the Liberal Government re-opened this mine and kept the town alive. The mine has again closed and all the Minister has done so far is to appoint a special adviser. His report has been delayed three times. Has the Minister heard from Mr. Lassonde? If so, has he anything to recommend concerning the future of this mine and the people of Faro?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member knows, I appointed Mr. Pierre Lassonde to represent the Government in discussions with the parties who could effectively open the mine. That process for opening the mine has been going on since that appointment. I believe it is going reasonably well. I met with Mr. Lassonde a week ago. He gave me a preliminary report and asked for further instructions with respect to discussions with certain other parties. I gave him those instructions. I expect a report in the very near future and, when I reveive that report, I will advise the House and the Hon. Member.

● (1450)

GOVERNMENT PLANS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I would ask the Minister if it is not time to be open and honest with the House and tell us clearly and unequivocally that, as a result of the Government's inaction, the Cyprus Anvil mine will not be opened and the Town of Faro has in fact been written off.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I am sure the Hon. Member will know, I am always open and honest with the House.

Some Hon. Members: Hear, hear!

Mr. Crombie: In that spirit, I hope he will not mind if I remind him that the mine was closed under the administration of the former Government. I am trying to open it. Further, I can assure him that as soon as I have the information that allows us to open that mine, I will hold nothing back and make sure that Members of the House understand it first.

* * *

INDIAN AFFAIRS

LEGISLATION'S DISCRIMINATION AGAINST WOMEN

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is also directed to the Minister of Indian Affairs and Northern Development. The Minister has promised to bring in a Bill to end the discrimination against Indian women which is contained in the Indian Act. Because of the complexity of the question, it is important that the committee have adequate time to consider it, and it is also important that this Bill be passed before the Charter of Rights comes into play early in April. I would ask the Minister if he could tell the House when he will be tabling the Bill, and if he could tell us whether or not the Bill will contain provisions for the reinstatement of Indian women which are in line with the Edmonton consensus reached last spring between the Assembly of First Nations and the Native Women's Association of Canada?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member may know, the matter needs to be dealt with by the spring and, as a consequence, I expect to bring in the Bill within the next two or three weeks. I have been carrying on discussions with affected groups and parties across the country. I will conclude those discussions by the end of this week. Therefore, I think

the Bill will be in place for the House to discuss within about three weeks.

AMENDING PROVISIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the Minister did not answer my question as to whether or not the Bill would provide for reinstatement. I would like him to answer that question, and also to assure the House that there will be adequate financial provision in the Bill so that the full burden of 100 years of government-imposed sexism will not be placed upon Indian Bands or left with Indian women. Will the Minister assure us that there will be reinstatement and that there will be financial provisions?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know that the Hon. Member will want to wait until he sees the Bill. Suffice it to say that I have discussed with a number of people the provisions that are contained in the Edmonton consensus. I understand the significance of the success of the Bill. I can also indicate to him that when this Bill is before the House I think it will receive the unanimous support of all Members of the House, because it will deal with the matters that have been raised by the Hon. Member.

* * *

VETERANS AFFAIRS

INCREASE IN PENSIONS

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. On two recent occasions the Minister of Finance told the veterans of Canada that they would receive increases in their pensions that would either reflect parity with the average income of five categories of public servants or the increase in the Consumer Price Index, whichever is the greater. Can the Minister explain why, effective January 1, 1985, veterans are receiving increases that reflect the lower of the two options?

Hon. Georges Hees (Minister of Veterans Affairs): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I am really touched.

In answer to the Hon. Member's question, unfortunately the funds available do not make it possible to pay this very generous and well deserved increase to our veterans retroactively. If it were possible, it would be done. There is a limit to funds, and the funds that are available will be used in the most effective manner on behalf of our very deserving veterans.

[*Translation*]

REQUEST FOR RETROACTIVITY—VETERAN'S PENSIONS

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, as a supplementary, I would ask the Minister of Veterans Affairs whether it would not be better to stop telling veterans that we are being so tremendously generous with those who served this country well. My question is this: Is it possible to bring in amendments providing that the better of the two solutions would apply, in order that there be some sort of retroactivity—even though the funds are increasing you already have $22 million as announced by the Minister of Finance—so that as of January 1st, 1985, veterans might enjoy what we have so often promised them?

[*English*]

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, last year, and for the last 12 years, despite the strong protests of veterans, the former Government insisted on making the increase in these pensions equal to the increase in the Consumer Price Index and not, as we are doing now, making the increase the larger of either the increase in the Consumer Price Index or the five categories of public servants' pay. That is what will be contained in the new legislation that will be presented. It will be part of a very generous and good package of legislation that will be introduced very soon. Last year alone, the refusal of the Government to give the veterans the benefit of whichever of those figures was the most generous, and its insistence on paying the increase according to the increase in the Consumer Price Index alone, cost each pensioner $611, money that they had to do without.

* * *

FISHERIES

WEST COAST SALMON TREATY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. I would like to point out that at this time British Columbia is not a happy place in which laughing goes on, but has the highest unemployment rate in the country created by his role-model, Bill Bennett, through the same kind of policies that he is putting in place.

My question deals with the West Coast salmon interception treaty. Would the Prime Minister assure the House that he is not preventing that treaty from being referred to the House of Commons and to the Fisheries Committee because he wants to have something to sign with Ronald Reagan when he meets with him in Quebec City in March? Could he give the House the assurance that he is not holding up that treaty that will affect every British Columbian who lives in a community on the coast of B.C.?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on the contrary. The treaty was unsigned and in the negotiating process for some 15 or 16 years. We managed to conclude it. The Minister of Fisheries and Oceans is or very

shortly will be on his way to British Columbia to sign the treaty so that we can begin the process of benefiting West Coast fishermen who desperately and genuinely need help. That is what it is all about.

REQUEST FOR COMMITTEE REFERRAL

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, this treaty affects sovereignty, access to resources and the life of every British Columbian. If the Prime Minister would clarify the matter, everyone in the House would appreciate it. However, it is my understanding that the Government refuses to allow that treaty, which affects us all, to go to committee. Will the Prime Minister give us his assurance that he will halt the process of trying to get a show-piece for Quebec and refer the matter to committee?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is a classic NDP situation: "Move, but go backward". That is exactly what the Hon. Member is saying.

This morning, Cabinet passed an Order in Council instructing the Minister of Fisheries and Oceans to proceed as quickly as possible in the interests of British Columbia fishermen and in the interests of Canada.

Mr. Skelly: No consultations whatsoever.

Mr. Mulroney: This does not preclude any further discussion or consultation. However, we must move ahead in the interests of British Columbia and West Coast fishermen.

* * *

[*Translation*]

SUPPLY AND SERVICES

ESTABLISHMENT OF CENTRAL COMMUNICATIONS AGENCY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a question for the Minister of Supply and Services concerning the super-duper communication agency, which would control everything from press releases to public opinion polls.

Last week, the people in the Minister's office denied having seen the document and stated that they could not comment on it. They thought it had been completed by over-zealous officials. Now that the Minister is better informed, can he appraise the House of his position, and tell us whether he intends or not to establish such a central communication agency within the Canadian Government?

• (1500)

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, not only do we have no intentions of establishing any central, super, new Information Canada or CUIO, we have never had any intentions of doing that. Furthermore, the document in question never suggested that. In fact the whole thing is a figment of somebody's imagination.

REQUEST THAT DOCUMENT BE TABLED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, if such a thing is a figment of two different reporters' imaginations, would the Minister then undertake to table the document in the House so that all Members of the House, the media, and the public at large can be reassured that the Deputy Prime Minister is not attempting again to control the flow of information from the Government to the public of Canada?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, what the Member is suggesting is that a discussion paper document which was drawn up by some public servants, and was never shown to the Minister, should be tabled in the House. The reality is, as the members of his Party and the Leader of the New Democratic Party have indicated, that advice to the Minister must be kept confidential. This advice which was supposedly being prepared for my attention. I have never received it. When the Cabinet makes a decision with regard to any changes, the Member, along with everybody else, will know. But I can assure the Member that Information Canada—the invention of the Liberal Party—will not be repeated by this Government.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented on Wednesday, January 23, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

COPYRIGHT ACT

TABLING OF WHITE PAPER

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, pursuant to Standing Order 46, I should like to table in both official languages copies of the White Paper on Copyright entitled: "From Gutenberg to Telidon."

[*English*]

PETITIONS

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the Citizens United for Safety and Justice believe that unrehabilitated sex and violent offenders should not be released into our communities. The undersigned 25,480 petitioners humbly pray and call upon Parliament to reinstate the death penalty for the killing of police officers and prison guards, premeditated murder and murder committed during forcible confinement and sexual assault.

CLOSURE OF CLEARWATER, B.C., MILL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of hundreds of people from the community of Clearwater, British Columbia. They are concerned about the closing of Clearwater Timber Products and ask the Parliament of Canada to apply what pressure it possibly can, through the Minister of Regional Industrial Expansion (Mr. Stevens), to assist the corporation to obtain a federal Government loan or other financial support to enable the Clearwater Timber Products mill to reopen.

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AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

Hon. Charles Mayer (for the Minister of Agriculture) moved for leave to introduce Bill C-25, an Act to amend the Agricultural Stabilization Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

COMMUNICATIONS AND CULTURE

REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations with the Opposition House Leaders, and I think you will find a predisposition to accept the following order of reference motion at this time by unanimous consent. The motion is as follows:

That the Standing Committee on Communications and Culture be empowered to study all aspects of copyright revision;

That the document entitled "From Gutenburg to Telidon, A White Paper on Copyright: Proposals for the Revision of the Canadian Copyright Act", tabled earlier this day, be referred to the Committee and that the Committee examine and report upon the proposals contained therein;

That the Committee be empowered to retain expert staff; and

That the Committee report its findings and recommendations no later than May 24, 1985.

Mr. Speaker: Does the Hon. Government House Leader have the unanimous consent of the House to introduce the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader if he could give us the program for the business of the House for the ensuing week.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, as the Hon. House Leader of the Opposition will know, there have already been a number of discussions this week with respect to the business of the House and other matters. It is my intention to see what progress we make today and then consult again with the Opposition House Leaders.

As far as the beginning of next week is concerned, my inclination is that we will carry on with the order of business on Monday as it is today if progress is not made. I intend to discuss the matter on the basis of what happens with the legislation today. I intend to have a discussion tomorrow, and at that time I will possibly be more precise.

I should reiterate that tomorrow has been designated as an allotted day. Once we have a chance to meet, I will know whether I can give further indication of the House business for next week.

Mr. Ian Deans (Hamilton Mountain) Mr. Speaker, on the question of House business, there may be a misinterpretation or misunderstanding in the House with regard to something called negotiations. I would like to have it made clear by the Government House Leader that we are not at this moment, nor have we ever been, negotiating the Japanese-Canadians Government agreement.

Mr. Hnatyshyn: Mr. Speaker, if I offended the sensitivities of the Hon. House Leader of the New Democratic Party, I apologize. It was not my intention to misinterpret the position of the Party with respect to the issue. However, he will know that we have discussed different approaches and I have mentioned to him, in a tentative way, the fact that there are

different approaches which might be taken with respect to the Japanese-Canadians issue. certainly, these negotiations have not called upon the Hon. Member to indicate a position. I did that purely and simply to keep him apprised of the Government's intentions, at the earliest possible date. I think I went further in indicating to him, without getting involved in presupposing decisions which would be made, some of the considerations which might be undertaken. Whether he wants to term that negotiations or discussions, I thought we were in the business of negotiating an agenda for House business.

Mr. Speaker: I am in some difficulty, because I think we are moving away from the normal tradition of asking questions and getting answers about the House business agenda into what is beginning to veer on some conversation that probably belongs somewhere else. However, I will accept a question from the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, it is simply that I want to assure the Hon. House Leader that I was not casting aspersions and neither was I offended. I simply did not want there to be a misunderstanding that we were in the process of negotiating the content of whatever the Government has discussed with the Japanese-Canadian community. To this point in time, all that has been done is that the matter has been raised.

Mr. Gray: Mr. Speaker, I wish to confirm that in so far as there have been negotiations involving the Government House Leader, myself as Opposition House Leader and the House Leader for the NDP, they have pertained to how the House might deal with the Government's proposals for resolving the issue of the treatment of Japanese-Canadians. We have not been negotiating the content of any such proposal by the Government.

• (1510)

Mr. Hnatyshyn: Mr. Speaker, all I want to say is that that is exactly what I said.

Mr. Speaker: Does the Hon. Member for Comox-Powell River have a question on House business?

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would just like to have the House leader clarify that the Government has no intention this week of raising the matter of the west coast fishing treaty. Would he confirm that it is gone and is complete and that the Government has no intention of raising that matter this week, even though the Americans have not ratified and it will be appearing for consideration in the U.S. Senate? Could the House Leader give us any indication whether this matter will be referred to the House before it is written off? And will Canadians be given the same opportunity as U.S. citizens for some public input into this document?

Mr. Hnatyshyn: Mr. Speaker, I regard that as a third supplementary question to the two questions put by the Hon. Member in Question Period.

Mr. Speaker: On a separate matter of House business?

Mr. Skelly: Yes, it is on a matter of House business.

Mr. Speaker: No, on a separate matter of House business. Does the Hon. Member for Comox-Powell River have another matter of House business he wishes to raise, a separate matter?

Mr. Skelly: I have a very important matter to raise.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, the following questions will be answered today: Nos. 42, 45, 94 and 188.

[*Text*]

TREASURY BOARD—TEMPORARY ASSIGNMENT POOL

Question No. 42—**Mr. Howie:**

During the period (a) April 1, 1983 through November 30, 1983 (b) December 2, 1983 to date were any persons employed by the Treasury Board in a temporary assignment pool and, if so, how many and, in each case, what was the person's (i) salary level (ii) duties?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): The Temporary Assignment Program was established in 1974. The intention was to create a centrally managed pool of executives and other senior officers of demonstrated high levels of performance who could be loaned to departments on request, individually or in teams, for specific periods of time, to carry out policy reviews and similar activities without the need for, delay in, or cost associated with establishing continuing positions in those departments.

In the 10 years since its inception, participants in the program, which is managed on a cost recovery basis by Treasury Board Secretariat, have completed a total of 377 assignments in 54 departments.

(a) During the period from April 1, 1983 through November 30, 1983, the number of persons employed in the Temporary Assignment Program ranged from 37 to 41.

(b) From December 2, 1983 to November 30, 1984, there were from 33 to 40 persons employed in the Temporary Assignment Program.

Effective November 30, 1984, (i) the salary level and (ii) duties of TAP's participants were as follows:

(i) Three officials with salaries ranging from $68,870 to $80,970 (EX 4 level), thirteen officials with salaries ranging from $63,000 to 74,050 (EX 3 level), seven officials with salaries ranging from $58,050 to $68,500 (EX 2 level), five officials with salaries ranging from $53,210 to $62,530 (EX 1 level), seven officials with salaries ranging from $50,350 to $59,220 (SM level).

(ii) The duties of TAP officers comprise planning, directing, co-ordinating and implementing new or revised programs of major consequence to the Government of Departments, and carrying out program evaluations, policy analysis and planning of existing programs, particularly in areas where reorganizations are contemplated.

Typical assignments:

NHW, Chief Negotiator, Office for the 1988 Olympic Winter Games

CSC, Special Advisor, Conditions of Employment of the operational employees

DRIE, Advisor, Industrial Benefits Policy Program Implementation related to major Defence Procurements Project

SEC, Director General, Policy Coordination Management System and Analysis

RTP, Executive Director, Petroleum Industry Inquiry

PCO, Chairman, Indepartmental Working Group on Conflict of Interest

TAX, Special Advisor to Deputy Minister, Woods Gordon Review

DND, Task Force Co-ordinator, review of National Defence Activities

TBS, Director, Asset Management Study

EXT, Co-ordinator of the Management Plan Sector and Corporate Planning

NHW, Director General, Social Development

SEC, Director General, Promotion of Official Languages

CHR, Manager, amendments to the Canadian Human Rights Act

SEC, Co-ordinator, Federal-Provincial-Territorial Ministerial Conference dealing with Canada's participation in the United Nations World program concerning Disabled Persons

TBS, Acting Director, Communications Division

STW, Group Chief, International Relations

EIC, Revitalization of the Employment Service

TBS, Special Advisor, Equal Pay for Work of Equal Value

CCA, Advisor to the Federal Co-ordinator on Urea Formaldehyde Foam Insulation

ACQUISITION OF NEW SHIPS

Question No. 45—**Mr. Howie:**

In 1984, does the Department of National Defence plan to place orders for the replacement or acquisition of new ships and, if so, how many?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): No.

Order Paper Questions

APPLICATIONS FOR LANDED IMMIGRANT STATUS

Question No. 94—**Mr. Redway:**

How many applications were made by persons seeking landed immigrant status in (a) 1979 (b) 1980 (c) 1981 (d) 1982 (e) 1983 (f) 1984 to date and what is the average time required to process an application for landed immigrant status?

Hon. Flora MacDonald (Minister of Employment and Immigration):

	*Applications made overseas	Applications made from within Canada
(a) 1979	93,404	13,324
(b) 1980	94,873	13,255
(c) 1981	105,857	15,179
(d) 1982	96,522	15,891
(e) 1983	64,714	13,706
(f) 1984 up to October 15	53,794	9,490
Average time to process	221 days	415 days

*Note that the total number of applications reflect only the applications that have passed paper screening. No count is maintained of the applications rejected at the paper screening stage.

LAW REFORM COMMISSION STUDY

Question No. 188—**Mr. Stackhouse:**

Has the Law Reform Commission undertaken any studies on criminal law effecting information stored in computer systems and, if so, has it published any reports or recommendations?

Hon. John C. Crosbie (Minister of Justice): The Law Reform Commission has not undertaken any studies on criminal law particularly devoted to information stored in computer systems.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, if question No. 91 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 91 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

COURT CHALLENGES PROGRAM

Question No. 91—**Mr. Gauthier:**

1. Since the inception of the Department of the Secretary of State's court challenges program, what individuals or organizations received support from the Government for (a) assembling the elements of a case (b) defending a case in court?

2. In each case, what was the subject matter of the challenge and in what court was it or will it be heard?

3. What funds have been committed or promised to the program?

Return tabled.

[*Translation*]

Mrs. Landry: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Hon. Donald J. Johnston (Saint Henri-Westmount): Mr. Speaker, I welcome very much this opportunity to make a few comments with respect to Bill C-15. I am pleased to see my friend, the Minister of Regional Industrial Expansion (Mr. Stevens), the Hon. Member for York-Peel, in the House today.

This change of name from FIRA, Foreign Investment Review Agency, to Investment Canada, Mr. Speaker, is very much in keeping with the kind of approach which this Government has taken to date with respect to matters of government. Rhetoric, name changes, cosmetics rather than substance, seem really to be the order of the day when it comes to the policies or, I should say, lack thereof of the Tory Government since it assumed office on September 4. As Shakespeare said, a rose by any other name would smell as sweet, and I suggest that that is the underlying theme of what the Minister is trying to accomplish.

We were already told by the Prime Minister (Mr. Mulroney), during the election campaign when he was Leader of the Opposition, that as soon as Knowlton Nash on television tells us the Tories have formed a majority Government, investment is going to flow into this country. I think in fact he actually believed that. However, Mr. Speaker, as you know from your experience in public life and as a Member of this House for some years, history has shown us how nervous capital can be. You can scare capital through rhetoric of the kind we heard from the Parti Quebecois. It is very easy to destroy confidence through rhetoric coming from responsible people in public life. It is much more difficult, however, Mr. Speaker, to instil confidence, to create an investment climate, simply through changing names and advancing rhetoric for consumption by Canadians and foreigners. We know that the warm Tory overtures to members of the business and investment communities have in fact produced nothing except warm expressions of appreciation.

I believe the Tories by this time should recognize that it requires more than name changes, rhetoric and dealing with Investment Canada; it involves dealing with a whole set of policies, none of which we have seen as yet. In fact, it is shameful when one considers that this Government assumed power in Canada on September 4 and we have to wait seven to eight months for a budget. We must wait that long for a budget from a Government which said: "When we arrive there, boy, are we going to do things". It has 211 elected Members to do those things. The Government was given a mandate by the Canadian people and it has refused to accept it.

As we in this House know, Mr. Speaker, and as Canadians soon will begin to recognize, I know this gang is not ready to govern Canada, but it is ready to offer us rhetoric, some tinkering around the edges, modifications and so on.

With respect to this particular Bill, Mr. Speaker, I attempted to actually read it in order to determine whether it really does what the accompanying literature says it does. I have come to the conclusion that perhaps it does but I cannot tell because it is so badly drafted. This document would give the Income Tax Act a run for its money, yet this is a document, Mr. Speaker, which is intended to simplify and streamline procedures and, we are told, to facilitate investment and create confidence.

I wanted to find out what the reviewable transactions really were so I turned to Clause 14, which provides:

(1) The following investments by non-Canadians are reviewable under this Part:

(*a*) an investment to acquire control of a Canadian business in any manner described in paragraph 28(1)(*a*), (*b*) or (*c*), where the limits set out in subsection (3) apply;

(*b*) an investment to acquire control of a Canadian business in the manner described in subparagraph 28(1)(*d*)(i), where the limits set out in subsection (3) apply;

(*c*) an investment to acquire control of a Canadian business in the manner described in subparagraph 28(1)(*d*)(ii), where the circumstances described in subsection (2) and the limits set out in subsection (3) apply; and

Finally we go on to another section where the limits set out as Subclause (4) apply, and the clause continues. My point is, Mr. Speaker, that this is a convoluted, complicated piece of legislation which in effect does nothing to simplify procedures.

I had an interesting conversation yesterday with a former colleague at the bar, who said his colleagues had been struggling to interpret sections of this new, simplified, streamlined Act which has been produced by the Conservative Government. We are told these initiatives are going to create jobs, and I can say to you, Mr. Speaker, that they are going to create a lot of jobs for the lawyers of this country who must once more educate themselves in the interpretation of this statute to determine whether or not it applies to the circumstances of their clients. This Government has indeed created

jobs for Tories, for task forces, for consultants and now for lawyers. When the Prime Minister pats himself on the back with respect to all of the jobs which have been created, the 100,000 he refers to, he knows, you know, Mr. Speaker, my colleagues in caucus know, and those Hon. Members across the House and on either side know, that the reason those jobs are being created is because of the economic legacy left by the previous Government. More specifically, jobs are being created because of the rate of inflation which is driving down interest rates and encouraging investments. It has nothing whatsoever to do with anything this Government has done because in effect this Government has done nothing to date. However, this document will add thousands of man-hours of non-productive professional work simply to determine whether a particular investment is reviewable or not.

• (1520)

The Government would have us believe the whole operation is simpler. That is the rhetoric we hear. So far Canadians have given the Tories the benefit of the doubt. They have, if you like, been seeing things but not observing. They have been hearing things but they really have not been listening. They have not attempted to measure the performance of this Government against the rhetoric. If I were to characterize the attitude of the Canadian public today, they see but they do not listen. How else can we explain the widening gulf between the declarations of Government spokesmen on this Bill with what it in substance actually is? This has been happening since the Tories assumed power. It is nothing new.

Let me offer a few examples, if I may, just to underscore the point. The Tories heaped blame and ridicule on the previous Liberal Government because of what they called corporate bail-outs. Do you remember Massey-Ferguson, Mr. Speaker? Do you remember Chrysler? You know how they heaped blame and ridicule on us over that. Even after coming to power the Minister of Finance (Mr. Wilson) said that throwing money at individual problems without treating or even examining the whole patient was surely unconscionable practice. The Government House Leader should listen to this; he is a member of Cabinet. When the first opportunity came to put this policy into action, what did the Government do? It succumbed to the temptation or solicitation of the Parti Québécois and pumped $15 million of taxpayers' money into Petromont. Shame!

Mr. Hnatyshyn: We did not say we had no option.

Mr. Johnston: That was an investment which my Government refused to make even in the heat of an election campaign. Was there a public outcry? Where was Alberta during that particular period? You, Mr. Speaker, know where Alberta was. Where were all the other supporters of this Government? They were praying that this was an aberration in the performance they hoped to see from this Government. I fear it was not. I fear their prayers will go unanswered. That is certainly clear from this Bill.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to participate once more in this important debate. I think we have reached the stage where it is interesting to reflect on what has been taking place during this debate. I think at first there was a sense on the part of the Government that it would be able to whip this Bill very quickly through the House, get it into committee and passed. In fact, the Minister was even courageous enough at one point to say that he expected everything to be passed by the middle of March. I think, Mr. Speaker, that things are taking place in the country which make that prospect less and less likely.

As this debate has unfolded, Mr. Speaker, we have seen the Government first try to get across a very simple, indeed simplistic, message—that this Bill, simply through its introduction and the changes it makes, will give us an extra $1 billion in new investment in Canada. The Government has tried to tell us there would be many new jobs created and that those of us oppose the Bill are somehow out of step, old-fashioned nationalists who are leading with our hearts instead of our heads.

Our response has been, in a sense, equally simple. The response has been to say that foreign investment is not part of the solution to our economic problems, that indeed controlling foreign investment is part of the problem. Unrestricted foreign investment is part of the problem because of the way foreign-controlled firms import from the parent company instead of buying in Canada. It is part of the problem because of high capital outflows that foreign investment creates. My colleague, the Hon. Member for Comox-Powell River (Mr. Skelly), indicated this morning that over $2 million leaves this country each and every hour of each and every day as a result of foreign investment. So we have stated our simple sloganistic response to the Government's slogan of Investment Canada, that Bill C-15 is about Warehouse Canada. It is about establishing a branch plant economy even more than in the past and that will badly damage the jobs we so desperately need.

As I reflect on this debate, Mr. Speaker, I have a sense that we are moving into a new phase in which the public are now starting to recognize what has been happening with this Bill. I have just come back from three days of listening to groups, individuals and communities throughout Atlantic Canada. I can tell this House that there is a concern, a sense of unease, in provinces like Newfoundland and places like Cape Breton which have experienced what unrestricted foreign private investment can do to a community. They have experienced the shutdown of mines and mills and they are concerned that this Government is once more taking the country in that direction.

One sign of that concern is that on February 9, just a few weeks away, a group of people who want to give new momentum to the old Canadians For An Independent Canada are once more meeting. They are going to re-establish that organization and use it in what will become an increasing public fight against this effort to take away our first line of defence against foreign control and the problems it can bring to our economy. The letters come in every day from the people I talk to in my constituency and others. They come in from Ontario,

from Atlantic Canada, and express their concern and unease. I think we will see as this debate continues that more and more Canadians recognize that what this Government is trying to do with this Bill is not to give us more jobs. It is trying to give more favours to the foreign investors who have always supported it in the past to whom it feels it owes favours in return after its election victory.

● (1530)

As our New Democratic Party action group on jobs moves throughout the country, another impression that I have is that the pot of gold approach to economic planning for our country, as referred to by Richard Cashin of the Fishermen's Union in Newfoundland, no longer makes sense. The idea of opening ourselves up and giving the invitation to come in and use our resources and build on Canadian benefits as the answer to our problems is one that I do not believe Canadians are interested in. I do not believe that people are interested in that kind of imported solution to the problems we face.

Instead, what I see and hear as an increasing theme throughout the country is a desire for self-reliance. It is a desire for community based and directed efforts to build our economy.

In Newfoundland it takes the form of new co-ops that are building jobs and playing the role that private foreign investment has never historically been able to play in much of our country and will not be able to play. In Glace Bay it takes the form of an attempt to set up what they call incubator malls, which are small scale malls that give small businesses a chance to serve community and Canadian needs and provide Canadian solutions.

We have seen a rather different direction in which this country wants to move. It is a direction which is totally undermined by Bill C-15, and we will continue to fight to make sure that Bill C-15 is abandoned and that a new approach of self-reliance and community direction is increasingly adopted.

Mr. Len Hopkins (Renfrew-Nipissing-Russell): Mr. Speaker, I am pleased to participate in the debate on Bill C-15. The new Government is so interested in implementing its policies that the Minister is not even here for the debate. I recall that the Conservatives, during the last Parliament, continually accused the former Government of not having its Ministers here. This new Government had an attendance of 2.5 per cent of Cabinet Ministers in the House. The Conservatives have 5 per cent, and now one is about to leave.

Mr. McMillan: Mr. Speaker, I rise on a point of order. Would the Hon. Member confirm that there are only two Members from his caucus in the House right now?

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), has the floor.

Mr. Hopkins: Indeed, it is not a point of order but that does not surprise me, coming from one of the Ministers in that great new Cabinet. It seems to me that three out of 40 is a greater percentage than two out of 211.

I have much previous experience in dealing with the Department of DREE, the Department of DRIE, and in working with FIRA to encourage new industries to come to Canada. I never experienced this great, horrendous problem with FIRA about which we are hearing. It will be interesting to hear about the progress of Investment Canada.

In my constituency there is a Canadian-owned company called Magline. It is a small company which makes snowshoes and other items. It makes many snowshoes for the American and Canadian Armed Forces, and there are no problems with trade relations in this regard. In fact, that company makes such fine snowshoes that I will present a pair to the Minister of National Defence (Mr. Coates) seeing how he has been skating in this Parliament in recent days. His skates seemed to have worn out, and perhaps snowshoes would be more appropriate for him at this time.

The Government's elimination of Canagrex is another disturbing example. We have heard much about Canagrex giving competition to private enterprise as a reason for bringing about such programs as Investment Canada. However, Canada has many agricultural products to sell abroad and Canagrex provided the facilities not only for shipment but for storage in countries where there was no place to store our exports. One of the new Government's first actions was to cancel Canagrex, but it has yet to replace it with an alternative for Agriculture Canada. Canagrex was going to promote the sale of agriculture products, yet the Government has not even provided an agency for export sales.

At a time when the Government is forming Investment Canada, there are two Senators in the United States who are renewing the call for quotas on Canadian wood products going south of the border. Investment Canada will welcome foreign capital into Canada to buy up our Canadian industries at a time when other Governments will begin to take steps to block our products from entering their countries. In fact, those Senators would like to see a quota of 25 per cent of the market place demand placed on wood products coming from Canada.

We have another Canadian-owned industry in the Ottawa Valley called Haley Industries. It does much work with American companies. One of the major accomplishments of Haley Industries was to produce engine moulds and other products for aircraft. I was concerned about the appointment of the present Minister of regional Industrial Expansion (Mr. Stevens) because I know how much sympathy he has for the less developed areas of Canada. He comes from the wealthy part of Ontario and has very little feeling for northern and eastern Ontario.

Miss Carney: Shame!

Mr. Hopkins: I know it is a shame. I agree with the Minister of Energy, Mines and Resources (Miss Carney).

Miss Carney: Shame on you.

Mr. Hopkins: The Government says that it is trying to promote jobs. The Government is welcoming capital into Canada to buy industries. I have nothing against foreign capital coming into Canada. But I do not want to see foreign companies control many of our Canadian industries. They must remain under Canadian control. I know there are clauses in the Bill dealing with this, but it is a much looser situation that even existed with FIRA.

• (1540)

This Tory Government should look at history and look to the days of the Arrow aircraft and the plant I just mentioned, Haley Industries. It made parts for the Arrow aircraft. What happened? The Tory Government of the day scrapped the whole plan, and even took the moulds out of the foundry at Haley Industries. The moulds were taken out into the back yard and smashed so they would not be used again. That is the kind of progress we see in job-making and future technology from a Conservative Government. If that program had been allowed to go ahead, we would not be bringing foreign capital into Canada in large globs today and we would not be shipping out our cash to buy aircraft. Instead, we would be selling the Arrow aircraft, which was one of the best aircraft built in the world and it would still be modern in terms of any aircraft that exists today. But the last Conservative Government destroyed one of the best domestic industries we had going in this country, and today we are buying an aircraft from the United States at a cost of billions of dollars to the Canadian taxpayer. That is what the Tories call progress. Here we have a Bill before us today ironically a Bill called Investment Canada.

What has happened in the area of wood products, Mr. Speaker? In that great area of Algonquin Park in the upper Ottawa Valley and in areas of northern Ontario, we have had foreign companies come in and be given leases by the provincial Government. One particular company from the United States took up a large section of good woodland in that area that contained some of the best timber. The company was from Missouri. It sat on the timber. Local companies in Canada could not even buy timber and if they did, they not only had to pay the dues which went normally to the Ontario Government but they also had to pay dues to the foreign company in Missouri. That is hardly progress. That can hardly be called Investment Canada. But that was done under a Tory Government in the Province of Ontario. We have so much talk about the fact that we must build up our forests, but this is something that should have been talked about years ago.

Mr. Benjamin: We did and you Liberals wouldn't listen.

Mr. Hopkins: The management of forests is in the hands of provincial governments. They have been destroying them for years. They have been selling them off for foreign capital. They have not been encouraging local entrepreneurs to get involved in the secondary industrial process in the wood industry in this country.

I see, Mr. Speaker, that you are giving me a signal. I shall try to accommodate you. If we are going to have a Conservative Government in this country with 211 Members bringing in a Bill called Investment Canada, then let us have some better examples of progress in developing industry in Canada, developing industry for Canadians by Canadians, and let us see some of those tens of thousands of jobs that we were promised we would get the day after the election. Here we are back again after all the criticism about all the short-term programs and yet we have Canada Works about to be announced, a Liberal program. I would like to point out in closing that that was a Liberal program; it was a welcome one and I am glad that the Government sees a good thing.

Mr. Les Benjamin (Regina West): Mr. Speaker, the Conservatives call this Bill Investment Canada. I call it Betrayal Canada. If ever there was a time to learn from history so as not to be condemned to repeat it, it is in the area of foreign investment in this country.

It is always desirable to have a measure of foreign investment. Canada historically has leaned over backwards to get foreign investment, to the extent that even the Liberals had to quit some of their supine acquiescence to foreign investments, particularly United States investments. We learned some bitter lessons in this country because of the amount of foreign ownership of our economy.

I believe a larger portion of foreign investment should be loan capital and a smaller portion of it should be equity or ownership capital. I give as an example what we did in my Province of Saskatchewan with a publicly owned power corporation. In almost ten years we increased massively our electrical generating capacity. We took electricity to every town and village in the province. We electrified 60,000 farms and borrowed something over $600 million in that time, most of it foreign money, but it was loan capital. The foreign investors who lent money to the Saskatchewan Power Corporation got a good and reasonable return on their investment. Those loans have been paid off and the people of Saskatchewan own their power corporation. Contrast that, Mr. Speaker, with other public-type utilities that are foreign-owned or foreign-controlled.

There is a lot of investment capital available here in Canada. I do not blame the U.S. corporations for the way they behave up here. We are to blame. Foreign investors need to know in advance what our ground rules are. We need firm ground rules that they know ahead of time. As long as they can make a reasonable return on their investment, they will live up to those ground rules. Taking the ground rules away just encourages more of what has occurred in the past.

Let me give an example of one of the experiences Canada had in the 1960s regarding foreign investment. Chrysler Corporation of Windsor, Ontario, had an opportunity to sell several hundred trucks to Cuba. The parent company, Chrysler of the United States, was told by the United States Government that it was not to allow its branch plant in Canada to sell trucks to Cuba. It was called Trading with the Enemy Act. There was the United States Government telling a corporation with its head office in the U.S. that Canadian workers and a Canadian plant could not produce and sell

trucks to another country. That is a direct intrusion into our sovereignty and our independence. This type of thing has occurred countless times. The more we open up to foreign investment, as the Government proposes to do, the more we will have these occurrences.

There is lots of Canadian capital to be invested in Canada. Why do we not clean up our own house before starting to worry about how much foreign investment is coming in?

You may not be aware, Mr. Speaker, that there are some $35 billion of corporation tax deferrals lying on the books of the Government of Canada which will never be paid. We do not even collect interest on it. If one charged a modest 9 per cent or 10 per cent, the Government could do something more about medicare, hospitalization, housing and a few other things. What has happened with these corporate tax deferrals? Let me give you an illustration, Mr. Speaker.

Canadian capital has been taken out of Canada by the hundreds of millions of dollars for investment in other places. For example, Great Lakes Paper, a subsidiary of Canadian Pacific Limited, has something in the order of $150 million in corporate tax deferrals. It has received federal and provincial grants of $50 million to upgrade its plant production facilities in northwestern Ontario. What did it do? It invested $25 million in the United States to build a pulp and paper plant. Surely that is not good corporate behaviour or good corporate citizenship. Canadian jobs are being exported to the United States. Why? It is because Great Lakes Paper, a subsidiary of Canadian Pacific, wants to take the fullest advantage of our corporate tax laws, to the disadvantage of Canada. At least it should be made to give back the $50 million so that we can let someone else in Canada invest in a pulp and paper production facility here.

• (1550)

Canadian Pacific owes $1.5 billion in deferred corporation taxes. In theory, the corporation takes that money and invests it in fixing up its plant, in new equipment, more production, new technology and Canadian jobs. Well, that company invested it all right. All the years Canadian Pacific obtained corporate tax deferrals it was investing. It bought a pottery plant in Syracuse, New York for $20 million. It has parking lots, shopping centres and condominiums in California. It has mines in Central America and in other parts of the world. It does oil and gas exploration in other parts of the world. That is what it did with its benefits. That is not good corporate citizenship. That capital should have been invested in Canada. Corporations such as Canadian Pacific need to be told that they have to act as good Canadian corporate citizens and invest here where investments are needed.

We rely more than we need on foreign investment because of a system which allows corporations to act in such a manner in this country. International Nickel is another company which owes about $1.5 billion in corporate taxes. It has invested too. Where? It invested in Guatemala, Indonesia and Chile. It took the money and ran with it, money it was supposed to invest in its operations here.

As I said, I do not blame American corporations for acting in that manner. If an American parent company in the United States finds that it has too much production and that it has to shut down plants, it is perfectly natural for it not to shut down plants in its own country. It will shut down branch plants in other countries, namely in Canada. I do not blame those companies for that. Those are the ground rules. Naturally such corporations will take actions in the interests of their own country and their own parent company first, and the host company in which they invest gets second consideration. That has been endemic over the decades of our history. The first ones to get it in the neck are foreign-owned branch plants.

FIRA was weak enough. It was a toothless tiger. It allowed investments which should not have been allowed. It failed to work at getting more Canadian investment. I just sat back quietly while foreign investment came in that we neither wanted nor needed and that could have been filled by Canadian investment. It also cost us in the export of capital from the country by way of dividends and interest. I do not object to investors making a reasonable return on investment, but in many instances they have taken back to their home country three to four times as much as their original investment.

I noticed in an English language newspaper published in Mexico City a report of the experience of Mexico with $1.2 billion of American investment over a period of three years. American investors took $4.5 billion out of Mexico. It is a poor country. Most of its people are poor. That is the benefit it received from foreign investment.

The time is past when we should be laying out ground rules which are reasonable, fair and in the best interests of Canadian sovereignty, independence and jobs. Foreign investors, knowing the ground rules ahead of time, knowing they will receive fair and honest treatment, and knowing that they will be eligible for a reasonable return on investment, will be willing to invest loan capital or equity capital. To throw open the doors so that foreign investors can come and go as they please is surely not in the best interests of Canada's nationhood or of jobs for Canadian people. The instances which we have seen recently with Great Lakes Paper and other examples which could be cited show once again that this blind, irresponsible crawling on hands and knees to got foreign investment at the expense of our sovereignty and independence has to be stopped.

We hope the Government will reconsider this legislation and that it will not only maintain an investment review agency—I do not care what it is called—but will strengthen it and make it more effective than anything we have had before.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I welcome the opportunity to participate in the debate on the Investment Canada Bill. At the outset I want to state that Hon. Members of the Opposition should feel pleased that the Government has at least acknowledged the value of having some form of foreign investment review. Without the evolution of both opposition Parties over the years, there would never have been public awareness of the need for a review of foreign investment in Canada.

I should like to refer to some of the background. Until roughly 1952 most of the foreign investment in Canada was in the form of portfolios, bonds and pension fund management. However, beginning in that year and going through a series of both Liberal and Conservative Governments, there was a growing awareness by Canadians of the importance and implications of having significant sectors of our economy dominated by foreign investment. For example, over the years from 1952 to roughly 1971, foreign ownership, largely American ownership, in some key sectors such as energy—not too much in financial institutions—and transportation made succeeding Governments become more aware of some of the bad side effects of foreign investment in our economy.

Some of the rhetoric from the government side would indicate that, since 1971 and because of the fact we began in 1972 with the Foreign Investment Review Agency, in fact there has been a decrease in the amount of foreign investment in Canada. With the exception of 1981, when the National Energy Program played a significant role in the net export of Canadian capital in order to have Canadian ownership of the energy field, foreign investment in Canada has continued to flow in despite the existence of FIRA. After listening to the government side one would think Canada was the only country in the western industrialized world which had at its disposal a tool such as FIRA.

For people who are following the debate, it is interesting to note that there are other countries in the western world which, over the years, have found it necessary to restrict foreign investment in key sectors of their economy for the purpose of protecting the national interests of those countries. In the United States, whole sectors of its economy, such as shipping, broadcasting, air transport and all defence production, are simply off limits to foreign control. Australia has a foreign investment review board which is very similar to FIRA. I need not remind Canadians that the Japanese have extensive controls and foreign investment. These were two examples which I wanted to cite.

Other countries have seen it to be in their best national interest to have some direct government control of the amount of foreign investment entering their borders. I want to point to the United States and get into some greater detail. In the United States, any foreign investment in shipping on the coastal and fresh water systems is strictly prohibited. The shipbuilding industry is barred from government benefits. I could go on and on. Television operators and nuclear power facilities are prohibited from foreign investment.

• (1600)

There are some very good reasons why national governments enact legislation in order to have some form of control over foreign investment within their boundaries. One would like to ask the question about the prospects for future foreign investment in Canada. In a speech which the Prime Minister (Mr. Mulroney) made in New York some six weeks ago, he gave the impression that no foreign dollars flowed into Canada during the administration of Prime Minister Trudeau and Prime Minister Turner and that it is only since the election of the Conservative Government on September 4 that one can expect, because of the new open mat policy of the Conservative Government, that billions of dollars of foreign investment will flow into Canada as a result of the so-called changes in the Foreign Investment Review Agency, replacing it with the Investment Canada Act.

If that is the premise, one should look at what is expected in the United States between 1986 and 1990. If you look at the flow of investment originating in the United States for the past 30 years, you find that beginning in the mid-seventies the United States has changed from a net exporter of capital to a net importer of capital during those years. In fact, the international debt accumulated by the United States during the past few years will fully offset all international assets built up over the last 30 years.

Mr. Fennell: That will change.

Mr. Frith: The Member say that will change. One can have that optimism, but clearly the Conservative Government has embarked on a direction which it hopes will result in the creation of thousands upon thousands of jobs domestically in Canada as a result of the inflow of capital. From the standpoint of Canadians, I hope the Government's optimism will show in results as well as in rhetoric. If not, I remind Members opposite that there will be several Members on this side of the House who will kindly remind the Government about the promises it made during the last election campaign and the complete faith they have placed in the ability of foreign investment to come through on behalf of Canadian interests.

Some of that faith has been misplaced. I will review for the purposes of Members opposite some of the results of the way in which foreign subsidiaries have operated in Canada. The facts do not justify the faith they have placed in the ability of foreign investment to come through in terms of Canadian interests in this country. Time after time there have been cases in which research and development in the subsidiary has been cut back at the expense of Canadian jobs so that the home company, particularly in the United States, could maintain its research and development with respect to its home borders.

I need not go any further than to suggest the case of the Iron Ore Company of Canada. Decisions made in another country, namely the United States, adversely impacted on its subsidiary operations in Canada. I am not suggesting that the particular case of Iron Ore should be dealt with any differently than in other areas. However, I would suggest that the fact that Canadian-controlled firms have, to a large extent, protected Canadian self-interests in other than research and development and employment opportunities indicates to me that we should not place all our faith in the ability of parent firms lying outside our national borders to look after our best interests.

Lastly, one may wish to investigate some of the proposals which the Conservative Government has in its Investment Canada Bill which are significantly different from the Foreign Investment Review Agency which was created by past Liberal

administrations. Evidently it will remove the requirement that we had previously to show significant Canadian content and reason for investing in Canadian firms. In addition to the mandate of the agency for the undertaking of investment performance reviews for foreign-controlled and Canadian firms and of policy development to increase the autonomy of Canadian subsidaries, there are things we proposed in the last election campaign that could have answered some of the problems which had developed over the years with respect to the performance of the Foreign Investment Review Agency. They would have been used to establish constructive self-interest for Canadians.

I said at the beginning that I am pleased that the Government has at least indicated that it wishes to keep the basic premises in the Foreign Investment Review Agency, with some changes. To Members on this side of the House, I suppose small news is good news. In essence, at the heart of the Investment Canada Bill are some extremely good features. What might happen during this debate is that the Government might listen to some of the proposals made here constructively by Members of the Opposition and incorporate them into the new Bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Bow River (Mr. Taylor)—National Revenue—Taxation of death benefits; the Hon. Member for Windsor-Walkerville (Mr. McCurdy) Canadian Broadcasting Corporation—Budgetary cut-backs—Effect on Windsor television station. (b) Request for consultations.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the amendment of Mr. Gray (Windsor West) (p. 1302).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the debate being resumed today is on the amendment proposed by one of my colleagues to have Parliament postpone consideration of Bill C-15, an Act respecting investment in Canada, for a period of six months.

As a Member of this House and as a Canadian citizen who has worked for some time in other areas, including the private sector, I am very concerned about our country's economic future, the future of our children and the future of our workers, the future of the young and not so young. I want our colleagues on the Government side to understand the reasons for the position we have taken in this very important debate and the reason why we are asking for a six-month hoist.

Bill C-15 does not deal with the fundamental problems of the Canadian economy. Furthermore, the fifty or so clauses the Bill contains do not reflect the Bill's title, the "Investment Canada Act". In addition, as far as Bill C-15 is concerned, the premise that foreign investment is to be seen as a stimulus for creating additional economic wealth is ambiguous and uncertain to say the least. A number of statements by American and other foreign businessmen have confirmed this.

On the Government side they keep saying and there is some truth in this and I agree more or less with some of the things that have been said that economic recovery and job creation depends partly on the private sector's confidence in the economy and on increased investment by the private sector. To this I would like to add, for your consideration, that confidence cannot be generated unless the economic agents who make the decisions, that is, investors, managers, workers and consumers, are all aware of the rules of the game. Today, this applies both to Canadian citizens and to prospective foreign investors.

To ensure that everyone knows the rules, the Government must specify its policy on industries like the petrochemical industry, a very important one in the Montreal region where most of my riding is located, and also on the aerospace industry, which employs hundreds of thousands of people at Canadair in Ville-Saint-Laurent. The Government must also be specific about its policies on transportation facilities.

I am thinking, for instance, of the cuts at VIA Rail and the decision to scrap construction of a modern maintenance centre in Montreal that would have created about 3,000 jobs. This may mean that many workers currently employed by VIA Rail or the CN will be laid off, depending on what the Government decides to do.

There is also the telecommunications industry and the important textile sector. Can we consider allowing foreign investment in Canada in one of those sectors without knowing what specific policy the Conservative Government intends to formulate?

Another major industry in this country, especially in Quebec, is forestry. Can we consider letting foreign investors

set up business in Quebec, under the provisions of Bill C-15, without knowing the Canadian Government's policy on the forestry industry, a policy we have been promised for some time?

In the same vein, the Government will also have to make it clear what it intends to do about the changes it has promised in matters relating to financial institutions.

In addition, we are still waiting for clarification, and this could have a major impact on potential foreign investments, about the conditions which the Conservative Government will set before accepting to sell certain public corporations. We do not know what the policy of the Government is.

As long as these policies are not made clearer, we should not be surprised if European and American brokers and bankers tell us, as some of us who follow the statements of certain New York businessmen saw in the newspapers recently, that Bill C-15, as introduced by the Conservative Government, will do nothing to increase foreign investments in Canada. I can understand quite well what these businessmen mean. I can understand why an American bank president or broker could not, in all honesty, advise his customers that, if adopted, Bill C-15 would make it more beneficial for them to invest in Canada.

Moreover, Bill C-15 in itself does not help Canadian businessmen to invest in Canada. Yet, many reports have confirmed that Canadian companies are under-capitalized compared with American companies. This problem is especially serious for small businesses. However, Bill C-15 contains nothing which would give any hope to small businessmen that passage of this legislation will be of some benefit to them. On the contrary, the only other Bill under consideration in this House, which is the Bill to amend the Small Businesses Loans Act, will reduce the benefits provided to small businesses by lowering the ceiling of the guarantee which the Federal Government can provide for small businesses. In fact, representatives of small and independent businesses were quick to voice their disagreement about this initiative.

As I have already said, Canadian small businesses are under-capitalized. There is nothing in this Bill to solve this problem.

Some people will probably say that section 5(e) of Bill C-15 mentions the fact that the Minister will help to develop economic and industrial policies which will affect investments in Canada. However, neither this Bill nor any related proposal announced in the House by the Minister in his second reading speech have given any details about possible initiatives to increase investments by Canadians in Canada.

It is to allow the Government to take its responsibilities properly and to reflect before requesting passage of this Bill that Members on this side of the House have proposed a six-month hoist of Bill C-15.

[*English*]

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is as follows. Mr. Stevens, seconded by Mr. Hnatyshyn, moved that Bill C-15, an Act respecting Investment Canada, be read the second time and referred to the Standing Committee on Regional Development. Mr. Gray (Windsor West), seconded by Mr. Ouellet, moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-15, An Act respecting investment in Canada, be not now read a second time but that it be read a second time this day six months hence".

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the amendment (Mr. Gray (Windsor West)), which was negatived on the following division:

(*Division No. 9*)

YEAS

Messrs.

Althouse
Angus
Baker
Benjamin
Berger
Boudria
Caccia
Cassidy
Deans
de Jong
Dingwall
Finestone
(Mrs.)
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Jewett (Ms.)
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Lapierre
MacLellan
Manly
Marchi
McCurdy
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez
Skelly
Tobin
Turner—45.
(Vancouver Quadra)

NAYS

Messrs.

Andre
Beatty
Belsher
Bertrand (Mrs.)
Binns
Blais
Blais-Grenier (Mrs.)
Bourgault (Mrs.)
Boyer
Brightwell
Brisco
Cadieux
Caldwell
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)

Messrs.

Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crouse
de Cotret
Desjardins
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Gagnon
Gass
Girard
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Hamelin
Hamilton
Hawkes
Hnatyshyn
Holtmann
Horner
Hudon
Jardine
Jelinek
Jepson
Joncas
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Layton
Lesick
Lopez
MacKay
Mailly (Mrs.)
Malone
Masse
Mayer
McCain
McCrossan
McCuish
McKnight
Merrithew
Minaker
Moore
Murta
Nickerson
Nielsen
Nowlan
Oberle
Porter
Price
Redway
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Sparrow (Mrs.)
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vézina (Mrs.)
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)—117.

Mr. Speaker: I declare the amendment lost.

Is the House ready for the next question?

Mr. Hnathyshyn: Mr. Speaker, I have had recent discussions with the Opposition House Leaders and, in view of the time, I think that there would be unanimous consent to call it six o'clock.

Mr. Speaker: Is there unanimous consent of the House to call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

NATIONAL REVENUE—TAXATION OF DEATH BENEFITS

Mr. Gordon Taylor (Bow River): Mr. Speaker, yesterday I directed a question in connection with death benefits to the Hon. Minister of National Revenue (Mr. Beatty). The Minister advised that he would look into the matter. As well, I sent a letter to the Minister of Finance (Mr. Wilson) in connection with the same matter. Today I want to speak further to the matter because during Question Period I could not give the details. I was referring to Section 56(1)(a)(B) of the Income Tax Act. The Department has advised that this Section permits the taxing of death benefits and it is this Section with which I would like to deal.

In my view, the death benefits which come from the Canada Pension Plan were not paid to the taxpayer in the two cases which I will cite. The benefits were paid to the estate of a young man who was killed in an accident in the first case, and in the second case the benefits were paid to the estate of a sister who died. Under the legislation, which has been in force over the last several years, the administration is now levying a tax against the parents of the young man and against the brother of the young lady. I want to deal with these cases from the viewpoint of the legislation.

I will quickly cite the two cases. A young man was killed in an accident. He was just over 20 years of age and had no estate. The parents, who could ill afford it, sacrificed and came up with enough money to bury their son. The Canada Pension Plan assisted with a grant of $1,500, which was payable as a death benefit to the young man who had paid into the plan. The funeral costs were well over $3,000, and the parents were very happy to receive this help. However, later they received a tax bill from the Department of National Revenue which taxed them on the $1,500 as if it had been income which went into their pockets. It did assist in the funeral expenses, but it was not income in any sense of the word.

In the second case, a young lady died. She had no parents. Her brother, out of the goodness of his heart, decided to pay the burial expenses. Again, a Canada Pension Plan payment was made to the estate. However, the brother later received a bill, as if the money had been paid to him.

I feel there is something wrong with this legislation. Surely we should not tax the dead and make the parents or other relatives pay, especially when, out of the goodness of their hearts, they pay the funeral expenses.

I would like to read into the record Section 56 of the Income Tax Act. It reads as follows:

(1) Amounts to be included in income for year.—Without restricting the generality of section 3, there shall be included in computing the income of a taxpayer for a taxation year,

(a) pension benefits, unemployment insurance benefits, etc.—any amount received by the taxpayer in the year as, on account or in lieu of payment of, or in satisfaction of,

● (1750)

In each case it is the taxpayer who is getting the money, and the taxpayer is dead so it goes into the estate. Surely, we are not going to make the people who are paying the bill the taxpayer. Let us go back to Section 3. Section 3 states, and I quote:

The income of a taxpayer for a taxation year for the purposes of this Part is his income for the year determined by the following rules:

(a) determine the aggregate of amounts each of which is the taxpayer's income for the year ... from a source inside or outside Canada, including,

without restricting the generality of the foregoing, his income for the year from each office, employment, business and property;

Again, we are talking about the taxpayer. The taxpayers were the sister and the young man who were killed, but they are dead and they have no estate. The Department is now charging the $1,500 payment from the Canada pension against the parents and the brother who paid the funeral and all other expenses. I submit, Mr. Speaker, that the death benefit was solely for the benefit of the deceased. The parents under this Act are not the taxpayer and the brother is not the taxpayer. I would like to see this legislation amended to be made much clearer.

This is a sample of much of the Liberal taxation policy which tried to squeeze every cent out of the people of this country, even taxing the dead. I would like to see it made very clear that when Canada pension is paid to an estate, the taxpayer's estate is the recipient, not the parents or the brother who pay the bill. I bring these points to the attention of the Government because I feel they do need to be clarified.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, when the Canada Pension Plan was introduced in 1966 provision was made to pay a benefit to the estate of a contributor on his death. The death benefit payable under the Canada Pension Plan is tied into the amount of pension to which the deceased individual would be entitled up to a maximum of 10 per cent of the yearly maximum pensionable earnings. In 1984 the maximum death benefit was $2,080. Any person who has contributed to the Canada Pension Plan for any three years qualifies for the death benefit.

As you are aware, Mr. Speaker, premiums paid under the Canada Pension Plan are deductible in computing income for tax purposes and, similar to other deductible amounts such as contributions to registered pension plans, registered retirement savings plans and unemployment insurance, the proceeds from the plan are included in computing income. This is a fundamental principle which facilitates compliance and ease of administration.

The Hon. Member has suggested that most people believe that the Canada Pension Plan death benefit is associated with funeral expenses. The amount of funeral costs is in many ways a reflection of personal choice—some spend much and others only a minimal amount. In view of the nature of such costs, it has always been considered as personal expenses for which no deduction from income for tax purposes has been allowed.

As I am sure the Hon. Member is aware, there are many individuals who are not eligible for death benefits under the Canada Pension Plan. To exempt Canada Pension Plan death benefits from tax under the premise that they serve to pay for funeral expenses would be unfair to those taxpayers who incur such costs but are not eligible for a death benefit under the Canada Pension Plan.

In conclusion, Mr. Speaker, the benefit received as a lump sum from the Canada Pension Plan and paid to the estate or to a beneficiary is a final payment based on a set formula. As indicated the contributions a taxpayer makes during his or her lifetime are fully deductible and distributions received are included in income. This is in keeping with well established principles of taxation and provides for equitable treatment to all beneficiaries; that is those in high marginal tax brackets pay proportionately more tax on the benefits received whereas those in low tax brackets pay little or no tax on receipt.

CANADIAN BROADCASTING CORPORATION—BUDGETARY CUT-BACKS—EFFECT ON WINDSOR TELEVISION STATION. (B) REQUEST FOR CONSULTATIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I rise in respect to a question which I directed to the Minister of Communications (Mr. Masse) some time ago. It is apparently more timely to now pursue the issue raised than it was then because, when I posed the question in respect to cuts which were threatened to CBET and the other CBC stations in Windsor, we were informed by the Minister that it was too early to deal with such issues on the basis that those cuts were merely rumours.

It turns out, Mr. Speaker, that the cuts at Windsor were even more vicious and more serious than had been anticipated. While between 8 per cent and 10 per cent of staff and funding were cut at CBC stations across the country because of budget cuts, Windsor experienced cuts in both in the order of 25 per cent to 30 per cent.

We in the City of Windsor consider it a very serious matter. As I pointed out at that time, geographically, Windsor is almost surrounded by the United States because it is on a peninsula in the middle of Michigan, Ohio, and New York, at the periphery of the Great Lakes. It is a community in which some 12 American television stations can be easily received. Indeed, Windsor has been described—as I am sure the Parliamentary Secretary recognizes—as an area in which there is the highest density of broadcast reception in the world, the bulk of that being American.

However, it is not only the overwhelming influence of the broadcasting media which affects Windsor. The Parliamentary Secretary will also know that Windsorites are as likely to read the *Detroit Free Press* for the Detroit news. As I pointed out this morning, we are Detroit Tiger fans, Red Wing fans and Piston fans, and so on. At times it is difficult not to consider ourselves American, and this kind of attitude is not helped by the fact that the rest of Canada sometimes regards us, indeed, as being American and appears sometimes to cede us to the United States. Therefore, the issue of CBET in Windsor is a very serious one.

To be specific, some 63 jobs were lost and about 25 per cent of its budget shaved. There is deep concern that Windsor have access not only to Canadian programming generally, but that CBET fulfil its significant cultural function in presenting an opportunity not only for emphasis on local news and happenings but, as has been pointed out by the local musicians union and others, a significant opportunity for the exhibition of performing talents in the City of Windsor and the surrounding areas. As a result of those cuts that role has very seriously

been affected and we are now left only with our evening news broadcast. We have lost our weekend news and virtually all local programming.

There is another aspect of Canadian broadcasting in the Windsor area of which we should not lose sight. As I pointed out previously, Windsor is a significant window to the United States. Indeed, Channel 4 as well as Channel 7 have now assumed the role of broadcasting material from the Windsor area which reflects an interest on the part of Americans as to what goes on, not only in Canada but in the local Windsor area. CBET has a prospective audience of some eight million people on the other side of the river and that is not without significance in terms of communicating what Canada is all about to the United States.

In raising the question, I sought a meeting with the Minister of Communications, which request was not responded to either when the question was posed in the House or when I subsequently communicated with him by letter. We have since met with Mr. Juneau and heard that the financial cuts to CBC were not simply applied to Windsor, a fact that we recognized, but seriously affected other communities which are isolated in peculiar ways across this country. To deal with the peculiar Windsor problems would only mean some other location would suffer, because there would not be any serious attempt to shift funds from the big centres such as Toronto and Montreal. So it seems unlikely that any profit is to be gained by talking to Mr. Juneau.

• (1800)

The people of Windsor still seek a meeting with the Minister and I would ask that such a meeting be arranged. I ask the Parliamentary Secretary to advise the Minister of our interest and make every possible representation to ensure that we will have an opportunity to engage in that consultation. He can perhaps think about how those telefilm funds not presently being used may be given to CBC, as requested by other groups, and perhaps relieve the financial burden imposed on the CBC and open up a window to treat the situation in Windsor and other locations with respect to local production a little more leniently.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am more than pleased, now that I am on somewhat more familiar ground than in my previous intervention, to address the concerns of the Hon. Member for Windsor-Walkerville (Mr. McCurdy), from really two points of view. First of all, as a representative of the constituency of Hamilton-Wentworth I come from the same corner of the Province of Ontario as the Hon. Member. More importantly, I reported from the Parliamentary Press Gallery to CBET Windsor for a number of years before getting into my current profession. So I am very sensitive to his concerns with respect to maintaining the regional programming mandate of the Canadian Broadcasting Corporation.

With specific reference to the CBC's programming mandate and the over-all cuts from the corporation's budget, the Minister of Communications (Mr. Masse) has requested the CBC to attempt to make budgetary reductions primarily in administrative areas. In this regard, the Minister was pleased to note that the corporation has managed the reductions so as to protect programming as much as possible. The Minister made this request so that the reductions would minimize the negative impact on Canadian producers and artists whose development the corporation and Government wanted to encourage. The objective is to ensure that public resources now devoted to the support of artistic and journalistic expression are employed in the most effective manner possible, and that budgetary restrictions do not jeopardize the federal Government's investment in the cultural development of the nation.

Regarding consultations, the Minister specified that they take place with due regard for the respective responsibilities of the Minister of Communications and the Canadian Broadcasting Corporation, and not infringe on their respective mandates. While some reduction was announced in radio and television network expenditures as part of the corporation's reductions, the CBC has promised to do its best to maintain the basic volume of network programming, particularly as it affects regional programming. As well, it must include the needs of smaller and more isolated locations and the interests of minority language groups.

As an aside, Mr. Speaker, of interest to the Hon. Member, CBET Windsor has a bigger news staff than its Montreal counterpart in the corporation.

The corporation has, since last June, been conducting internal reviews to assist in revenue reductions. A number of erroneous reports and remours concerning regional programming and services may have come from that process. Given the complexity of the task and the inevitable review of different options for the CBC, any decision attributed to the CBC would of course not be official until formally announced by the Corporation.

In conclusion, I suggest that it is not up to the Government to determine where those cuts should take place. It is up to the Canadian Broadcasting Corporation.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6.06 p.m., the House adjourned.

HOUSE OF COMMONS

Friday, January 25, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FISHERIES

FISHING VESSEL INSURANCE PLAN

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, with the recent announcement of the Minister of Fisheries and Oceans (Mr. Fraser) that the fishing vessel insurance plan will be phased out between now and 1986, fishermen in my community, and indeed in all of Canada, will be devastated by this move.

The original reason for government intervention in the vessel insurance business was because the private sector was not meeting the needs of fishermen. Fishermen will now have to deal with private companies to insure their boats. As a rule, the few private companies in the business of vessel insurance will not insure small boats and engines, thus causing problems for those seeking loans. The Fisheries Loan Board, as many Hon. Members will know, has a requirement that there must be insurance on every boat and on every piece of equipment for which it issues a loan.

Because of the anticipated difficulties due to this announcement, on behalf of the fishermen of Canada I urge the Minister of Fisheries to reconsider this decision.

* * *

FORESTRY

IMPORTANCE OF INDUSTRY TO BRITISH COLUMBIA—GOVERNMENT COMMITMENT

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, forestry is Canada's most important renewable resource. Nearly one million people are directly or indirectly dependent upon the forestry industry for employment. In British Columbia, one out of every four people rely on this vital industry.

Yesterday in the House the Prime Minister (Mr. Mulroney) reiterated his real commitment to this important national industry. He told the House that a healthy forest industry is vital to our national economic renewal. More important, the Prime Minister assured British Columbians, and all Canadians, that the Government intends to bring substantial help to the forest industry in British Columbia.

For the first time in two decades the federal Government has brought forestry to the top of the list of economic priorities. A new era of federal-provincial co-operation has dawned, and new forestry agreements are being negotiated. The Minister of State for Forestry (Mr. Merrithew) and the Prime Minister will ensure that Canada's once vibrant forest industry is revitalized. We British Columbians welcome this new attitude and this new commitment.

Mr. Skelly: Some British Columbians.

Mr. St. Germain: We all look forward to a new federal-provincial forestry agreement with British Columbia, and to the thousands of jobs and new opportunities that a healthy forest industry will bring, for which the NDP have been screaming and will get.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

ALLOCATION OF CO-OPERATIVE AND NON-PROFIT UNITS

Mr. Dan Heap (Spadina): Mr. Speaker, on Tuesday the Minister of Labour (Mr. McKnight) asked me to give him the names of co-op and non-profit groups who met the criteria of the Canada Mortgage and Housing Corporation on December 31, 1984, but were denied housing unit allocations when over 500 were given to one private developer linked to the DelZotto brothers. This was after two years during which the present and past Governments followed a policy of downgrading co-operatives and community-based non-profit corporations.

I am now sending the Minister the names and business addresses of four groups in Georgetown, Oakville, Vancouver, and Richmond, British Columbia, all of which I understand had, by December 31, satisfied CMHC as to land, zoning, drawings, and construction contract. I call upon the Minister to investigate and, if he finds that indeed they met CMHC criteria, to ensure that they will receive their allocations in time to build this spring, and to report on the matter to the House.

There are many other housing co-ops and non-profit groups which have worth-while projects nearly ready to go. I call upon the Minister to give these serious consideration rather than to give the preference to a phoney, non-profit corporation which is nothing but a front for a private developer who has used that means to dig in—

S.O. 21

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

SOCIAL SECURITY

PLIGHT OF WOMEN AGED 50 TO 65 YEARS

Mr. Gordon Taylor (Bow River): Mr. Speaker, our Progressive Conservative Government has asked Hon. Members and the people of Canada to present alternatives designed to make our social programs more effective. At the present time a percentage of public money goes into the pockets of the wealthy. Even though some of it is taxed back, it is my personal view that there are ways to make our programs more effective.

The biggest gap in social programs today affects women between the ages of 50 and 65 who are in dire need and receive nothing except welfare. This group includes single women who spent their working years looking after aged parents or a crippled or a mentally retarded brother or sister. Divorcees, or women whose husbands died young, and those who scrubbed floors to keep their families together, never had the opportunity to pay into the Canada Pension Plan, and now they are unable to find work even if their health permits it.

I ask the Liberals and members of the NDP who are so insistent upon nothing being taken away from the wealthy: What do you tell these women who are existing on meagre welfare while the rich simply deposit the public money and thus become richer?

I commend the Government for looking into social programs. I present the needy women between the ages of 50 and 65 as a priority group who need help. Only the very greedy will criticize a social program which effectively helps the people who need help the most.

* * *

THE ADMINISTRATION

EFFECT OF BUDGETARY CUT-BACKS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, federal-provincial government agreements on forestry were started under the former Liberal Government. I am glad to note that the present Tory Government is following another first-class Liberal policy.

Since taking over last September, the Conservative Government has mismanaged the country. I should like to refer to just a few examples. Unemployment—this Government which promised jobs, cancelled the Summer Canada Student Program, thus casting a huge shadow of uncertainty for tens of thousands of students who rely upon summer work for income to pay for the next term of school. In the environment, the Government has downgraded Canada's international role as world leader in tackling acid rain and in developing a coalition of like-minded nations willing to take action on a global basis.

The Government has cut deeply into the Canadian Wildlife Service. It has put into doubt the future of wildlife interpretation centres. It plans to reduce research on pesticides and their effect on certain species. The Government is eliminating the jobs of scientists, technicians, and other highly qualified and creative people working on long-term projects relating to the environment. Just like previous Tory Governments, it is driving talent from Canada.

In essence, what the Government is saying to them is: "Sorry, your jobs are cancelled as of March 31, 1985; try elsewhere"—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

• (1110)

THE ECONOMY

REDUCTION IN INTEREST RATE LEVELS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, since assuming office in September last, the new Government has worked diligently to bring down interest rates. Considerable success has been achieved, with the rates now being 2 to 3 per cent lower.

The high interest rate policy of the Liberal Party had a disastrous effect on the Canadian economy, with hundreds of thousands of people being sacrificed to unemployment in a vain attempt to cover up financial mismanagement by this ruse of ever increasing borrowing costs. The Conservative policy will continue to stress a downward trend in interest rates, thereby stimulating residential and commercial construction, and the manufacture of capital and consumer goods, not to mention agriculture and the resource industries.

The success of the Conservative lower interest rate policy is not only reflected in the many new jobs which have been created since the change, and the unprecedented popularity of the new Government throughout the country, but also by the fact that the combined Liberal/NDP opposition has failed to so much as mention interest rate policy on a single occasion since Parliament reconvened. One can only assume that they, too, are 100 per cent satisfied with the new Government's enlightened policies.

Mr. Speaker: The Hon. Member's time has expired.

* * *

FISHERIES

WEST COAST SALMON TREATY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to call to the attention of the House and the people of Canada the matter of the Canada-U.S. treaty on west coast salmon interception. The Conservative Government made a

commitment to open government and to consultation. This sacred trust was worth nothing.

Yesterday, behind closed doors, the Conservative Government approved the Canada-U.S. salmon interception treaty. This treaty has very serious consequences for Canadian sovereignty and the access of Canadians to fisheries on the West Coast. This treaty will have adverse effects on every individual and every community dependent upon the West Coast fisheries.

Mayors of major communities, associated Chambers of Commerce, fishermen's organizations, and even prominent Conservatives have made appeals to the Prime Minister (Mr. Mulroney), the Minister of Fisheries and Oceans (Mr. Fraser), and to the Standing Committee on Fisheries and Forests asking that the committee study and report to Parliament on the implications for Canadians. Instead, the Conservative Government chose to make this a throwaway. When the Prime Minister meets the President of the United States, the Prime Minister will sign away Canadian rights to Canadian fish on the West Coast in the hope of some favour from the President.

* * *

ENERGY

GOVERNMENT CONGRATULATED ON CONSULTATIVE PROCESS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, today I would like to pay a compliment to the Government.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: It happens minute after minute, hour after hour.

Mr. Hawkes: Members will know that for five and a half years I have been standing in this House expressing my opinion that the consultative process lies at the heart of good public policies. This Government has attended to that process, in particular in the resource industries where we now have reason to be optimistic that we are going to have jobs and economic growth. In terms of my community, the oil and gas industry is feeling very optimistic about the consequences of that consultative process.

Members from central Canada will find jobs in their factories which flow from a consultative process that produces economic growth. I simply want to compliment the Government and to say, keep on the same track, keep consulting, and jobs will come. They will be good, long-term permanent jobs.

[*Translation*]

EXTERNAL AID

FOOD FOR ETHIOPIAN FAMINE VICTIMS

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, between now and next spring, more than 1.5 million people will die of hunger in Ethiopia, a country with a population of 40 million and a territory about the size of the province of Ontario.

Early this week during a broadcast of *"The Journal"*, a team of reporters told us about the results of an investigation made in the Eritrea and Tigre regions in northern Ethiopia. Apparently, the Ethiopian government, as part of its ideological war, is withholding food destined for famine victims in this area. According to the team of reporters, the people in these northern regions are rebels against the Communist government.

Mr. Speaker, I imagine Canadians were just as shocked as I was to hear this sad news, but I ask them to please keep sending their donations. These people are counting on us to help them survive these difficult times, and I know that despite these unfortunate incidents, we will do just that.

Consequently, I wish to ask the Secretary of State for External Affairs (Mr. Clark) to start a thorough investigation right away to check the accuracy of the charges being made against the Ethiopian government.

If the Minister agrees, will he review our aid policy to ensure that these people will continue to receive aid from Canadians?

● (1115)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

WEST COAST SALMON TREATY—REQUEST FOR COMMITTEE REFERRAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if I might, I would like to put a question to the Minister of Fisheries and Oceans who is present in the House this morning. Yesterday it was my understanding that the Minister had the Cabinet approve the Canada-U.S. salmon treaty, and that the Minister has been instructed to meet with U.S. officials on Monday for an original signature. This action was taken despite the fact that not a single Member of Parliament sitting on the Standing Committee on Fisheries has had an opportunity to see, or view, the final text of the treaty, and despite the fact that yesterday all the Conservative members of the committee voted down an Opposition attempt to have the treaty and its text produced and examined before the Standing Committee.

Would the Minister be prepared to make available to the members of the Standing Committee on Fisheries the final text of the treaty, the background papers leading up to its final negotiation and signature, and the cost-benefit analysis to Canada, and would he allow his negotiators to appear before that committee so that Members of Parliament and witnesses from British Columbia could attend that committee, before the Prime Minister of the country formally signs the treaty in Quebec City with the President of the United States?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the question raised by the right hon. gentleman is important for the country, and is important with respect to the relations between our country and the United States of America. I take his question seriously.

The answer to the question is that arrangements have been made within the last 24 hours to deliver the treaty and its annexes to members of the committee. I have studied the questions asked during Fisheries Committee meetings with respect to other documents and, to the degree that they are actually in existence, they will be made available to the committee.

I am completely in favour of presenting not only material but personnel who were on the negotiating team, before the committee, and to do so immediately. However, I know that the right hon. gentleman will understand that, under our system, the decision on whether or not a treaty is to be entered into is a Cabinet decision and is not a decision of a House Standing Committee.

REQUEST THAT PUBLIC MEETINGS BE HELD IN BRITISH COLUMBIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I might concede for the moment the constitutional argument made by the Minister. The problem is that the final text has not been made public, and Members of the House have had no opportunity to comment on it.

Now that the Minister has given the undertaking to let members of the committee view the treaty and its text, I wonder whether he would be prepared on his next early visit to British Columbia to hold public information meetings so that legitimate interest groups, and members of the public on the West Coast, affected by this treaty, could put questions to him and have his understanding of the treaty made clearly known to the people of British Columbia.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the request of the right hon. gentleman is a worthy one and I will do everything I can to fulfil that request. However, I would like to point out that since the treaty was first initialled I have met personally on several occasions with the members of the Sports Fishing Advisory Board in British Columbia who are showing the greatest amount of concern. Last night I had dinner with the Chairman of the Sports Fishing Advisory Board and another member of that board. We had a full and extensive discussion of this issue.

I agree with the right hon. gentleman that the terms of the treaty and its important implications must be fully explained to the people at home. I thank the right hon. gentleman for raising this matter because it is important, and I know that his interest is sincere and appropriate.

DATE OF FORMAL SIGNING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I thank the Minister for his comment. I will try to help him out, if I can, by putting a question to the Deputy Prime Minister in the absence of the Prime Minister.

It is our understanding that the Minister of Fisheries and Oceans received pressure from the Prime Minister and his office to accelerate the processing of the treaty in order that the Prime Minister could sign it formally with the President of the United States at the St. Patrick's Day meeting in Quebec City. I ask the Deputy Prime Minister whether—

• (1120)

Mr. Hnatyshyn: How do you get your information?

Mr. Turner (Vancouver Quadra): In answer to the House Leader, this Government loves to choose symbolic dates. St. Patrick's Day, I understand, between two Irishmen.

Some Hon. Members: St. Valentine's Day.

Mr. Turner (Vancouver Quadra): This Government is going to participate, as I said earlier, in a St. Valentine's Day massacre in Regina, when it really tells the provinces what it is all about, I will tell you that.

Mr. Hnatyshyn: September 4 is a good date, too.

Mr. Turner (Vancouver Quadra): Given the undertaking just made by the Minister of Fisheries and Oceans to allow the text to be inspected by members of the Committee, would the Deputy Prime Minister prevail upon the Leader, the Prime Minister of the country, to lift that arbitrary deadline of March 17 if serious flaws are found by members of the committee in the text of that treaty?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the question is important and it is understandable, but it is also very important that all Canadians understand that these negotiations have gone on for many, many years, and it was with great effort that we were able to bring both teams back to the negotiating table. I have to say to the right hon. gentleman that there is no way that that treaty can be reopened. I have had to take upon myself the responsibility of deciding that that treaty, as presently worded, is the best that we can get and it is in the public interest of this country to accept it. It is not an easy responsibility, but I have taken it.

TERMS OF TREATY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Fisheries

and Oceans. It is a bit surprising to hear the Minister, with great earnestness and sincerity, tell us he is willing to have us look at the document and to be consulted about it, but, no, the door is closed; he will not lift an arbitrary deadline. No matter what we discover, the treaty as presently drafted, before we have seen it, is cast in stone. That is a bit amazing, Mr. Speaker.

Some Hon. Members: Question.

Mr. Tobin: The Minister of Fisheries and Oceans knows that two years ago negotiators, in full consultation with both user groups of both countries, initialled an agreement and it was rejected by the U.S. administration because of Senator Stevens of Alaska. What concessions has the Minister made to the United States that it is now back willing to sign an agreement, not only willing but eager to sign an agreement, so much so that the Standing Committee on Fisheries and Forestry in this Parliament has to this date not even seen the text of the treaty?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, it is not completely accurate to say that no one has seen the text of the treaty. Copies, not only of the text but of the annexes, were made quite freely available to the public and to interested groups. The Hon. Member is, I think, failing to recognize that the American system is quite different from ours. Under the American system, no matter what the administration wants, it is necessary to have Senate ratification of a treaty. That is not our system. Our system is the British parliamentary system, and it is a Cabinet decision. It is important to understand that. I am sure that the Hon. Member will help us explain to the public that that is the difference. That being so, as I said, I have taken the responsibility, and the treaty is going to proceed on the basis on which it is presently worded.

CONCESSIONS INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I appreciate the Minister's lecture but I am still wondering, and I ask again, what concessions he has made to the Americans, on behalf of the people of British Columbia, to accommodate the American political system? Why the rush? What concessions have been made since we signed an agreement two years ago which was initialled by both sides? What has the Minister now given up on behalf of the people of British Columbia that they had not given up two years ago, in order to accommodate the American political system and the Prime Minister's desire to play kissy-kissy with President Reagan in Quebec City in March? What is going on? Who is representing the people of British Columbia?

• (1125)

Mr. Hnatyshyn: You just ruined a perfectly good question.

Mr. Axworthy: I want to know is it going to be a public meeting.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, this is an important matter. The Hon. Member is a worthy and dutiful Member on behalf of the fishing community, and I appreciate his question.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Do you want a vote on that?

Mr. Fraser: The question is what concessions were made. Concessions were not made. Under the very good offices of a former distinguished member of the Hon. Member's Party, the Hon. Mitchell Sharp, whom I asked to stay on the negotiating team after we became a Government because of the usefulness of his services, what has happened is that, as a consequence of his efforts and those of the negotiating teams on both sides, the misconceptions which prevented completion of the treaty two years ago have been cleared away.

He talks about concessions, Mr. Speaker. Let me put it this way. The agreement has been made by both countries that both sides are going to have to agree that, for a while, we will not be able to take fish as recklessly and irresponsibly as we were. We are setting a conservation regime in place to bring back the stocks. This is not a concession; this is called enhancement of the salmon resource.

REQUEST FOR COMMITTEE HEARINGS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to make three statements as a preface to my question. First of all—

Some Hon. Members: Order.

Mr. Skelly: To rephrase the question, Mr. Speaker, the Minister will know that this is a flawed document, that there is no public input, and that it basically appears to the Canadian people to be a throwaway for when the Prime Minister meets with the President of the United States.

In view of the fact that the Americans have an opportunity to provide input, would the Minister admit right now that before March 17 the Canadian people could, through the Standing Committee on Fisheries and Forestry, make known their concerns about this treaty which compromises Canadian sovereignty, limits access to our own fish resource, and effectively cuts us off from the fish of transboundary rivers? Would the Minister admit that by a stroke of the pen the Government could permit people to come before the committee and express their concerns about how this is going to affect them?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member seems to be prepared to indicate that his Party does not agree with this treaty as it is worded. If that is the case, certainly he is entitled to say so. But he also seems to be confused about the difference between the American system and the Canadian system.

Mr. Keeper: Did you ever hear of parliamentary democracy?

Mr. Fraser: Someone asks if I have ever heard of parliamentary democracy.

Mr. Keeper: Yes.

Mr. Fraser: What I am talking about is British-Canadian parliamentary democracy, not American republican democracy. There is a difference. If the Hon. Member is asking me to put this treaty back in front of a committee or anyone else, to be renegotiated through the press and statements in the House, I have to tell him that that would be irresponsibility of the greatest order, and I will not do it.

REQUEST FOR PUBLIC CONSULTATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Americans permit their citizens to have input on these matters through the Senate. This Government could permit Canadians to have input before this agreement is signed. Will the Minister admit that he is prepared to have behind closed door meetings with special groups to make deals, rather than allow the groups who have serious concerns about the fishery problem to come before a committee? Would he also admit that there was no confusion in the minds of the Canadian people when the Government promised as a sacred trust that there would be openness of government and consultation? The Americans have it, and we could have it by a simple decision of this House. Would the Minister admit he is prepared to do this behind closed doors instead of in the public eye?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, this has not been a behind closed doors process.

Mr. Skelly: You just admitted it was, John.

Mr. Fraser: The Hon. Member comes from a riding on Vancouver Island and on the mainland which has, of course, a fishing constituency. People in his own riding have had their representatives on this negotiating team, not just for the last round of talks that finally led to agreement, but for many, many years, as the Hon. Member knows. This is not a hidden process. Anyone who is paying attention to the fishing community in the province of British Columbia, as I would have thought the Member would be, knows all of this. His questions are more rhetorical than they are for the purpose of finding facts which he, of course, already knows all about.

* * *

• (1130)

NATIONAL DEFENCE

CANADA-UNITED STATES AGREEMENT ON AIR DEFENCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to raise another question dealing with the proposed amorous union between the President of the United States and our Prime Minister on March 17. This time it is in the very vital area of the proposed signing of a defence agreement that carries with it major implications for expenditures of billions upon billions of dollars on behalf of the Government of Canada. It also carries with it major implications of the placement of new air defence weapons in northern Canada, new fighter bases, and perhaps ground to air missiles.

With all of the major implications bearing upon the proposed signing of that agreement and those negotiations, are the Minister and the Government prepared to make that proposed agreement public in this Parliament before a parliamentary committee so that it can be properly examined by parliamentarians, and debated in the House, before we make a commitment of such major significance to the future of the country?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, there is no current or projected Canadian plan regarding replacement of the DEW Line or any other matter involving Canada in any aspect of United States strategic defence initiatives.

EXISTENCE OF NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister has given us a fine reading of a prepared text. However, there are statements by U.S. officials and Canadian officials, and testimony before the Senate committee, that there are negotiations—

Mr. Speaker: Order. Members are getting longer and longer. May I ask the Member to please come to his supplementary.

Mr. Axworthy: Mr. Speaker, I will be glad to ask the question. Is the Minister saying that presently there are not negotiations and there is no intention to sign any new agreement under NORAD, or any new defence arrangement with the United States?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, it is evident that the systems built three decades ago in the mid 1950s are in need of replacement. Joint studies and plans began in the mid 1970s and they continue. The House will understand that I cannot report on negotiations still in progress.

Mr. Frith: He is reading it.

Mr. Coates: I am reading for a very real reason. This is a very serious matter and we certainly do not want Canadians mixed up between two specific matters that have no relationship.

Mr. Axworthy: Let's get it before Parliament and see.

PENTAGON PROPOSAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is reading his answers well to make sure, presumably, that he is sticking to the facts. I would like to ask him some questions on the same very important subject matter.

The report which came out last night said that there were discussions involving Canadians as well as Americans of a Pentagon proposal for major changes in the defence of the north of Canada. Would the Minister confirm whether those discussions are going on? Will he tell us the framework within which discussion is taking place?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, as I stated in my last answer, there have been discussions going on since 1970. Those discussions are continuing. The Hon. Member knows that until those discussions are concluded I cannot make a statement in the House in relation to them.

SUBJECT OF NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is one thing to tell the whole country and the whole world about the very specific details of defence matters. I understand what the Minister is saying in that regard. It is quite another thing for the Government of Canada to be involved in changes in strategic thinking that could take us in a whole new direction.

The news report indicated that what is being discussed is the deployment of a new anti-missile and anti-satellite system in the north of Canada. Is that being discussed? Does it involve discussions about the possibility of deployment of nuclear weapons in Canada as part of the missile system? Finally, is it connected with the star wars scheme of President Reagan?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I not only want to clarify the situation for that Hon. Member, but for all Hon. Members in the House. We are talking about negotiations in relation to a radar warning system. It has nothing to do with weapons systems.

REQUEST FOR PARLIAMENTARY DEBATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister realizes that the matter is very clear. He is assuring us that what is being discussed is not connected with the star wars proposal of President Reagan. I would like him to confirm that. Would the Minister do what the Liberal Government never did, in spite of their questions now, that is, bring the broad framework for proposals before the House of Commons and a committee for a full discussion before agreement is entered into?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, when I answered the first question I very carefully read it because I did not want misconceptions. After having told the Hon. Member three times that we are talking about a warning system and not a weapons system, he is asking me to confirm it again. For the last time, Sir, we are talking about a radar warning system, and that is it.

Oral Questions

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—CONSULTATION PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. In the past several days it has been rather obvious that the Government is very anxious to proceed with a redress package for the Japanese Canadian community. However, the Minister surely knows that the community is tremendously disturbed at the government imposed timetable.

Rather than rushing this package through the House at this time, will the Minister not instead refer this back to the consultation process so that this process can be given a realistic chance to forge a mutual agreement between the Government and the Japanese Canadian community?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, there has never been a timetable as such set down. That has never been a consideration. I do not necessarily agree with the Hon. Member when he says that the community is terribly disturbed over what has taken place. There is concern, of course. Individuals who claim to represent a large segment of the community have indicated to the Government all along, and are now indicating in the press, that they would like to have an acknowledgement, and what they call a token settlement. Other people whom we have talked to have indicated that they would like to see something in the neighbourhood of a $50 million settlement. Individuals have indicated to us that they would like to see a $20 million settlement. The association itself has indicated that it would like to see a $300 million settlement.

In that context, Mr. Speaker, we as a Government were trying to have discussions with the community to learn whether we could agree on a set proposal and also take that to the House of Commons—

Mr. Speaker: In fairness, I cannot ask Hon. Members on this side to shorten their questions without asking Hon. Ministers to restrict themselves to answers. Statements by Ministers are made under Statements by Ministers. A supplementary question.

Mr. Marchi: With all due respect, Mr. Speaker, I think we must have the answers a little more forthright.

REQUEST THAT DISCUSSIONS BE REOPENED

Mr. Sergio Marchi (York West): Yesterday the Prime Minister said that the Cabinet has reached an agreement on the proposal, that is to say, that discussions are closed.

Mr. Speaker: Does the Hon. Member have a question?

Mr. Marchi: Yes, Mr. Speaker, I am coming to that.

Will the Minister display sensitivity, and make the process more genuine by continuing consultations?

The Government presents itself as being consultative, yet consultations with the Japanese community were closed as of yesterday. Will the Hon. Minister see fit to reopen those discussions to give the process an honest chance to fulfil what it was supposed to do?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the process of discussion with the Japanese community has been ongoing for some time. The last week of September was the first time I had discussions and meetings with the concerned parties. We are at the point now where we would like to see the matter dealt with as expeditiously as possible. We would also like to see a general agreement here in the House of Commons, and that is what the Government House Leader is preparing and hoping to achieve over the next few days.

● (1140)

REQUEST FOR FURTHER MEETING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of State (Multiculturalism). Given that there is still concern being expressed by those who are the leaders in the Jananese-Canadian community, and given that there is no great rush, would the Minister not consider one more time that it would be in the best interests of everyone that the Japanese community be satisfied that the process followed was a fair process, and arrange to meet with them again in order to try to get that kind of understanding?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I had discussions with some of the leaders of the Japanese community in Vancouver last weekend. My question to them was much along the lines of the Member's question to me. The community is not united on where it wants to go. That is nothing new, because most communities in this country are not.

There is a large segment of the Japanese-Canadian community that would like to see an acknowledgement by all Members and all Parties in this House. They would like to see redress based on a memorialization, or some other form of memorialization that could be extended to all communities in this country. We think that is the direction that will probably receive the greatest degree of acceptance throughout the community itself. As I said before, and to conclude my remarks, it will be up to the House Leaders of the three Parties to see if they can reach some agreement—

Mr. Speaker: Order, please. I have already done this once. I do not like to have to do it again.

ASSOCIATION REQUEST

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister has stated that there are divisions in the Japanese community. That is not surprising. Recognizing that that is true, and recognizing that the national association has said it would like to have further meetings, does the Minister not see that that kind of approach would result in a much more satisfactory conclusion to the discussions that took place, and would he simply accede to that request?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, certainly many members of the Japanese community would like to see this matter resolved over a reasonable period of time.

Mr. Deans: We will.

Mr. Murta: That is all we are asking the Opposition do do, to sit down with us to see whether we can come to an agreement here in the House of Commons and resolve that.

Mr. Guilbault (Saint-Jacques): Do it.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CONTADORA GROUP—PEACE IN CENTRAL AMERICA

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, last week the Secretary of State for External Affairs went to Mexico to talk about the Contadora Group and peace in Central America. Could the Minister inform the House of the results of his talks with Mexican officials?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the House is aware, the Contadora process is seen by everyone as the best way to achieve peace in Central America. In view of Canada's expertise in peacekeeping matters, the Contadora countries asked us for some suggestions on improving the process and providing for a peacekeeping mission.

We submitted a detailed proposal to the Contadora countries, and the Secretary of State for External Affairs of Mexico, Mr. Sepulveda, thanked me when I was in Mexico for Canada's contribution. This is an indication of what Canada has been able to do. It is an area in which we have considerable experience. We have made our expertise available to the countries of Central America to help them find a solution to the problems in that area.

* * *

[*English*]

SOCIAL SECURITY

PAYMENT OF GUARANTEED INCOME SUPPLEMENT TO PERSONS RECEIVING WORKERS COMPENSATION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of National Health and Welfare. I ask my question sincerely. Does the Minister think it fair that the Government of Canada reduces payments under the guaranteed income supplement to those pensioners

who are receiving workmen's compensation as a result of previous injury?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has raised this matter in previous Parliaments. I know he is sincere about it. I am putting forth to him that I am looking at the matter. I am not saying that to put the matter off. It has serious implications in other areas of pension eligibility, as the Member knows from previous discussions.

I know what his representation is and he has made it sincerely, as I say, in two Parliaments. I can say to him that it is an issue that is not out of my mind, but I have not come to a conclusion as yet.

REQUEST FOR AMENDING MEASURE

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I remind the Minister that members of his Party and members of my Party are supportive of changing the legislation back to the way it was. Would the Minister of National Health and Welfare consider producing a ways and means motion or make a recommendation to be contained in the forthcoming Budget?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the recommendation which the Hon. Member has made is along similar lines that have been mentioned earlier. We have looked at various options, and the Government will make its decision. I appreciate the representation which the Hon. Member has made.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Deputy Prime Minister. It concerns the energy negotiations that are going on this week. I have a letter here submitted to the Conservative Caucus in which one of the Conservatives' own members expresses his great concerns about the recent increases in the price of gasoline at the pump.

Would the Deputy Prime Minister respond to these questions. I quote from the letter:

> I am starting to believe that we are being held hostage by these companies concerned only with personal profit and that the federal Government has indeed abandoned us.

In addition:

> Do we not have any alternative solutions or methods of controlling these large companies? Is it possible that we might have misplaced them since our victory of September 4 last?

How does the Deputy Prime Minister respond to one of his own backbenchers?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I will see to it that the letter is read by the Minister responsible, and perhaps when she returns she can reply to the Member's question.

Mr. Waddell: I bet you will.

PETROLEUM COMPENSATION ACCOUNT DEFICIT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to put my supplementary question to the Minister of State for Finance. In the light of the concerns expressed by one of her own Members echoing what we have been saying this week in the House, would the Minister now commit the Government to imposing a windfall tax on the oil companies, which companies will gain when we go to world prices? Will she also commit the Government not to charge consumers for that $1 billion deficit in the petroleum compensation account? Will she go on record committing herself to do that?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure the Hon. Member knows that we have the interests of the Canadian public at heart—

Some Hon. Members: Oh, oh!

Mr. Broadbent: The oil companies.

Mrs. McDougall: —that we face considerable problems as a result of the energy policy of the former Government, and that we will resolve those issues in the interests of the country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: What is good enough for Imperial Oil is good enough for Canada.

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NATIONAL REVENUE

TAX STATUS OF TUBE MILL PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of National Revenue. Since last September the Department of National Revenue has been holding up making a decision and giving an advance ruling on a joint venture, a limited partnership, by Algoma Steel, which is really holding up the completion of a $350 million tube mill which will create many hundreds of jobs both in construction and in the operation of that tube mill. Is the Minister ready to indicate a favourable decision on that advance ruling this morning?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the Hon. Member knows Section 241 of the Income Tax Act prevents me from disclosing tax affairs of any taxpayer, including corporate taxpayers. The Hon. Member has been in touch with me from time to time with regard to the subject. Certainly his representations have been noted.

● (1150)

ADVANCE RULING POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, since this matter is very important to a community which has suffered a great deal during the recession, will the Minister indicate when his Department will be making a decision on it? Also, could he say whether or not a policy of not giving advance rulings on joint ventures, or limited partnerships, which will create jobs and substantial economic development in the country, will be abolished, and whether the Government will revert to the previous policy where advance rulings were given?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, there are really two elements to the Hon. Member's question. The first deals with when a ruling, if one is to be given, will be given. Again I am precluded by Section 214 of the Act from giving any such indication whatsoever.

The other question was with regard to a much broader issue of policy, as to whether advance rulings on limited partnerships will be given in the future. As a result of the fact that there were approximately $2 billion worth of unused tax credits in the system which could have been sold through processees such as limited partnerships and others, last fall the Minister of Finance asked that a moratorium be placed upon new proposals for limited partnerships. However, there were grandfather procedures put in place to allow some consideration to be given in cases where proposals were already well advanced. In those cases we have looked at them on a case by case basis.

* * *

[*Translation*]

THE ADMINISTRATION

REQUEST FOR CLARIFICATION OF CERTAIN APPOINTMENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Deputy Prime Minister.

In his book "Where I stand" and in the televised debates during the election campaign, the Prime Minister recommended that appointments by Order-in-Council of officials to key economic positions in the Government should be examined by a committee of the House of Commons.

Could the Deputy Prime Minister explain why, in the case of the appointments made on January 8—and I am referring to the appointment of Mrs. Sylvia Ostry as the Prime Minister's representative at the Economic Summit, Mr. Rob Richardson as Deputy Minister of External Trade and Mr. Paul Labbé as President of Investment Canada—these appointments were not referred to a committee of the House of Commons?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the Hon. Member had been paying attention to the changes which this Government has brought about, he would know that the very distinguished Hon. Member for St. John's East has been designated to head a Special Committee on Parliamentary Reform. This is one of the very aspects upon which inquiries and judgment, I assume, will be concentrated by his Committee, and in due course recommendations will be put before the House.

COMMITTEE TERMS OF REFERENCE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the fact that the terms of reference of the Committee do not cover the topic of the scrutiny of government appointments, and that the matter has not been discussed by the Committee at all, according to our representative on the Committee, is the Government committed to having parliamentary scrutiny of Order in Council and patronage appointments, or should we be calling the Prime Minister's book *Where I Stood*?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, when the Hon. Member has been here for a while, he will learn that the terms of reference granted by the House of Commons directing work of the standing committees are more honoured in the expansion than in the contraction. That particular Special Committee on Parliamentary Reform has already been considering matters beyond the scope of the reference, and I am sure that it won't overlook this one.

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METRIC CONVERSION

GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Practically half a year has gone by and we do not know yet whether the Government is coming or going, and whether it is doing it in metres or feet. The Minister has said that he does not want to proceed too rapidly, so as to make the most logical decision. This was in answer to a previous question which I asked him. I should like to ask him what he means by logical. Is what is logical for consumers, manufacturers, and school children, logical for the Government?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have said before, in answer to various questions, that the Department intends to look into all consultations relating to the metric system. A decision has been made, and we are determining the implementation procedures, which will be announced in due time, probably very shortly.

REQUEST FOR ANNOUNCEMENT OF DECISION

Mr. David Berger (Laurier): Mr. Speaker, the Minister says a decision has been made. The Minister of Public Works says one thing and he says another.

It seems to me that consumers and business—

Mr. Speaker: It seems to me that what we need is a question.

Mr. Berger: Very well, Mr. Speaker.

Instead of confusing the issue for months, could the Minister inform the House when his decision will be forthcoming or let us know right now?

[*English*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, we will be making an announcement as to when the fine tuning of the modality of that decision will be finalized, and it should be pretty soon.

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TRUST COMPANIES

INTRODUCTION OF LEGISLATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of State for Finance. What is happening with respect to the proposed new Trust Companies Act? When will the Bill on that subject likely be introduced in the House of Commons?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I have stated in the House before, the matter of financial institutions is under review. Considerable progress is being made toward the paper we will be producing. I cannot give a time when the legislation will be produced. It will be following the issuance of a discussion paper, which I know will meet with the Hon. Member's pleasure.

* * *

MEDICAL CARE

FEDERAL PAYMENTS TO MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Many groups in Manitoba have expressed concern about whether the Province of Manitoba will be able to retain national standards of health with the $72 million reduction in equalization payments from the federal Government. With this in mind, has the Minister asked the Minister of Finance to restore that $72 million to the Province of Manitoba?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on that question, any discussions between the Minister of Finance and myself will be done in Cabinet.

MINISTER'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, does the Hon. Minister stand by his words on March 23, 1982, when he said in the House:

—I am questioning whether any government in Manitoba has the ability to provide the service for Manitobans.

He also said:

—on this issue the members of the NDP and the Progressive Conservatives from Manitoba are united.

Is he still united with us in insisting that that $72 million be restored to the Province of Manitoba?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, politically I am never united with that Hon. Member, as he knows. In terms of serious negotiations, and in terms of the wide range not only of health services but of post-secondary services and the funding of those programs, as well as any other program, the Minister of Finance is meeting with the province. I think that is the appropriate route.

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ENVIRONMENTAL AFFAIRS

FUNDING OF CANADIAN WILDLIFE SERVICE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of the Environment. It was reported in today's edition of *The Citizen* that the Minister admitted to her Alberta caucus that she had made a mistake in chopping funds from the Canadian Wildlife Service. Later she told reporters that it was a sound decision. The Minister cannot have it both ways. Will she now admit in the House that she has made an error? Will she give us an undertaking that she will fight in Cabinet to have those funds restored to the Canadian Wildlife Service?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am not in the habit of discussing in the House any exchange of information with my colleagues in the various caucuses. However, I admit that on occasion I have said that not being God, I am entitled to a few mistakes, and that it is possible that I shall make some like everyone else.

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• (1200)

COMMUNICATIONS

CRTC HEARINGS ON YOUTH NETWORK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in the absence of the Minister of Communications and his Parliamentary Secretary, my question is directed to the Deputy Prime Minister.

Point of Order—Mr. Waddell

Before authorizing proposals by federal departments such as Transport Canada and Environment Canada, the Government normally conducts an analysis of the social and economic impact of such measures on the quality of life of Canadians. In the case of the CRTC hearings on a Canadian youth channel, no analysis was made. Could the Deputy Prime Minister inform the House why this was not done?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is making statements in the body of her preamble and question with which I am not only not familiar, but not expected to be familiar. I am certain, however, given the very methodical and management oriented approach that this Government is taking, that all of the impacts of decisions made by the Government are examined very carefully before decisions are reached.

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CLERK OF PETITIONS' REPORTS

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Peterborough (Mr. Domm) on Thursday, January 24, 1985, meets the requirements of the Standing Orders as to form.

CLOSURE OF CLEARWATER, B.C. MILL

Mr. Speaker: The petition presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Thursday, January 24, 1985, does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

REQUEST TO APPEND LETTER TO OFFICIAL REPORT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on a point of order to seek the unanimous consent of the House to have appended to today's *Hansard* proceedings a letter from the Hon. Member for Champlain (Mr. Champagne) to the Minister of Finance (Mr. Wilson) dated January 15, 1985, subject: new gas prices increase in Quebec and Canada.

Mr. Speaker: The Hon. Member is seeking unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent.

ROUTINE PROCEEDINGS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved for leave to introduce Bill C-26, to amend the Old Age Security Act.

Mr. Speaker: Is it the pleasure of the House that the Minister shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, the following questions will be answered today: Nos. 17, 113, 144 and 175.

[*Text*]

LAWYERS EMPLOYED BY REVENUE CANADA

Question No. 17—**Mr. Howie:**

How many lawyers are employed by the Department of National Revenue?

Hon. Perrin Beatty (Minister of National Revenue): There are 14 lawyers assigned to the Department of National Revenue from the Department of Justice.

EFFECTS OF PESTICIDES ON WILDLIFE

Question No. 113—**Mr. Robichaud:**

1. Did the Department of the Environment undertake any studies to determine what effects the spraying of pesticides to control bud worm infestations has on the wildlife in the Province of New Brunswick and, if so, are further studies contemplated?

2. Did the Department eliminate seven jobs in Sackville and four jobs in Fredericton and, if so, does this mean that no further work is to be done in this area?

Hon. Suzanne Blais-Grenier (Minister of the Environment): 1. Yes; further studies are contemplated.

2. No. Studies to monitor the effects of forest pesticides in New Brunswick will be continued.

INTERNATIONAL YOUTH YEAR

Question No. 144—**Mrs. Killens:**

1. Does the Government intend to allot special funding for the International Year of the Youth and, if so, will the House be informed about such funding?

2. Will the Government provide a list of prerequisites for securing such funding and who is responsible for administering the funding?

Hon. Andrée Champagne (Minister of State (Youth)): 1. Yes, special funding has been allocated for International Youth Year (IYY). On May 31, 1984 the federal Government announced its program for International Youth Year with a budget of $12 million over the fiscal years 1984-1985 and 1985-1986. From this amount, over $7.9 million has been set aside to fund special IYY projects under the IYY grants program. An additional $12 million is available to support the initiatives of other federal departments and agencies. A $2.6 million program to increase young Canadians' awareness of international issues during the Year will be launched shortly.

2. Yes, the criteria used for assessing IYY special projects are outlined in a brochure entitled "International Youth Year 1984 Grants for Special Projects" which is available to the general public free of charge.

These criteria have been amended to include costs for salaries as an expense eligible for funding. For national projects, an additional deadline of August 15, 1985 for submission of proposals has been set. These changes are being incorporated in the new brochure.

With respect to the IYY initiatives of other federal departments and agencies, the following criteria will be used to assess their proposals; activities should: relate to the themes and federal objectives for the year; impact on areas of interest to youth; provide an innovative response to youth needs through projects that produce tangible results; encourage self-reliance among youth through their participation in the proposed activity; and contribute to the department or agency's on-going mandate and activities.

The criteria for the program relating to increasing international awareness among Canadian youth have not yet been finalized.

The International Youth Year Secretariat, located within the Department of the Secretary of State, is responsible for administering the International Youth Year program under the direction of the Minister of State for Youth.

GRANT PER STUDENT PAID TO UNIVERSITIES AND COLLEGES

Question No. 175—**Mr. Stackhouse:**

1. In 1983, by province, what was the grant per student paid by the Government for distribution to universities and colleges?

2. What was the amount per capita?

3. In 1983, what was the grant per student actually received by church related universities and colleges?

Hon. Walter McLean (Secretary of State): 1. The financial support for post-secondary education under the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 is not provided on a per-student basis and cannot be so allocated.

2. The amount per capita transferred to provinces for post-secondary education in 1983-1984 was $159.62. This includes both cash and tax transfers.

3. Transfers to provinces for post-secondary education Established Programs Financing arrangements are not designated for specific purposes or institutions.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mrs. Landry: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

Mr. Deans: Mr. Speaker, I rise on a point of order. I would respectfully request that you call the motion standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Speaker: I have to say to the Hon. Member for Hamilton Mountain (Mr. Deans) that I gave him a scare earlier that I might not agree to this request. I am fully prepared to agree to the request.

ALLOTTED DAY, S.O. 62—REGIONAL DEVELOPMENT

Mr. Steven W. Langdon (Essex-Windsor) moved:

That this House recognizes the extreme urgency of the unemployment crisis in Atlantic Canada, and urges the government to move immediately on a major program of regional development based on:

1. proper resource management to rebuild the forestry, fishing and coal industries;

2. self-directed community programs to expand permanent jobs through co-operatives and small business;

3. affirmative action to remove job barriers faced by women; and

4. government led investment to expand and safeguard jobs in the steel industry through Devco (Cape Breton Development Corporation).

He said: Mr. Speaker, I want to speak to you and to this House of Commons today with an extreme sense of urgency about the difficulties and dangers that face our country, as we have heard this past week, throughout Atlantic Canada. There has to be action now on the many problems of unemployment that have built up over the years and have reached a state of extreme urgency in this past period of increasingly heavy unemployment there.

I want to tell the Members of the House of Commons what groups like the St. Joseph's Parish unemployed group of Sydney told us. Young people are desperate for jobs—jobs for the long run, not the kind of short-run, make-work jobs which have too often characterized what has been taking place in Atlantic Canada. That group requested a Canada Works grant and was turned down. They report that in Cape Breton over 40

per cent of the potential workforce is out of work. In a town like Glace Bay, over 60 per cent is out of work.

I want to report what groups like the YMCA job corps in Newfoundland said to our action group, that the real unemployment rate in the Province of Newfoundland is between 39 and 45 per cent. Over 50 per cent of high school students are dropping out and finding themselves without a future in the workforce of that province. There is a despair that results for the people of that province, particularly the young people.

I want to report what we heard from the vice-president of the Newcastle-Chatham District Labour Council. Over 18,000 employable people exist in Miramichi, New Brunswick, 8,000 of whom are on UIC and 2,000 on social assistance. Over 50 per cent of the workforce in that part of New Brunswick is unemployed.

[*Translation*]

This young student at the University of Moncton told us: "It may be the International Year of Youth, but as far as the young people in Moncton are concerned, it must be International Unemployment Year".

[*English*]

I have to report what we heard from the Status of Women group in St. John's, Newfoundland. Over 45 per cent of women in that province are jobless. Those women face serious job barriers. For them it is a depression, not a recession. For them the time for polite words is past.

The problem is immense. Official statistics show that unemployment, despite some decrease nationally, is up significantly in Atlantic Canada. In Newfoundland it is up on seasonally adjusted rates from 19 per cent a year ago to over 21 per cent. In Prince Edward Island it is up two percentage points to 13.5 per cent from a year ago. In Nova Scotia it is not up quite as much but it is up. New Brunswick is virtually the same. The participation rates for the population throughout Atlantic Canada are significantly lower in the workforce than in the rest of this country. The rate in Canada for participation in the workforce is 65 per cent, but in Newfoundland it is only 53.5 per cent, 61 per cent in Nova Scotia and 55.7 per cent in New Brunswick.

● (1210)

These figures tell us that there are people who, if they lived in the rest of Canada, would be in the workforce but because they live in Atlantic Canada cannot find jobs. That is why the real rate of unemployment reported to us by people is actually 30 per cent to 45 per cent in Newfoundland, Nova Scotia and New Brunswick.

It is a chronic problem. As the social justice network in Cape Breton Island told us, it is a problem that has existed for many years but is far, far worse as we begin 1985. As the Nova Scotia Federation of Labour said to us, if we had this level of unemployment throughout the entire country, there would be a revolution here. We must do something about this problem and we must move fast because its social effects are catastrophic.

Professors from the university in Moncton spoke to us about increased violence and suicides in New Brunswick. The health coalition in Cape Breton Island told us that referrals to hospitals for mental health problems have gone up by over 50 per cent in the last seven years.

Now there are new fears that people in Atlantic Canada feel as they look at the first steps taken by the new Government to try to deal with the regional development problems in that part of Canada. There is a sense of fear and concern that has been created by the cuts that have taken place and also, frankly, by some problems in the consultation process as it begins. I would like to relate publicly what I heard from people in Atlantic Canada. Some Ministers have made good starts on consultation but there have been some serious problems with other Ministers and a sense of unease hangs over the region. For instance, we heard from the New Brunswick Federation of Woodlot Owners, a group of small business people and farmers who produce almost 30 per cent of the wood output of the province yet have received only 16 per cent of the reforestation funding available through the federal-provincial agreement. We were told that that group met on December 15 with the Minister of State for Forestry (Mr. Merrithew) who, after all, comes from New Brunswick. Yet in six weeks there has been no response from the Minister to the request that the formula dividing those funds for reforestation efforts be changed to give them a fair share. The group has asked for more fairness because that fairness could give an estimated 350 more jobs per year in New Brunswick. Yet no answer has been given by the Government.

The Cape Breton Council of Senior Citizens told us about its serious concerns regarding what will happen to people facing the possibility of early retirement in industry in order to open up jobs for young people. The UIC cuts proposed by the Minister of Employment and Immigration (Miss MacDonald) will have the effect of eliminating the possibility of receiving UIC during the first early retirement year as of the end of this year. Older people in Cape Breton Island are scared.

[*Translation*]

Students and professors at the University of Moncton talked about the CBC cutbacks in Moncton, but there have also been cuts in Gander and Cape Breton. The problems created by these cutbacks for the Francophone community of New Brunswick are very considerable.

[*English*]

Those kinds of cuts are scaring people in Atlantic Canada because they see their ability to speak for themselves through these important national media being cut away.

The Maritime Fishermen's Union, for example, told us they entered with a sense of responsibility and hope into negotiations about the division of fish quotas in the Cape Breton area between inshore fishermen and large-scale fishermen. They compromised and worked out an agreement. They felt that they had come to an agreement that was not perfect or exactly what they wanted.

However, they had reached an agreement which they felt they could live with. Yet the Minister, in the final agreement which was established, moved it in almost the opposite direction from the direction that had been negotiated. There is a sense of profound unease felt by those fishermen about the real meaning of consultation.

We heard about the fears of the people of Glace Bay who face a cut in the Residential Rehabilitation Assistance Program to 25 per cent of last year's allocation. That program is an important source of jobs in that community. We heard from the United Mine Workers and the Nova Scotia Federation of Labour about their concern over the remarks made by the Minister of Energy, Mines and Resources (Miss Carney) who spoke about perhaps getting rid of Devco and privatizing the coal mines in Cape Breton Island. That suggestion may go down very well with her constituents in British Columbia but it scares people and communities in Altantic Canada.

As our action group spoke to 45 or 50 groups in the days we were there, we sensed a growing lack of confidence and a search for alternatives to the direction in which the Government seems to be heading. However, it is important to stress that we also sensed a feeling of hope and potential for communities in Atlantic Canada. Despite the problems that exist and despite how urgently action is needed, Atlantic Canada is not a basket case. People in that part of the country are tired of condescension from central Canada. They are tired of control by central Canada, whether it be control by large companies like Noranda in New Brunswick or Abitibi-Price in Newfoundland or control by bureaucrats from central Canada. They are tired of control by bureaucrats from an organization like Devco which, despite much of its contribution, has created a sense among the United Mine Workers and the steelworkers in Cape Breton that it is not prepared to consult honestly, openly and completely with the workers who will be so profoundly affected by Devco's decisions.

• (1220)

These people, Mr. Speaker, have given us some exciting ideas about the future. The motion which we have put before the House today tries to summarize, not in detail but with some particulars, the kinds of hopes which we heard and which we felt. There was hope first for resource development which will operate through small groups and organizations instead of just the large companies. For instance, Mr. Speaker, we were told that reforestation efforts in Newfoundland could give us a thousand extra jobs a year if this Government and the Government of that province would get together and move fast on just those kinds of initiatives. I have already mentioned the 350 jobs which the woodlot owners in New Brunswick are convinced could come from their being given more responsibility for reforestation.

The same thing is true in the fishing industry. The Newfoundland fishermen's union told us very clearly of its plans and hopes to build that industry in Newfoundland through community-owned fishing plants which would not have to rely on the large external companies which do not have the sensitivity of or roots in local communities.

I have to mention coal as well, Mr. Speaker. The United Mine Workers Union has come up with what I consider an imaginative, exciting plan for re-establishing and refurbishing the coal industry in Cape Breton. I am very pleased that the Minister who is responsible in this area has encouraged this plan. However, this hope must not be allowed to become a forlorn hope. It must be something which the Government comes through on and we, Mr. Speaker, will be pushing to see that that does happen.

It is not just resources. The resource base of Atlantic Canada is important to build on but we have to go beyond that. We must use the human resource in Atlantic Canada because that human resource is there. There is a sense all across the communities which we visited that people themselves, working together, acting in a self-reliant way, can build future jobs for themselves. They can work it through, as is happening in Glace Bay, small businesses set up in an incubator mall there which is going to provide a great many jobs. It is exactly the same kind of thing with co-operatives. However, as these jobs expand, as group after group told us, there must also be fairness for women. In the basic industries of that region as well there must be an emphasis on growth in shipbuilding and in steel.

To conclude, Mr. Speaker, I would say that if this happens, if this hope is realized, we can turn around the extremely serious problems of that part of Canada and deal with the most urgent concern of unemployment which is so badly hitting the people of those communities.

The Acting Speaker (Mr. Charest): Questions or comments? There being no questions or comments, I call on the Minister of Regional Industrial Expansion (Mr. Stevens).

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to thank the Hon. Member for Essex-Windsor (Mr. Langdon) for his motion. I say that because it gives me an opportunity to bring the House up to date on many of the initiatives which this Government has taken in regional development and small business encouragement over the past few months and, in particular, over the past few weeks. Indeed, Mr. Speaker, last evening when I first saw the motion I was so pleased with its contents, the setting out of the four points, that for a moment I thought it had probably been proposed by, say, the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) or the Hon. Member for Carleton-Charlotte (Mr. McCain), both of whom, I think Hon. Members would agree, are very able advocates in the Government caucus of development at a regional level, especially in Atlantic Canada. However, upon checking I found that indeed the motion had been brought forward by our socialist friend who, after presenting the motion today and giving us an opportunity to hear his remarks, seems to have fallen into that pitfall which the socialists continually fall into, and that is their plaintive voice of despair. We have nothing to fear in this country and despair will only bring more despair.

As you are no doubt aware, Mr. Speaker, earlier this week, on Monday in fact, I met with my counterparts, the Ministers responsible for regional development at the provincial level and in the two territories, and I only wish that Hon. Members who are going to participate in this debate could have sat in and listened to the positive, co-operative and optimistic spirit which prevailed at that meeting with every provincial representative and every representative of the territories. In fact, Mr. Speaker, I have had literally a majority of those who attended either write to me or speak to me, saying that it has been the best meeting of a regional development nature that they have ever attended, certainly the best that they have attended in the last three and a half years. I say that because I believe we should bear in mind that the agenda which was worked out at that meeting was one which we now intend to put to the First Ministers' conference in Regina. We are hoping that many of the things which were agreed to at our meeting on Monday will be furthered and recommended by the First Ministers in Regina.

I can tell you that Atlantic Canada will be very pleased if some of the things which have been agreed to at our level are also agreed to at that First Ministers' conference. Having said that, I would like to remind Hon. Members that on the government side there are Ministers and Hon. Members who are determined to harness a team to take up the challenges of regional economic development, taking it out of whatever is its low point and turning it into a successful, dynamic development in the regions which need it most in this country.

What we are hearing from the opposition side are the cynical platitudes of those who only know how to ride this question as a hobby horse. The provincial Ministers with whom I have met know the difference. They are prepared to be part of our team approach. The provincial First Ministers will meet with our Prime Minister (Mr. Mulroney) next month in Regina, as I have indicated, and they hopefully will also set the guidelines and directions for the team approach we are hoping to accomplish. We would welcome constructive ideas, of course, from all sides so I invite those on hobby horses to get down and join the real team which will do a real job for all parts of Canada.

As the House is aware, regional development is one of the four major topics with which those First Ministers in Regina will be dealing. It was put on the Regina agenda at Meech Lake. Of course, I cannot in good faith reveal the details of the discussions I have referred to that were conducted on Monday, but I can say that we had cordial and frank discussions and we have broken new ground in our deliberations.

● (1230)

In view of the lip service paid by the former Government to regional development, I am sure the House will be as surprised as I was to learn that the meeting last Monday was the first time there has been such a meeting of regional development Ministers in Canada throughout our entire history. Such a meeting has never been held before in our Confederation. I feel that coming out of this meeting there has been a new sense of direction established. There has been a reconfirmation that the day of unilateral federal regional development is over. In fact, there was a new commitment to the principle that we work together, we consult and, wherever possible, we co-ordinate our activities.

Coming out of this we agreed that there will be additional meetings soon. The actual timing of these meetings and their place we would hope would be one of the items again to be dealt with by the First Ministers in Regina.

Turning now to the specifics of regional development in Atlantic Canada, I suggest that our Prime Minister summed it up in Halifax last August when he stated, and let me quote his words:

> All of Canada has been the victim of 20 years of failed Liberal policies, but this failure has been most evident in Atlantic Canada. It is here where the Liberal legacy is most apparent, it is here where failed Liberal policies and broken promises have had their most damaging effects.

As the Minister now responsible for implementing many of the programs we put in place to address the problems of regional development, I realize that this failure was not as much a failure of the programs themselves as a failure to co-operate and co-ordinate programs with provincial initiatives and aims. As background to our deliberations and to set regional development in the Atlantic Provinces in a proper perspective, I would like to point out that major federal economic development commitments in the Atlantic provinces, including signed agreements with the provinces, total at the present time some $5 billion. To say the least, that is a handsome figure in any person's calculation. While many of these commitments extend into the 1990s, such as the Atlantic fisheries restructuring and the Atlantic region's share of the patrol frigate program, a large portion of these funds will be spent during the life of the Parliament we are now sitting in.

Let me now turn to the specifics raised and to point one in the resolution before us. It deals with the proper resource management to rebuild the forestry, fishing and coal industries in the Atlantic provinces. I hope Hon. Members are aware that this Department has now committed $23.5 million to the Maritime Forest Research Centre in New Brunswick, some $475 million to the Atlantic fisheries, and $493 million to the coal industry. In addition, under the economic and regional development agreements, the Government of Canada has committed $4 million to the pulp and paper industry in Newfoundland, $12.5 million to forestry resource development in Prince Edward Island, $12 million in Nova Scotia and $42.3 million in New Brunswick. As well as carrying out the Atlantic fisheries restructuring program and commitments resulting from the Kirby report, Fisheries and Oceans has committed an additional $67.5 million to Fisheries Departments in the Atlantic region.

While the legislation governing the economic and regional development agreements calls for consultation and subsequent adjustments as necessary on the anniversary date of signing, two Atlantic provinces, New Brunswick and Prince Edward Island, have indicated they want earlier meetings. I can assure Hon. Members we intend to meet that request by those two

provinces. These anniversary meetings provide an excellent opportunity to review the work accomplished over the past year under the agreement, to make any necessary corrections, to develop new development thrusts as dictated by experience, and to meet the ever-changing conditions in the most effective manner. I am certain that these meetings will be held in the same atmosphere of mutual respect and co-operation that was so evident at our meeting on Monday.

Let me deal with the second point raised by the Hon. Member for Essex-Windsor. This Government has from the beginning made it clear that the road to prosperity in Canada rested on the private sector and, in particular, small business in Canada. Now, his motion refers to the self-directed community programs to expand permanent jobs through co-operative and small businesses. This Government has promised that it would create an atmosphere of confidence in the private sector so that it might carry out its task of getting Canadians back into the workforce. This, then, has been our major thrust in the small business sector. This does not mean that the federal Government is going to shirk its responsibilities in the field of regional development but, rather, that it will accomplish the over-all objectives of maximizing regional development through co-operation rather than confrontation.

That this policy is working out was emphasized this week by the release of a Conference Board of Canada survey which showed that Canadian companies planned to do more research and development in coming years. In its survey of 200 companies it found that these Canadian firms plan to increase R and D spending by about 7 per cent per year from now through until 1989. That level is well above the expected rate of inflation over those years and is a strong indication that business has decided to go for real-growth in home grown R and D. I would suggest that this is but one indication, and there are many others I could cite, that the private sector is indeed willing to do its share with new-found and well-founded confidence.

In coming months, very soon in fact, we will be making announcements concerning new activities, new things starting in Atlantic Canada, that I know all of those who get off that hobbyhorse of wanting to play it as a political dodge will welcome.

Since coming into office the Department has made changes to the Industrial and Regional Development Program which will have a profound effect on the processing of small business grant applications. As Members know in particular, the institution of automatic maximum sharing ratios for projects requiring less than $100,000 in Crown support ensures that this smaller type of assistance may be processed speedily, with certainty, and at the local level. That is exactly what we understand is wanted from the small business sector.

In a similar vein, the changes in the Investment Canada Bill tabled in this House and now in second reading will remove many of the aggravations inherent in the Foreign Investment Review Act. In particular, the raising of the threshold for consideration in effect removes most small businesses from the former long and sometimes tedious approval process. I find it startling, though, that when you are trying to do something as positive as we are trying to do with Investment Canada, something which is going to have a profound effect in starting new businesses in Atlantic Canada, it is the self same socialists and their allies, the official Liberal opposition, that are now blocking that legislation and denying future jobs for Canadians through their blockade in this House.

Some Hon. Members: Hear, hear!

• (1240)

Mr. Stevens: Another indication of our support for the small business sector came this week when I tabled amendments to the Small Businesses Loans Act which raise the loan ceiling in the aggregate by $300 million and raise the gross revenue of those businesses entitled to apply from $1.5 million to $2 million. We will have further announcements in this sector when the present consultative process with the small business community is completed.

Our Department has taken the affirmative action program initiated by Treasury Board for government employees and also encourages firms bidding on projects supported by the federal Government to adopt affirmative action programs. As a matter of record, we have just completed a study of our Department's hiring practices in order to assess any problems that may exist and remove any barriers that exist. This study will be forwarded to Treasury Board in the next few days. Affirmative action is a commitment of our Prime Minister which we are implementing with as much speed and fairness as is humanly possible.

With all due respect to the Hon. Member, I think he is perhaps a little confused when he refers to steel and Devco. Of course, as Hon. Members who are well acquainted with this area know, Devco is not in the steel business, it is in the coal business.

Over the years I think we should not forget that the federal Government has made an enormous financial commitment to Cape Breton through Devco. In the past five years it has provided over $.5 billion in direct funding. This year alone the Government will spend about $150 million on Devco which in turn employs some 3,400 people on the island. In support of our commitment to Cape Breton and Devco last year I made a tour of the island which included some of the mining projects and facilities to familiarize myself with the situation. I can assure Hon. Members that the Government is committed to strengthening the operations of Devco to ensure that the coal industry will continue to play an important economic role in the future of the Atlantic region. Positive announcements will be coming very soon with respect to that company.

In closing, Mr. Speaker, I would like once again to thank the Member for Essex-Windsor for affording me this opportunity briefly to review the present Government's continuing commitment to regional development in Atlantic Canada. This commitment was appropriately summed up by our Prime Minister last year when he said:

We recognize that the kind of assistance that will be required to prepare for the economic opportunities of the 1980s and 1990s is not within the financial resources of the provincial and local Governments in the region, and that the federal Government has a responsibility, within the limit of its own resources, to fill that gap. We recognize too that the only way to ensure that appropriate policies are identified and tailored to match changing realities is to involve the people of Atlantic Canada as much as possible in planning the economic development of their own communities.

I will assure Hon. Members that this week's meeting of Ministers responsible for regional development throughout Canada is an important step in this process, not only for Atlantic Canada but for regional development in every region and area of this great country of ours that will once again boom under a new private enterprise-oriented Government.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Mr. Speaker, I have a short question for the Minister. He referred with a great deal of *fierté* or pride to the fact that the Government is moving very quickly on affirmative action. Can he tell the House today in a very definitive and precise way what the timetable is now for the Abella report? In Atlantic Canada we ran across many problems with women, young people and the disabled. They are very concerned about the Government's timetable for the Abella report which speaks very strongly about employment equity and affirmative action in the country. The Minister of Employment and Immigration (Miss MacDonald) has said that they are studying it and moving quickly. What is the timetable?

Mr. Stevens: Mr. Speaker, one of the nice things about the Hon. Member is that often in asking a question he also answers it. He has referred to the Minister of Employment and Immigration who is responsible with respect to the Abella report. I suggest that the Hon. Member direct the question to that Minister.

Mr. Nystrom: Mr. Speaker, is the Minister saying that he does not know what is going on?

Mr. Stevens: Mr. Speaker, I can reassure the Hon. Member that we as a Cabinet work together. We allow all of our Ministers to speak for themselves, and in no way do I intend to alter that course.

Mr. Dingwall: Mr. Speaker, as the Minister very well knows, regional development has linkages with other government departments. We have heard negative speculation that the nautical institute which has been earmarked for Port Hawkesbury, Nova Scotia, in the seat of my colleague from Cape Breton Highlands-Canso will not be honoured, but that that amount of money will be expended in the City of Halifax.

Mr. Stevens: Mr. Speaker, I am not in a position to make any comment on what the Hon. Member has referred to. I would remind him that as chairman of the Cabinet committee for economic and regional development I am in the happy position of being able to co-ordinate all of the various departments and Ministers that he refers to. I can assure him that a very high priority of that co-ordination is to ensure that there will be effective and early regional economic development.

Mr. Dingwall: Mr. Speaker, I am very happy that the Minister has acknowledged that there are linkages between various departments of government. I am happy that he is the chairman of the Cabinet committee. Would the Minister not think it only fair and appropriate, in view of the devastating economy in Atlantic Canada, that they review their expenditures within the envelope of housing so that RRAP, as we refer to it, could revert back to the expenditures of previous years? As the Minister knows, expenditures in that regard have a very good effect in the sense that the economic multiplier is greatest in the housing industry. Could he comment on that?

Mr. Stevens: Mr. Speaker, I know that the Hon. Member is perhaps relatively new to the House, but I hope he would not fall into the tremendous trap that so many of his colleagues who are so chained to the past have fallen into. They can only think in terms of spending programs and governmental intervention and interference. We are into a new era. Come up and enjoy it in the 1980s and I think you will see prosperity, better housing and better accommodation. A better living standard for people will once again start to be the rule rather than the exception in Canada.

Mr. Langdon: Mr. Speaker, it has become clear that at least one resource that the Minister is committed to increasing with respect to Atlantic Canada is red herrings. A tremendous number of interesting points have been made to us that have very little to do with questions of regional development in Atlantic Canada. I am very pleased to hear about affirmative action programs in his own ministry, but I suggest, with respect, that there is a great deal more in direct terms which needs to be done for Atlantic Canada.

I have some specific questions for the Minister which deal with points that were raised with us during our action group's visit. If he is unable to answer these questions himself, perhaps he can get his colleagues to answer the people of Atlantic Canada.

• (1250)

First, will the Minister see to it that the Minister of State for Forestry (Mr. Merrithew) gives a reply to the New Brunswick Federation of Woodlot Owners with respect to their request for a change in the sharing of facilities for reforestation under that federal-provincial agreement?

Second, will the Minister use the auspices of Devco or Sysco? As the Minister knows, Devco does coal industrial development as well as coal mining in Cape Breton.

Will he use those mechanisms to see to it that the United Steel Workers in Cape Breton get a response to their request about the second phase of the expansion of Sysco?

Third, will the Minister see to it that the status of women group in Newfoundland gets a response to its request that Canada Works programs be equitably shared between men and women in Newfoundland?

Fourth, will the Minister see to it that his Minister of Communications (Mr. Masse) at least meets with those who

are concerned with the cut-backs of the Cape Breton CBC service? A committee has been trying for months to get such a meeting.

Fifth, will the Minister finally respond to the concerns about which many in Atlantic Canada have asked concerning the UIC cuts which hit not just those facing early retirement options but a great many people who are worried about the possibility of tighter regulations in the future?

Can the Minister respond to those kinds of specifics on behalf of his Government?

Mr. Stevens: Mr. Speaker, as the Hon. Member is aware, having thrown about five questions at me, it is absolutely impossible within our rules for me to respond fully to those five or six questions. I can assure the Hon. Member that if he would like to write to me and ask those questions, or if he wants to take it now as notice to me, he will get a full reply to all of his questions.

Mr. Heap: Why didn't you do it in the speech?

Mr. Stevens: He didn't ask them.

Mr. Foster: Mr. Speaker, the Prime Minister (Mr. Mulroney) went to New York and spoke to the Economic Club. He essentially said: "Come and buy out anything you want in Canada". Since we have this policy of no questions asked regardless of how many manufacturing concerns are going to be shut down or whatever, and since we are debating Atlantic Canada, I would be interested to know, as a result of this request by the Prime Minister and the glowing position that the Minister has indicated with his Investment Canada Bill, which some people have graciously called a "sell out Canada Bill", exactly how many additional applications he has received under the present FIRA legislation as a result of this new policy which the Minister says will bring thousands of new businesses to Canada?

I would be interested to know what the dollar value has been for Atlantic Canada. In addition, I would like to hear how many new applications there have been and what the increase in applications has been under present FIRA rules for new industries coming into Atlantic Canada.

The Acting Speaker (Mr. Charest): May I respectfully remind the Minister that we have less than one minute left in this period.

Mr. Stevens: Mr. Speaker, I am sorry I do not have more time because I would like to expand on my answer to the Hon. Member for Algoma (Mr. Foster). There is one thing the Hon. Member is obviously forgetting. The Foreign Investment Review Act is still the law of the land. We would like to change it. There is no new law. We have to implement the same provisions that have been in place for the last ten years. When the Member asks is there a great flood or are there new applicants, I have to tell him that there is no change in the law. We are suggesting that there should be a change, that there should be a more positive approach. I would like the Hon. Member's support to put that more positive approach in place so we can allow these applications to start flooding in.

I can also assure you, Mr. Speaker, that even in anticipation of there being a healthier and more welcome climate in this country for foreign investment, we have had literally dozens of inquiries as to when the new act will be in place so people can be received in a more wholesome way.

If the Hon. Member is wanting any independent evidence as to how on a world-wide basis this country has made foreign capital unwelcome, I ask him to read the *European Management Forum* which now reports that out of 28 countries reviewed, Canada stands twenty-eighth in our hostility to foreign investment. Let me say to the Hon. Member: be proud of Canada, not frightened of the world!

Some Hon. Members: Hear, hear!

Mr. Foster: Just answer the question.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I want to thank my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon), for putting forward this motion today and for reporting back to the House on some of his travels in Atlantic Canada with regard to the problems with which people in that area are confronted.

I want to tell him, and particularly the Minister responsible for Regional Industrial Development (Mr. Stevens), that I believe the solutions to these problems are political ones. I believe the solutions rest with the Minister leading the way and seeking the co-operation of the private sector.

I would like very briefly before I have to terminate my remarks at one o'clock to read to the Minister a sentence of a report which was submitted to the Royal Commission on Economic Union and Development Prospects for Canada. According to the Pictou County Research and Development Commission dated October 12, 1983, any new solutions to the unemployment problem must put jobs and incomes for disadvantaged communities at the beginning of the list of priorities. Without this strategy, existing disadvantaged communities will continue to be the victims of progress.

When you look at what this Conservative Government has done, Mr. Speaker, since taking office, you will see emphasis has been put on the words jobs, jobs for Canadians.

Mr. Stevens: It is jobs, jobs, jobs. Three jobs.

Mr. Dingwall: With this statement here, the Tories are certainly not following their own rhetoric or the rhetoric of others.

I would like to point out to the Minister, who is rarely in attendance but is here today—

Some Hon. Members: Oh, oh!

Mr. Dingwall: —that the economic and regional development envelope has had its budgetary expenditures slashed by the famous slasher by $1.1 billion, representing the single most reduced area of expenditure in the Treasury Board's fiscal

plan. So much for assisting those communities in Atlantic Canada or elsewhere in Canada.

Adding the non-budgetary reductions and loans and investments to Crown corporations of $625 million, total cuts—

Mr. Stevens: Mr. Speaker, I rise on a point of order. The Hon. Member has reflected on my attendance in this House. I would like him to name one day that I have been absent.

Mr. MacLellan: December 21.

The Acting Speaker (Mr. Charest): May I just make one comment before the Hon. Member intervenes. It is not permitted on the part of a Member, and I would like the attention of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on this, to comment on the absence or presence of another Member of this House. It is wrong to do that.

Mr. Beatty: At least when he is here, he is all here.

Mr. Dingwall: I will accept the ruling of the Chair, Mr. Speaker, but I will continue and say that maybe he is here in body but certainly not in mind.

Some Hon. Members: Oh, oh!

Mr. Dingwall: In all, $2.2 billion was cut from the federal Government's budgetary expenditures, which means that spending—

The Acting Speaker (Mr. Charest): Order, please. I regret to inform the Member that having started his speech at 1255 hours he must continue after the luncheon adjournment.

It now being 1300 hours, I do now leave the chair until 1400 hours.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Charest): When the House rose at one o'clock, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) had the floor.

Mr. Dingwall: Mr. Speaker, I should like to continue with my remarks. Approximately $2.2 billion was cut from federal Government's budgetary expenditures. This means that spending originally aimed at economic and regional development represents 80 per cent of the total federal budgetary cuts.

Atlantic Canada is a region which has traditionally relied upon and benefited from federal expenditures aimed at reducing regional disparities. Our future growth and survival are vitally linked with the federal regional development policy. It is evident that the Atlantic provinces have been designated as a low priority area by the Progressive Conservative Government, as is set out in this preview to their economic master plan.

Of the $625 million dropped in loans and investments to Crown corporations, a planned equity injection of $275 million to Petro-Canada has been cancelled. Being the leading exploration force in offshore development in the Atlantic region, this reduction in the spending power of Petro-Canada can only have ill effects on the economy of the region, particularly in Nova Scotia and Newfoundland.

We in the Atlantic provinces depend heavily upon resource-based industry with the support of regional economic policy and job-creation programs initiated and assisted by the Government of Canada. Four federal departments are particularly relevant and co-related to the economy of Atlantic Canada. These are the Department of Regional Industrial Expansion, the Department of Energy, Mines and Resources, the Department of Fisheries and Oceans and the Department of Employment and Immigration. Of the 21 departments affected by recent cuts, Energy, Mines and Resources received the highest cuts by far at $613 million; followed by Employment and Immigration at $432 million. The Department of Regional Industrial Expansion is fifth in line with $200 million slashed from its Industrial Incentives Program. Finally, a Department with a relatively small budget but one that is crucial to the development of Atlantic Canada is Fisheries and Oceans. It stands thirteenth on the list at $36.1 million, far exceeding the budgets of Justice and National Health and Welfare.

The cuts affect us in the forestry. Research cuts in forestry amount to $1.4 million. Research cuts in Fisheries and Oceans amount to another $1.5 million, In programs which assist the development of the fishing industry, the marketing of products and the development of the marine resources, again we see another cut of $11.7 million. There are cuts in ferry services, including a summer only service on the Yarmouth-Bar Harbour ferry, of $16 million. The CN budget reduction is $21 million. The Trans-Quebec and Maritime Gas Pipeline is now deferred, $8 million cut from that. Corner Brook, Newfoundland as the new location for the forest research centre has been deferred, another $3.5 million cut for Atlantic Canada. Capital expenditures for the fishing industry to manage fish stocks for hydrographic and oceanographic activities now eliminated, $18.1 million. The transfer of the Nova Scotia regional office for income security programs from Halifax to Sydney another cut of $2.1 million. Construction of a new office complex in Halifax, another cut of $14 million. Increases in berthage fees, port inspections and foreign licence fees, another $6.3 million effect on Atlantic Canada. It is clear that what we were told before the election about jobs, jobs, jobs has not materialized, notwithstanding the rhetoric of the Minister responsible nor the Government as a body.

● (1410)

We have seen massive cuts which have greatly affected the lives of Canadians in Atlantic Canada. I have some suggestions, continuing along the line of my friend from Essex-Windsor (Mr. Langdon), for the Government. It is all well and good

to talk of the private sector. We in this Party support the private sector. However, to suggest as the Conservative Party has done repeatedly, particularly today, that the private sector will pick up all of the slack to create the jobs and the wealth needed in Atlantic Canada is being less than honest. The brutal fact is that there is a need for government intervention in the economy so that the less fortunate areas of this country have the opportunity to make a meaningful contribution to the Canadian economy.

What better vehicle is there than the national Government taking its role seriously and honestly? The Constitution, the accord which was signed by the provinces, states very clearly that the Government of Canada will provide assistance to the disadvantaged areas of this country, but this Government is not doing that. It is doing the exact opposite. Forestry is down from a high of 70,000 jobs in August to 9,000 in December. If that is performance in Atlantic Canada, I would hate to see anything else interpreted in that way. Fishing employment in Atlantic Canada is down from 29,000 in July to 18,000 in December. The food and beverage industry has gone from a high of 54,000 to 31,000 in December.

What about the construction industry, which affects a great host of people in Atlantic Canada? Employment is down from 29,000 to 18,000 in December. The federal administration, which comes under the direct jurisdiction of the Government of Canada, is down from 40,000 to 33,000. This Government is not taking regional development seriously. If it were, it would not be zeroing in on the less fortunate areas of this country and making its most devastating and crucial cuts on the people in that area.

It has been echoed in places other than this Chamber what the Government of Canada ought to do. Members of Parliament are aware of the difficult plight of individuals in Cape Breton and what they are faced with at the present time. I suggested to the Minister that in the interim a special agreement be developed with the Province of Nova Scotia. They ought to live up to their responsibilities to provide the infrastructure. Whether the jurisdiction is federal or provincial, it ought to be a co-operative effort. A special subsidiary agreement between the Government of Canada and the Government of Nova Scotia is crucial.

With regard to the coal industry, an answer in terms of short-term economics, and more importantly in the long-term interests of Atlantic Canada and in encouraging the Canadian economy, is a pre-retirement plan. That has been suggested time and time again, whether it be in economic reports put out by various public bodies across this country, or by provincial Governments or the federal Government.

The provisions of the ILAP program ought to be increased. Other areas in this country ought to be designated. In particular, I cite the members of the United Mine Workers of America who have been pushing this Government for a pre-retirement plan in order to allow older workers to retire and to provide jobs for younger workers who succeed them.

With regard to the coal industry, the people of that area are awaiting the Minister's answer with regard to his commitments for a long-term project in the Town of Glace Bay. We have waited patiently. I listened to what the Minister said here earlier today. I hope he will live up to that and make an announcement forthwith, not four or six months down the road but within the next number of days. This project is absolutely essential.

The motion we are debating this afternoon calls for an injection of funds by the Government of Canada with a second phase toward the modernization of Sydney Steel. The Government has been sitting on this. That plan was not put forward by a Liberal Government but by a Tory provincial Government in the Province of Nova Scotia. It is high time that the Minister responsible and the Government of Canada lived up to the commitments of the previous Government and honoured the commitment of providing moneys for the second phase.

The forest industry is another important element of Atlantic Canada. There are approximately 148 sawmills in Atlantic Canada. Each in its own way affects various small communities. What, if anything, has this Government done to try and assist? I urge it to take its responsibility seriously. The Government ought to provide a safety net to protect laid off employees and to reduce fear of buying or constructing a home. Federal incentives for new home purchase should be a permanently instituted policy which would float as the market cycles prescribe. I urge the removal of the 5 per cent federal sales tax on lumber. Subsidies presently extended under the Maritime Freight Rates Act and the Atlantic Freight Rates Assistance Act should be increased in order to reduce the market proximity problems confronting the maritime lumber industry.

A saw mill training institute should be established in Atlantic Canada to increase productivity, reduce training and apprenticeship costs, fill the need for skilled workers capable of operating new and highly sophisticated machinery and, most importantly, to fill the shoes of an alarmingly aging workforce.

I know my time is running close. In the fishing industry, the Government ought to inject some dollars, improving marketing and promotion through research. We know what the blue book as tabled by the Minister of Finance (Mr. Wilson) has done. This Government echoes sentiments about research, but what has it done? It has cut $1.5 million from the Fisheries and Oceans research budget, that is what it has done. It has to improve, through co-operative effort with the provinces and the international community, whether the agency be called Investment Canada, our international trade or external relations, in the export of fishery products. That is a serious undertaking that the Government ought to get on with forthwith.

There are many other matters that I could touch on, but I will conclude with this because it concerns my constituency. It has to do with an economic policy built on fact, not on hypothesis or words adopted from philosophy obtained south of the border. It is all well and good to talk of the private sector. I suggest to you seriously, Sir, that the private sector does not operate in those areas of Canada with high unemploy-

ment. It may operate in terms of small business and I think we ought to do everything we can to encourage small business. However, the reality is that the private sector in Atlantic Canada cannot pick up all the slack and create the thousands of new jobs which are needed there.

● (1420)

The Government of Canada has a responsibility under the Canadian Constitution to provide services to all areas of the country and to provide equal opportunities for Canadians wherever they live, whether it be in Manitoba, Quebec or indeed in the Atlantic area. I note that the Minister of State for Finance (Mrs. McDougall) is laughing. She may laugh now but I would tell her that the smugness of the smiles, attitude and intellectual bankruptcy of members of the Conservative Party is beginning to show right across the country. That smugness and lack of concern for the people of Atlantic Canada is no more evident than in the statement with which I presume she had something to do, known as the economic statement of the Minister of Finance and the accompanying blue book.

There is a great deal that the Government can do if it takes its responsibility seriously. We in Atlantic Canada do not want to receive handouts time after time. However, the hard reality is that the unemployment rate in Atlantic Canada is overwhelming and the Government of Canada, out of a sense of fairness and justice to the mosaic of Canada, ought to inject sizeable sums of money to improve the economic plight of those people who live in that region.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Cassidy: Mr. Speaker, I have a question to ask the Hon. Member before we move on to debate. I appreciate some of the comments that he has made about the unemployment situation in the Atlantic provinces, and of course, one of the reasons my Party raised this issue is our concern with unemployment, not just in the Atlantic provinces but across the country.

When the new Government took power, it pledged that its priority would be jobs, jobs, jobs. In fact, no discernible action by the new Government can be linked with any change in unemployment although the Government did happen to benefit from some changes in the American economic situation and the lowering of interest rates.

How does the Hon. Member defend the fact that the unemployment situation in his riding has gotten to the state it is now at when in fact it happened under almost 20 years of Liberal governing? The Liberal Party had the opportunity to create the sustained and self-sustaining employment that Atlantic Canada so badly needs.

Mr. Dingwall: Mr. Speaker, I am glad that the Hon. Member has asked this question. Although I have taken the substance of the motion quite seriously, I think one can see quite evidently that in moving this motion today, members of the New Democratic Party are trying without success to move into Atlantic Canada and profit from the misery with which those individuals in Atlantic Canada are faced.

The Hon. Member asked why there is such a high unemployment rate even though we had an administration that was in power for an extended period of time. I would like to take this a little further, Mr. Speaker. I was the Member of Parliament for my riding for only four years. Who was the Member of Parliament before me? Was it a Liberal? Was it a Tory? No, it was a member of the New Democratic Party. However, in four short years the Liberal Government provided to the Cape Breton Development Corporation in excess of $628 million in an attempt to assist Canadians in that area of the country.

To show the hypocrisy of the New Democratic Party and the Hon. Member who asked the question. I can indicate that members of the New Democratic Party realized their newfound concern for Atlantic Canada after taking four trips to Atlantic Canada. They took one trip to St. John's, one to Halifax, one to Sydney and one to Moncton. Apparently P.E.I. does not count. This shows that the hypocrisy of NDP Members, as stated by the Minister of Regional Industrial Expansion (Mr. Stevens), is such that they wish to profit from the misery of other areas of the country. I would say to that Member—not to other Members but to that Member—that he ought to be ashamed of his hypocritical stance and his—

Mr. Tobin: It didn't sell in Ontario.

Mr. Dingwall: It didn't sell in Ontario. He ought to be ashamed of his suggestion that other administrations prior to this one had no concern for that area of Canada.

Mr. Rodriguez: Mr. Speaker, I would like to put a question to the Hon. Member as well. I would like to preface my question by saying that the hypocrisy is on his part. In fact, northern Ontario, which is very similar to Atlantic Canada, has 12 federal seats in the House of Commons. Year after year, 11 out of those 12 seats were held by Liberals. Several of those Liberals were Cabinet Ministers. In fact, the seat that I now hold was previously held by a Cabinet Minister. Those Members had their hands on the levers of power. They could have reconstituted and restructured the economy of the country by eliminating single-industry communities and coming to grips with the very serious structural problems that exist. They never did. The Hon. Member has an awful lot of gall to be able to stand in the House now and accuse Members of the New Democratic Party, whose record of restructuring those economies and improving the employment situation in the western provinces in which they govern is second to none.

I would like the Hon. Member to come clean with the Canadian people and tell them how he can rise in the House after the Liberal Party has governed over the majority of the last 50 years and masquerade by indicating that he has any solutions to the problems. Perhaps he ought to look to members of the New Democratic Party for some new ideas.

Mr. Dingwall: Mr. Speaker, suffice it to say that I would be prepared at any time to stack the record of that Hon. Member

against his predecessor's record of four years. Suffice it to say that that would be comparing eight years with four years.

In addition, I wish to say that there is one fatal flaw in the motion. The NDP has failed as a Party to bring up the issue of heavy water plants. Do you know why this is so, Mr. Speaker? Members of the New Democratic Party, unlike members of the Liberal Party and the Conservative Party, are against the nuclear industry in the country. They want the heavy water plants closed but they do not have the intestinal fortitude to go to Port Hawkesbury, Nova Scotia, or to Glace Bay, Nova Scotia, and stand in a union hall and say: "Yes, we as a Party wish to close your heavy water plant". They will not go to Elliot Lake and tell that to the union people. Once and for all, this shows clearly to the House and to all Members that the people who profit most from misery in this country are those who sit to my left.

• (1430)

Mr. MacLellan: Mr. Speaker, I would like to ask my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), a question with respect to his comments on RRAP. He asked the Minister about RRAP and the Minister passed the question off very cavalierly without a great deal of concern for the need which exists there. It has been said by the Hon. Member for Essex-Windsor (Mr. Langdon) that 60 per cent of the people are unemployed in Glace Bay, which is in the Hon. Member's own constituency. How are the people in Glace Bay coping with the need to repair and renovate in order to be able to stay in their homes when they do not have any income from the workplace?

Mr. Dingwall: Mr. Speaker, I thank the Hon. Member for his question. I believe he is very much aware of my concern for that part of Canada. I would think that moneys under the RRAP program in years gone by have provided a great deal in terms of energy efficiency and providing jobs, which has added to the building industry as a whole. However, as I said earlier, and I wish to reiterate it while the Minister is in the House, a program to include additional moneys for RRAP, for environment protection and for fisheries or marine protection, ought to be included in a provincial-federal subsidiary agreement between the Government of Canada and the Government of Nova Scotia.

I am certain that if the particular subject matter which is raised by my hon. colleague was put into an agreement, it could bring benefits not only for the short term, Mr. Speaker, but would provide benefits a long way down the road for those individuals who have older homes, who wish to reside in their homes, and who, through no fault of their own, do not have the required capital to make the necessary renovations.

I would urge, therefore, Mr. Speaker, in co-operation with my colleagues and in support of the question he raised, that the Minister responsible reflect upon that matter and again raise it with his colleague, the Minister responsible for housing, so that it might be included in any provincial-federal subsidiary agreement to alleviate the economic plight of individuals in Cape Breton.

The Acting Speaker (Mr. Charest): There is less than one minute left.

Mr. Taylor: I can say what I want to say in less than a minute, Mr. Speaker. I want to know if this is a private feud between the New Democratic Party and the Liberals, or can anyone join in? The two Hon. Members of the NDP and the Liberals are arguing with each other. It seems like their own people have not suffered enough. I suggest that both Hon. Members pull up their socks, because the next time there will be a PC Member in both constituencies and then they will get results.

The Acting Speaker (Mr. Charest): The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) in closing.

Mr. Dingwall: Mr. Speaker, the Hon. Member raises a question which perhaps ought to be reflected upon by himself. I do not think anyone can fault the New Democratic Party for raising such an important issue on the floor of the House of Commons. Although I may take an entirely different view from what those Hon. Members say, I think it is important that the issue be raised. However, I would have hoped that Conservative Members of Parliament would rise in their place and ask intelligent questions and put forward solutions which they may think applicable to resolving the plight of people in that area of Canada.

Finally, Mr. Speaker, I would think that those Hon. Members would jump at the opportunity to participate in this debate. With the exception of those Hon. Members who always go back to the phrase that the private sector will take care of them, I would think that they would have ample solutions readily available which we could share with the people in that area. I would hope that they would contribute to the debate.

Mr. Waddell: I rise on a point of order, Mr. Speaker. Today is, of course, Robbie Burns Day which, traditionally, Scottish Canadians celebrate. I am wearing my kilt. I am a little unclear about the dress code in the House. I seek your permission, Sir, to be able to sit in the House while wearing the kilt. Considering that this country really was started by French Canadians and Scots, I think I should be allowed to do so.

Mrs. Finestone: On the point of order, Mr. Speaker, I will say that I have no objection as long as the Hon. Member is prepared to share with us the knowledge of what he is wearing under that kilt.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): May I just warn the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, may I reply to my hon. friend who, I might say, I respect and admire? She is a very articulate new Member of the House of Commons, and I do not say that in a Burnsian sense. I can only say to the Hon.

Member that nothing is worn under the kilt; it is all in perfect working order.

Mr. Nystrom: Mr. Speaker, I just wonder if the Hon. Member for Vancouver-Kingsway (Mr. Waddell) would table it?

Mr. Taylor: I rise on a point of order, Mr. Speaker. I would just like to say, Mr. Speaker, that a dead bird cannot fall from its nest.

Mr. Frith: I rise on the same point of order, Mr. Speaker. I just want the House to know that the Liberal Party does not want to nationalize it either.

The Acting Speaker (Mr. Charest): Before resuming debate, I will inform the Hon. Member for Vancouver-Kingsway that this House today, I believe, will accept his dress code as long as he does not, of course, make a habit out of it.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I am almost afraid to speak in case I lower the high level of this debate.

I would like to make a few comments with regard to the motion put forward by the Hon. Member for Essex-Windsor (Mr. Langdon). My constituency incorporates five municipalities in Atlantic Canada and is known as the hub of the Maritimes and the transportation centre of Atlantic Canada. I am going to keep my comments relatively short because I am anxious to get back to my constituency, although after listening to the comments of the Hon. Member for Essex-Windsor about the terrible plight of Atlantic Canada, I am not sure why I should want to do that. My constituency was fine when I left on Monday but I am not sure what his socialistic policies were able to do to the spirit of Atlantic Canadians while I was gone. However, I am going to go back and do the best I can to build up their faith and confidence in Canada and Atlantic Canada.

To listen to the Hon. Member for Essex-Windsor one would get the impression that all of the people in Atlantic Canada are depressed, are running around in despair, that suicide is rampant, that violence permeates our every day and all of this is the fault of the Government. I would like to assure the Hon. Member, as a Member of Parliament for the constituency of Moncton in Atlantic Canada, that that is not the case. Atlantic Canadians are proud people. They are proud to be Canadians and to put their efforts forward on behalf of this country. They are optimistic, value life and enjoy living. They are hard working and diligent. The people in Atlantic Canada, yes, occasionally do need government assistance and legislation, but they do not want handouts. We do not want handouts which emanate from very quick legislation or patchwork efforts which try to take care of economic problems. People in Atlantic Canada want meaningful jobs, which are not created by special legislation or treatment but which are permanent, long lasting, productive and exist as a result of a strong economy assisted by a cost-conscious government.

I am anxious to see exactly how the NDP action committee is going to fulfil its mandate, because if Members of this House have to hear about every little foray which this action committee takes in the country, it is going to slow us down from dealing with the national issues which we must deal with in order to get this country back on the road. A motion that is moved as a result of going out and listening to comments of people will result in the same kind of piecemeal legislation we had in the past which tried to deal with the economic problems of Atlantic Canada and Canada. We know about those piecemeal resolutions which were acted upon quickly and as a result of being motivated politically.

I might suggest that that is the motivation behind this motion today and behind the NDP action committee. We have seen all too often in the past the patchwork efforts which are made as a result of political motivation, and I would like to speak briefly to one of those efforts made in an area outside of my constituency, a constituency held in the past by the present Minister of Fisheries and Oceans (Mr. Fraser). I refer to a plant where the Department of Regional Industrial Expansion got involved on a piecemeal basis for strictly political purposes. They were trying to introduce high-tech in an area that was not yet ready for it.

• (1440)

There was an example of no consultation. There was a commitment by the federal Government and the province was not even consulted. Yet the only money committed and spent was spent by the Province of New Brunswick. They spent $5 million they could ill afford to create an overpass and extend water and sewer facilities to a plant which had no economic justification. There was no basis for DRIE funding at that time in that plant. There was no consultation either. There again we saw the piecemeal nature of the past Government in dealing with the problems of Canada, and we are seeing that same kind of thing in this motion. These piecemeal solutions are not effective in trying to deal with the problems of Atlantic Canadians. It is a seat of your pants kind of motion and we have seen too much of that kind of legislation.

When you look at it very quickly, Mr. Speaker, and luckily that is all I was able to do, the motion does not deal with many of the issues facing Atlantic Canadians. There is no reference to expanding our industrial base other than through small business and co-operatives. There is no reference to tourism. You can certainly see in Atlantic Canada a vibrant and healthy tourist industry which has been helped by this Government through the signing of an agreement in New Brunswick for $32 million and a similar agreement in Prince Edward Island. There is no reference to that in this sketchy motion put forward by our friends opposite. There is no mention of education or retraining.

One thing it has which is correct is the reference to an excellent human resource available in Atlantic Canada. That human resource wants to work towards getting this country on the move. But there is no mention of retraining the members of that human resource. There is no mention of higher educa-

tion to provide those people with the technology necessary to compete in Atlantic Canada in this age of technological advancement. There is no mention of the transportation industry. Coming from the hub of the Maritimes and the transportation centre of Atlantic Canada, I am concerned about that. I want to be part of a government team which will work with all the provinces so that when we introduce legislation to help Atlantic Canada and the rest of this country we will deal with all the necessary components, such as transportation.

I was pleased to see members of the Liberal Party make reference to the Maritime Freight Assistance Program, Mr. Speaker. However, there was no reference at all to the freight rates assistance program to help Atlantic Canadian farmers become self-sufficient and supply our own markets as well as export. There is no reference to a lot of the problems in Atlantic Canada and their solution. That is the kind of piecemeal approach we have an obligation to fight because that is what has caused the situation to become as difficult as it is.

We in Atlantic Canada, like the rest of this country, need comprehensive policies. Sure, we need regional policies but we also need comprehensive national policies which are created to help the regions as opposed to pitting one region against the other.

It was interesting to watch the Hon. Member for Cape Breton-East Richmond who now has all the answers. I do not know where he was when that Party formed the Government of this country. Where was he in caucus when he should have gotten up and said these things? I just cannot understand why he can have all the answers now but none before. Obviously he found all kinds of things that were not referred to in this motion so I will be watching with interest when the vote is taken to see if he can support a motion that he knows does not include a lot of the things needed to get Atlantic Canada back on its feet.

Mr. Nystrom: There is no vote. It is not a voting motion.

Mr. Cochrane: The national policies we see are good for Canada and also good for Atlantic Canada.

Mr. Tobin: Nonsense.

Mr. Cochrane: Atlantic Canada is concerned with debt reduction. We are concerned that the Government is aware that we cannot continue to spend sums of money vastly greater than what we take in. This Government is concerned with deficit reduction, which will in turn bring lower interest rates, as we have seen. That in turn will create confidence throughout this country, certainly in Atlantic Canada.

There are commitments being made on research and development. In fact, by Atlantic Canada time there is probably a commitment being made right now. Investment Canada is the kind of legislation we need to encourage investment in our country and in Atlantic Canada.

Mr. Benjamin: For K. C. Irving.

Mr. Cochrane: I should not be baited by that but I am going to be. It is a shame that that Party cannot recognize what private enterprise and a good private entrepreneur can do for a province such as New Brunswick. As a New Brunswicker I will never stand up here and criticize the Irving family and what they have done for our province.

Mr. Cassidy: Buy and sell the province.

Mr. Cochrane: I can assure you that that family has done more in Atlantic Canada, particularly in New Brunswick, than any number of NDP task forces will ever do.

Some Hon. Members: Hear, hear!

Mr. Frith: Get out the flag.

Mr. Cochrane: As the Minister mentioned this morning, we have seen incentives provided to the fishery. We saw the $23.5 million invested in the forestry research facility in Fredericton. We also see the considerable contribution this Government is making to linking Atlantic Canada to the rest of this country and the rest of the world, the important link of transportation. We saw a previous government which seemed to be committed, judging by its actions, to doing away with passenger train service. Now we see a government which has committed itself to the reintroduction of "The Atlantic" from Halifax to Montreal. We have seen the reintroduction of the rail liner from Moncton to Edmundston. We have seen this Government commit itself to providing new equipment instead of patching up the old.

Those are the kinds of incentives Atlantic Canada is going to need to cement our connections to the rest of this country and the rest of the world, so we can hope to take advantage of the opportunities this country can afford and the world can deliver to us.

Tourism was not referred to in this piecemeal motion, but the $32 million tourism package signed with New Brunswick offers a lot of encouragement to us. In my constituency alone some $5.4 million is going to be spent on developing the third largest natural tourist attraction in this country, Magnetic Hill. That will provide the infrastructure so the private sector can employ people and attract tourists to our area. That is the kind of process we need. But there is no reference to tourism in the motion.

In closing, Mr. Speaker, what we need is a government concerned about the economic climate. We are proud people in Atlantic Canada. We will find a way to take advantage of what is available. If we can get this country moving, instil some confidence in this country, the people of Atlantic Canada will work hard to put their intelligence to work and take advantage of every opportunity we can get. If we fail in that objective then we will perhaps need specific legislation. But give us a chance in a country that is on the move. Give us a chance in a country where inflation is not rampant and interest rates are at reasonable levels. Then let us take a serious look at the problems in Atlantic Canada and at what problems remain. But let us make sure that legislation we introduce

deals with national problems and encourages Canadians of all regions to put their expertise and intelligence to work. Then we will go out and look at what we have to do in each specific area.

The Acting Speaker (Mr. Charest): Questions and comments.

Mr. Benjamin: Mr. Speaker, I listened carefully to the Hon. Member. He made some critical remarks about the NDP task force or group which spent several days in the Atlantic provinces. I was wondering if he would now concede that this is an exercise all political Parties have taken for a number of years.

Mr. Nystrom: Except for Liberals.

Mr. Benjamin: His own Party had task forces travelling around the country and reporting back—

Mr. Rodriguez: Ad nauseam.

Mr. Benjamin: —with motions in this House or in speeches. Some of this we supported him on, Mr. Speaker. Would he not recognize that that is a legitimate exercise for any and all political Parties to carry out?

• (1450)

We found out some interesting things during our task force tour in the Atlantic provinces. We are only reporting back what the people in Nova Scotia, New Brunswick and Newfoundland told us. That resulted in today's motion. I hope the hon. gentleman will decide that he is glad we did this. No one has ever objected to any political Party doing what is their duty, which is finding out what is going on in each region of the country, what the people are saying and bringing it back to Parliament to deal with. What is he complaining about?

Mr. Cochrane: Mr. Speaker, I think I discerned a question in that dialogue. There is certainly nothing wrong with Members coming to Atlantic Canada. In fact, we encourage them to come to our part of the country. I can certainly understand the necessity of the New Democratic Party reaching out to Atlantic Canada because they obviously could not put forth the policies which would encourage Atlantic Canadians to provide a seat for one of them in this forum.

I can assure Members that we in this Party are bringing back the message from Atlantic Canada. We are working in our constituencies. We are getting information and coming back to our caucus and ensuring that the message from Atlantic Canada is heard. As a result we are able to bring forward policies that will help that particular part of the country.

Mr. Benjamin: Is the Hon. Member not complaining about our reporting back what the people in Atlantic Canada told us? I presume he is not complaining about our reporting to the House of Commons what those people told us.

Mr. Cochrane: Mr. Speaker, I am not complaining about them bringing it back. I guess I am complaining about the piecemeal manner in which we develop a national mosaic to deal with the problems in the country. If every time you go to one part of the country you bring back a motion to deal with that specific part, you lose sight of national policies and problems. We need a healthy national economy in order to take full advantage of that in Atlantic Canada.

Mr. Tobin: Mr. Speaker, may I congratulate the Member for Moncton (Mr. Cochrane) on the evangelical zeal with which he brings his views to bear on the recent visit by members of the New Democratic Party to Atlantic Canada. I, for one, think that New Democratic Party tourism dollars are as good as any other tourism dollars. I hope they had some nice meals and enjoyed the great comradery, warmth and generosity of spirit of Atlantic Canadians. I do not know what the Member is panicked about.

The Member has some kind of religious conviction. He has received some kind of absolution since he came to Ottawa only three or four months ago. He has shown us the degree to which he has matured politically, perhaps hoping to catch a glint in the Prime Minister's eye for the front bench when the Minister of National Defence (Mr. Coates) or someone else is shuffled out. He is telling us that he will only endorse policies for Atlantic Canada that are national policies. That makes him a big, grown-up, mature Member of Parliament on the mainland in Ottawa. That makes him a centralist, Mr. Speaker.

There are issues in this country which are unique to British Columbia. There are issues that are unique to western Canada such as the Crow rate and the cost of moving grain. In Quebec the language policy is a unique issue because of the recognition of the two great languages of this country. There are certain conditions which are unique to northern Ontario and national policy has been developed to reflect them. Do not apologize for what makes your region different. Do not apologize for asking for special policy to be developed in a national forum to fit the regional need.

I would advise the Member to talk to one of the most successful politicians from Atlantic Canada, the Member for Carleton-Charlotte (Mr. McCain). That Hon. Member has fought every day for all of the years he has been here for the particular regional interests of Atlantic Canada. That is what has made him successful. Stop apologizing. We have special needs and interests which are as important as those of any other region in the country. They are legitimate interests that must be recognized.

Is the Member saying that he accepts as legitimate the dramatic increase of 20 per cent to 30 per cent in freight rates which has been imposed on Atlantic Canada by CN, given that in P.E.I., Nova Scotia and Newfoundland it is, in many cases, the only way to move goods and people around? Is the Member telling us that he accepts a slash of $200 million from the regional development fund? Does he accept the notion of his Minister, who is sitting opposite and listening, that there will never again be policies in this country designed for industrial development to bring jobs to the least advantaged areas of the country? Does he accept that we will no longer

target areas of high unemployment anywhere in Canada? Does he accept that?

If he accepts that notion this early in the game, then for the first six to nine months he should listen, contemplate and go back to his riding to talk to his constituents. When his finger is directly on the pulse of the real needs and concerns of his constituents I would like to hear him tell us that the only policies acceptable to the people of Moncton and northern New Brunswick who have serious employment problems, as does all of Atlantic Canada where unemployment has gone up in the last three months rather than down—

The Acting Speaker (Mr. Charest): Please, be reasonable. The Hon. Member has only two minutes left to answer such a long question.

Mr. Cochrane: Mr. Speaker, I just assumed, coming from a riding called Humber-Port au Port-St. Barbe, that the Member is used to being long-winded. In case the Hon. Member missed it, as I think he did, I would like to reiterate that I am not against regional policies and I am not apologizing for Atlantic Canada. However, I am also not crying out that we need something much different from the rest of the country. We are saying that we have needs and interests but they are not responded to in that piece of legislation. Let us get this country back to work. Let us get the interest rate down. Let us get some incentives and innovation in this country.

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

The Acting Speaker (Mr. Charest): The Hon. Member for Humber-Port au Port-St. Barbe rises on a point of order.

Mr. Tobin: Mr. Speaker, there is a motion before the House, not a piece of legislation.

The Acting Speaker (Mr. Charest): The Hon. Member for Moncton (Mr. Cochrane).

Mr. Cochrane: Mr. Speaker, it is not addressed in this motion and therefore that is not the solution to the problems. I am not apologizing. I am asking for a chance in Atlantic Canada, in a country in which the interest rate is reasonable and the Government is aware that we cannot continue to spend vast amounts more than we make. If we cannot respond and help the economy that is enjoyed by this country, then come to us with some special legislation to deal with our specific problems which we are not able to handle.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, if there was an issue of national consensus on September 4 it was that jobs must be the most important issue in Parliament. That is one of the reasons we took the initiative of forming an action group within our Party.

While the Pope was touring our country just after the tremendous election victory of the Prime Minister (Mr. Mulroney) and his Party, he made several statements on unemployment. An editorial in *The Toronto Star* of September 14 reads as follows:

> In blunt language, Pope Paul 11 has just urged that Canadians be put back to work again. Restructure the economy, the Pope pleaded in Flat Rock, Nfld., so that the blight of unemployment may be lifted from the land. The message confirms the wisdom of Canada's Roman Catholic bishops, who issued a similar appeal nearly two years ago. And it sets out a profound challenge for Prime Minister-elect Brian Mulroney and his incoming government.

I think that is the real challenge of this Parliament, Mr. Speaker. My two or three days in Altantic Canada have shown me that despite the poverty and unemployment there is still tremendous optimism in this country. There is still a tremendously positive spirit among Atlantic Canadians about the future and what can be done. I was really impressed by that. Coming from Saskatchewan where the unemployment rate is very low—it is around 5 per cent, 6 per cent, or 7 per cent in the riding—I was very shocked at the high unemployment rate and impressed that people are positive. They are looking for options, solutions, and alternatives.

• (1500)

[*Translation*]

As the House is aware, Mr. Speaker, the national unemployment rate in this country is now 10.8 per cent. The situation is quite different in the Atlantic provinces, however. According to the figures for December, in Newfoundland the official unemployment rate was 21.2 per cent. In December 1983, the unemployment rate was 19 per cent. This is an increase of two per cent over the last twelve months. We see the same thing happening in Prince Edward Island where unemployment also rose between 1983 and 1984. The situation is the same again in Nova Scotia and New Brunswick.

Mr. Speaker, jobs and the unemployment rate are very important issues in this country, but the problem is far worse in our four Atlantic provinces.

[*English*]

The action group that went to the Atlantic Provinces had three objectives when we started our tour. These objectives will continue across Canada as we visit 22 different centres in all ten provinces, including Prince Edward Island where we are going later on.

The first objective was to give ordinary Canadians a forum to speak out about the most important issue in this country, the issue of unemployment, and to try to provide us with ideas as to where to go in the future in building a new Canada and having a new vision in the years that lie ahead.

We were told a number of things by these ordinary Canadians. We were told in Newfoundland that in 1984 some 54 per cent of the people in that province were touched by unemployment at one time or another in the last calendar year. Some people worked for ten weeks and would then be on unemployment insurance, others would work 12 to 14 weeks and go on unemployment insurance. The majority of people in Newfoundland, according to what we were told, were touched last year by unemployment in a very direct and personal sense. We were also told that the number two producer of dollars in the Province of Newfoundland was unemployment insurance benefits, Mr. Speaker. The first producer of dollars in that

province was moneys coming in to federal public servants, provincial public servants, and employees of Crown corporations, in other words, people on the public service payroll or the payrolls of government. The number two producer of income is unemployment insurance.

We spoke as well with a person very well known in this House, namely, Richard Cashin, a former Member of Parliament, who is now the head of the fishermen's union, and one of his colleagues, Mr. Earl McCurdy. They told us about the problems facing the fishing industry in Newfoundland and of the tremendous problems they have historically, the poverty, and the cycle of working for a few weeks and then being unemployed. They told us about the lack of a decent income, and how we in this country have to pay more attention to the fishing industry, just as we should be paying more attention to some of the farmers and their problems on the Prairies.

We were also told about young people. The unemployment rate in our country officially among the young is 16.7 per cent. I say "officially" because a lot of people, including young people, but particularly young people, have given up looking for work. They are discouraged and many of them are back home with their families. Some are on welfare. They have just dropped out of the labour market altogether. We were told that in many explicit ways by representatives of the YWCA in the Province of Newfoundland.

In Halifax we heard Father McKinnon give what I think was the most moving testimony we heard during our three days in the Atlantic Provinces. He told us of some of the problems facing the young people in Halifax. He runs a place called Hope Cottage, which is really a soup kitchen. He told us how in the last three or four years more and more people are totally and absolutely destitute and are coming to that soup kitchen because they have nowhere else to get food.

He told us that in 1981 they had handed out some 3,600 meals, in 1983 they handed out some 51,000 meals to people, and in 1984 some 61,000 meals were given to the poorest and most destitute people in the City of Halifax.

I think it is unfair that in our society so many poor people are living on the streets. It is very unfair that many of these people have to get their food from garbage cans. It is very unfair that some of these people are forced to steal or beg to get food to live from one day to the next. I think it is very unfair that in a city like Halifax with some of the highest rents in the country there are slum landlords charging people as much as possible and that there are many, many people living in a small room or apartment. It is very unfair that in a land of so much wealth and opportunity there is so much poverty in parts of Canada. It is very unfair that in Halifax, which has a very large black population, 75 per cent of young black people are without work. Only 20 young blacks graduated from high school in 1984. There is obviously something wrong when we have a society like the one we have which is so wealthy and so rich yet we have so many people living in absolute poverty.

We also heard from women, Mr. Speaker. We heard from the Status of Women group in Newfoundland. We heard from Beth Lacy and we heard from Dorothy Engels in the City of St. John's. They told us about discrimination in jobs when it comes to women. They told us that they estimate as a result of their work and research that around 45 per cent of the women in Newfoundland are unemployed. They also told us that in Newfoundland there are very few daycare centres for parents who want to leave their children in daycare while they go to work. They said that Newfoundland has by far the worst record in all of Canada in terms of spaces in daycare centres and in terms of the proportion of daycare centres for the population of that province. They also told us about the large number of women who want to work and cannot find full-time jobs, who are working at very low income and part-time jobs because of the tremendous recession and depression in the economy of Newfoundland.

We also spoke with a representative of disabled Canadians.

[*Translation*]

Mr. Speaker, his name was Shawn McCormick, from Halifax. He said that about 10 per cent of Canadians are disabled. This is something that I, and I think many people with me and many of my colleagues, tend to forget. He said that although the disabled represent 10 per cent of our population, federal spending for the disabled in this country has dropped in the last three or four years. He also said that although there is a great deal of unemployment among disabled Canadians, there is only one co-ordinator for the disabled in the four Atlantic provinces, only one for the province of Quebec and only one person co-ordinating programs for the disabled in Ontario, and there is only one person for the four remaining western provinces.

Mr. Speaker, it is not fair, in a country that has so much wealth and resources, to have—

[*English*]

—to have such a little money going to people who are disabled. That is one change we should be making. The Hon. Member for Moncton (Mr. Cochrane) says we have had a lot of task forces. There was a parliamentary task force established about four years ago. Members of all Parties participated and dealt with the problems of disabled Canadians. My understanding, according to Mr. McCormick who appeared before us, is that they made 19 recommendations and only six of them have been acted upon by the Parliament of Canada. I suggest that it is time we got our act together collectively in terms of doing something for the disabled in Canada. We have, as was mentioned before, the recommendations of Judge Abella whose report came down in the latter part of November. She made recommendations about employment equity for disabled people. I suggest those recommendations be implemented as soon as possible.

• (1510)

The first objective of the action group on jobs was to give ordinary Canadians a forum in which to speak out and tell us about their problems, whether they be disabled, women, fishermen, loggers, miners, young people or whoever.

Our second objective as we went across the country was to try to discover some new ideas from the people of Canada. I genuinely feel that there are no experts in this regard. I do not feel that there are any experts in terms of creating jobs. The best experts are the ordinary people of Canada. They know their communities best. They live in them. They have a better idea than most of us as to what should be done. We came across many new ideas. I suppose if there was a theme, the theme was that in the past there have been too many centralist programs imposed by Ottawa or by St. John's, Newfoundland or by Halifax, Nova Scotia. There have been too many centralist programs devised by economists, too many theories about how to put people to work or about how to organize industry. We were told time and time again that they had too many such programs.

They said that they wanted a more decentralized approach based upon the self-reliance of various communities. They wanted small-scale development based upon local economies. They wanted more decentralization, not megaprojects and large spending programs as they have seen so often in the past. In fact, Michael Kay, a representative of the Social Action Committee of the Archdiocese of St. John's, said, "What we should have are employment strategies that are based on small scale industrial approaches throughout the Province of Newfoundland". He also said, "We need more worker-producer co-ops in the Province of Newfoundland".

We heard from students Gavin Will and Nina Patey from Memorial University who said that they needed more incentives and more help for small business in Newfoundland. They said that they needed more encouragement from the federal and provincial Governments for the co-operative movement which worked so successfully in the Province of Quebec—

[*Translation*]

—in the province of Quebec and in my own province of Saskatchewan, where the co-operative movement is very strong—

[*English*]

We have had a lot of success with it. We heard from Keith Davis from the Newfoundland Unemployment Action Committee, who said, "What we need are more community-based developments. We need local control. What we need is local initiative".

I think the message from these people is a very clear one. The direction in which we should go is helping people to help themselves. We should try to develop appropriate industries and businesses based upon local communities. We should take a serious look at trying to establish more assistance and set up co-operatives and at trying to help the co-operative movement.

Then we heard a couple of ideas about taxation which I think are interesting and at which I think we in the House should take a look. A university professor by the name of Bob Hill talked about the fact that most jobs in the country are created by small business. He made the point that we have a flat tax for corporations. Whether or not they make a large or a small profit, there is a flat tax for corporations. He suggested taking a look at changing it from a flat tax to a progressive tax for corporations. For example, a small company which was not making much money would pay a much lower corporate rate, and a larger company making a killing would have its tax rate rising very progressively in a similar way as now applies to individuals in Canada. I think that is an idea worth looking at. Perhaps it might be one way to help small businesses in Canada. It also might be a way of raising revenue from the large and wealthy corporations which are doing very well. He also said that we should take a look at special taxes when it comes to single-industry towns and communities. Often a big company will come into a community because the market internationally is very good. It makes a lot of money, a large profit, and then the market turns down, the mine closes, the company disappears and everyone is laid off. He suggested that we should look at the possibility of a special levy or a special tax when times are good placed on big companies in single-industry towns. He suggested that that tax should be turned over, not to the federal Government or the provincial Government for its plans and ideas, but to the local municipality, town, village or whatever in order to diversify the economy or the economic base of the particular community.

If such legislation had been in effect years ago, perhaps Schefferville would still exist as a fairly decent community within which to live, with a few opportunities for its people despite the fact that Iron Ore closed down that particular mine.

These were some of the ideas of ordinary people who appeared before the task force. After the first few days of setting up this action group on jobs. I knew there were many people out there who had many ideas. They have stories to tell about what we can do in their communities. The general theme was to look at appropriate, small-scale development, particularly in places like Newfoundland and Cape Breton where there are many small communities—perhaps a job here, five jobs there and ten jobs there, but jobs which will be permanent, long-term and relevant to their particular economies.

As I said, there were three objectives. The first was to give people a forum and the second was to get some new ideas. The third objective was to try, through this mechanism and others, to ensure that the job issue remained as the number one issue on the parliamentary agenda and to ensure that it was the most important issue addressed by the Government and indeed by all parliamentarians in the House of Commons. If we could use this mechanism to give people a forum in which to present new ideas and to put pressure upon us as Members of Parliament so that we deal with the issue, I think we are making a great contribution to the future of the country.

I feel very positive about our opportunities in Canada. I feel we can put the unemployed to work. I feel we can put young people to work. I feel we can be fair and just toward the women of the country in terms of providing them with good, decent-paying jobs and equal pay for work of equal value. I think we can do those things. We can become a nation of producers. We can own and control our own economy. We can do all those things, but we will only do it if this House of

Commons, this Parliament, takes the leadership and tries to help people help themselves in the various communities from coast to coast as we try to build a new vision for the future of Canada.

[*Translation*]

Mr. Speaker, during the three days I spent in the Atlantic provinces, it became clear from the people we met and the way they spoke that there was an area with greater self-reliance than anywhere else in Canada. They mentioned a system for decentralization which we have here now, but they also spoke with a great deal of pride in referring to Newfoundland or Cape Breton or Halifax, and those people were very positive.

[*English*]

They are also very optimistic about the future. I think we in this country can have full employment. I think we can do very well.

I started by referring to remarks of the Pope when he was in Canada. I will conclude by quoting something else he said:

> Men and women are meant to contribute by their work to the building up of the human community, and so to realize their full human stature—

He also said:

> Prolonged failure to find meaningful employment represents an affront to the dignity of the individual, for which no social assistance can fully compensate.

I think we have a challenge which we are up to meeting, if the House collectively makes it the most important issue in the country. Rather than try to impose things upon people, we should work with people to solve the problems province by province, community by community, neighbourhood by neighbourhood.

Mr. Crofton: Mr. Speaker, new-found religion is a wondrous thing. Like my colleague from Moncton, I congratulate the New Democratic Party for venturing into Atlantic Canada where it has no representation. I hope it will find the time and energy to visit other parts of the country where it does not have representation. It will discover that the misery and suffering is widespread in Canada, the result of 20 years of inept and inappropriate legislation which has driven the country to the verge of bankruptcy.

● (1520)

The only way that we will get things back on track is by comprehensive legislation, which I hope the New Democratic Party will see fit to support when my Party presents it over time. Running about with a box of band-aids will not solve the problems that we face. That is the mechanism the Liberals used over the years, and we have seen the results.

I cannot help but point out to the Hon. Member for Yorkton-Melville (Mr. Nystrom) that over the years when my Party was attempting to focus the attention of Parliament on the problems of this country, every time the Liberals got in trouble it was the NDP that propped them up and kept them in office. It has to share the responsibility for the troubles we have in this country.

Mr. Nystrom: Mr. Speaker, the Hon. Member made a few interesting comments. He commented on the voting record of our Party in terms of the Liberal Government. He should check the record. He will find that his Party in opposition voted with the Government twice as often as our Party. If we are sleeping with the Liberals, I do not know what his Party was doing with them because it voted with the Liberals twice as often. It did not even hang onto its pyjama bottoms.

Mr. Frith: Were they wearing kilts?

Mr. Nystrom: They were not wearing kilts either.

The Hon. Member tried to be sarcastic. He said that at the present time we do not have any members of our caucus from Atlantic Canada. That kind of attitude cost the Liberals the last election. After several years, Canadians assumed they were insensitive to parts of Canada, that they were getting smug with Canadians. For reasons like that, they were thrown out of office. I am sure the Hon. Member for Gander-Twillingate (Mr. Baker) will agree that this is a fairly objective analysis.

I say to the Member opposite that we may not have any federal representation at the present time, but since September 4 we won our first ever provincial by-election in Newfoundland. We won a by-election in Saint John as a result of a seat that was vacated by the Minister of Forestry. That riding had been held by the Conservatives since Confederation. We tripled the size of our caucus in the Nova Scotia election on November 6. Therefore, our Party is on the march in Atlantic Canada. If the Government is not more sensitive to the problems of this country, it will go the same way the Liberal Party went on September 4. We are not a country that can be governed centrally in terms of great monolithic plans. We must have a great deal of flexibility in the way we approach matters. We are a diverse country and I hope the Member opposite realizes that.

Mr. Baker: Mr. Speaker, I congratulate the Hon. Member on his speech. Following the remarks of the Conservative Member, I want to point out a couple of matters to the Hon. Member who made the speech. First, the reason why there are no daycare centres throughout Newfoundland is that that province never had an agreement with the federal Government for cost sharing under the Canada Pension Plan for a daycare centre network. There are two provinces in Canada which do not have agreements. The provincial Government there, which happens to be Tory, does not consider it a high enough priority to establish daycare centres in Newfoundland.

The intervention by the government Member was very interesting. In the New Direction for Canada, which was presented to the House by the Minister of Finance (Mr. Wilson), he puts forward a very novel way of solving the problem of our primary industry in Newfoundland. He says there must be a rationalization of fish plants and workers will have to be relocated to other parts of Canada or into other occupations. In other words, he suggests closing down the very nature of the workforce.

A policy statement was forwarded by the Newfoundland Government to the new Conservative Government in Ottawa. Interestingly enough, it is entitled *Discussion Paper on Major Bilateral Issues between Canada and Newfoundland*. I do not see too much wrong with requests made by the Newfoundland Government for increases in amounts of money which go to the province for infrastructure. There are incredible infrastructure requests.

What I find interesting is the philosophy of the typical ultra-Conservative where the document states: "Productivity improvement universally recognized as an objective for the Newfoundland economy must also preoccupy our public and private discussions". Another part refers to Newfoundland's productivity problems. There are references to that throughout the document.

The point is that the primary resources are the principal employer in the Newfoundland economy. You cannot compare the productivity of a fish plant worker in a fish plant that makes fish into a frozen cod block to be exported to Massachusetts where it will be made into a final product with the productivity of the fish plant worker in Massachusetts. You cannot compare the productivity of both those fish plant workers, which is what every economist has done for the Newfoundland Government and the federal Government for as long as I can remember. This reflection in a document by the Tory Newfoundland Government is insulting, to say the least.

That is basically what is wrong with the Newfoundland economy. The document complains that the previous Government was preoccupied with secondary manufacturing and, therefore, there should not be grants for secondary manufacturing. The whole thing is out of kilter. It is unfortunate that there is not a discussion between Newfoundland and the new federal Government to tackle seriously the problem of having practically no final production in a primary industry.

It is unfortunate that that is not an issue in this document on bilateral issues. They say our productivity is low. They should ask why it is low. It is low because there is nothing for them to do but to export a raw product to another country to be made into a finished product. We would not have a person unemployed in Newfoundland today if that problem were seriously tackled. Not a person in Newfoundland would be unemployed today if the Government had any thought for the people and about what is being done in the primary industry in our province. Tory philosophy will not help either the provincial Government or the federal Government which stated in its "Future for Canada" that it will have to relocate people to jobs in other parts of Canada.

Mr. Rodriguez: Mr. Speaker, I have a question for the Hon. Member. He made an excellent speech and a very fruitful tour of eastern Canada. During his tour of eastern Canada, he must have met a lot of young people who are very concerned about summer employment. I am specifically referring to post-secondary students. He must have encountered concern being expressed by groups and individual students. Will the Hon. Member comment on the questions raised and concerns encountered?

The Acting Speaker (Mr. Charest): I respectfully remind the Hon. Member that he has less than one minute remaining.

Mr. Nystrom: Mr. Speaker, we probably have more concern about youth unemployment than anything else. There are over 700,000 young people officially unemployed. It was raised time and again that these are the official figures but the real figures are probably much higher, particularly in places like Newfoundland where there are many people unemployed.

There was a great deal of concern about the cut-backs announced by the federal Government in November. There were cut-backs in government services, on the First Chance program, Summer Canada, programs that put young people to work. One concern with respect to Summer Canada was not just the fact that students would not have work this summer, but the effect this would have on the community.

Some of that money was used to organize day camps for young children. This not only affects the students who work on that program but the young children and the handicapped involved in that program. What will happen to them in July and August? These are some of the concerns we heard about.

Time and again we heard that the Atlantic Provinces do not have a big sector in terms of large companies. There was concern about the line of the Prime Minister (Mr. Mulroney) and the Minister of Finance that the private sector would rescue us and it would be the generator of wealth and jobs in Canada. When they talk about the private sector, they talk about the large corporations, and yet we were told time and again that there are not many large private corporations in Atlantic Canada. What happens to them under this new philosophy? That is why we must move toward smaller scale and more appropriate development and toward more self-reliance. We must move toward co-operation, working together and building a new Canada in which everyone participates, not only the powerful and the rich.

• (1530)

The Acting Speaker (Mr. Charest): The time is now over for questions and comments. Resuming debate.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I would like to join with others who have given members of the NDP credit for their trip to Atlantic Canada. I think it is a worth-while exercise, as our Party found during its terms in Opposition. However, I think the next step is the proper interpretation of the requirements and an understanding of what has been done and what is planned to be done.

Let us take a look at some of the items which have been considered by this Government to date which were not considered by the Government which preceded us. I can list some of the agreements which have been signed, and they include the Canada-Prince Edward Island Subsidiary Agreement on Tourism, the New Brunswick Tourism Development Agreement, and the agreement with the Province of Newfoundland, which took place in spite of the fact that, according to the Hon. Member for Gander-Twillingate (Mr. Baker), Newfoundland has received nothing. There is in fact an agreement

with respect to pulp and paper modernization within that province. The list includes the Fisheries Subsidiary Agreement in the Province of Nova Scotia and the Canada-Nova Scotia Tourism Subsidiary Agreement. The first meeting of all the Ministers interested in the development of tourism was held in Moncton, New Brunswick. There was an awarding of a contract to Internav in Cape Breton regarding the frigate program. And the list goes on.

The Government's program is one of consultation and consideration. This program will continue, will be constructive and will produce results. However, let us not debate this motion as if the Government had been in power for 21 years like the preceding Government. Let us not land all the criticism and blame for all the problems which exist on the present Minister who spoke earlier this morning. That man needs time. Most of the criticism which has been directed at the present Government rests entirely and properly with the opposition Party on your left, Mr. Speaker.

We accept proper and constructive recommendations but we bemoan the fact that all these recommendations are made in criticism of this Government without any reflection upon the inheritance the Government has been handed by the electorate. It is an inheritance which we are quite prepared to accept, with which we are prepared to deal and which we must, in the long term, be held responsible for correcting. However, we must not be held accountable to criticism at this point in time.

For instance, I believe it was the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) or the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) who spoke about freight rates and their negative influence upon the economy of Atlantic Canada. I shall tell you, Mr. Speaker, about the freight rates on one agricultural processed product that apply today when it is shipped from a shipping point in Ontario. If one were to ship a case of 12-ounce cans of kernel corn from Ontario to New York City, it would cost 27 cents. If it were to be shipped to Newfoundland, it would cost $1.22. I say to those two gentlemen whom I mentioned earlier that that is what the Government inherited from the Liberal Government, yet those Members held seats in that Government and were silent on that subject.

If one were to ship a case of corn to Hamburg, Germany, it would cost 76 cents, but if it were to be shipped to Newfoundland, it would cost $1.22. We inherited a negligent system of Government by a Party now led by the Right Hon. Leader of the Official Opposition (Mr. Turner). That corn could be shipped to Japan for 14 cents more than it costs to ship it to Newfoundland. That is what we inherited.

Those Hon. Members who are from British Columbia should be concerned about the fact that while a case of corn shipped to Japan costs $1.36 and probably goes through a western port, it costs $1.63 to ship it to Vancouver. Please note that it costs $1.36 to ship it to Japan and $1.63 to ship it to Vancouver.

I submit to you, Mr. Speaker, that any criticism of the transportation policy or freight rates coming from members of the Liberal Opposition in this House is a criticism of their own behaviour. It explains the position in which we now find ourselves of trying to distribute Canadian products within Canada when it costs more to ship something to Vancouver than to Japan and more to ship something to Newfoundland than to Hamburg, Germany. That is not very fair treatment to Canadians and that is what we inherited.

In this debate, I have not heard members of any Party, except perhaps the Hon. Member for Gander-Twillingate, place any emphasis on the fishery. I would like to tell Hon. Members that there is forestry, agriculture and research; there is education, industry and health programs, all of which are being addressed in the consultative process which the former Liberal Government ignored, with the support of members of the NDP.

It is all right to complain about any reductions which may have been made without mentioning all of the agreements which have been signed to which I referred earlier. It is not proper or ethical let alone fair to sit on that side of the House and suggest to the nation that this Government is reneging on its responsibility when both Parties supported the health Bill introduced by the former Minister of Health who is now long gone which reduced in real dollars the amount of money going to Atlantic Canada for health and social welfare purposes. I am speaking of real dollars, not counted dollars. That Bill had the support of members of the NDP, unless my memory fails me completely. They are now being critical of any changes related to Atlantic Canada which they discern in the budget.

I would ask the public to judge. I will not use the adjectives which are applicable under these circumstances because they would not be polite. I will try to practise good manners. However, I have very great difficulty in keeping my thoughts innermost when it comes to this situation.

That is sort of like the question regarding the fishery which was raised in the House earlier today. The negotiations for the fisheries agreement as it relates to both the Atlantic Coast and the Pacific Coast were undertaken in total secret. There was no opportunity whatsoever for fishermen, processors or others involved in the industry on either coast to have meaningful input into those negotiations. The agreement has never been made available to the Fisheries Committee at any time, as you know, Mr. Speaker. We are speaking of the secrecy with which the last agreement was negotiated on the West Coast at a time when the fishermen and processors were present at the negotiations. They were part of the total structure, as pointed out by the Minister of Fisheries (Mr. Fraser) today, somewhat to the consternation of the Member who was questioning him. The Government is being open, consultative and is working in the interests of the whole of Canada as well as of Atlantic Canada. There has been a great deal of progress made in the understanding of the problems of Atlantic Canada.

How about the additional grant which was made to the Research and Productivity Council of New Brunswick? As we are being critical of the fisheries situation, how about the fact that the former Minister of Fisheries would not and did not sign a fisheries development agreement with the Province of New Brunswick? We could expand on that. However, I do not

have the time to go into the rhetoric which would be required to detail the reasons why this occurred.

We cannot be expected nor can anyone be expected to have done in less than five months enough to correct all of the damage that was done since 1963 under Liberal management with the co-operation of the NDP. It cannot be done. It is my hope that we do not direct ourselves to the use of the public purse at large for all of the problems which exist in Canada, including Atlantic Canada. We must first create the economic climate which will encourage people to invest in Canada, including Atlantic Canada. If people cannot lift themselves by their own bootstraps, they must lift themselves by their own energies and resources. That is the goal we have established.

• (1540)

I would have to say to you, Mr. Speaker, that if some of the systems practised by this Government are as bad as they have been criticized in today's debate, why were they not changed? I ask the Hon. Member for Humber-Port au Port-St. Barbe, the Hon. Member for Gander-Twillingate and the Hon. Member from Cape Breton, why were those things not changed? Why are they an inheritance? The great bulk of the criticism of this Government is in fact a criticism of the Government of which those Hon. Members were back-benchers some time ago, and things have not had time to change.

Mr. Frith: How has Mr. Hatfield been doing?

Mr. McCain: I beg your pardon?

Mr. Frith: How has Mr. Hatfield been doing in New Brunswick?

Mr. McCain: You know, Mr. Speaker, the Liberals are always looking for some devious way to distract and deflect from the issue, to pull red herrings across the trail. Let us keep it in the House of Commons where it belongs and let us not go boot licking and muckraking.

The frigate program was mentioned earlier today. I would like to say to the House that the frigate program was awarded to a firm in Saint John to the great consternation of other parts of Canada. It then became necessary to negotiate how much of that contract would be spun off to the rest of Canada. It took months of consultation and consideration to deflect that work from New Brunswick, but they did it pretty well, Mr. Speaker. The primary contractor is in the Province of New Brunswick, and it ended up that the Province of Quebec got 50 per cent more benefit than did the Province of New Brunswick.

Mr. Rossi: What have you got against Quebec?

Mr. McCain: I have nothing against Quebec. I am against robbery from New Brunswick.

Mr. Rossi: What have you got against Quebec?

Mr. McCain: I answered you. Pipe down, small change, before you get spent. I would have to say, Mr. Speaker, that fortunately most of the Hon. Members from Quebec have better manners than the Hon. Member who is interjecting at the moment.

Mr. Speaker, there has been some criticism of the program of this Government as it relates to Devco. Also, the difficulties in Stellarton, New Glasgow, Amherst and other places in Atlantic Canada were mentioned. Let us get down to that. When Devco became a public operation, financed federally and provincially, it became a subject matter for study, for procrastination, delay and underfinancing. A steel mill that was in a reasonable condition to produce when it became a public entity was underfinanced until it collapsed and became virtually incompetent in the world of steel today. Whether or not it can be resurrected, I do not know, but let us move now—

Some Hon. Members: Oh, oh!

Mr. McCain: Did I once interject during the remarks of any speaker in this House today? And I have been here all day. I only ask for the good manners which an Hon. Member should have in this House.

An Hon. Member: Hear, hear!

Mr. McCain: There was a business in Stellarton in the Pictou-New Glasgow area—

Mr. Rossi: Don't touch Quebec.

Mr. McCain: —which was involved in the building of railroad rolling stock. It was sophisticated to the point that red hot ingots were moved from the steel mill in Cape Breton to the construction forging industry in the New Glasgow-Pictou-Stellarton area. At that time that was a very prosperous town, but I want to draw to your attention, Mr. Speaker, the differences in policy. The last order which was publicized by CNR for rolling stock was, as I understood it, from the press, by government edict prior to September 4, to be distributed in a threefold way among other parts of Canada to the detriment of Devco and New Glasgow-Stellarton-Pictou. And why is the Hon. Member from Cape Breton, who is a member of the Party which did that to Nova Scotia, now complaining? Is that not rather inconsistent? Another example is the very important budding industry in the aeronautics field in the town of Amherst, the home of the Minister of National Defence (Mr. Coates). It had great promise at the end of World War II. I ask you, Mr. Speaker, to question the Liberal Members as to why that industry is not thriving today. It is because it was government policy that virtually every aeronautical order should be deflected to other parts of Canada, and so the industry no longer has the significance which it might well have had.

These are policies which we have inherited, along with the poverty which goes with them, and it cannot be corrected overnight. As the Hon. Member for Humber-Port au Port-St. Barbe was so kind as to point out, I have worked for improvement and I will continue to work for it, as will this Government. We are not going to say to any part of Atlantic Canada, as did Ministers of the previous Government, supported by the

New Democratic Party, "We won't sign a fisheries development agreement with the Province of New Brunswick unless it all goes our way". It was a prejudicial, political patronage proposition—not patronage to the individual but patronage to the Liberal system—which has put Atlantic Canada into the position in which it now finds itself.

Chatham was also mentioned and the unemployment in the Northumberland-Miramichi area, but, Mr. Speaker, we are not the ones who removed the major part of the Air Force activity in Chatham. We are the ones who put it back. And it will take time to overcome the damage which was done to the employment situation in the Northumberland-Miramichi. The intelligent voters of that constituency got on the right track. They elected a different person. I must say that that particular Liberal candidate was thrown to the wolves almost deliberately by the Liberal Party. I feel sort of sorry, although I know a politician has to run the risk of defeat, but that man was abused by his own Party to a degree which just shows the character of the Liberal Party and its occasional lack of loyalty to some people who were trying hard to serve their area.

I sincerely hope, Mr. Speaker, that with a combination of leadership, consultation and co-operation between Government, management and labour and between the Government of Canada, the provincial Governments and the municipalities, this Government can in fact stimulate—and I am confident it will in fact stimulate—a climate in all of Canada, including Atlantic Canada, which will be better. I am sure that that will in part at least, and automatically, address the problem of the unemployed and disadvantaged people of this land. It is difficult enough to find employment for the healthy, competent, capable and undisadvantaged people of this land. Certainly, as the whole problem is addressed, the problem of the disadvantaged will be addressed automatically. Emphasis is placed on the idea that everyone should, and we hope will, have an opportunity to work. That certainly is absolutely necessary.

I just want to say in closing, Mr. Speaker, that no group of people anywhere in the world has the capability in just over four months to turn around the mess and to correct the damage which has been done to an economy which should have suffered a much better fate since 1963 when it fell into bad hands on a persistent and continuing basis. The concern which is now expressed today in this debate contradicts, I believe, the sincerity of the same people when they were Hon. Members of this House and of the Government. The Hon. Member can shake his head in contradiction of that, but the fact remains that there was no forest ministry to look after the industry and had there been, it might not have been necessary in Newfoundland today for the Government of Canada and for Newfoundland to subsidize the modernization of the industry. There might not have been any need for that. There would have been planning in a major way which would have provided better leadership than we have experienced. I think these problems are being seriously addressed, and the benefits will soon begin to show themselves more obviously than we now see in the figures from StatsCan which indicate that unemployment in Canada is falling, that incomes—

• (1550)

Mr. Rossi: Who said?

Mr. McCain: StatsCan. No one else.

Mr. Rossi: That is not true. Those people are back on welfare.

Mr. McCain: StatsCan is back on welfare?

Mr. Rossi: No, the people on the unemployment—

The Acting Speaker (Mr. Charest): Order.

Mr. McCain: Your manners are not improving as the day grows longer. You are getting more testy.

Mr. Langdon: Mr. Speaker, I must say I am particularly intrigued to hear the suggestion that unemployment, according to StatsCan, is getting better in Atlantic Canada. I have in front of me the December labour force survey which indicates very clearly, on an adjusted or unadjusted basis, that in Atlantic Canada unemployment is significantly worse than it was a year ago.

My questions, however, are to the Hon. Member as a senior member of his caucus and a representative from New Brunswick who, I assume, is just as concerned as I was to hear about some of the realities in parts of his own province. I quoted earlier today some of the statistics from Miramichi which suggested that the real unemployment rate there was well over 50 per cent. Would the Member be prepared to make a commitment to the House and to the people of New Brunswick to take up some of the concerns expressed to our action group sitting in Moncton, as it met with people from across the province? One concern is the CBC cut-backs which have hit Moncton. This service is important for the francophone community in New Brunswick. Second, there is the concern of the New Brunswick Federation of Woodlot Owners. They indicated that six weeks ago they spoke with the Minister of State for Forestry (Mr. Merrithew) and asked for a fair allocation of the money available for reforestation which they feel would give them 350 extra jobs. Let me assure you, Mr. Speaker, and the House that this is not some kind of partisan exercise on our part. The goal is to give to groups who do not have powerful voices the chance to have input in what is taking place in our country.

Would the Hon. Member be prepared to follow up many of the questions raised with us about the negotiation process between Noranda and New Brunswick with respect to the zinc refinery in the province? A great deal of money was committed by the province, and yet Noranda failed to follow through. Finally, would he take up as well the concern expressed to us by the Newcastle and Chatham District Labour Council concerning UIC cuts planned by the Minister to start taking away at the beginning of April the ability of workers to receive severance pay and vacation pay without their being taken into

account in calculating their UIC entitlement? I referred earlier today to the problem of early retirement.

As a senior member of his Party's caucus would he see to it that his Government responds to the serious concerns in New Brunswick of which we were informed when we were in Moncton?

Mr. McCain: Mr. Speaker, the people of my constituency are extremely concerned about the fact that it takes almost $1 billion to run the CBC. In my constituency where American stations can be received directly, approximately 95 per cent of the viewing time is spent on American programming, directly or indirectly, or programs from Australia or England. People are not watching the programs produced by the CBC. Therefore they are somewhat critical of the CBC, and until such a time as the CBC justifies its mandate, in their opinion, well, I would then perhaps support a correction of that situation. But as long as 95 per cent of the television viewing is of programming other than the CBC, there is no support in my constituency for CBC and its productions. I think that addresses that question.

The next question concerned the Federation of Woodlot Owners. I think our policy will provide at least some of what the federation is asking for. I am quite confident that when the budget and the final plan for the new Ministry is in place, the Hon. Member will have a satisfactory answer or something approaching a satisfactory answer to that question. It was a very proper representation and I appreciate it.

There is one thing that neither you nor I can do, Mr. Speaker, and that is, to correct the world market for metals and minerals. Until such time as world prices have improved, I see very little likelihood that it is viable for New Brunswick, Noranda or the Government of Canada to proceed very much further with an expansion of that industry. Yes, I understand the hardship of unemployment. I have run around this world in my life with very empty pockets in my time. I understand that. Nevertheless, we on this side of the House or you on that side of the House cannot correct world prices for the products we produce. Unfortunately, that is the way it is.

Again, I urge the gentleman to await the budget. I think at that time both he and I will be in a better position to appraise those matters he has raised other than the three I answered directly. I want to wait and see the budget. I do not know what is in it any more than do Members to the left of the Speaker, and I shall not know until it is on the table. Then some of these things can be addressed directly and definitively.

Mr. Tobin: Mr. Speaker, I simply want to say to the hon. gentleman opposite that as strongly as I disagree with a number of the observations he has made, I assure him that this Member, still with much to learn having been here not quite five years, holds him in the highest regard.

I want to say to him that to suggest that the current freight rate controversy occurring in Atlantic Canada is the result of the previous Government's policy is inaccurate, untrue, and I know it must have been an inadvertent comment on his part. He knows that the CTC has just ordered Terra-Transport to raise its rates by up to 39 per cent on 127 items, and the Minister of Transport (Mr. Mazankowski) has refused to intervene. I have a letter from a very large wholesale business in my riding in Corner Brook, Newfoundland. The gentleman said that in western Newfoundland they are currently getting the best service they have ever had. He strongly suggests that I intervene to see that they are not penalized merely to satisfy the desires of a company to make more money. That is a decision which has now been taken by this administration, one about which this Transport Minister has refused to intervene.

• (1600)

I have another telex from another large company operating in my riding. It says that rates presently being charged by Terra-Transport are consistent with inflationary trends going back over the years. This is again protesting the new rates that have been brought in under this administration. The hon. gentleman knows that the 15 to 20 per cent increase on CN Marine charges are—

The Acting Speaker (Mr. Charest): I am sorry. I regret that the 10 minute period is now over. We will resume debate.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I wish to thank the Member for Essex-Windsor (Mr. Langdon) for bringing this motion before the House today. I feel it is a very important and urgent question. I congratulate him for taking the initiative to bring this as an NDP opposition motion. I would particularly like to say how much I agree with his opening statement. He said that the House should recognize the extreme urgency of the unemployment crisis in Atlantic Canada. The Hon. Member toured Atlantic Canada for three days with other members of his Party. I also congratulate him for the initiative he took in that regard. I do not downplay the fact that he did not spend a longer period of time there. I realize the time constraints which he has as a Member of Parliament which did not make it possible for him to spend a great deal of time there.

As a Member of Parliament from that region I would like to say that what he saw and heard is only a small part of the depth and concern that exists in that part of Canada. We have all spoken in the House about how marginal are the pensions for senior citizens. I can tell Members of the House that I constantly meet with constituents who are living with three or four of their brothers or sisters or offspring as well as their parents. Three generations are living together. The income which is keeping that family alive is the pension or pensions of the grandparents or parents. That is the only income in that family, and that is not an exception. It is a very serious situation.

Although I do not disagree with the four points which the Hon. Member makes, I would not want the House to believe that these four points will put us well on the way to correcting the unemployment situation and the problem of regional disparity in our area, because they will not. As accurate as they are, they do not go nearly far enough to correct the situation. He says that we need proper resource management to rebuild

the forestry, fishing and coal industries. There are other industries which are in dire straits, such as the agricultural and manufacturing industries. He says that we need self-directed community programs to expand permanent jobs through co-operatives and small business. This is very important. However, if you ask the employers in these communities, they will tell you that that in itself will not be enough. Co-operatives need direction, assistance, planning and financial infrastructure to work with them.

The greatest problem of small businesses is where to get capital. Who will invest in a business in a depressed area of high unemployment and regional disparity? Yet the Government is practically encouraging the Federal Business Development Bank to be a profitable corporation. Is that agency there to help areas of high unemployment with regional disparity, or is it there to make a profit? The Government must decide that.

In Sydney, Nova Scotia, whether or not you give a personal guarantee, you cannot get a commercial mortgage from a bank or a finance company. How can you have small business if the normal channels of commerce will not help you? The Government says that it can be done through the private sector. Mr. Speaker, the private sector has been tried and found wanting. What is going to be done?

The problem begins with the Government. You have only to look at the economic and fiscal statement to see which area of Canada was most affected. The Government has said that the Atlantic region is expendable in the next election if it cannot please all areas. You do not need it written out for you; you need only read the economic and fiscal statement.

Look at the attitude of the Minister. Members in his Party cannot tell me that the Minister of Regional Industrial Expansion (Mr. Stevens) is sympathetic to regional development. No one who has spoken to the Minister will have heard any indication that this is a concern of his. I am not saying this to be critical. I wish he were in the House now so that I could tell him this. The Minister is from Toronto and he may not have a feeling for it. I honestly hope that I am wrong or that he can develop that feeling for it. However, at the present time I sincerely do not think he has a feeling for regional development.

This is a serious matter because, as the Minister said this morning, he is also chairman of the caucus committee on economic and regional development in the Government. That is a tremendously important position. As he said, he co-ordinates all the Departments. Regional development is the co-ordination of the activity, finance and input of all Departments. Regional development is made up of transportation, trade and commerce, training and grants. It is all-encompassing. There is a total lack of understanding in this very important area.

The Member for Nickel Belt (Mr. Rodriguez) asked what the Liberal Government had done. I agree that the Liberal Government has not provided all the answers. In fact, I still say that one of the worst mistakes it made was to disband DREE. I agree completely. The reason disbanding DREE was such a mistake is not the obvious one. It is because we brought DREE and Industry, Trade and Commerce together. The people in IT and C, who are not at all concerned with regional development, were able to overshadow and smother the voices of reason which existed within DREE. The thinking of IT and C completely took over and smothered the concept of regional development.

When this Government came to power there was one little problem which remained. In the areas of Canada where regional development was a major question and IT and C and DREE had joined, DREE was a larger agency, so its thinking was able to predominate. The Minister ignored them completely. If you went to the Department of Regional Industrial Expansion now and asked a question, they would not answer, as was the case with the previous Liberal Government. They would not say that they were not allowed to comment because it had not been approved or passed. The Department will not tell you that. People there will say, "We don't know. We do not know what is going on. We are not involved in this". What you have, Mr. Speaker, in areas in this country are trained professionals in regional expansion and regional development who have absolutely no input into areas for which they are supposed to be responsible.

● (1610)

Let me come to the recent announcement about Pratt and Whitney, on which I congratulate the Government. It is an excellent decision and it will be good for Nova Scotia. I have one concern. I could not find out in Halifax, in Moncton, the regional office, nor in Ottawa what the federal input was. Nobody knew. I know that the Province of Nova Scotia is not going to finance the whole amount. I do not care whether the money comes from the federal Government or the provincial Government. Don't get me wrong, Mr. Speaker. My concern, and I said this to the Minister of Finance (Mr. Wilson), is the precedent that Members of Parliament, people and concerned individuals will not be able to find out exactly what is transpiring in the Province of Nova Scotia, in other provinces and in regions of this country in which they have a vested interest. My goodness, people who live in areas of regional disparity have more of a vested interest in their area than people in economically successful areas. They have been deprived. They lack things that people in other areas take for granted. They really have paid the price to be able to know what is going on.

I say again to the Minister of Defence (Mr. Coates) that the same thing is now going on with regard to the Sydney Steel Corporation. There is no written formal request from the Province of Nova Scotia to the federal Government requesting funding for the second phase of the Sydney Steel Corporation. There is no question about that. I know that the Minister, the Solicitor General (Mr. MacKay), the Premier and the Minister for Regional Industrial Expansion (Mr. Stevens) have had meetings. But there has been no formal request from the province, yet this is a provincial Crown corporation. Is it not reasonable to expect the Province of Nova Scotia to write formally to the federal Government and tell the federal Government what it wants? What is going on here? What kind of a shell game is this where the whole thing is shuffled, money

will be doled out, but no one will know on what basis? No one will know the business plan used for the first stage or the funding on which the first phase was based. Was it based on the business plan that we requested? We wanted to make sure that the funding was going to be used in the interests and for the success of the industry and ultimately the success of the region. If we do not know on what it was based, we will not know whether it was applied properly. This is improper. This is not only bad government, but it is completely betraying the trust of the people whom this Government says it wants to benefit. This is incredible, Mr. Speaker.

This Government has said that Devco, the Cape Breton Development Corporation, had losses. Sure Devco had losses. But what has the Government done? It has gone to the other extreme completely. There is no knowledge of what is going on. The Minister says he is going to make important announcements, but nobody knows what those announcements are going to be. No one knows on what basis they are going to be made. The corporation has completely strangled all activity. It has two divisions, a coal division and an industrial development division. Nothing is being allowed to go on. At the first of last year a firm of consultants did a study as to what changes should be made in the corporation. The draft of that study was ready in August, but it has still not been released. People wonder where their jobs are. They cannot operate efficiently under a situation like that. It is very serious.

The Minister said this morning that money was just put away and thrown out. Every time people from Atlantic Canada say they are not getting anything, they are told they are making a political football of the area. There are people with no incomes other than pensions. Families consisting of four and five people are living on that. I am supposed to be afraid to comment on that because I would be making a political football out of it. What kind of callousness and inconsideration is that?

The Minister gave a speech this morning. It was uninformative and condescending. It just made a joke out of this very important question. It is not a joke. It is an extremely serious situation. I do not have to limit these comments to Altantic Canada. This Government is blind to a very real problem in the country. What is developing in this country is not only developing in Altantic Canada but, unfortunately, this is the only sector on which we have taken the lead.

In Toronto you see hopelessness. People have no hope for the future in this technological age. There is no way of being retrained. The Government does not want to retrain them. The most precious thing in this country is the life of each individual. This Government says that there is no hope for fulfillment or a chance to live this life to the fullest. What is developing? I cannot overemphasize that what is developing is a society within a society. The society we see officially is the upwardly mobile society with education and aspirations. What the Government wants to suppress is the society without hope, without jobs and incomes. But they want to be able to eat and live and to have things even in a small way that ordinary Canadians take for granted. I see people like that in my constituency. I see them all the time; included are young people who went to school and finished school. Many of them have one or two college degrees but they have nothing to look forward to. Yet when the jobs become available there will be a group who will graduate behind them and you will hear, "These students and young people have been unemployed for three years. Obviously they do not want to work". This is callousness of the highest order. It just will not wash.

The Government says it wants to develop regional development. But it does not know what regional development means. The Government says, and the Minister of National Defence can substantiate that, it that has allocated $8 million for the City of Sydney in a subsidiary agreement with the Province of Nova Scotia, which the province did not go into. That $8 million was passed by the Cabinet of the former Liberal Government and passed by Treasury Board. The subsidiary agreement was brought up, but where is the $8 million? If the Government is so concerned with regional disparity, why does it not at least put money that has been passed to work?

What about the income security office that was cancelled as a result of the economic and fiscal statement on November 8? This office was supposed to decentralize 85 jobs from Halifax to Sydney. The federal Government had already spent $1 million on decentralization. People had been trained. Perhaps they had opportunities for other jobs. Others had given up jobs in the hope they could have one of the positions in Sydney. But the Government cancelled the decentralization. Where did the $1 million go? This was a $2.1 million saving. One million dollars was wasted, of which $400,000 was to renovate a building that still stands unoccupied. This was an industry with a potential for employment. It had a potential for spinoffs that could develop with immunity and provide economic stimulation for an area that badly needed it.

If we are going to create regional development we have to do something with the communities. What if an oil company says it wants to locate in a certain place? Is the Government going to say that because it is going to give the company such and such a percentage of financing the company has to go to such and such a place? The oil company people will laugh. The oil company will go where it wants to. The oil industry and any industry will say to the Government, "We will go there, or we will go somewhere else, or we will not go at all". If Pratt and Whitney had said, "We are going to Halifax and that is it," what would the Government have said? Would the Government have said, "No, Pratt and Whitney, you are going somewhere else"? It is not that Pratt and Whitney would have said that, I am just using Pratt and Whitney as an example. This is a serious situation. It is not a situation that can be dealt with in simplicity. It takes work, but it also takes compassion and interest toward the people affected.

The Acting Speaker (Mr. Charest): Are there any questions or comments? If not, we will resume debate.

• (1620)

Mr. Rod Murphy (Churchill): Mr. Speaker, I join with other Hon. Members of the House of Commons in thanking

the Hon. Member for Essex-Windsor (Mr. Langdon) who introduced the motion today. I was not a member of the task force which visited Atlantic Canada on behalf of the New Democratic Party. However, I have travelled there in the past as the co-ordinator of Atlantic issues in our caucus. As a result, I have had an opportunity to visit many of the communities visited by the task force over the last little while as well as some other communities. I am glad to see the Hon. Member for Annapoplis Valley-Hants (Mr. Nowlan) present in the House for the short time he has been with us today. I congratulate him upon having an NDP MLA elected in his riding. That will be of long-term benefit to the people of that riding.

Seriously speaking, the people of the Atlantic region have some very peculiar and special problems which have not been addressed by government over the last many years. Certainly Governments, both Conservatives and Liberal, both provincial and federal, have thrown money at various problems. Money has been thrown at Sysco. Money has been spent on Devco. Money has been spent on the fishing industry and on the forest industry. Money has been spent to keep this plant and that plant going. However, there has never been any concrete economic planning done with the people of the regions.

In travelling through that region I learned that basically governments do not listen to the people of the region. In the briefs which our force received over the last week in Atlantic Canada there were a number of different ideas presented by co-ops, unions, social action committees, community development associations and others concerned about what was happening in their community. I discovered that time after time local people were not listened to and that the people who worked in Sysco and in Devco were not listened to. For example, the people working in Sysco can tell us that the coke oven is falling apart or that some things have not been rehabilitated for 30 years or 40 years. They can tell us where the bottlenecks in the plant are. However, when decisions are made, they tend to be made by government officials or by company officials who have really not taken the time to understand the problems of the plant. Quite often that is more true when a government is running the operation. The reason I say this, although I am a socialist, is that because governments running operations, whether they be at Sysco or Devco, do not really believe that they can do a good job at managing the operations. It is not a priority of the Government of Nova Scotia to ensure that Sysco is doing well. It was not a priority of the previous federal Liberal Government to ensure that Devco was running well. That is the problem. If we do not have a commitment to make something work it will not work.

I listened to the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) talk about how sad he was to see that the Department of Regional Economic Expansion was closed down and became incorporated as part of the new DRIE. He explained that obviously the people in Regional Economic Expansion lost influence, that they had less to do with actual decision making within the new Department and that the people running the new Department, including the Minister, were really not listening to the people in charge of Regional Economic Expansion. That is something which I said as former spokesman for the NDP caucus on regional economic expansion. I said that we needed a separate organization within government concerned about regional economic expansion out there working with the people and the companies to ensure that economic expansion was taking place within the regions. Unfortunately, Industry, Trade and Commerce has different priorities. In its plannings it reacts and acts upon its own priorities.

I believe that things can be done for Atlantic Canada. As was indicated in the motion, we can build our industries upon the resources of forestry, fishing and coal. We can listen to the people and work through community programs. We can have affirmative action to help women in high unemployment regions of the country. We can develop the steel industry through Crown corporations. However, we can only do that if the people in planning in government listen to the people affected and make the development of Crown corporations, community-based programs and businesses a strong priority.

The problem in part faced by Devco, Sysco and the fishing industry has been the lack of a real commitment by government or by the senior bureaucrats who advise government. The responsibility cannot rest only with senior advisers to government. Responsibility in a parliamentary democracy must rest with Cabinet Ministers. They are the ones who must ensure that their own advisers are working full out and giving direction to their own workforces to ensure, for example, that a roof at Sysco is not caving in. When I visited the Sysco operation three years ago, that was literally the case. As we walked through its plant we noticed that parts of the roof were slowly falling to the ground. That had been the case for years, and nothing was done about it. It was the same at Devco. More development had to take place there. No one was doing anything about it. The Cabinet Ministers of the Liberal Government at that time were not making anything happen. They were not ensuring that Departments were active or that the Cape Breton Development Corporation was developing the mine to its best capabilities.

I realize I do not have much time to speak on this motion. However, I should like to point out that when we listen to the people, we hear suggestions and ideas which will make a big difference. In the brief submitted to the task force by local 1064 of the United Steelworkers of America in Cape Breton, there were a number of suggestions about the development of Sydney Steel. They talked about the need to finish products in that operation. They pointed out that in the history of the Sysco operation at one time it was part of an integrated system for the development and finishing of steel. However, when Hawker Siddeley pulled out of Cape Breton, it left only part of an operation which was not integrated with the other aspects of the steel industry. Right from the beginning we had a Crown corporation which did not meet the needs of a modern integrated steel industry. Ever since that time, even though a lot of money was poured into Sydney Steel, there was never a

development plan which would produce the finished products that Sydney Steel needed.

• (1630)

I do not have time to read it all, but it is interesting to read how the steel workers presented a number of suggestions in terms of developing wire rod products, light structural steel, by-products from coke. They went through the different means of modernizing the Sydney Steel plant which is so important to the community.

It was interesting listening to the spokesmen from the co-operative movements. The Cape Breton Co-Operative Council made a presentation to the task force. M. N. Cote, a great leader of the co-operative movement, was quoted. He talked about the necessity of having an attitude whereby we and others who are concerned can develop our ideas not just about profits and dividends, but about developing our community and having a different feeling about what it means to be in business. To be in business is not just to take money from the community. It must be a part of your whole self. You are part of the community, part of the greater world.

What was the basis of the strength of the co-operative movement in Cape Breton? That ideal is something that Government must consider more. It must consider the development of community businesses. They are not there just to make the dollar. There is nothing wrong with making a dollar. Obviously people are in business for a purpose, the same as people take a job for a purpose, but there has to be more to it than that.

A major problem is that federal and provincial Governments tend to look at the megaprojects. When I was spokesman for regional economic expansion, one year I received figures on what was happening with some DREE programs. It was interesting to note that when you broke down the money for industrial incentives, in one particular year $75 million went to what were considered large corporations. They produced 4,691 jobs. That same year, $25 million in federal government money went to small corporations and small operations, and they produced 4,681 jobs. The Government gave the large corporations an extra $50 million, three times as much as it gave to the small corporations, and they produced only 10 more jobs. It will be interesting to know how many of those large operations are in business today and producing the products which the federal Government paid to be produced.

That proves the bias that exists in too many government programs. The money is given to the large operators but they do not necessarily produce that many jobs. Many small manufacturing companies and industries produce long-term jobs in a particular community. The whole approach of Government in underdeveloped areas, such as Atlantic Canada with a number of small and medium sized communities with high unemployment rates, should be to look at the small fish plants, small lightbulk factories and other small operations which remain in a community and produce jobs for people in that area. It is important that the woodlot owners be considered in any forest industry program. That is something that the Government obviously is not doing.

I recognize that my time is almost up and that others wish to speak, so I will conclude with a few short words. I hope that in the next little while this House again develops the ability to look at expansion on a regional basis. The debate today, which basically focused on Atlantic Canada, has given us that opportunity. It was nice to hear a Liberal back-bencher who was previously the Parliament Secretary to Minister of Regional Economic Expansion, the Hon. Member for Cape Breton-The Sydneys, admit that a mistake was made. I hope the new Government will bring back the Department of Regional Economic Expansion so that there is a Department specifically working for development of the regions and sub-regions of this country. This is important and necessary. Under DRIE or the other Departments, the underdeveloped regions of this country will never be developed. The people in those regions will not be listened to and they will not know who is making the decisions that affect their lives.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Gerald Comeau (South West Nova): Mr. Speaker, not having the oratorical skills of the Hon. Member for Carleton-Charlotte (Mr. McCain), I will keep my comments brief. I draw the attention of the House to the part of the motion before us which reads "proper resource management to rebuild the forestry, fishing and coal industries". I was pleased to hear the New Democratic Party finally concede that the problems it helped create together with the Liberals leaves the rebuilding of our vital sectors to us, the only true national Party with the courage and the will to tackle the problems of Canada head on.

Had the New Democratic Party not cosied up to the Liberals throughout the years and had it shown some courage, we might not have inherited such grave problems from the previous Government. I point out that the people of Atlantic Canada twice made a decision in the past few months, on September 4 and again on November 6 in Nova Scotia, sending a message loud and clear throughout all of Canada.

The Hon. Member for Essex-Windsor (Mr. Langdon) indicated that for too long short-term make-work programs have been the way to do things. I agree with the Hon. Member. I ask the Hon. Member to drop the Party's traditional ties with the Liberal Party and join us in solving the problems that face Atlantic Canada.

I was pleased to hear the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) chide the NDP for professing its new-found knowledge of the plight of Atlantic Canada. I would suggest they make a few more trips to Atlantic Canada before becoming the spokespersons for the people in that area. I invite them to spend more than three days in Atlantic Canada. As one Member said, we need the tourist dollars.

The Hon. Member for Essex-Windsor talked about a student at the University of Moncton who did not have a job.

[*Translation*]

I hope he does not have a job right now because he is supposed to be taking his courses.

[*English*]

I say to the Hon. Member that these students are unemployed at the moment because they are in university. There might be another way at this time to help create job prospects in Nova Scotia.

• (1640)

I would like to draw attention to an article that appeared recently in the *Chronicle-Herald* of Nova Scotia. In that article, the Leader of the provincial New Democratic Party spoke after an announcement made by the Minister of Development in Nova Scotia of the first phase of the Pratt and Whitney proposal to build an aerotech business park in Nova Scotia. The article reads in part as follows:

The first phase will cost $124-million and employ 275 people when fully operational; the second and third phases, which are conditional on the first phase's success, are expected to create 1,000 jobs.

What does the Leader of the New Democratic Party in Nova Scotia have to say about this? She is skeptical about Pratt and Whitney and feels that it deserves opposition attention. According to the article, she said:

"I think it's our responsibility as an informed opposition party to really subject that job creation proposal to the closest of public scrutiny and analyze it in terms of our costs and benefits," she said.

I would suggest that the Party across the aisle might ask the Leader of the New Democratic Party in Nova Scotia to welcome this type of investment. I certainly welcome it. I do not believe that the people of Nova Scotia are against the creation of a thousand new jobs.

Before resuming my seat, I would like to comment on the suggestion of the Hon. Member for Cape Breton-East Richmond that the private sector cannot take up the slack of creating jobs. I shall quote from a recent article in *The Globe and Mail* which reads as follows:

But few businessmen are complaining about the Conservative Government so far.

"A lot of the responsibility now will rely on people like ourselves who are running companies and employing people to generate work,"—

This was said by Mr. Rowe, the President of both IMP Group Ltd. of Halifax and the Halifax Board of Trade. He went on to say:

"Jobs may come particularly in the export fields, but it's up to the private sector to create those jobs . . . working closely with government."

I would like to relate a little conversation I had with a businessman from Halifax while on the airplane from Nova Scotia last week. This businessman said: "Thank God, Mr. Comeau, that you form the Government. We were starting to lose hope and confidence, and it was about time you people went in and started doing the kind of confidence building that you have been doing over the past few months. Keep up the good work, and if you want any further comments like this one, I will be glad to get many more business people to pass these kinds of comments on".

In closing, I would invite the Hon. Member for Essex-Windsor to return to Atlantic Canada at any time in order to see what is happening down there. I think he will find that there are a lot of people with optimism who are happy about the way things are going. In echoing some of the comments made by the Hon. Member from Moncton earlier this afternoon, I would say, let us not create patchwork programs. Let us get on and rebuild all of the regions of Canada. Let us rebuild not only Atlantic Canada but Quebec, central Canada and the West as well. Let us bring it all in under one truly national Party.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to take up this debate from the point at which it was left by the Hon. Member for South West Nova (Mr. Comeau). I certainly appreciate his contribution to the debate. As he was concluding he said that he had been speaking with some business people from the Atlantic Provinces who said that they were beginning to lose hope and confidence and that that was why they were happy to see a change in government. While I was happy to see a change in government, I think that the Hon. Member for South West Nova and members of his Party should realize that there are a lot of unemployed Canadians in Atlantic Canada and across the country who have been losing hope and confidence because of the situation they face. They cannot see light at the end of the tunnel. They recognize now that it may be a fact that a recovery which does the private sector good may not in fact be a recovery that puts them back to work.

There have been two years of economic recovery in this country and yet the unemployment rate is still approaching 11 per cent. That is a modest improvement from a few months ago; nonetheless, it is a level of unemployment which would have been intolerable just a few short years ago.

When our task force on jobs went to Atlantic Canada, met with people and began to look at alternative policies, it began to recognize that Atlantic Canada has some particular problems caused by its dependence on resource-based industries and the fact that most parts of Atlantic Canada are distant from the major markets of Canada which are in Montreal, the Provinces of Quebec and Ontario and the West. Therefore, it faces heavy transportation costs and difficulties in terms of access to other parts of the domestic market here in Canada.

Atlantic Canada faces real problems, and one of the problems is that the private sector has shown a willingness to overlook Atlantic Canada in a pretty consistent fashion over the course of the last few years. Where the private sector has been prepared to come into Atlantic Canada, the conditions that multinational enterprises have set have been conditions that I for one and my Party in general find very difficult to tolerate.

I can recall, for example, the anti-labour bias of the Michelin Corporation which led to its having the Nova Scotia Government pass specific legislation that effectively gutted the

labour laws of that province at a time when the workers of the two tire plants run by Michelin were on the verge of getting certification for their trade union. I can recall similarly the Newfoundland Government snapping to attention when it was asked to implement anti-labour legislation in connection with the pulp and paper mill in Corner Brook in the very recent past.

That kind of behaviour is what leads people in my Party to feel that a reliance on the private sector alone will not be enough to bring Atlantic Canadians back to a level of employment, prosperity and hope for the future that we believe they deserve. That is why we began this task force on jobs by going to Atlantic Canada, and why we will now continue looking at some of the same issues in other parts of the country in addition to returning to Atlantic Canada later on in the tour.

I recall that during the election campaign, members of the Progressive Conservative Party said that their platform was jobs, jobs, jobs. We found out on November 8 that that priority had changed and that the Minister of Finance (Mr. Wilson) had decided that the priority was to overcome the deficit and, once the deficit had been overcome, then perhaps enough confidence would be reinstated in the private sector to somehow begin to create a resurgence of economic activity in the country.

My colleagues from British Columbia can tell the House that the resurgence of confidence in the business sector, if it has occurred, has certainly not had an impact on that province. If anything, the situation in that province is worse than it was just a few short months ago. There has not been a resurgence there and that province has had the dubious benefit of two and a half years of cuts and reductions in government spending and of the other kinds of nostrums or remedies which the Minister of Finance wishes to impose upon the country as a whole. If those remedies are imposed on the country as a whole, then I regret to say that we may see the consequences in Atlantic Canada which we are now seeing in British Columbia of a further increase in unemployment and less confidence and hope for the future than that which exists today.

My colleagues on the task force who visited Atlantic Canada, as was faithfully and warmly mirrored in the speeches made by the Hon. Member for Essex-Windsor and the Hon. Member for Yorkton-Melville (Mr. Nystrom), found that despite all the adversity and problems, there is still a great deal of courage and hope for the future among the ordinary Canadians who came individually and in groups to speak to the task force in Nova Scotia and in Newfoundland. They found that people were prepared to seize opportunities but that they were looking for partnership, for open doors and for ways that they could rebuild and re-base the economy of Atlantic Canada using new techniques and alternatives.

• (1650)

One of the reasons why we have the task force to which the New Democratic Party has committed so many resources is our sense that it is time for all of us in this country and all of us in this Parliament from whatever Party not to look back in the past to the days of Adam Smith, as the Minister of Regional Industrial Expansion (Mr. Stevens) seems to want to do. We should not be looking backwards to what happened in 1979 or 1980, as so many of the Conservatives seem to want to do when they rise and talk about our Party. We should not be looking backwards to some golden age of capitalism and free enterprise, but we should be looking forward with an appreciation of the economic problems and opportunities which we in this country face over the course of the next decade or two. I believe we must do this with a sense of urgency. That urgency is certainly reflected in the wording of the motion which was put forward by the Hon. Member for Essex-Windsor (Mr. Langdon). The fact is that 13 per cent or 14 per cent of the population of Atlantic Canada is unemployed now, and there are many more people in Atlantic Canada who have become so discouraged that they are not looking for a job at all. Among young people in Newfoundland the unemployment rate exceeds 20 per cent, and all that the Conservatives in Newfoundland can offer their Government is the fact that after six years in power a royal commission has been set up to see whether there are solutions which could be found. That is an answer, Mr. Speaker, which I certainly believe is totally inadequate.

When I say we must start to look for alternative solutions, I think, among other things, that this House and the Government of Canada should be aware of the kind of ferment which is taking place around us, both in Canada and in other countries around the world. I was struck when I was in England two years ago at the birth and growth of the co-operative enterprise there which has been created by trades people, young workers and other people because of the economic disaster which has been brought on by the Government of Margaret Thatcher. There are new kinds of enterprises which are growing there, Mr. Speaker, not to overcome the problems but at least as a response to the problems. Despite the adversity of the economic climate in Britain, some new things are happening in that country.

I was struck when I was in Minneapolis about three years ago that in that State there was a far more diverse range of different responses to economic problems than I had expected to find in my preconceived notion. There were all kinds of mixed enterprises and joint task forces and so on providing community services and community economic development. We have seen that in this country as well, Mr. Speaker. We have seen the growth of alternative industries and the birth and creation of new ways of doing work and organizing enterprises in the private sector, the co-operative sector and through joint operations in which perhaps provincial Governments, perhaps municipal Governments and private individuals have become involved. Those kinds of alternatives, it seems to be, should be encouraged and not discouraged.

That is one of the reasons I am disappointed in some of the early signs of a new Government which promised change when it came to power on September 4. The signs are that this Government does not appear to understand that at all. Just around Christmas, the Minister responsible for housing, his

Department and the Central Mortgage and Housing Corporation took away 500 units of grants from co-operative and non-profit housing corporations and gave them to developers in the private sector. Perhaps that could be seen as a small step, Mr. Speaker, but it was a brutal blow to an important part of the housing industry and a part of the housing industry which I believe ought to be allowed to grow and not to die. One of the consequences of the November 8 cuts was that there was a cut of $16 million on an annual basis in the federal Government's program through the National Research Council of support for research and development in the alternative energy industries, including solar, wind, peat, hydrogen and conservation energy, a whole range of technologies which were being developed by a rapidly growing and very important new industry. This is an industry which I believe should be particularly important to Atlantic Canada because of its dependence right now on petroleum based energy. The fact is that until today there has not been the success we all had hoped to see in terms of actually delivering the petroleum and natural gas resources which appear to lie offshore in Atlantic Canada. Even when those petroleum resources are developed, Mr. Speaker, there will be important markets for them in the United States and in the rest of Canada. Conservation and alternative energies form an opportunity for new industries in the private sector in Atlantic Canada and for ways in which Atlantic Canada can overcome its chronic and long-standing energy deficits.

This resolution speaks about a revitalization of the coal industry in Cape Breton, which is another way of overcoming the region's energy related deficit. What is happening, Mr. Speaker, in that particular area, is that the National Research Council's division of energy has pulled the rug out from under a lot of the companies which were pioneering in this particular area just at a time when those technologies were becoming competitive with traditional forms of energy. I cite that as example because it seems to me that the new Government should be encouraging alternatives, new ideas and new approaches to doing things. That is what we are trying to do through the means of our task force. One of the things that we can do as an opposition Party is to go out and listen to Canadians.

The Hon. Member for Moncton (Mr. Cochrane), I believe, started to attack this Party for having a task force at all, apparently having forgotten the degree to which those task forces were used by his Party when those Hon. Members were sitting on this side of the House of Commons. I make no apology for this approach at all. It seems to me that that is one of the vital functions which we in an opposition Party can perform. But we need to do more than to listen to Canadians. We need action as well. That is why our task force is going to devote itself to finding plans for action and alternatives which can be practically implemented in order to ensure that jobs will be created for the people of Atlantic Canada and for the people in the rest of Canada as well.

One of the criticisms which is beginning to emerge of the desire for consultation on the part of the new Government is the fact that it seems to want to listen forever but does not do anything. It seems to have forgotten about the need to produce some of its plans in the form of white papers which would result in a more constructive form of consultation. There are some very serious problems there, Mr. Speaker, in terms of the fact that the Government does not understand that when one consults, one has to be committed to action as well, and that action is not forthcoming.

[*Translation*]

Mr. Speaker, in listening to his comments, I noticed that the Hon. Member for Moncton (Mr. Cochrane) said the proposals made by the New Democratic Party were not far-reaching enough to respond to the economic crisis in the Atlantic provinces. I agree that the motion presented by the Member for Essex-Windsor (Mr. Langdon) could have been a bit longer and more detailed, but nevertheless, we tried to concentrate on the most important factors that would at least start the process of rebuilding the economy in the Atlantic provinces.

We, on our side, Mr. Speaker, are engaged in a participatory process consisting of discussions and meetings with people from the Maritimes and also from Quebec, Ontario and the Western provinces.

At this point, I would like to say a few words about the situation in the province of Quebec. I noticed that in his speech, the Minister of Regional Industrial Expansion (Mr. Stevens) made no reference to the situation in the St. Maurice area which is now suffering the effects of shutdowns at the Wabasso and Melchers plants.

Here we have an example of problems created by the private sector for which the private sector has no solution. A comprehensive policy requires a commitment on the part of the Government, not just speeches in praise of the private sector. It requires specific practical measures, measures that must relate to the skills of people, of small businesses and businessmen in the regions, if they are to create jobs.

Up to now, Mr. Speaker, we have seen that this Government has tended to go on about the importance of the private sector, while ignoring the problems facing Canadians in all regions of this country, a country where we unfortunately still have an unemployment rate of over 11 per cent, and now 12 per cent in the province of Quebec.

[*English*]

I want to conclude, Mr. Speaker, by saying that I am proud of the work our task force on jobs is doing. I intend to be with the task force when we visit Quebec, Chicoutimi, and the Lac Saint Jean area in the course of the next week or so. I hope and believe very strongly that we will have constructive alternatives to put forward over the life of this task force which will have real meaning to the people of Canada and which we expect to see acted upon by the Government if it is really

committed to the change it promised during the election campaign.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being five o'clock p.m., it is my duty to inform the House that proceedings on motion are expired in accordance with Standing Order 62(11).

Accordingly, this House stands adjourned until Monday at eleven o'clock a.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, January 28, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Thursday, January 24, consideration of the motion of Mr. Stevens that Bill C-15, and Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the Bill now before the House is a major piece of legislation. It provides the cornerstone for a very substantial part of our economy. Bill C-15 should be seen as a dynamic measure to promote and welcome the positive contribution that can be made by foreign investment, since the specific mandate of Investment Canada is to encourage investment in order to promote growth and increase employment. By being positive with investors and providing them with a good environment, not only will Canadian businesses remain in business, they will expand and hire more employees. However, to make this happen, it must be made clear that Canada is open for business. That is what Investment Canada wants to do, and it is vital to our economy.

In fact, I know very few business people who would want to invest in a plant that is apparently closing down. We must make it abundantly clear that we are in business for good and that investment is welcome. That is how we intend to keep Canada, this beautiful country of ours, from being sold for a song to foreign interests.

Mr. Speaker, people buy an old warehouse to tear it down, but they invest their money in a business that is doing well. We must revamp our economic image for the rest of the world. We must do what too many years of Liberal neglect have left undone, and that is exactly what this Bill intends to do.

Mr. Speaker, it is most unfortunate that despite the very real importance of the Bill now before the House, the quality of the debate on this legislation should be so poor. Up to now, more than fourteen hours of debate have been spent on Bill C-15. Thirty-one Liberals, 25 New Democratic Party Members and 13 of my own colleagues have taken the floor. Mr. Speaker, my point is that at this stage, the debate is lagging and languishing. The Opposition is repeating the same arguments over and over again. They are saying we want to sell out Canada at any price and that our country is going to become the fifty-first State. We have explained very clearly that the Bill contains the necessary guarantees that it will welcome foreign investors and stimulate Canadian investment while at the same time preserving our national identity.

They say it will create unemployment at a later stage. We have described the positive impact of the creation of new jobs and reduction of unemployment in the short term. I would think jobs are what Canada really needs now.

On the issue of research and development, they complain that Canada will not have its share. We have answered time and time again that although the legislation is not directly concerned with promoting research and development—the Government has other policies to that effect—the direct impact of clauses 5 and 20(c) will be to promote research and development in Canada.

The Liberals accuse us of breaking with a tradition established by Sir John A. Macdonald, a tradition that supported protectionism, especially where the United States was concerned. I would say that the Official Opposition, which today is taking an anti-American protectionist line, is the one that is breaking with a traditional position of its Party, a tradition adhered to more specifically by one of their leaders, Mackenzie King, who was Prime Minister in the 20th century, not the 19th century. Times have changed, Mr. Speaker, though not everyone seems to realize it.

Finally, and this was a real stroke of genius, they accused us last week of breaking our election promises and refusing to listen to the outcome of the consultations on this Bill. Mr. Speaker, there has been considerable proof to the contrary. First of all, from what we have been able to gather in our ridings and from letters from constituents, we can conclude, and they know it, that the majority of Canadians are in favour of the measures proposed in Bill C-15. In fact, I think the best way to prove this would be to immediately refer the Bill to committee where witnesses and intervenors can be heard.

Mr. Speaker, I am convinced that the Liberal and New Democratic Party Members will support this motion if they are truly concerned, as they claimed last week they were, about helping us fulfil our election promises.

As one of their own, the Hon. Member for Saint-Denis (Mr. Prud'homme) said, the real work on a Bill does not take place

in the House. Let us therefore proceed and go to committee right away.

Mr. Speaker, at this stage in the debate, the Opposition has exhausted its arguments but continues to take the floor, one Member after another. It is clear from the repetitiveness of the Opposition's arguments and the fact that they have nothing more to say about the Bill. I may refer to the Hon. Member for Gander-Twillingate (Mr. Baker), who, quite candidly, set the tone for the debate as the first Member to take the floor when the House reconvened last Monday. In concluding his speech, he said, and I quote:

I have not even been able to address the Bill since I began speaking at eleven o'clock.

That says it all, Mr. Speaker. Especially since we have had 56 speeches from the Opposition's 70 Members. It seems to me they cannot complain we are preventing them from speaking to this Bill.

• (1110)

Instead of wasting our allotted time, I suggest that we proceed immediately with the next stage. Canadians will thank us for doing so. If we do not know how to manage our time, how can we manage the country?

Mr. Speaker, I therefore move, seconded by the Hon. Member for Lévis (Mr. Fontaine):

That the question now be put.

[*English*]

Mr. Deans: Mr. Speaker, I rise on a point of order. It may well be that I have misunderstood the rules and perhaps you could help me in this regard. However, it was my understanding that it required a Minister of the Crown to move such a motion. Perhaps you could clarify that for me, Mr. Speaker. I seem to recall that as being the case.

Mr. Speaker: Perhaps the Hon. Member would like to find the rule in the Standing Orders that makes such a stipulation. All I find is Standing Order 56 which simply indicates that once the motion is put, it precludes all other amendments. That is all Standing Order 56 indicates. I am prepared to hear argument on the matter if the Hon. Member has some argument to make. However, I know of no such argument that would have its foundation in our Standing Orders.

Mr. Deans: Mr. Speaker, quite frankly, I was caught a little by surprise by the putting of the motion. I would have anticipated its having been put by a Minister. I assume you would allow me to make some argument on the matter after Question Period today in the event I am able between now and then to come up with what I believe to be the situation, which is that it would require a Minister to move such a motion. I would simply ask that you allow me the latitude of making such argument should I wish to after Question Period today.

Mr. Axworthy: Mr. Speaker, I rise on the same point of order. The step taken by the Hon. Member is one that comes with some surprise and disappointment to members of that caucus because, as we all know, this Bill is a centrepiece of the entire economic strategy of the Government. Therefore, one would have thought that a member of the Ministry would have been responsible for the drastic action that has now been proposed. As a result, I think the motion should be held in abeyance until such time as we can marshal those arguments, because I think it is a very curious, strange and somewhat unorthodox move to have a Member of the Commons move this motion and to have Ministers of the Crown absolve themselves of all responsibility for such a diabolical and difficult initiative which closes off debate on such an important Bill.

Mr. Speaker: I am in some difficulty. I must say to Hon. Members that I cannot reserve on this matter. As a matter of public record, the last time this motion was moved was under the previous Government and it was moved by a Private Member on the back-bench. There is a clear procedural paper out on this matter for all Members to follow and there is no question in my mind from reading the rules that there is no restriction on the moving of this motion in terms of whether it be by a Minister of the Crown, a Parliamentary Secretary, or a Private Member.

In fact, as Hon. Members may know, the motion is usable during Private Members' Hour, which means by definition that it must be moveable by a Private Member. Therefore, I find that I have no reason to reserve and that the motion is properly before the House. For the record, as I am reminded, the motion is, of course, debatable. Debate.

• (1115)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to speak on the motion which was moved by the Hon. Member for Charlesbourg (Mrs. Tardif). I suppose it is only fitting that I speak to the motion, as the Hon. Member referred to me as having spoken for 20 minutes in the previous debate and remarked that at the end of that time I had not dealt with the subject matter of the Bill. In getting myself out of that quandary, I checked and discovered that the actual motion which we were debating was a motion for a six-month hoist. The reason for that motion was that the Government had not displayed in its policy, and had not shown in its legislation, that it was consistent with its stated purpose in bringing in the legislation.

The Hon. Member stated that all of the arguments had been presented, that the Opposition was holding up the Bill, and that there was nothing new to say on the subject. I am sure all Hon. Members of this House read *Hansard*. We can review *Hansard* to see some of the excellent speeches which were given, for example the speech which was given by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). That was one of the best speeches given this session on the Bill. One of the worst speeches was the speech of the Minister when he introduced the legislation. A very interesting speech was given by a member of the New Democratic Party; however he was continually interrupted by the Minister during his address.

In reaching my point, I would like to read into the record what the Minister said during his address to the House. He said:

> I remind him that when FIRA was put in place unemployment in the country was slightly over 5 per cent. Today it is over 11 per cent.

The Minister made these remarks on December 11, 1984. He went on to say, as reported at page 1094 of *Hansard*:

> That did not regain what we lost in 1981 and 1982. What about the money that left?

Presumably, the Minister was talking about the money which left the country. Later on in the debate the Minister disbelieved the Hon. Member for Essex-Windsor (Mr. Langdon) when the Member pointed out that direct foreign investment in Canada was not as the Minister claimed, and that it had actually increased over the years since FIRA had been established. The Hon. Member for Essex-Windsor stated at page 1100 of *Hansard*:

> From a negative balance of $4.4 billion in 1981 we had a negative $900 million in 1982. In 1983 we were up to a positive $200 million and so far in 1984 we were up to a positive $1.3 billion.

Another Hon. Member in the House then asked: "What is your source?" The Hon. Member for Essex-Windsor said that his source was Statistics Canada. Of course, the Hon. Member for Essex-Windsor was absolutely correct in the figures which he read into the record. What has been missed in the debate up to this point was why there was such an outflow of capital from Canada into the United States in 1981 and 1982. Was it really an outflow of cash?

If we look at the gross inflows of capital into Canada from the United States, we see that since FIRA was established in 1974 the gross inflows of capital from the United States had actually increased. The figure increased and reached its maximum in 1981. If we examine the gross outflows of investment capital from Canada into the United States, we find that that figure also peaked in 1981.

• (1120)

If we were to use the logic of the Minister in making the statements he did in his speech, as well as the logic used by Hon. Members in being questioned after their speeches, we could say that FIRA itself, since it was created, actually brought investment capital into Canada from the United States the like of which had never been seen before 1974. But that would be a bit dishonest. We could say as well, as the Minister claimed, that the gross outflow of capital from Canada into the United States which peaked in 1981 and 1982 was a loss to Canada, that we lost jobs in Canada because that money flowed into the United States. But the point of my argument, Mr. Speaker, is that when we examine cash outflows from any country, we have to look in effect at where that money went and for what purpose.

The fact is that Statistics Canada makes no distinction in their figures. When we examine the record and other figures we discover that that large investment in 1981 and 1982 went into buying branch plants in Canada which were owned by Americans. So the statistics showed really a net outflow from Canada for the years 1981 and 1982.

When we examine the figures for the United States, we would say that there was an incredible increase in the actual gross inflows into Canada from the United States from the point at which FIRA came into operation until 1981 and it still maintained a high level up to 1984. But we would also have to ask ourselves the question: What is the net U.S. direct investment? The Minister, when introducing the legislation, was very quick to point out that in 1981 and 1982 the net U.S. direct investment was a negative figure.

However, he failed to point out that there are two distinctions. The first is where that capital went. That capital went to buy branch plants located in Canada. The investment was made by Canadians but the money went to the United States. The Minister also did not point out that the largest growth in investment capital inflows into Canada from the United States happened since FIRA came into operation in 1974.

It is also interesting to note, Mr. Speaker, that in introducing her motion the Hon. Member claimed that the Progressive Conservative Government was on the way and that jobs were already created in the private sector. That, Mr. Speaker, is like the argument used by the Prime Minister (Mr. Mulroney) and by the Minister of Employment and Immigration (Miss MacDonald). But when did the greatest increase in private sector jobs happen? The fact is, Mr. Speaker, that it works out that in the three and a half months under this Government, 27,000 jobs per month were created. During the last three months of the Trudeau administration, 32,000 jobs a month were created in the private sector. During the Turner administration, 33,000 jobs per month were created in the private sector. No one, Mr. Speaker, goes back to find out how many jobs were created in the past. They use the figures with some kind of twisted logic to make it seem as if the Government is actually doing something.

By the same token, if we examine foreign investment in Canada from the United States and we match up the gross inflows with the gross outflows and come up with the net U.S. direct investment, we find that the largest amount of net investment which has come into Canada was during the first nine months of 1984. If you break it down further, by the month, you discover the greatest U.S. net direct investment came during the administration of the Turner Government. But to say that that was because of the actions of a government is really stretching the truth.

• (1125)

There were a lot of things missed in the debate so far on this particular legislation, Mr. Speaker, which should be brought before this House. For example, there was no comparison made of the impact of this legislation. There is a question to be asked—is my time running out, Mr. Speaker?

The Acting Speaker (Mr. Paproski): It has just about run out.

Mr. Baker: I have not even gotten to the argument I wanted to present. However, I am sure there will be another opportunity to do that later in this session.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Government did not accept the opportunity put before it to take another six months and look at this whole area of foreign investment. This morning the Government effectively put closure on debate. That, I guess, is an indication of the kind of democracy we can expect from the 211 members of the Conservative Party who are Members of the House of Commons. They will not accept the idea of democracy being an opportunity for the Opposition to put all of its arguments before the House, as well as an opportunity for the people of Canada to see what their position is and where they are going. What the Government is now doing is limiting the amount of information which will go out to the people. It therefore becomes our responsibility to do it more directly.

One of the things which has not been brought before this House is the alternative the Government has in this whole area of foreign investment. There is no shortage of investment capital in Canada. In 1974 10 per cent of the country's gross income was put into savings. Between 1974 and 1982 it went from 10 per cent to almost 14 per cent, and it is my understanding that in 1984 and 1985 it increased further. As I said, there is lots of investment capital in Canada and we do not need to bring in foreign capital with no strings attached. The problem is an unwillingness on the part of business to invest in Canada. In light of that, the Government should be attempting to stimulate the economy so Canadians will invest. That should be the first step.

How can the Government do that? First of all, a point which has been made several times in this debate is that takeover investment is not good investment for Canada. We know foreign investment is not good investment for Canada and takeover investment has a tendency to eliminate jobs. Buying a new firm with available money does not create jobs because those jobs are already there. That is just using available capital to increase the portfolio of a particular company. Foreign capital is always suspect because it may help Canada in the beginning but at some time in the future that money is going to go back to its parent company and will not help Canada.

• (1130)

In some ways FIRA was not a very good operation. It did not work particularly well, but at least it was in place to define the parameters under which foreign investment could enter Canada. This Bill is attempting to take away those parameters which foreign corporations investing in Canada had to consider. Instead of allowing foreign capital to come in with no strings attached, we should be establishing criteria for the investment that is coming into Canada. After those criteria have been established, we should set up a monitoring agency. That is what FIRA was supposed to do. It did not do that well but it was there. We should be strengthening the monitoring powers of the corporation rather than eliminating them entirely.

What should the criteria for Canadian investment be? Since our biggest problem is unemployment, investment should be aimed at that. Takeover investment should be eliminated. The impact on the local community should be included in the criteria. The amount of effective development of skills which will make long-term jobs worthwhile and increase the standard of living of the affected people should be considered. The impact of investments on the balance of payments of the country should be controlled. The eventual impact of foreign investment is to increase the flow of money out of Canada. This adversely affects our balance of payments and forces us to increase interest rates to keep the money in Canada. The criteria should also take into consideration the social impact of the investment on the community and the country.

After establishing the criteria we should establish the objectives of investment. If the Government is going to have an effect on investment and the economy, part of its expenditures must be aimed at stimulating the economy. If business is unwilling and incapable of expanding, as seems to have happened in the last few years, both federal and provincial Governments should inject investment money into the economy to stimulate it. I could name a dozen or so areas that they should be investing in. We have plenty of resources and two million unemployed. We have a great need for housing. We have lots of lumber and other products necessary for the construction industry. We have many unemployed construction workers. Therefore, the Government should stimulate housing programs to help the economy.

Public expenditures in public transit, medical care facilities and education would help stimulate the economy. I find it very disturbing that in communities with several thousand people unemployed every teacher is teaching 30, 40 or even 50 students.

The tragedy of this closure motion to limit debate is that all of these points should be put before the people of Canada as well as the Government. We should eliminate cuts in public spending which affect people directly. We should lower interest rates. All of these are good ways to stimulate the economy which have not been put before the Government. We have not asked the Government to reply to those kinds of alternatives. Instead of that, closure has been moved in order to limit this debate.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I regret very much having to rise to speak on the motion which has just been put which will prevent the House from giving this very important legislation the amount of consideration which it requires. Perhaps I could take a moment to deal with the procedural aspects of the motion.

By moving the motion which has just been put, the Government is attempting to prevent members of the Opposition from moving any other substantive motions that are appropriate at

the time of second reading. Since the size of the Opposition is much smaller now than it was in some past Parliaments, this means that Parliament will be forced to vote on this legislation very shortly for the purpose of sending it on through the parliamentary process. That is an unprecedented activity and gesture by the Government in relation to the importance of these issues and the limited amount of time that has already been spent on this subject.

This legislation has only been before us since December. It has not been debated for very long in this House. It has not received too much attention in the country. Its name suggests that it does deal in one way or another with foreign investment. Foreign investment is one of the historically significant issues in Canadian public policy formation. The Government should not be attempting to get this Bill through before it comes to the attention of the vast majority of the Canadian people. The Government is attempting to prevent the Canadian public from finding out that very important changes are being made in the fundamental laws that protect the Canadian economy from the negative effects of foreign investment.

When I heard the Prime Minister (Mr. Mulroney) announce that Canada was open for business, I was worried. It concerned me that by that he must have meant that the foreign investment rules in the country were going to be changed in some significant ways. I am not fully certain, and I do not think anyone who has studied the legislation is, what kind of basis there will be in the future, if any, for protecting Canada from the negative impact of foreign investment.

It is important to note that under the existing legislation which was introduced by the former Liberal Government, with which we have lived since the early 1970s, there was some basis, not for excluding foreign investment from Canada because that was never the goal of the former Government and is not the wish of the Canadian people, but for assuring that foreign investment coming into our country enters on the best possible terms for Canadian interests.

• (1140)

It is wrong to assume that foreign investment or any investment will be good investment. Those of us who practise law and have advised foreign interests from time to time are aware that they like to preserve a certain flexibility and not be bound to the commitment of creating jobs, providing research and development, investing a certain amount of capital and to assuring that the local service sector and its related professions will be used rather than the corresponding industries in the home country of their head office. They would prefer to be completely unfettered and be taken at good faith that they will operate in the Canadian interest. While many foreign investors intend and want to do so, unless we obtain the assurance that they will make their good faith concrete, it is possible that the maximum Canadian benefit will not be attained by that foreign investor in Canada. Therefore, the process that the foreign investment review legislation contemplated was very valuable to the enhancement and development of the Canadian economy and Canadian interests.

I am sure that all of us, even those who oppose any government role in relation to foreign investment, would like to see a Canadian economy that operates fully in the Canadian interest and that is autonomous and indigenous to the Canadian people. Although FIRA has been in effect for approximately a decade, our present economy is far from autonomous because when we first introduced policies to deal with foreign investment in Canada our economy was very much foreign controlled and foreign owned.

The very important Watkins report which was commissioned and delivered to my colleague, the Member for Windsor West (Mr. Gray), when he was the Minister responsible, revealed the tremendous extent to which we were not in charge of our own economy. While we were achieving considerable benefits from foreign investment, we were also subject to considerable disadvantages which that foreign investment implied.

The question was how we should go about making our economy more autonomous and encouraging the Canadianization of it in a way that would continue to allow foreign investment to come and stay in Canada. At the same time that policy would have to assure that our Canadian economy would be Canadian-managed, owned and directed to the maximum extent possible.

At the time I recall spending much of my energy fighting for this legislation and explaining it to those who believe that the least government is the best government. I know there are still many members of the Conservative caucus and Cabinet who retain that unreconstructed Conservative attitude that does not recognize that government be a positive player and that the whole history of developing the Canadian economy has been one of using government to achieve objectives that cannot or have not been achieved otherwise.

I am not saying that in any way to criticize capitalism. I believe that Canadian or foreign entrepreneurs who can be encouraged to operate businesses in areas where profits can be earned can greatly serve the public interest by doing so. However, those entrepreneurs cannot be expected to take account of many of the objectives which are not those of free enterprise as such but very much objectives that it would be in our interest to have built into our economy. The creation of jobs itself is not a direct goal of free enterprise. The direct goal of free enterprise is to create profits, and if this can be done by reducing employment then it can be understood that businessmen will try to replace workers with machines that produce more efficiently.

Therefore, one must ask how that concern for employment in the economy is registered and by whom. Such reflection of the goals of business and the goals of Canadians in their economy show that there is much room for government to be active and to develop policies which do not deter the expansion of businesses but encourage and require them to take account of some of the other goals that Canadians expect their economy to deliver for them.

I am certainly prepared to concede that the foreign Investment Review Agency received bad reviews and was criticized

in some places around the world. One reason for that is that it is a very up-front type of restraint. Although many countries have constraints on foreign investment, in most cases those constraints are less obvious. Even in the United States a foreign investor must actually visit the country and begin asking questions before discovering that there are a great many restrictions on free access by foreign businesses to the American market-place, which is perhaps the most free enterprise economy in the world.

I have seen the studies that were done for Watkins and more contemporary studies that show literally dozens of constraints in the United States. For example, there are restraints under the Jones Act, the regulations of vessels in domestic commerce, the Fishing Fleet Improvement Act and the Merchant Marine Act.

I see that my time has expired. I believe I have said enough to show that there needs to be more concern than is shown by this legislation for the negative side of foreign investment.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the House certainly is not ready for the question.

Mr. Nickerson: Yes it is.

Mr. Keeper: Perhaps Hon. Members on that side of the House are ready for the question. It is sad that they should seek to limit debate in the House so early in their career as a government. We are learning that the Conservative Party operates differently in government from when it was in opposition. When in opposition, that Party espoused respect for parliamentary democracy, wanted to reform the House of Commons to give more authority to Private Members and make this place responsible for the public purse. Now that they are in office they limit debate.

This is travesty of the political process. During the election the Conservatives promised more open government. It is now closing the door on more information to Canadians with regard to investment policy. It is a sad moment for Canadians that the Government which promised so much is delivering so little.

The purpose of the Bill that the Government is supporting and at this time attempting to push down the throats of Canadians is to deregulate foreign investment. Deregulation represents the Holy Grail to the Government, a magic formula that is supposed to bring about a rejuvenation of the Canadian economy. It is an empty promise of prosperity for all. The Government has made many promises and has broken them. When it comes before the House with a piece of legislation which once again makes further promises, we have to look behind those promises. We have to ask ourselves what the Government is doing and why it is in such a hurry to push through this piece of legislation.

• (1150)

The aim of this legislation is to deregulate foreign investment and to give it a free hand. Another of its aims is to allow multinational companies to come into the country and do whatever they want without the representatives of the public being able to examine whether their actions are to the benefit of Canadians.

From past experience would we have any reason to want to examine what foreign investment does in Canada? Has foreign investment in the past always been so beneficial that we can assume that it would be done in the interests of Canadians? I should like to raise a couple of questions about the impact of foreign investment in Canada, questions which I think will lead to the conclusion that it is necessary to have some reasonable regulation of foreign investment.

Foreign investment has led to a Canadian economy which is largely dependent upon branch plants in the manufacturing area of the economy, like young children of parent companies in other countries. The branch plant economy in Canada is largely dependent upon its parent companies in the United States.

What happens with a branch plant economy? We are just coming out of the last recession. It is a recession in which we have not recovered from the loss of employment which Canadians are still suffering. There were massive losses of employment during that recession. One of the reasons we lost many jobs was that our economy was vulnerable to the downturn in international economic activity because of our branch plant economy. With the downturn in the economy, the branch plants returned jobs to their parent plants, largely in the United States. They let jobs go in Canada to preserve employment in the United States. It was not only a matter of individual decisions by individual companies; it was a matter of public policy in the United States. Obviously it is in the interests of the American Government to protect as much as possible the employment of its own people. How could one criticize a government which took action to protect the employment of its people?

The Government of Canada, and particularly the Prime Minister (Mr. Mulroney), is a great admirer of the American Government and the American President. I wish the Prime Minister would learn from what that President has done in the area of investment. He has protected employment for his own people over employment in other countries. We need to learn from those actions rather than from the rhetoric of the American President. We need to understand that if we want to protect employment for Canadians, we must have appropriate government policy. We not only need activity in the private sector, we not only need entrepreneurs in Canada who have the courage to create investment and jobs; we also need appropriate government policy in order to ensure that we protect the jobs we already have and the Canadian economy. When the economy turns down and we are still based upon a branch plant economy, we tend to lose more jobs than we would lose if our economy was largely based upon Canadian enterprises.

Even when the economy picks up, as it is beginning to do now, one problem with an economy largely based upon foreign investment and therefore upon branch plants is that we do not receive the full benefit of investments or economic activity in the country. If a company produces a particular product here which can be sold in the Canadian market and buys the materials it needs to produce the product, it tends to buy the goods from its parent company in the United States. Therefore local Canadian firms, particularly small businesses, lose the market because of the way in which the economy is structured. That is crucial to employment for Canadians. We all know—even the Government knows from time to time—that the part of the economy which produces the most employment is small business. We should be doing everything we can to support small business in Canada.

I see Mr. Speaker indicating that I have only a couple of minutes remaining. One way to support small business in the country is to have an economy based upon Canadian enterprises more than branch plant enterprises, because those enterprises tend to buy more locally and support small business, which in turn creates the most employment possible.

In summary, it is sad and tragic that the Government has moved at this moment to limit debate on a Bill which seeks to deregulate foreign investment. It is a tragedy because it is important for Canadians to examine fully the impact of foreign investment in Canada. We need investment to create jobs, but we need investment which will be responsible. It is incumbent upon the Government to put in place the necessary policies to ensure responsible behaviour by investors in the country so that Canadians have secure jobs.

I ask the Government to open up debate on this question rather than close it down. I ask it to run an open government and make its first concern Canadians and their employment rather than some ideological notion that if it simply deregulates foreign investment, the economy in Canada will automatically improve. We need a serious examination of this legislation. I ask the Government to open up debate rather than close it down.

• (1200)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, it is regrettable that one of the first initiatives of the new Member for Charlesbourg (Mrs. Tardif)—who has changed her seat but who is in this House where I am much more at ease to speak to her—What I want to say is that it is regrettable that the new Member for Charlesbourg has decided to impose closure on such an important debate in the House. I expected a more constructive approach on the part of the Hon. Member. Her constituents will surely be quite surprised to see her impatience, I would even say her arrogance and certainly, at the very least, her lack of democratic spirit. Indeed, Mr. Speaker, one has to read Standing Order 56 to appreciate the seriousness of the initiative taken by the Member for Charlesbourg. Here is Standing Order 56:

> The previous question, until it is decided, shall preclude all amendments of the main question, and shall be in the following words, "That this question be now put".

And here is Standing Order 56(2) which I quote for the benefit of new Members in this House, especially some of the new Progressive Conservative Members who may not have had an opportunity to read and fully understand the Standing Orders:

> If the previous question be resolved in the affirmative, the original question is to be put forthwith without any amendment or debate.

Well, Mr. Speaker, the Hon. Member for Charlesbourg has just moved closure this morning, nothing more, nothing less. With such an overwhelming majority, I would have thought that this government would have been very careful not to show exactly where it stands so early in this new Parliament, because what this means is that Members of the Opposition, Liberals and New Democrats alike, will no longer be able to debate this issue which, to my mind, underlies the Canadian economy. Why—and I am asking the question seriously—why did a Progressive Conservative Minister not have enough courage to do that dirty work himself? Why did they ask a backbencher to do what I call the dirty job of gagging the Opposition in the House of Commons?

I find that regrettable and unfortunate because the new younger Member seems to be quite charming, but someone has taken advantage of her naïveté or perhaps her lack of parliamentary experience, and I think it must have been the Minister of Regional Industrial Expansion (Mr. Stevens). Where is that Minister?

Incidentally, Mr. Speaker, I would point out to you that since December 11, the day he introduced this Bill, the Minister responsible for this measure has seldom been seen in the House. You used to sit with him in the Opposition and you recall how the Minister, who was then on this side of the House, would take the government and Liberal Ministers to task for showing disrespect for the Canadian Parliament. Mr. Speaker, the current Minister would never have allowed consideration of such an important piece of legislation to proceed without the regular attendance of the Minister responsible. He did show up for a few minutes in this debate, but most of the time the Minister has been away from the House, as he is now.

The Progressive Conservatives have 40 ministers, but right now I can see only two of them in the House.

Mrs. Mailly: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I believe the Hon. Member has just referred to another Member being absent from the House, and it seems to me that it is contrary to our Standing Orders to comment on the absence or presence of a Member.

[*English*]

The Acting Speaker (Mr. Paproski): This is not a point of order. The Hon. Member should not reflect on who is in the House and who is not. I am sure the Hon. Member knows that.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think the Canadian public should be told that the Minister of Regional Industrial Expansion (Mr. Stevens), who is responsible for this legislation, is not here this morning and that he has taken virtually no part in this most important debate that can substantially alter Canada's economic outlook.

Why do we Liberals so strongly oppose this Bill? Because it is our fundamental belief that in our Canadian context we should control our economy. With this legislation, the Tories are ready to sell out at any price, to anybody, at any time, and in this debate we will fight to the limit, even though with her underhand practices this morning the Hon. Member for Charlesbourg (Mrs. Tardif) is attempting to muzzle us. The amazing part of it is that Bill C-15 would have us approve post haste a new concept for our Canadian economy. The legislation is presented by the Tory government as a means to create new jobs. We say outright, Mr. Speaker, that this legislation is wrong, and that far from creating new jobs, it will probably mean the loss of their jobs to hundreds of Canadians.

I am pleased to note the presence in the House of the Minister of Consumer and Corporate Affairs (Mr. Côté), who is responsible for competition in Canada. Since he has already been doing his homework, he is aware of the extent of large business concentration in Canada, he knows that in most major sectors of the Canadian economy there are only two or three corporations that control the Canadian economic market. Competition is exceedingly difficult to exercise in Canada, and the Canadian consumers are at the constant mercy of a few big corporations.

The first thing the Conservative Government did when coming to power was to bow to the big multinational oil corporations. We wanted to Canadianize the oil industry. We passed legislation to allow for and promote the Canadianization of that important industry, and we created Petro-Canada. But the Conservatives never accepted that. They always wanted to support the multinational corporations, those foreign corporations which control the Canadian oil industry and rip off the Canadian consumers.

I therefore say that Bill C-15 is a bad bill, because it will allow the big and the strong to meddle with the international economy and bully our small businessmen in Canada, because the Tory legislation now under consideration no longer contains the same requirements, the same important criteria as were provided in the measure we introduced in 1974, and under which the Foreign Investment Review Agency could prevail on new Canadian investors to give guarantees, not only to create new jobs, but at least to guarantee existing jobs, and especially to promote economic growth. This legislation would allow investors a free hand. Anybody may now invest in Canada without constraints, without any obligation to Canadians. This is what we are fighting against. It is not good enough and we are sorry that the Hon. Member for Charlesbourg (Mrs. Tardif) should be attempting to use the guillotine so early in her political career. This is a bad omen indeed.

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, I am very interested in contributing to this debate this morning, even though our time is limited to 10 minutes.

Before getting into the substance of my remarks, I wish to remind the House, particularly new Members, that for many years we fought very hard in this country to develop a national economy. In the 1950s this country was virtually owned by foreigners, both our natural resource industry and our manufacturing industry. When I was a younger man, and well into the 1960s, there was a great wave of nationalism spreading across the country. It was not a particularly healthy kind of nationalism. It was born out of a normal and understandable resentment which had developed, based largely on the fact that there was not only the impression in the country but the facts to back up that impression that successive Governments, particularly Liberal Governments, were selling out our country to foreign interests. That was happening in mining, smelting, the newsprint industry, the forest products industry and metal mining. It was happening in financial institutions and, primarily, in manufacturing. It created a very negative kind of thinking throughout the country. That was not healthy.

If we go ahead with Bill C-15 and set up Investment Canada, I suggest that not tomorrow or next year but in five or 10 years that unhealthy, negative nationalism will return as we see the manufacturing and resource sectors of our economy once again slipping out of our hands. I can recall a time when about 80 per cent of our natural resource industry in the country was either directly or indirectly controlled or owned outright by foreign interests. Not many years ago I can recall a time when about 60 per cent of the manufacturing sector was controlled or owned outright by foreign interests. It was not healthy.

• (1210)

I would like to impress upon Government Members as others already have that it is not always of benefit to sell out to a foreign company. It is not always a good thing for an American firm to buy out a Canadian firm. In fact, very often quite the opposite eventually happens. It may not happen overnight, in a few weeks or a few months, but eventually it does happen. Some of our Canadian industries become nothing more than warehouses or distribution points for goods manufactured offshore.

Foreign firms are not the best of employers. Although I do not have time in a ten-minute speech to go into it in detail, the record shows that this is so. We all know that the first companies to lay off employees in an economic recession are

the foreign-owned ones. Obviously they want to look after their own employees at their own head offices wherever those head offices may be, whether in Des Moines, Iowa, West Germany, Sweden, or Japan.

In terms of research and development, the record speaks for itself. The plants with the best record in research and development in this country are Canadian-owned plants. Yet this Bill would put heavy competitive pressure on our Canadian-owned industries and would dampen that enthusiasm and desire to do research and development here in Canada because foreign-owned companies almost always do most of their R and D offshore. These days they do it in the countries with the best tax system, the lowest tax system, usually Third World countries. Of course, there is a dog's breakfast looming on the horizon there to which we will all have to face up very quickly. If they do not do their R and D in the Third World, they do it at the parent plant which is usually in the United States. As well, large percentages of profits, bonuses, dividends and the like are sucked back into the United States by American corporations, and again this puts some downward pressure on our dollar.

I admit that not all foreign companies in this country are operated as branch plants, but many of them are. Those that are operated as branch plants are very restricted in what they can do in terms of marketing. For example, they cannot compete with the mother industry back home so they tend to have very restricted markets. They sell only to the Canadian market. After all, the reason they came here in the first place was to jump the tariff barrier. They came to Canada to get over the tariff barrier by establishing a small plant in Canada to serve a limited Canadian market.

If a foreign-owned plant is operated as a branch plant, as many of them if not the majority of them are, then it has a very restricted market. In the domestic market it is restricted to Canadian sales but it is also restricted in terms of foreign sales. Again, in many cases these firms are told not in writing but by telephone at ten o'clock every morning where they can sell, how much they can sell, and what the price will be here in Canada. They are told not to compete with the mother company overseas because the mother company already has that market nicely sewn up.

I have spoken to a few managers of branch plants in my time. They will admit, if I promise never to quote them or name their companies, that they are frustrated with their lack of manoeuverability and lack of ability to apply creative talents to improving the industry. They are always being held back by their bosses offshore wherever the parent plant happens to be.

I would like to remind members of the Conservative Government to keep something in mind when trying to sell Canada to foreign corporations and particularly to American-owned corporations. I wonder what the reaction would be in the United States if the average American who had no interest whatsoever in the economy, big business or international trade and finance was on his way to a football game and was told that that country to the north called Canada controlled over half of all American manufacturing and perhaps 60 per cent of its natural resource industry. The Americans are great ones for saying that they want Japanese, British, French and Canadian capital in their country. However, how many people on the other side realize what the total picture is?

Less than 3 per cent of non-financial privately-owned commercial enterprise in the United States is actually controlled or owned outright by foreigners. Here we are in Canada desperately trying to hold on to a Canadian national economy, to compete in an international market-place as freely and unfettered as possible, and this Government wants to destroy the only instrument we had to reasonably and rationally control foreign investment in the country, the Foreign Investment Review Agency, an agency which the NDP forced the Liberals to bring in under a minority government.

Those people opposite want to destroy FIRA. They are not saying "Canada is open for business"; they are saying "Canada is open for exploitation, come up here and rape us". That is what those Members are saying to the big interests in the United States, Europe and throughout the world. I think that is a shame. If we lose our national economy, we will lose our national character, ethos and culture. Those too will go down the tubes and we will simply be a white mass sitting on top of the United States.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? Debate.

• (1220)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I had intended to speak on Bill C-15 this morning, but I was certainly not expecting such a surprise move. I would never have thought that the new Member for Charlesbourg (Mrs. Tardif) would come in and propose a form of closure to bring to an end this debate as quickly as possible, in spite of its importance for the economic future of Canada.

My colleague, the Hon. Member for Papineau (Mr. Ouellet), said a while ago that the Progressive Conservative Government had called on a newly elected Member to do its dirty work and impose closure. However, I think that he made a mistake in saying that this new Member is simply a private Member, because, if I am not mistaken, she is Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mr. Stevens). The motion is therefore an official proposal of the Progressive Conservative Party. It is not simply a case of a backbencher making a mistake and thinking it would be a good idea to put an end to this debate. On the contrary! The Parliamentary Secretary represents her Minister quite well, and in fact, she really needs to do it because the Minister is never here during the debate. She has become the spokesperson of her party in proposing this despicable motion which reflects a Government decision and which is, I repeat, an obvious abuse, this early in this Parliament, of the enormous

majority of 211 seats held by the Progressive Conservative Party.

The Government felt the need to impose closure to a very minimal opposition consisting of only 40 Liberals and 30 NDP Members. However, I am certain that the voters realize what is going on and that the Opposition will not be this weak for long. The voters will not let a government in whom they have put their confidence shabbily treat the minority in the House of Commons especially in view of the staggering majority won by the party opposite after making all kinds of promises which are quickly being broken one after the other. One of the promises which is being forgotten the most often was to have a continuous process of consultation. Here we now have a perfect example of a Government taking action in an important sector, that of foreign investment, without having consulted anyone.

The only one to speak on behalf of the Progressive Conservative Party this morning, the same Parliamentary Secretary to whom I referred earlier, said that the Government did consult. "Every weekend, we go home to our constituencies, we meet our voters. We receive letters." This is the easy way out. I am well aware that when Members go back to their constituencies during the weekend, they see a few voters, not necessarily to speak about this matter but rather to solve particular problems and to discuss many other issues where the Progressive Conservative Government is having trouble. For instance, what are the Progressive Conservatives doing to help Quebec pork producers? I am certain that all PC Members who visited their constituencies and met with farmers did not discuss foreign investment and Bill C-15. What they heard was: "When are you going to give us the $13 millions you had promised" This is what the voters were saying last weekend and this is what we can read in the newspapers.

Therefore, there will not be any consultation. Let us put an end to the debate as soon as possible. The only consultation to have taken place is the debate we have been having in this House where Members can rise and say what they think about Bill C-15, an Act respecting foreign investment.

According to the rhetoric of the Progressive Conservative Party, the purpose of Bill C-15 is to attract foreign investment while protecting our national identity. I would like to spend a few minutes speaking about this aspect of the bill. In this regard, the Progressive Conservative Party is trying to step into the shoes of the Liberal Party. During the last few years, which party has attempted, while allowing foreign investment, to provide some protection to several sectors of the Canadian industry if not the Liberal Party? It was a Liberal policy which led to the creation of the Foreign Investment Review Agency better known as FIRA. And whatever the opinion of my NDP colleague who took the floor just before me, he may try to make us believe that it was the New Democratic Party that forced the Liberals to introduce legislation to establish FIRA, but anybody who has followed Canadian politics knows that the idea sprang from a Liberal convention held in Toronto in1972 when people in attendance, members of the Liberal Party of Canada, recommended to the then federal Liberal Government to create an agency so as to make sure that foreign investments would really benefit the Canadian economy and not jeopardize certain sectors of our economy.

Who decided to impose restrictions on foreign investments in specific sectors such as culture and finance, if not the Liberal Government, the previous administration of the country?

Who decided to approach the European Economic Community in an attempt to diversify the source of foreign investments, if not the Right Hon. Pierre Elliott Trudeau himself when he was Canada's Prime Minister, because one of the great dangers we are facing is to have foreign investments coming mostly from a single source? That is how we can fall directly under legislation adopted by our neighbours to the south and likely to disrupt our economy.

Those protective measures against foreign investments have been implemented by the Liberals and I object to the fact that Progressive Conservative Party representatives now try to argue that the Progressive Conservative Government wants to attract foreign investors, while at the same time safeguarding our national identity. Their defensive approach with respect to our national identity is sheer nonsense, that is not what they are trying to do.

The major argument of the Progressive Conservatives with respect to job creation is now, and was during the election campaign: Let us allow capital to create jobs. That argument has continued to be translated into specific measures. Since business has resumed in the House of Commons, we have heard the Progressive Conservative Government endlessly repeating that we have to let private capital create jobs, and we have also seen that same Government shirk its major responsibility, and that is to create jobs.

We have seen this Government cancel job creation programs, although it keeps saying that creating jobs is its priority. A good example is the elimination of the Summer Canada Program: $75 million that was supposed to create jobs for young Canadians next summer. They have been saying: Let capital create jobs. The new 1985 rhetoric, however, is: Let foreign capital create jobs. An interesting but dangerous shift in Conservative rhetoric. The Government has abdicated its job creating function. It has said: Let Canadian capital create jobs. Now it is saying: Let foreign investment create jobs. This is one way for the Party in power to sympathize with people who are looking for jobs and give the impression that the Government is concerned about creating jobs. However, they are really showing they want to leave it up to foreign capital to create jobs in Canada.

Mr. Speaker, you know as well as I do that the danger here is that foreign companies setting up branches in Canada do so in their own interest. When they come to Canada to buy an

existing company, this does not create new employment. What it does create is a situation in which existing jobs, under the new company, are controlled from outside Canada.

When times are hard and the company's market starts to shrink, what is it going to do? Is it going to shut down its Canadian branch and with it the jobs they are promising us today when they say: "Let foreign capital create jobs"? These are temporary jobs, Mr. Speaker. These jobs are liable to vanish into thin air, depending on the international economic situation and international markets.

The Progressive Conservative Party would do well to allow more time for debate in the House on Bill C-15, an Act respecting investment in Canada. We agree to letting foreign capital come into this country. However, as the Liberal Party of Canada, we want substantial guarantees that any foreign investment will be in the interests of Canadians, that it will create long-term and not temporary employment and that the most sensitive sectors of our economy will not be adversely affected.

That is what we are trying to do, Mr. Speaker, while we are considering Bill C-15. We are not trying to prolong debate unnecessarily, but we are trying to obtain a fair deal for Canadians who want to invest and for Canadians who are looking for jobs and are unable to find any.

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is striking, so quickly after the House has returned from the Christmas recess, that the Government is anxious to close debate on this extremely crucial subject. One would think that the debate had been dragging on for weeks. In fact, the Minister brought the Bill before the House before Christmas and there was a limited period of time in which to debate it. It seems a long time since the Bill was introduced, but that is because the Christmas recess was so long. Since the House reconvened a week ago, there have been two Opposition days and there has not been a great focus on the subject matter of the Bill.

I think the reason the closure motion has been brought before the House is that there was a certain amount of momentum, criticism and thrust to the debate which we in this Party and members of the Liberal Party managed to gain in the period before Christmas. The Government, frankly, is fearful that it will again be possible for us to build up this momentum and to develop a sense of critical analysis of this faulty piece of legislation before us.

● (1230)

I have a sense, and I believe perhaps the Government has as well—which is why it has moved this closure motion so quickly—that throughout this country there is now a growing sense of awareness that something is happening here in Ottawa which is dangerous to the future of the country and to our sense of independence. This is an unfortunate effort to ram something through the House which has not been subject to the kind of scrutiny and careful attention which something of such major importance should receive. We are after all, Mr. Speaker, dealing with something which has been at the heart of economic development concerns in Canada for well over 100 years.

I mentioned in past debate that it was in the 1870s that the first subsidiaries came to Canada. Since that period we have seen a careful and gradual development of public policy with respect to branch plants. Back in the 1870s and 1880s we believed, as this Government seems now to believe, that foreign investment of any kind would be good for the country. But, Mr. Speaker, we have come a long way since 1880. We have learned a great deal since those days. We have seen the problems which can develop in an economy when there is no sense of strategy *vis-à-vis* foreign investment. That is why we on this side of the House have been so concerned about the abdication of strategy and the absence of policy direction which this new Bill represents.

It is not just those of us who are critical of foreign investment who recognize the problem. Let me indicate to Hon. Members on the government side some of the recognition which is there from those who actually run foreign firms here in this country. For instance, the President of the Sarnia based Dow Chemical of Canada Limited, spoke to the press about drawing some Canadian capital, some Canadian shareholders, into his subsidiary. He said he was concerned about this because "we are the Canadian subsidiary of a multinational. We do not necessarily always operate to do the best we can for our local books. We are attempting to optimize the parent company's books".

What that means, Mr. Speaker, is that the concern with profitability and investment which can benefit this country is not at the heart of the business operations of that subsidiary. Instead, its first priority is to benefit the parent company. I quote the words of David Clark, the President of Campbell Soup Company Ltd., another major subsidiary which operates in southwestern Ontario. He said: "There is the danger of falling into the funny money syndrome of corporate management", the possibility of shifting money out of the country through transactions with the parent company.

For that reason, he and his company welcomed the possibility of having Canadian shareholders in his firm. That brings, as he puts it, "a heightened sense of financial responsibility. It brings you one step closer to reality". That is the kind of flimflam, the kind of internal corporate shifting of resources, which can take place if we have an economy which is dominated by foreign investment. That is why we need a sense of strategy, a sense of direction and the capacity to review and control the extremely large sector of our country which is controlled by foreign firms.

It is a source of particular concern to me, Mr. Speaker, that the Minister is moving, through his Parliamentary Secretary, for closure of this debate before he has presented to the House hiw own sense of direction with respect to a key part of Bill C-15, that is the part of the Bill which outlines a concern with key cultural parts of our economy.

The Minister indicated in his press conference when he introduced this Bill that he would clarify the kinds of sectors with which he expected that part of the Bill to deal and the mechanisms he would use to give the Bill that sense of specific impact. He has not come before the House to provide that sense of direction despite the fact that the Association of Canadian Publishers has gone before the Minister and told him that we need this sense of direction, not just because of a general concern but because of the very specific problem of the takeover of Prentice-Hall in the United States by Gulf and Western. Prentice-Hall is an extremely large American company with a great deal of investment in our cultural sector.

We believe, Mr. Speaker, that the Minister should present us with some sense of how he intends to proceed on this part of his Bill before the Bill receives approval to go to committee. The Association of Canadian Publishers has been very detailed in its comments on Prentice-Hall. It has indicated that there are Canadian buyers who are willing and able to make a purchase of the Canadian subsidiary of Prentice-Hall but the Minister has not provided direction as to how this is going to be possible under the new Bill.

For this reason, Mr. Speaker, this motion is a premature move which we will oppose. We hope the Government will reconsider and withdraw this closure motion at this stage and allow full debate on this Bill.

Mr. Maurice Foster (Algoma): Mr. Speaker, I know Hon. Members of this House would not want to see this Tory closure motion imposed on the House today. It is obvious why the Government is moving closure today. It is because it knows that there is a very great unease in this country about the way in which the Prime Minister (Mr. Mulroney) is handling the whole question of foreign ownership. He hies himself off to New York and essentially says to the economic community in New York: "Come and take whatever you want. It is up there. There are just no questions asked". There is a great deal of unease about that.

Clearly the Canadian people are concerned about jobs and they want to see Canadian industries prosper and move forward just as much as foreign companies. I believe that is why this Bill should be thoroughly discussed here today. I asked the Minister of Regional Industrial Expansion (Mr. Stevens) last week how many applications had actually been received under FIRA since the Prime Minister went down to New York and told them to come and buy out whatever they want in Canada, no questions asked. He went into a great deal of flimflam and breast beating and all the rest of it, but he never did indicate the number of applications there have been since this Bill was introduced into the House and since the Cabinet said, to all intents and purposes, "You just have to apply to take over any Canadian company; there will be no questions asked". So I think there is a great deal of unease in the country regarding the Government's intentions.

● (1240)

We believe, Mr. Speaker, that businessmen from western Europe, Japan and the U.S. will invest in Canada when there is an opportunity. We believe we should welcome that investment provided it is beneficial to our country in terms of job creation, research and development and export development. There is no problem with that. That is why we think the existing rules and regulations of FIRA are desirable.

Some 97 per cent of foreign investment has been approved in the last couple of years, but that does not indicate how many companies were encouraged to do their R and D here or to dedicate a portion of their Canadian production capacity to the international market. Look at the tremendous spurt there has been to the Ontario economy this year. It has grown at a rate of 5 per cent, slightly higher than the national average. In fact, it pushed the national average up by perhaps 1 per cent. Most of that was due to the production of two vehicles, a Chevrolet automobile and a Chrysler mini-van. Some $8 billion worth of autos were produced last year and we will produce some $13 billion worth this year. That has been a tremendous spurt to automobile manufacturing, so to then give away our ability to negotiate with American or other foreign companies just does not seem very wise.

The other thing Tories are very concerned about in having this Bill debated for any length of time is that the Canadian people generally are going to become more familiar with the amount of progress we have made in Canadian ownership. The figures indicate that in mining and smelting Canadian ownership has risen from some 30 per cent in 1970 to something like 52 per cent in 1980. Pretty impressive figures. In 1975 research and development in this country amounted to something like $1 billion. In 1984 it was $5.3 billion. A lot of this is due to the fact we were able to negotiate with foreign investors the amount of research and development they would do.

The Tories are also concerned with the results of our effort to increase Canadian ownership in the oil and gas industry. During the first three years of the National Energy Program Canadian ownership in that industry has risen from 28 per cent to 40 per cent. Oil exploration has increased by 53 per cent from 1980 to 1984. Reserves of natural gas have risen to a record high of some 33 years' supply. The Department of Energy, Mines and Resources projects that we will be self-sufficient in oil on a net basis right through to the end of the century. When the NEP was proposed to Parliament we had dared hope that we would be self-sufficient by 1990. Here we are only three years later and we are up to self-sufficiency on a net basis to the year 2000. So naturally the Tories want to bring in a motion to cut off debate because they are very concerned about people becoming knowledgeable about the Prime Minister's attitude towards foreign investment.

It is also very interesting to see how the Government co-ordinates its policies with those of the Ontario Government. The Premier of Ontario, who has just retired, brought in a 20 per cent land transfer tax many years ago which applied to the sale of land to non-residents. Of course, that completely destroyed part of the business of northern Ontario realtors who were selling cottage lots. Now that we have a Tory Government in Ottawa it will be interesting to see whether there will

be negotiations with the provincial government to encourage that kind of investment in the country.

It is also interesting to note a headline in the *Toronto Star* of January 19 which indicated that the Nissan Corporation of Japan was not planning to make any further investment in Canada in spite of what the Prime Minister is doing with this Investment Canada legislation. He said these companies would be crawling all over themselves to invest in Canada. If we compare the lack of success of the Minister of Regional Industrial Expansion (Mr. Stevens) this fall with the Nissan Corporation, which incidentally is going to be investing in Great Britain, China, South East Asia and other countries, with the success of Mr. Lumley, the former Minister, last spring, then we see he is not being very successful. Over the course of a three or four month period Mr. Lumley was able to announce a $100 million Honda plant in Ontario resulting in some 350 jobs. He negotiated a new AMC/Renault plant, some $700 million and 7,000 jobs. There were two other GM plants involving 1,100 jobs and a capital investment of over $1.25 billion. If we compare the two, we see Mr. Lumley comes out looking very well because he got $2.1 billion of investment and 10,000 jobs. Obviously the present Government's policies are not working, Mr. Speaker.

● (1250)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, an awful lot of people in the country must be sharing my disappointment. During the election campaign the Prime Minister (Mr. Mulroney) and his Party indicated that once accorded the robes of power they would look to a new Canadian agenda. The smiling, confidence-building visage from which such promising words issued must have filled the hearts of many Canadians with the idea that they would share in determining the destiny of this country in accord with the high-sounding phrases heard during the election. We heard then and have heard since that the process of government would change from one of confrontation to one of consultation. In particular it was said that the Opposition would be consulted on all matters to ensure that the House acted in the interests of the people of the country.

We expected that these pronouncements would reflect new year's resolutions for 1985. As one of the first acts of the Government we are faced with a motion to close debate on something of such fundamental importance to the Canadian people as this legislation called Investment Canada. It must be a rather strange spectacle to almost all people of the world to see a Canadian Prime Minister going to New York to announce that Canada's destiny will be built there.

Only a few days ago I spoke in London, Ontario and there encountered immigrants from Argentina and Chile. They said to me that it is too bad that the Canadian people are not as aware as they should be of the debate going on in the House of Commons these days. I wish it were possible for the Canadian people to understand the implications of the legislation before the House in terms of the experience of the people of South America. If we want to have control over our Government, economy and future, we must be careful to learn the lessons of South and Central America well. We know what kind of contribution unencumbered American investment and input will have on those three facets of our existence.

If it were not so serious, it would almost be laughable to recount the purposes outlined for Investment Canada. In the background is the assumption that Canadians, by wanting to control their own economy, are somehow a little perverted, that we are and have been discouraging investment through FIRA, and that if we eliminate FIRA the whole world is going to come in with truck loads of dollars to help us out. In fact there is every evidence in the world that foreign investment, and particularly American investment, has not been materially affected during the course of FIRA given the competition that we face from other potential sources for great profits for American investors.

No matter what analysis one may apply to the evidence for that statement, there is no indication that the adoption of Investment Canada is going to mean the great surge of investment from the United States that the Government would have us hope for. Even if it does occur, we are told quite clearly by the Americans that the only lucrative area for investment for them is in our primary resources. You can bet that that will not be on the basis of generating jobs for Canadians in Canada. Such investment will not be based on Canadian priorities.

Let us review this piece of legislation which the Government does not want to have debated in too much detail because the Canadian people may find out too much about it and the repercussions it has for Canada. If this motion were defeated and the debate allowed to continue, a level of duplicity that would astound Canadians would be revealed in terms of what this Bill says it is going to do and what it actually proposes to do.

It proposes to create more jobs but one can look at every detail and word in legislation and find not a single provision which would ensure new Canadian jobs. It proposes that it will increase exports for Canada. However, there is not a line or word in this legislation which would provide for increased exports. The Bill suggests that there will be increased research and development in Canada. One can study every line and detail an find no provision for increased research and development in Canada.

The Government says that by virtue of this legislation there will be increased technological diffusion. That is nonsensical, as indicated by the fact that no attempt has been made to provide for it in the legislation. A sorry piece of nonsense has been presented to the Canadian people and the House. I can understand that the Government wants to close debate as quickly as possible before the Canadian people discover what it is all about.

We do not want Canada to be sold to others. If one goes anywhere in Canada where there is forestry, mining, fishing or agriculture and asks the ordinary people who are not going to be blessed with the huge profits which come from productivity and innovation how they feel about selling Canada's future

overseas, one soon learns that they are tired of losing control of their futures and their jobs and the resources that they would like to own in order to create jobs for themselves.

We must not doubt that the Americans are interested in their own priorities. Over the past weekend it was reported in newspapers across the country that two of the leading think tanks in the United States recommend against any action on the issue of acid rain. They recommend that the issue of acid rain be put on the backburner because there is only one reason for giving it priority; that is that it would be primarily in the interests of Canada and Canadians. That is a clear indication of the kind of judgments and priorities that would be applied in foreign lands with respect to our future.

We have made progress with respect to Canadian ownership. We have made progress with respect to controlling our own destinies. We have made progress with respect to making it possible for the creative Canadian population to have an opportunity to make this country one which can be a symbol to the entire world of what prosperity, based on social justice and peace, can accomplish. I we fail—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

It being one o'clock, I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EMPLOYMENT

GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the government is taking credit for unemployment reduction but conveniently disregards an unusual reduction of activity in labour force participation, an indication that a great number of unemployed have lost all hope of finding a job and think that the promises of the Progressive Conservative Party are always without any substance.

After the Cabinet was sworn in, the Hon. Member for Kingston and the Islands (Mrs. MacDonald), Minister of Employment and Immigration, tried to explain the increase in unemployment by suggesting that more Canadians wanted to work because a Progressive Conservative government had been elected.

The Progressive Conservative should now be held responsible for the 105,000 unemployed who have lost all confidence in the government and have given up looking for a job as well as for the 81,000 jobs lost in November and December. The government should ask the unemployed what they think of those budgetary cuts!

* * *

[*English*]

PROVINCIAL AFFAIRS

ELECTION OF MR. FRANK MILLER AS ONTARIO PREMIER DESIGNATE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, Ontario's longstanding tradition of selecting superb Premiers has continued, in spades. It gives me the utmost pleasure to tell the House that Frank Miller, my provincial counterpart from Muskoka, is the province's new Premier designate.

I believe that the choice made by delegates on Saturday night shows insight and political savvy. Despite the strong opposition mounted by other candidates, Mr. Miller won the confidence of the Party.

He has gained a reputation for fairness and hard work as a Cabinet Minister in Ontario, with four different portfolios.

Mr. Miller was offered widespread support from the people who know him best, the folks from Parry Sound-Muskoka. He secured the confidence of all sectors of society throughout his political career.

With these congratulations to Frank Miller today, I must also express the Province of Ontario's indebtedness to Premier Bill Davis. The people of Ontario are indeed fortunate to have men such as these aspire to hold the position of Premier.

I declare without hesitation that I am most anxious to be a part of Miller's Ontario in the years to come. We have been ably led in Ontario's past, and now we may look forward to a bright and shining future. It's Miller time.

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DISASTERS

DESTRUCTION BY FIRE OF FISH PLANT AT GLACE BAY, N.S.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the news this morning carried a story of yet another major economic blow being struck against Glace Bay in Cape Breton. A fire has destroyed a fish processing plant which was the last major employer in a community already suffering more than 50 per cent unemployment. Only last year the fire in No. 26 Colliery threw 1,200 people out of work.

While Glace Bay is a tragic example, it is only one example of the kind of unemployment facing people throughout Cape Breton. Unfortunately the new Conservative Government has reacted by cutting programs which would have reduced this unemployment. One of the first Conservative measures was to

eliminate the transfer of its Income Security Branch from Halifax to Sydney.

The federal Government must involve itself in a program to deal with the tragic unemployment in Cape Breton. Sydney Steel's business plan must be implemented in consultation with the workers in order to guarantee that economic benefits are passed on to the people of that hard hit area. The situation is now critical, and we desperately require some tangible solutions.

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NORTHERN CANADA POWER COMMISSION

PENNER REPORT RECOMMENDATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, with the exception of the Senate there is probably no other part or agency of Government that has been subjected to so many studies *ad infinitum* as has the Northern Canada Power Commission.

The previous Liberal Government always set up yet more studies instead of addressing the many real and outstanding problems. Northerners expect the new Government to take positive action. The principal recommendations of the Penner Report on NCPC should be implemented forthwith.

Jurisdiction over power supply in the Territories should be devolved from the federal to the territorial Governments. The territorial public utility boards should become the regulatory agencies rather than the National Energy Board favoured by the previous administration. Provision must be made for tying in the southern Territories to the existing Alberta power grid. The questions of rate rationalization and subsidization in remote diesel supplied areas must be properly resolved.

Yes, it is expected of the new Minister of Indian Affairs and Northern Development (Mr. Crombie) that he take action and not just avoid and set aside the problems as did his predecessor.

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EMPLOYMENT

IMPORTANCE OF CADET SUMMER CAMP PROGRAM

Mr. John Nunziata (York South-Weston): Mr. Speaker, last Monday the Minister of State for Youth (Mrs. Champagne) made some lofty pronouncements in connection with the beginning of International Youth Year. While 1985 will be important in terms of highlighting youth concerns, what young people in Canada want more than anything else is work and not words.

Some 80,000 young people who had jobs last summer under the Summer Canada Program have been left dangling while the Government fiddles, frets, and fools with the program that was working perfectly well.

One part of the Summer Canada Program that has been left high and dry by the cuts made by the Minister of Finance (Mr. Wilson) is the Cadet Summer Camp Program which was cut by nearly $1 million.

Working with Summer Canada funding, the Navy, Army and Air Cadets, in conjunction with the Department of National Defence, put together an extremely valuable and worthwhile endeavour for our youth. Cadet summer camps gave young people a better understanding of what it means to be a Canadian. It helped them develop their qualities of self reliance and leadership, and gave them the opportunity to meet other young Canadians from other parts of Canada. Cutting $85 million from Summer Canada without announcing a substitute program was un unusual, cruel, and insensitive move even for this Government.

I call on the Government to ensure that whatever new program is announced, the Cadet Summer Program will not be affected.

* * *

INCOME TAX ACT

TUITION FEE DEDUCTIBLE PROVISIONS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, significant numbers of Canadians attend courses at accredited universities in the United States. To accommodate working adults who cannot afford the luxury of taking off work for extended periods of time, some universities condense an entire semester of studies into a few short but very intensive weeks.

One of my constituents was able to complete the equivalent of one full semester in seven weeks of summer study at an American university. The tuition was some $2,000.

My constituent, Mr. Snell, was surprised to learn that these tuition fees were not income tax deductible because the classes attended in the United States were not of at least 13 weeks' duration.

In searching for the rationale behind such a restriction, one can only assume concerns on the part of Government that the taxpayers of Canada might be partially financing summer vacations outside the country. Such an assumption does a disservice to those Canadians who would wish to pursue their education legitimately and who, plainly and simply, cannot afford to leave their employment for 13 or more weeks.

I suggest changes to Section 60, the tuition fee deductibility provisions of the Income Tax Act to accommodate those Canadians attending legitimate credit courses of any duration at accredited educational institutions, whether these institutions be inside Canada our outside Canada.

S.O. 21

FISHERIES

WEST COAST VESSEL BUY-BACK PROPOSALS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is my understanding that the Minister of Fisheries and Oceans (Mr. Fraser) will be meeting with his ministerial advisory committee tomorrow in Vancouver to discuss a West Coast salmon vessel buy-back program.

• (1410)

It is my understanding that this will be involving the federal Government in a $100 million buy-back program for West Coast salmon fishing vessels. The federal Government expects to recover $40 million through the sale of these vessels. In addition, the federal Government intends to extract $200 million from West Coast salmon fishermen over the next 10 years by imposing a landing tax which could be as high as 13.5 per cent of the landed value of the catch.

Further, it is my understanding that in the final analysis the buy-back of vessels will be paid for by Pacific Coast salmon fishermen. Over all the federal Government, through the landing tax on fishing vessels, will earn a profit of $150 million from the program over 10 years. The real beneficiaries of this program will be the banks which are being bailed out. Fishermen will pay over $200 million in landing tax costs, and many thousands of British Columbians will lose their jobs as a result of the Government's buy-back program.

It would be useful if the Minister would confirm that he is meeting with his ministerial advisory committee this week, that he is discussing the proposals for the buy-back, and that he would, unlike the fishing treaty, provide Hon. Members of the House and of the standing committee with the documents related to the proposals for a buy-back program.

* * *

INDUSTRY

PETROCHEMICAL INDUSTRIES IN SARNIA-LAMBTON

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, as spokesman for 6,000 or more people who are directly employed by the petrochemical industries in Sarnia-Lambton, and the 12,000 who indirectly owe their livelihood to the chemical valley, I should like to say that there is a positive attitude toward the Government's attention to the hydrocarbon energy sector.

However, there exists a disparity which requires our immediate action. Our major oil-based petrochemical companies, in direct competition with the American Gulf Coast concerns, have been hit hard by the recent drop in the price of west Texas crude oil, a feedstock which compares with our Canadian light crude. This drop in the American price has altered the framework of petrochemical pricing. This has our Canadian companies operating at a distinct disadvantage. While dialogue is ongoing between the Minister of Energy, Mines and Resources (Miss Carney), the provinces, and the private sector, on establishing a new oil energy policy, something toward an interim arrangement for the oil dependent petrochemical industry is imperative.

* * *

ENVIRONMENTAL AFFAIRS

HERRING GULL EGG PROGRAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, last December the Minister of the Environment (Mrs. Blais-Grenier) told the people of Canada, particularly people in the area of Hamilton, that she would be reinstating the Herring Gull program in view of the environmental cuts which had been made. I indicated in the House last Tuesday that the program had in fact not been reinstated and that of the original six, including two biologists and a chemist who were working on the program, only one had been reinstated with instructions simply to collect the eggs, not to do any analysis of the gull deformities which were beginning to show up in terms of the testing.

In telling Canadians that she reinstated the program following pressure from this side of the House, as well as from environmentalists across Canada, the Minister has misled them. Not only has she misled Canadians, but when I raised the issue with her almost a week ago in the House of Commons, I received from her office a form letter which was sent out to Canadians inquiring about the seagull program that dealt with the issue of seagulls and their problems with airplanes.

The Minister has shown the people of Canada, as well as the House of Commons, that she is prepared to distort the truth in her own political interests. The only solution, in view not only of her refusal to reinstate the program in full but her misleading of Canadian people, is for the Minister to resign.

* * *

[*Translation*]

ENERGY

PRICE OF GASOLINE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the Tories are not what they used to be!

Actually, when the Conservative Government brought in that huge increase in the price of gas with their tax last fall, not one Progressive Conservative Member rose to oppose it, indeed, not even the Hon. Member for Duvernay (Mr. Della Noce). When they were the Opposition, the Conservative Party never let a day pass without clamouring for a lowering of the gasoline tax.

Recently, the oil corporations, so close to the heart of those same Progressive Conservatives, increased their prices, and to my great surprise the Conservative Members for Duvernay and Champlain (Mr. Della Noce and Mr. Champagne), who

until then had never uttered a word, opposed that new price increase.

Surely, the Prime Minister (Mr. Mulroney) will call those new Members to order, because attacking the oil multinationals is tantamount to attacking the Progressive Conservative Party itself. Moreover, Mr. Speaker, in order to help the press gallery discharge their duties, would the Hon. Member for Champlain rise and make himself known to all?

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

TERMS OF SALES—JOB PROTECTION INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion I will direct my question to the Prime Minister. The President of the Canadian Development Investment Corporation is reported to have said recently, in respect of the fire sale which he has been charged with conducting on behalf of the Government of Crown corporations within his mandate, that prospective purchasers of Canadair, de Havilland, Eldorado Nuclear, and Teleglobe are not required to give job guarantees.

Obviously no instructions have been given to Mr. Marshall as to the terms of reference under which he conducts the sale. Would the Prime Minister inform the House whether or not the jobs in question, the jobs of workers of these four federal Crown corporations, are being placed in jeopardy during the course of these negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't believe anything has been placed in jeopardy. The Minister, in co-operation with the President of the Treasury Board, has been trying to establish objective criteria which, if met, would allow the Government to consider dispossessing itself of some of the assets which it presently holds, in some cases where, for example, the Crown is in direct competition with the private sector. Because of statements my right hon. friend has made, I know he finds that concept as odious as I do. If objective criteria can be agreed upon, they will follow normally.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, the big question would be whether or not employees are going to be advised of what the Government has in store for them. My question is as follows: If in the course of negotiations, the Minister should agree to release the jobs of the employees of these four companies, can the Minister at least inform these employees of what is going to happen to them?

Mr. Mulroney: Mr. Speaker, my right hon. colleague is right. I agree that involving the unions and individual employees is a very important consideration. Indeed, as soon as any offers are received, this will be a major factor in the Government's considerations.

I can assure the Hon. Member that as far as we, the Minister and myself, are concerned, both union and individual involvement will be respected.

[*English*]

CONTROL OF CANADAIR AND DE HAVILLAND

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, perhaps the Prime Minister and the Minister could at least inform Mr. Marshall as to the terms of reference of the sale. Mr. Marshall was also quoted to have said, to use his words: "We haven't discussed the foreign ownership thing". The Prime Minister knows that Canadian control of our aerospace industry is important to the country. Could he instruct his Minister to put some limitation on the terms of sale, particularly of Canadair and de Havilland, to ensure that the control of these two companies will remain in Canada for the protection of Canadian technology, and particularly the jobs which I mentioned in the first part of my exchange with him this afternoon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't think I have to instruct the Minister. He is well aware of the importance of this fact and these factors. To the extent humanly possible, as he has already indicated in the House, he will attempt to accommodate them.

* * *

ENERGY

FEDERAL-PROVINCIAL AGREEMENTS ON OIL AND GAS

Mr. Maurice Foster (Algoma): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I will direct my question to the Prime Minister. The Government has bragged about creating hundreds of thousands of jobs and making the energy sector an engine of the economy. As a result of the postponement over the weekend of an agreement on natural gas until the summer, and of the postponement of an agreement with the provinces on oil for two months, I am interested in knowing whether they will result in a postponement of the spring Budget beyond the April date, or whether the Government will go ahead with the Budget without having an energy agreement with the provinces, as it did in 1979.

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are hopeful of getting that kind of arrangement. I know my hon. friend will be pleased with the progress pursuant to meetings held on Sunday with the western producing provinces by the Minister of Energy, Mines and Resources. The signals that came out indicate that substantial progress is being made

on a very complex and difficult dossier. Hopefully when the Minister returns to the House she will be able to fill the Hon. Member in on more of the details. I am satisfied that we are working toward an effective resolution of a difficult issue. I think that is good for western Canada and for all Canadians.

FEDERAL GOVERNMENT'S SHARE OF REVENUES

Mr. Maurice Foster (Algoma): Mr. Speaker, the Prime Minister talked about an engine of growth. We thought in this spirit of Tory sweetness and light between the federal and provincial Governments that we would have had an agreement much sooner. How many postponements will there be until this energy engine of growth gets started? In the agreement that is being negotiated with the provinces, will the same proportion of about 17 per cent of the petroleum revenues which the Government got in 1984 be maintained, or will the federal Government's share be reduced in order to provide more incentive and create the hundreds of thousands of jobs which the Minister has bragged she will create in the energy sector? Will the Government be reducing that proportion of revenues below what the federal Government received in 1984?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think the Minister has been doing any bragging. She has been going about her challenging job and working very hard at it. I think she is meeting some strong indications of success both on the East Coast with Newfoundland and Labrador, and in western Canada. The object of the exercise is to pick up the private sector and the energy sector in western Canada which was left crippled, wounded, and bleeding to death by the Liberals. That is exactly what we are trying to do.

* * *

EMPLOYMENT

STUDENT SUMMER JOBS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration who, for weeks, has been promising a vastly improved program for summer employment for young people to replace Canada Works. I have a document which describes a program called SELF, which is ideologically appropriate, to which the Minister has agreed. Does she deny that this program will create fewer jobs and involve less funds for student employment this summer than was supplied by Canada Works last summer?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I told the House last week, and I do not think the Hon. Member was present at the time, that I would be in a position to announce new summer programs within a two week period. I can assure him that that will be done.

ALLOCATION OF FUNDS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, does the Minister of Employment and Immigration deny that a document has been agreed to, that instead of allocating $200 million, $140 million will be allocated which will provide 65,000 rather than 85,000 jobs, as were supplied last year by Summer Canada Works?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that when programs are agreed to and announced, he will see that this Government has the concerns of young people at heart.

Some Hon. Members: Hear, hear!

GOVERNMENT CONSULTATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Minister avoided answering my question. Perhaps she will answer this direct question. It is a matter of great interest to the students of this country. Does she deny that she refused to meet with the largest student and youth organization in the country before looking at this program and agreeing to it?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, one thing that has characterized what the Government has been doing is its willingness to meet the people all across the country to determine what programs should be developed. I know that we have been under criticism from members of the opposition Parties for our willingness to consult, but that is the way that this Government will proceed. I believe the Canadian people will be satisfied as a result of that.

* * *

NORTH AMERICAN AIR DEFENCE

FUTURE ROLE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Last Friday in this House the Minister of National Defence was quite adamant that there are absolutely no negotiations going on with the United States concerning anything to do with a new air defence system in North America and that all we are talking about, purely and simply, are radar systems. Over the weekend the Minister indicated the need for new consultations. Perhaps he can be more forthcoming with this House and explain to us the contradictions to the statement of the Minister of National Defence and the statement of U.S. Secretary of Defense, Caspar Weinberger, who said that with the development of a new star wars system there will have to be a new North American defence system which could cost $50 billion a year.

Can the Minister also explain why he is contradicted by the major change going on in the role that NORAD is playing, so

that NORAD is now becoming the source and responsibility for the antitracking satellite and the aerospace warfare system? Surely the Minister can explain why those changes are going on and why they are not being shared with the Canadian public. Will he also tell us why we would go ahead and sign an agreement with the Americans before we have an opportunity to debate it in this House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are no contradictions to explain except perhaps those that are entirely internal to the Hon. Member. If he has a question, let him put it.

CANADA-UNITED STATES DISCUSSIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I did not believe that this Minister could be even more evasive than the Minister of National Defence. My questions are the following. The United States is planning major changes in the North American defence system. Are we discussing those changes with the United States? Is the Government prepared to share those changes with a parliamentary committee so that we may know what the changes are? Also, will he refuse to sign any agreement with the United States until the Canadian public and this Parliament have had an opportunity to know what those changes are, and to discuss and debate whether they are in the best interests of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I guess it is sometimes important in this House of Commons to call the bluff of Hon. Members opposite. Let me make the point and remind the Hon. Member of some recent history. The question of the adequacy of the Pine Tree, DEW Line, and other radar warning systems in the north has been under discussion between Canada and the United States since at least the mid-1970s. The Hon. Member was a Minister of the Government of Canada during part of that time. He should not pretend that there is something new or surprising that is happening. What may be new and would not be surprising is that these discussions may now lead to some agreement that would be in the interests of Canada, in the interests of the United States, and in the interests of our common defence.

* * *

EMPLOYMENT

STUDENT SUMMER JOBS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. A few minutes ago my colleague from Windsor-Walkerville revealed the Government's Summer Canada student employment program. He asked the Minister whether the students were being put on ice with the incentives to career employment program and $140 million rather than the $200 million provided last year, and whether that will result in a reduction to 65,000 jobs. Is the Minister saying that my colleague is wrong, or is she simply refusing to come clean and answer the question?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for Windsor-Walkerville asked me about consultations. I can advise both Members that we have indeed carried out a considerable number of consultations and have had the benefit, I may tell the Hon. Member, of receiving proposals from a great many people, not only from individuals and organizations, but from other Departments of Government. They will result in the decisions that we finally announce.

• (1430)

PROGRAM FUNDING

Mr. John R. Rodriguez (Nickel Belt): Could the Minister answer the question? Will the funding for the program be reduced from $200 million to $140 million—yes or no?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the decision as to what will happen with the Summer Canada program will be announced in due course. I advise the Hon. Member—

Mr. Rodriguez: But it's here!

Miss MacDonald: Rather than expiring in frustration at the moment, I would advise him to await the announcement.

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ENVIRONMENTAL AFFAIRS

GREAT LAKES MONITORING PROGRAM

Hon. Chas L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Last December in a press release, the Minister announced that the detection and monitoring of toxic substances in the Great Lakes, an issue which could affect the health of millions of Canadians, would be maintained. Today we learn from the newspapers that the work that has so far been done by six people will be carried out by only one scientist. How does the Minister find the audacity to claim that this program has been reinstated when only one out of six scientists in charge of the program will now carry out this very important initiative?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I have said it before, and I say it again, that all research connected with monitoring the water quality of the Great Lakes will continue, and I am thinking more specifically of the work done by the National Water Research Institute in Burlington. All necessary research will continue to be done at this center, including, if necessary, the research on gull eggs samples of which are still being collected.

[*English*]

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I wonder who the Minister is trying to fool. It is simply common sense to realize that when the manpower of a program is reduced from six to one, the substance of the program is endangered. Again, I would ask the Minister how she can claim that she is reinstating this program that was implemented for the sake of the health of millions of Canadians and Americans who live around the Great Lakes, if only one person is expected to do the job of six?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think our procedures are more effective than those of the previous Government.

* * *

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

NEWS REPORTS OF POSSIBLE INSTALLATIONS IN CANADIAN ARCTIC

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I believe the Minister knows that Atomic Energy of Canada Limited and the Department of National Defence are presently negotiating with the Reagan administration to install 39 new technology nuclear reactors in the Canadian Arctic for the operation of the northern warning system. Is the Minister aware that the Circumpolar Inuit Conference is on record as opposing the introduction of any of these nuclear technologies into the Arctic and, if so, does he intend to solicit or take into account its views in this matter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I should first clarify, to correct misleading news reports of this morning, that very tentative discussions between AECL and the United States Department of Energy are occurring now. These discussions are very much at the exploratory stage and are aimed at looking at the possibility of joint development of a nuclear power source for a range of needs. That is all that is being discussed. It is a highly technical discussion and one that is not likely to yield any results for a long time.

The Hon. Member's question dealt with consultation. I was not aware of that particular resolution. I give the Hon. Member my commitment that there will be consultation with that group before matters reach a point of decision.

ARCTIC NUCLEAR FREE ZONE PROPOSAL

Mr. Jim Fulton (Skeena): Mr. Speaker, this morning I had discussions with the President of AECL, Mr. Donnelly, and he confirms that the technical discussions are somewhat further evolved than the Minister might be aware, and in fact he thinks that the technology could be introduced by 1988. My supplementary question refers back to the Circumpolar Inuit Conference which is presently lobbying the United Nations to try to declare the Arctic around the world a nuclear technology free zone. Does the Secretary of State for External Affairs and the Government support keeping the Canadian High Arctic nuclear free?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just for the sake of the record I would like to make it clear that any discussions that are going on now between AECL and the U.S. Department of Defense have nothing to do with the modernization of the northern radar warning system, if I may refer to the question of the Hon. Member for Winnipeg-Fort Garry. With regard to the Hon. Member's specific question, I think that the best, most honest, and most forthcoming answer I can give is to say that I will familiarize myself with the representations that have been made by that council and then come to a determination as to the implication on policy.

* * *

[*Translation*]

FISHERIES

UNIVERSITY RESEARCHERS—SHIP TIME CHARGES

Mr. William C. Winegard (Guelph): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans.

[*English*]

Concern has been expressed to me that the Department will soon charge university researchers for ship time. I have two questions, Sir.

Some Hon. Members: Oh, oh!

Mr. Winegard: Is this true?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I await with some anticipation the second question. The answer to the first question is yes, that is true, and discussions will be proceeding between the Department and the universities to see exactly how that will impact against them.

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HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF ULF ADELSOHN, LEADER OF THE OPPOSITION IN SWEDEN

Mr. Speaker: I have the honour to inform the House of the presence today in our gallery of Mr. Ulf Adelsohn, Leader of the Opposition in Sweden, and Leader of the Swedish Moderata Samlingspartiet.

Some Hon. Members: Hear, hear!

CULTURAL AFFAIRS

MEETING OF NOVA SCOTIA COALITION ON FEDERAL CULTURAL POLICY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, in Halifax yesterday, I had the honour of attending a gathering of over 1,000 highly concerned Canadians attending the Nova Scotia Coalition on Federal Cultural Policy. The Minister of Communications did not attend and therefore missed a golden opportunity to hear directly from writers, film makers, and musicians from the culturally rich Atlantic region. All those present are very concerned about the cuts announced.

[*Translation*]

My question is directed to the Minister of Communications. Can the Minister tell the House why he has rejected the commitments which were announced by his Party during the election campaign and which can be found in the September-October 1984 issue of the arts conference bulletin?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I would have been pleased indeed to attend the weekend meeting in Halifax, but earlier commitments in my electoral riding prevented me from going to that meeting. The next time I meet with my provincial colleague, the Minister of Cultural Affairs of Nova Scotia, I will have an opportunity to meet with the representatives of the group involved and to discuss those questions.

Second, the Government did not repudiate its election commitments. On the contrary, the moment the new government team took over, particularly through closer cooperation with the provinces and through sounder interdepartmental sharing of Canada's cultural funds, we can assure the Hon. Member for Saint-Denis that the Government will honour most of the election commitments made to the Canadian people.

REQUEST FOR MEASURES TO PROVIDE JOBS

Mr. Marcel Prud'homme (Saint-Denis): I have a supplementary question, Mr. Speaker. Can the Minister tell the House what he intends to do to find jobs for those thousands of people who have been or will be laid off as a result of those cutbacks made without consultation, as promised during the last election campaign?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, if the Hon. Member had not written down his supplementary question in advance, he might have paid more attention to my reply.

Some Hon. Members: Hear, hear!

Mr. Masse: In my explanation, Mr. Speaker, I said that the government, anxious to earmark additional funds for our cultural industries in general and the art world in particular, is in consultation with the provinces and government departments as a whole with a view to increasing those budgets through better coordination. In addition, the economic measures implemented by the Minister of Finance will enable us to improve Canada's economic situation. The budgets of the Government as a whole will be larger and, in that sense, we will live up to our commitments.

* * *

[*English*]

EMPLOYMENT

SUMMER JOBS FOR STUDENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. Does the Minister deny that the Director of Summer Canada, having sent out a document to the various managers and territorial directors, has indicated that the Minister has seen and approved the Summer Experience and Learning Fund program and that that program will result in a net reduction of funds available for summer programs directly from the Government, and in the reduction of the number of summer jobs for students?

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes, Mr. Speaker, I do deny that.

• (1440)

DEPARTMENTAL MEMORANDUM

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I ask the Minister to check the files of Employment and Immigration Canada and read the memo dated January 9, which indicates that she has seen and agreed to one of the papers which is entitled *Summer Experience and Learning Fund* which will dramatically reduce the number of jobs that will be made available this summer through direct government funding to students in Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there have been a number of proposals made to the Government by a variety of individuals, organizations, and Departments. I can assure the Hon. member that no amount of loud speaking, yelling, or expressing his exasperation about this matter will make that decision come one minute sooner.

* * *

DISASTERS

DESTRUCTION BY FIRE OF FISH PLANT AT GLACE BAY, N.S.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to direct a question to the Prime Minister. As the Prime Minister will know, there has been another tragic fire in Glace Bay, Nova Scotia, which has added another 350 people to the 1,200 people who lost their jobs less than a year ago in a fire at No. 26 Colliery. What is

the Government going to do to create jobs for the unemployed miners and the people at the Highland Fisheries in Glace Bay? What will the Government do to rebuild the economic base of this town?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the community of Glace Bay has suffered a series of devastating blows to its economy, the latest being the fire which destroyed the fish plant over the weekend. I would advise the Hon. Member, and indeed the House, that I have spoken with Mayor Clark of Glace Bay this morning and assured him of the federal Government's willingness to be of whatever assistance possible. For instance, we have intimated to the Mayor and to the people of Glace Bay, should it be decided that the fish plant will be rebuilt, that the federal Government could provide assistance. There are other proposals which are being put forward by the Community Economic Council that are being considered at the present time.

GOVERNMENT PLANS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, on behalf of my colleague, the Hon. Member for Cape Breton-East Richmond, who is meeting with town officials today, I would ask the Minister of Employment and Immigration, who is also from Cape Breton and knows the situation, please not to underestimate the crisis which exists. When will the Government come forward with a pre-retirement leave for older miners, and when it will come forward with a plan for the development of new coal resources in the town of Glace Bay?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is because I am originally from Cape Breton that I do not underestimate the difficulties which the community of Glace Bay is going through at the present time. I want to assure the Hon. Member that the Government is looking, from the point of view of regional economic expansion and from the point of view of other ministries, into all possible solutions which may by arrived at to assist that community.

* * *

AGRICULTURE

HOG STABILIZATION PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. On January 16 of this year the Minister wrote to me stating that the issue surrounding hog stabilization payments had been reviewed by him and that he was prepared to continue the 1983-84 policy which was established by the Liberals. Given the Government's acceptance of the Liberal way of doing things, how was it possible for the Conservative Lieutenant in Quebec, who is the current Minister of Public Works, to promise Quebec hog producers $13 million in stabilization payments?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member really understood the very serious situation in the hog industry, and particularly the investigation which is presently in progress with reference to Canadian hogs moving into the U.S., he would realize that it is a very inappropriate time to raise a question on stabilization.

ELECTION CAMPAIGN STATEMENT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister. Since it is clearly not the intention or policy of his Party to make the payments which were promised by his deputy in Quebec, the current Minister of Public Works, will he have that Minister issue an apology to the Quebec farmers for having so deliberately misled them during the federal election campaign?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have heard many comments which have been made, but I have not had an opportunity to examine the remarks of my colleague, the Minister of Public Works, on that issue.

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CANADIAN WHEAT BOARD

REQUEST FOR EARLY PAY-OUT TO FARMERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question deals with the Western Grain Stabilization Fund and I would like to direct it to the Minister in charge of the Canadian Wheat Board. In view of the serious difficulties in which western farmers find themselves, and since it is obvious that there will be a pay-out under the fund this coming year, is it the intention of the Minister to introduce enabling legislation in order that an early pay-out can be made to western producers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. Certainly there is a very serious cash situation on the Prairies, particularly in the area which he represents, and that of the southern Prairies. We intend to introduce legislation very shortly which will amend the Act to allow for an interim payment. Might I also say that I appreciate the co-operation which has been indicated to me from both opposition Parties, that when the amendment is brought forward it will receive swift passage so that there will be an interim payment in producers' hands prior to spring seeding.

Some Hon. Members: Hear, hear!

[*Translation*]

AGRICULTURE

QUEBEC PORK PRODUCERS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the "sub-minister" of Agriculture.

On August 22, 1984, his colleague for Joliette made a formal commitment on behalf of his Party. He went as far as signing a token cheque for $13 million in favour of Quebec's pork producers, members of the Federation.

Is the Minister suggesting in his last answer that the commitment and the signature given by his colleague for Joliette no longer hold, and that he now intends to dump the latter's promise and signature given to Quebec's pork producers?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I must caution my hon. colleagues opposite of the danger in carrying out a discussion of this kind which makes reference to the negotiations that are ongoing between the U.S. and Canada, particularly on that issue.

I have been in the Province of Quebec, and on many occasions I have spoken with hog producers and the UPA. Indeed, those discussions are continuing. I was not there when an alleged symbolic cheque was presented. As I have indicated, I have held many conversations with many people in Quebec, and indeed with people in the industry. I cannot respond directly as to whether my hon. colleague responded in any way, shape, or form.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have a supplementary question for the Prime Minister. On August 22, the Hon. Member for Joliette assured the producers in attendance that he had his Leader's support in doing that. Does the Prime Minister intend to endorse the rubber cheque made by his colleague for Joliette, or simply dump that commitment also?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this much I can say: in the area of unfulfilled promises, Quebecers will recognize the Liberals as the greatest all-time experts. It is because of the Liberal Party's broken promises that we are in the process of solving, thanks to UPA's help and the usual straightforward statements of my friend for Joliette, that we are in the process of slowly arriving at a solution in favour of Quebec's pork producers, rather than against them as has been the case under the Liberal Party.

* * *

[*English*]

CONSUMER AFFAIRS

ACTIVITIES OF CHEQUE CASHING COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. He will know that there has been a dramatic increase in the activities of cheque cashing companies. Just before Christmas one of the companies in Winnipeg, Money Mart, was cashing post-dated welfare cheques and charging up to 21 per cent interest. Can the Minister tell the House whether the Government is investigating this type of activity, since the rake-off which is charged amounts to an annual interest rate of more than 2,500 per cent and it is a criminal offence to charge more than 60 per cent?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to reassure the Hon. Member and say that we are closely monitoring the situation. There is no law forbidding such uses and we shall bring in appropriate solutions in due time.

• (1450)

[*English*]

REQUEST FOR INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as a supplementary question I would ask the Minister if he is prepared to investigate the many cheque cashing and tax discounting operations in Canada which are flourishing despite recent legislation? When the Minister is investigating these things, would he ensure that the laws are being observed? And if the laws are not meeting the problems, will he consider whether the laws need to be revised and tightened?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, once more, I want to reassure my hon. colleague and tell him that we are responsible for guaranteeing the enforcement of our laws and for protecting the interests of consumers and it is in this spirit that we shall continue to operate.

* * *

[*English*]

GOVERNMENT EXPENDITURES

COST OF DELIVERING ECONOMIC STATEMENT TO PROVINCIAL PREMIERS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Prime Minister, in the absence of the Minister of Finance. It concerns certain trips made by his six colleagues on board the sacred instruments of travel.

[*Translation*]

Can the Right Hon. Prime Minister tell the House the reason why he and his colleague, the Minister of Finance, sent six back-benchers of his party, I could call them postmen, to deliver some parcels to the ten Premiers, at a cost of $23,850, when these same parcels could have been delivered by Air

Express at a cost of $105, which would have saved the Canadian taxpayers over $23,000?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we thought it was making good use of a government plane if the Premiers could have in their hands some important material which might have an impact on their province, at the very moment when the Minister of Finance was about to rise in this House to read a national document of great importance.

I can tell you that we are very cautious in this regard. However, I think that even if we tried we could never beat the record set by the Liberal Government, which used government planes as mere taxis.

[*English*]

TRANSMITTAL OF DOCUMENTS BY MEMBERS OF PARLIAMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Prime Minister in his reply stated that he wanted the provincial Premiers, of course, to have knowledge of these documents at the same time as the House of Commons. Can the Prime Minister then inform this House why it is that the six back-benchers of his Party, two of whom are not Parliamentary Secretaries, had these documents well ahead of this House? It is not an insult to this House that budgetary documents and motions affecting Ways and Means of this House were in fact given to people without them having sworn the traditional oath of secrecy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is that the documents were sealed, just like the Hon. Member's mind.

Some Hon. Members: Hear, hear!

* * *

ENERGY

OIL INDUSTRY PROFIT LEVELS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to put a question to the Prime Minister and I am sure he will open up his mind in answering it. The Prime Minister must know that two of his own Conservative Members of Parliament have now said, with some courage, that his Government is acting like it is in the pockets of the oil industry.

Some Hon. Members: Oh, oh!

An Hon. Member: Who said?

Mr. Waddell: They said. I ask the Prime Minister if he is aware that the Government's own petroleum monitoring agency has said that the profits of the oil industry are up 40 per cent for the first six months of 1984, and in fact, the industry is back to the levels of 1979. If the Prime Minister is aware of that, why, then, does he propose to give the industry more money at the expense of the Canadian consumer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think we are all aware of the fact that, given the alliance between the NDP and the Liberals, the oil and gas sector in this country was crippled for five years. We are trying to introduce policies and new attitudes in co-operation with the producing provinces which will permit the creation of a climate where that vital energy sector can flourish as an instrument of economic growth and national unity, and create jobs for all Canadians. That is what we are trying to do.

PETROLEUM COMPENSATION ACCOUNT DEFICIT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I know the Prime Minister travels in a limousine and he does not have to fill it up with gas, but maybe he should think about that before he gives us that stuff.

Mr. Hnatyshyn: Look who is full of gas.

Mr. Waddell: Would the Prime Minister be prepared, given his great rhetoric on behalf of the industry, to give the Canadian consumer this one thing, for example, a commitment that he will not make the Canadian consumer at the pump pay for the $1 billion deficit which there is now in the petroleum compensation fund? Will he be prepared to give the House that commitment and follow the line which is quite properly taken, I think, by two of his Quebec members?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose the Hon. Member is right. I do have a limousine. It is not as new as the limousine of the Leader of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Deans: That's not fair, you know.

Mr. Mulroney: I can tell my hon. friend, as he knows, with regard to that charge and that account, we were left with a terrible financial burden because of the inaction of the previous Government which refused to take steps which ought to have been taken prior to the election, and this anomaly, which costs a lot of money, must be corrected. This is what we are trying to do in a spirit of fairness, recognizing at all times the importance of the consumer in this equation. We are trying to be fair.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

COLLECTION OF GULL EGGS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is once again directed to the Minister of Environment.

The Minister will not tell the truth to the Canadian people and to the House of Commons and utter confusion prevails.

Mr. Speaker, the Minister of Environment has just stated to our Environment critic that the program implemented with the Canada Centre for Inland Waters will carry on with the collection of gull eggs. We know quite well... Can she confirm that two technicians, a chemist and two biologists are no longer working on the program due to her budgetary cuts?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, in the first place, with respect to that study on gull eggs, several series of data have been compiled, and we will now continue to monitor the presence of various substances in gull eggs. That is all that can be said. If my colleague does not understand, I do not know how I could express my position in a different way.

[*English*]

MINISTER'S STATEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister's colleague does comprehend that the Minister has in fact confused and misled the Canadian people—

Mr. Clark (Yellowhead): Order.

Ms. Copps: —by telling them that this program was to be reinstated. I would like to quote the Minister from her press release of December 12—

Some Hon. Members: Order.

Mr. Speaker: Question, please.

Ms. Copps: Does the Minister stand by her statement that the program has been reinstated in full as stated in her press release on December 12, 1984, or is she further misleading the Canadian people?

Mr. Clark (Yellowhead): Order.

Some Hon. Members: Answer.

Mr. Speaker: Order, please.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I have assured the House that the program as it is now meets our bilateral commitments with the United States. That is all I can say.

* * *

[*English*]

RAILWAYS

TRANSPORTATION OF DANGEROUS GOODS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Transport. Would the Minister tell us if the new regulations announced by himself on Friday which, I assume, flow directly from the Mississauga train derailment disaster of a few years ago, impose lower speed limits on freight trains carrying dangerous goods through urban areas? And will they require the freight cars on such trains to be clearly identified when they are carrying such dangerous goods?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the regulations as announced will not apply to the regulation of speed. That is a matter which is regulated by the Canadian Transport Commission. With respect to the markings provision, the answer is yes, the regulations do require certain markings and symbols to be attached to tanks and carriers which carry dangerous goods. That particular aspect of the regulations will become effective July 1.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

SOCIAL SECURITY

TABLING OF PAPER ON CHILD AND ELDERLY BENEFITS

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 48(2), I am pleased to table in both official languages copies of the Government's consultation paper on child and elderly benefits.

* * *

PETITIONS

POSTAL SERVICE IN RURAL ATLANTIC CANADA

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I have the honour of presenting to the House a petition on behalf of the residents of the village of Hopewell Hill in my constituency who are expressing a great deal of concern and frustration that the post office has moved unilaterally to cut the hours of service in rural Atlantic Canada. They petition myself and this House to have the Government reconsider this position and I look forward to the Government's movement in that direction.

RECEPTION OF RADIO SIGNALS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure to present a petition bearing the signature of 504 residents of the Nolalu and South Gillies region of northwestern Ontario. They request that they, too, be able to receive the signal of CBC radio station CBQ, northwestern Ontario's flagship voice of the Canadian Broadcasting Corporation.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 65, 156 and 190.

[*Text*]

TAX EXPENDITURE ACCOUNT

Question No. 65—**Mr. Nunziata:**

1. Will the Department of Finance reintroduce the tax expenditure account to enable the public to determine how much of the benefit of a particular tax break went to individuals and to corporations and, if not, for what reason?

2. Will the Department of Revenue release the names of all the corporations receiving over $25,000 in tax breaks and incentives and the amounts involved?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): I am informed by the Departments of Finance and National Revenue as follows:

1. The first Government of Canada Tax Expenditure Account was released in 1979 under the Conservative Government. An update was provided in 1980. A new tax expenditure account is presently under development and analysis. It is important that the account accurately reflect benefits provided by the tax system, and so a number of issues are being reviewed. It is hoped that the Tax Expenditure Account will be completed and released in the near future.

2. No. Section 241 of the Income Tax Act prohibits communication of this information.

REDUCTION IN EXPENDITURES—FORESTRY

Question No. 156—**Mr. Orlikow:**

Has the Department of Forestry cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): No.

SECURITY AND INTELLIGENCE SERVICE

Question No. 190—**Mr. Stackhouse:**

What is the percentage of female employees in the Canadian Security and Intelligence Service and what percentage are employed in middle and upper management?

Hon. Elmer M. MacKay (Solicitor General of Canada): The female employees in the Canadian Security and Intelligence Service account for 33.5 per cent of the total. There are no female employees in upper management categories, and 4 per cent of the total female employees is in middle management positions.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, as a courtesy to my colleagues, with respect to the business for tomorrow it is my intention to have the House consider the same business we are considering today. If we make progress I will be consulting with my colleagues concerning the opportunity to consider additional items of legislation, provided we get through Bill C-15 today or tomorrow.

Mr. Deans: It is our intention to do the same thing.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I find it regrettable that we should start this week in Parliament with a motion of closure for a debate as important as Bill C-15, legislation that may affect the very existence of a number of small Canadian businesses.

Mr. Speaker, opinion polls have indicated that 70 per cent of Canadians believe that our economic potential is severely threatened by this kind of foreign control.

After a consensus was reached on the need for ensuring that foreign investment would have a positive impact on the Canadian economy, the Liberal Government at the time created FIRA in the early seventies. As the Gray Report mentioned in 1972, when considering foreign investment one should bear in mind three potential dangers. First, distortion of

the international market as a result of other governments intervening to serve their own interests. Second, the fact that multinational corporations are liable to ignore local interests and decide on the location of functions such as research and development and advanced processing without considering national economic objectives. Third, Mr. Speaker, the existence of a few international corporations that largely dominate certain sectors and do not react to market forces in the same way as much smaller businesses.

Investment Canada will have only 75 days to approve investment requests submitted for analysis. After 75 days approval is automatic. The Canadian Government is either being incredibly naive or has some perverse desire to sabotage its own program. Anyone who is remotly familiar with the ramifications of multinationals knows that it is impossible to finalize, with in so short a time, the kind of analysis required to approve an investment project. This Government wants to make Investment Canada a paper tiger with no efficiency whatsoever.

Another point is that where up to now, persons applying for foreign investment had to prove that the investment would be of significant benefit to Canada, from now on they merely have to prove that the investment will result in a net benefit. The Canadian Government is putting the financial wellbeing of thousands of small Canadian businesses in jeopardy. This policy of the Progressive Conservatives will considerably diminish the Government's ability to ensure that foreign investment is of benefit not only to the investors but also to the Canadian economy. Foreign investors tend to invest mainly in the small- and medium-sized business sector. In 1980, 40 per cent of investments went to the manufacturing sector, 12.7 per cent to the financial sector and 7.6 per cent to the retail industry. Investors are of course mainly interested in the most profitable sectors and those that rely on advanced technology. Does "Canada is open for business" mean to the Progressive Conservative Party that—

[*English*]

Our industries have to close their door to any hope of development?

[*Translation*]

Does that slogan mean: For the sake of a few tax dollars, let us stamp out the future of our small businesses, let us destroy the growth potential of our international markets, and let us set up a colonial system?

An area like that of high technology, generally consisting of small companies, could soon wind up in foreign hands. With the multinational corporations' policy of restricted mandates, our industries would be totally paralyzed with respect to advanced technology development. What would prevent a foreign corporation first from taking over a Canadian competitor, then from striking off its research and development budget, and restricting its export potential to promote the sale of the parent company's products on the international market?

The Progressive Conservative Government knows very well, Mr. Speaker, that the policy of restricted mandates is widespread and always kept secret by the corporation. Small and medium-sized businesses are the spearheads of our Canadian economy. They have generated 70 percent of all new private sector jobs during the last decade. The Progressive Conservative Government, which has always boasted about being the advocate of free enterprise, will in fact surrender our small businesses to investors whose prime interest often will be to prevent them from competing with the parent company's products.

Mr. Speaker, this House should take the time needed to debate this foreign investment issue, because the future of our small businesses, which are responsible for creating most jobs, could be endangered. They could fall into the hands of foreign investors.

• (1510)

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I thank you for recognizing me. I am sorry you were not in the chair when I was wearing my kilt on Robbie Burns day. I know you would have had some brief comment on that. Perhaps it is better that you were not in the chair, now that I think about it.

I would like to speak on this motion. I have spoken on the previous amendment to this Bill and I would draw Your Honour's attention to the speech I made at that time. I would like to add a few things today. I understand that we are debating a motion of closure. Isn't it amazing, Mr. Speaker, how soon this Conservative Government has fallen into the pattern of the previous Liberal Government? This is an important matter which deals with the future of Canada, investment in Canada, the economic policy of Canada, and maybe even the independence of Canada. Yet we find that the Government wants to close off debate on this issue very quickly.

I can remember the days when the Conservatives on this side of the House stood up, one after the other, and spoke against closure. Right away we have a closure motion. There is an expression, "Plus ça change, plus c'est pareil". It means the more things change the more they stay the same. The same words were used in a letter by one of the Conservative Members complaining to the Minister of Finance (Mr. Wilson) about the Conservatives being in the lap of the oil industry and not having much of a policy for the consumer. He used those same words, as I do in this particular debate.

In my previous speech on this matter I pointed out that we should not be afraid of FIRA. All FIRA did was to apply a number of tests. Did this foreign investment mean that there were going to be Canadian jobs? Did it mean that the company was going to invest and buy in Canada? Did it mean that the company was going to do its research in Canada? Did it mean that there would be adequate opportunities for jobs for Canadians? It was in fact very practical legislation. If I do have any criticism of FIRA, it would be that it could have

been administered better. The proceedings could have taken place more quickly for the businesses involved. However, you do not throw the baby out with the bath water; you reform FIRA. Instead we have Investment Canada.

In the very effective speech of the Member who spoke just before me, he said that Canada was open for business now under this new test. What does that mean? When Canada was open for business in the past our oil industry was suddenly taken over and controlled by foreigners. These foreign-controlled companies tended to do their research and development in their home country, mainly the United States. The dividends went out of our country and back to the parent country. Materials were bought from parent companies in another country. Canadians lost in research and development, in money flowing out of the country, and in jobs. We created a branch plant economy.

I grew up in Etobicoke, which I do not admit very often since I represent a riding in Vancouver. However, the truth is that I grew up in Etobicoke. I remember that the branch plant economy brought us prosperity for a number of years. However, there were problems with that kind of economy and when the recession came we began to suffer more than the United States. In times of financial difficulty the branch plants' production would simply go back to their head offices and the head offices would do all of the business rather than the branch plants.

I see a Member from Toronto on the other side who is one of the more attentive Members of the House. I know that he would be interested in this. The key debate in this country, other than on universality which is going on behind the scenes, will be on free trade in the future. The worst of all possible worlds that we could have in Canada is to have free trade with a branch plant economy. We could be in real trouble as an independent country.

That is why I object to this Investment Canada Bill. I believe it indicates that we have given up the attempt to have an independent Canadian industry. The New Democratic Party will not give that up in Canada. In the last few years the oil industry has moved from being 28 per cent Canadian controlled to being 40 per cent Canadian controlled. That is the type of thing we like to see. It does not have to be all public. It can be a mixture of public and private. That is the way we are doing things in Canada these days. We should not give up that thrust because it is the key to an independent country.

I would like to discuss an issue about which people probably do not know much. It has to do with the oil industry. Chevron or Standard Oil of California took over Gulf in the United States. There are companies in Canada called Gulf Canada and Chevron Canada. In fact, Chevron owns Gulf. Under the old legislation, which I believe still applies, Chevron will have to apply to FIRA, as I believe it has, to deal with the situation in Canada since there has been a takeover in the United States. I predict that we may see a reverse takeover. We may see Gulf taking over Chevron.

This is a very strange situation but it gives us a great opportunity. We should use the opportunity, as should the Government, to encourage Canadian individuals, co-operatives or governments to buy Gulf. In this way we could get much more Canadianization. However, the trend is all the other way. This is an opportunity to get Canadian entrepreneurs or the public sector to take over Gulf because of what has happened as a result of takeovers in the United States. Takeovers in the United States affect Canada. Remember that Gulf is involved in Hibernia on the East Coast, in the Beaufort Sea in the north, and vast land tracts and service stations throughout Canada. These issues have not been debated in Canada but should be.

When FIRA was set up its purpose was not to say no to foreign capital but to screen it and make it work for Canadians. Every country does that. It is not as though Canada is the odd person out. They have FIRA in the United States but they call it the American Congress. Takeovers in the United States are investigated by the American Congress, as are changes in taxation laws and so on. Right now in the American Congress a congressional committee is investigating the fact that Canadians own over 6 per cent of the natural gas industry. The Americans are concerned about that for the same reasons that we were concerned when we set up FIRA. They want to ensure that American interests are protected. When Norway or Germany consider these matters it is to ensure that their own interests are protected.

We have an open world. I am a westerner now and I have the religion. I believe in open trade. We need open trade and investment. We are going to get a lot of investment from South East Asia. It is already coming into my province of British Columbia. We must ensure that that investment is used for jobs for Canadians. It must not just come in, take over things and repatriate profits. It must not be allowed to do all its research and development and buying elsewhere. That will not develop our country or reduce our persistently high level of unemployment.

I am a Scot who came over to Canada at the age of five. That is the same age Sir John A. Macdonald was when he came over. I have always been a great fan of Sir John A. Macdonald. I think Sir John A. Macdonald would not think very much of this legislation. The more traditional Conservative policy was to try to develop an independent Canada in which we would rely on each other, our home investment and home markets, as much as possible. While it over-simplifies the situation somewhat, it would have been Sir John A. Macdonald's position.

• (1520)

Bill C-15 is a departure from the traditional Conservative policy. I have real fears that the passage of this Bill will jeopardize the future independence of our country. We will be a branch plant economy controlled by outsiders and we will have even less control over our economy than we have now.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, let me say that I consider this policy issue contained in Bill C-15

to be much too important to have closure imposed upon it so soon. The debate surrounding Bill C-15 is not whether there should or should not be a review process or whether there should be a means or method of reviewing foreign investment. The question is, will the remaining process after Bill C-15 goes into effect continue to be effective and be at all adequate in serving the national interest?

In introducing this Bill, the Minister of Regional Industrial Expansion (Mr. Stevens) said that we will retain a review process and a review of foreign investment. Strangely enough, he went on to say that by exempting new business and limiting review to larger acquisitions only, we will reduce by 90 per cent the number of transactions now subject to review. The Minister then argues that we must have a review mechanism and proceeds significantly to reduce even the little effectiveness which FIRA had.

In 1973 when the FIRA legislation was being debated in the House, I described it as being a cautious Bill. I looked back to those debates and I noticed that the Hon. Member for York-Simcoe at that time, the present Minister of Regional Industrial Expansion, followed me in debate and agreed with me that it was indeed cautious. Everyone knows that FIRA rarely blocked any investment. In fact, between 1974 when the Bill came into effect and 1984, 92 per cent of all cases which needed a decision were allowed. We can conclude very quickly that foreign investors had nothing to fear from FIRA.

Why, then, did foreign investors object to FIRA? Why did they put pressure on the Conservative Party to do away with FIRA if they formed the Government? I think it is very simple. Foreign investors can sometimes be even more secretive than governments. A review process helps us know what foreign investors are doing and what they will do with the money they bring into Canada. Now, 90 per cent of all of the screening of FIRA will be eliminated by Bill C-15. More often than not, foreign investment means quite simply foreign ownership and control.

When the FIRA legislation was introduced in the late 1970's, Canadians knew that foreign ownership and control had a significant impact in all areas of our life, politically, economically and culturally. Much of that impact is negative.

The Prime Minister (Mr. Mulroney) recently said that under this legislation Canada is now open for business again. That called for the Leader of the Opposition (Mr. Turner) to say, quite correctly, that we have always been open for business. Everyone knows that we have always been open for business. The real question is whether we are now going to be up for sale.

Let me refer Hon. Members to a very important report that was produced by the External Affairs Committee during that same period just prior to the FIRA legislation. It is known as the Wahn report named after Mr. Ian Wahn, who was a Member at that time. That report clearly pointed out a main thesis, that if we get ourselves into a position of economic dependency we lose our freedom to decide on political questions in our interest. That is what worries me so much about unlimited, uncontrolled and unreviewed foreign investment such as we will have with Bill C-15.

Mr. Dick: That is not true.

Mr. Penner: It is true and I will demonstrate why it is true. When we speak of foreign investment, we talk about foreign ownership and control. That must concern us.

We are not talking about the importation of capital. We are not talking about floating bond issues outside the country. That never was a matter of concern to FIRA and it is not a matter of concern now. We are talking about ownership and control of industries, resources and businesses in Canada. The existence of a foreign investment review business in this country simply means that we can weigh the negative and positive impacts against the national interest. The national interest includes jobs. Will there be jobs? Will there be new technology? Will some of the disadvantaged regions of this country experience more rapid development? I urge Members on the Government side carefully to consider the argument that the review process should not be weakened at this time in our history. This is the time to strengthen it.

Let us consider what is taking place in Australia. The Austrialians welcome foreign investment just as we do. However, they have a policy which seeks to ensure that there is Australian participation and control in industries and resources to an appropriate extent in each particular case. That is the function of their review process.

Bill C-15 goes in the opposite direction. It means, in answer to my hon. friend opposite, that the Canadian interest can be totally disregarded in 90 per cent of all cases. That is what the legislation says. If the Hon. Member can argue contrary to that, I am prepared to sit down and listen to those arguments. This is not a valid, enlightened or acceptable public policy position. Bill C-15 takes a modest, non-threatening review process and replaces it with a *carte blanche*. In 1977 and 1982 the Liberal Government made some moves to reduce the power of FIRA. Investment ceilings were raised so that there could be a shorter procedure rather than going through the full review process. I would have argued against that had I been in the Government, but the times seemed to dictate that that was the way we should proceed.

It is important to remember that the review process remained intact. I am not concerned about the Government changing the name. It can call it Investment Canada rather than FIRA; that is not relevant. However, there must be a mechanism in place by which we can review foreign investment. It is irresponsible not to have such a mechanism.

The Minister's statement on Bill C-15 is terribly misleading. He said: "We believe that Canada requires a means to safeguard its national interests". He goes on to say that there must be a review process and then, in another statement in the same document, he says that they will exempt new investment and anything except large acquisitions. This means that 90 per cent of foreign investment will not be reviewed at all. It means that the Government is doing away with the review process, so

there is a clear contradiction in the Minister's own statement. He cannot have it both ways.

The doors of Canada are being thrown wide open. My concern is that we will not get the benefit that we expect. I do not believe that we will get the jobs and the new technologies that are referred to in the Minister's statement. We will not get the regional economic expansion and development. What will be the Government's next step when it comes to realize that? What further steps will it take to entice the flow of foreign investment into this country for more ownership and control? In the 1970s Canadians were deeply concerned about this question. At that time the Gallup polls indicated that there was concern about foreign economic domination of Canada. They said that the Government had done too little before the FIRA legislation was brought in and that more action was required. FIRA was part of that response, and I want to tell the House that it has worked. The percentage of foreign ownership in Canada has been reduced significantly.

• (1530)

Today the concern about foreign ownership and control is blunted. It is less of a concern to Canadians because their preoccupation, quite rightly so, is with high rates of unemployment. Surely the Government is not saying to Canadians today that Bill C-15 is their answer to the problem of unemployment. If so, they will be sadly disappointed. Bill C-15 will not create jobs. As 90 per cent of all foreign investment will not be reviewed, Canadians will be in the dark about whether the national interest will be served as a result of such investment, or whether there will be benefits to our country. When the dawn breaks we may realize that the price we paid has been too high and our independence may have been reduced to puppetry.

Economic nationalism does not mean being insular or defensive; it means taking positive steps to strengthen Canada's position at home and abroad. A foreign investment review process does that, but Bill C-15 does not. In its wild charge in its effort to shoot down Liberal policies of the past, I am afraid the Government is shooting itself in the foot.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, this is a sad day for the Canadian nation. Today the House of Commons debates, under the compulsion of not being able to place any more amendments on the resolution before it, a Bill in which the principles of building up the country so that it will be under our own control, as my colleagues in both caucuses have said, are being sacrificed. Indeed, this is a sad day for the Conservative Party. Over many years that Party, more often than not, has had a sense of national development. As the Hon. Member for Vancouver-Kingsway (Mr. Waddell) pointed out so well, under its first Leader under Confederation it worked toward national development with a variety of national policies. Much more recently and under the leadership of the late Right Hon. Member for Prince Albert, it attempted to develop policies of national development which gave nothing to the desire of others, whether they be in the United States or in Great Britain, to control the economic development of this country. Having introduced that heritage in our midst, I wonder how the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) feels as the House of Commons debates these measures.

The sense of a development of our resources and our economy in the interests of Canadians and the sense of a process which will be under the control of Canadian people have been abandoned. Instead we have a Party which is clearly dominated by the principles of neo-classic economics that were powerful in the post-war era, principles which in earlier years its members had the good sense to criticize, if not to reject. Those principles are now triumphant. In the Party which governs this country now, we have a Party of neo-colonialism. As is well understood in many parts of the world, it is a Party which does not think the economy, resources and opportunities of this country can be developed by Canadians in the interests of Canadians. Rather, it is a Party which thinks that this has to be done by others, and that it is all important to obtain, somehow or other, the capital which will make it possible for some people to find employment in the country. Given that conviction, it thinks that the only possibility of greater prosperity is to turn its back on the traditions of the past and throw the door wide open to capitalists from wherever to let them do what they will in this country. That kind of neo-classic economic thinking for many years has been regarded as being powerful in the Liberal Party. Today, incredibly, it is the policy of the Conservative Party of Canada.

Former colleagues of mine in the academic community have devoted a good deal of attention to the question of where these ideas were stronger. Given the inspiration of the late Professor Donald Creighton, those ideas were strong in the Liberal Party, and the Liberal Party sold out the country. The curious point about that notion as it was being developed in the seventies, according to the writings of John Hutcheson, was that the Liberal Party was moving very slowly and tentatively from one study and one report to another study and another report. Eventually it was recognized, albeit with the help of the New Democratic Party during those minority government days from 1972 to 1974, that some sort of control on foreign investment was essential. In those days the Liberal Government established the Foreign Review Investment Agency.

If one wondered whether by their actions they were belying the reputation which others had assigned to them, that it was the Conservative Party which actually deserved to be seen as the Party of international liberalism without any regard for national development being in our own hands, these days it becomes clear, as the Liberals stand with us in defending FIRA, that the Conservative Government, in pursuing its own misguided convictions, is setting out to sell out the country.

As a result, what are the prospects? We have a Government which is desperately convinced in its own mind that it is only the decisions of those with money or with capital to invest which hold out any hope for us. However, as those who have travelled to Wall Street in the last weeks have told us clearly, to change the Canadian law will not be enough. Capitalists

will not be interested in us unless they see some really good opportunity from which to profit.

How will that happen? I suppose that one way to make Canada attractive would be to have wage levels which would undercut those of others. However, in a world in which Asian countries in particular are powerful competitors and in which the wage rates of many countries run lower than ours, is that the prospect which the Government holds out, that we drive down wages by one means or another until the country becomes tempting on the wage rate level? What other factors which might produce costs will we have to abandon? Will occupational health and safety go by the boards? Will the labour relations laws be dropped? These are the kinds of questions upon which my colleagues have focused. They have asked about the development of free economic zones in this country. They are immediately relevant. How, in fact, will we get back foreign capital to Canada which is supposed to provide employment? Surely it is by contemplating dire fates of that sort that we find any reason at all to think that it might arrive.

The prospect of investment in order to supply the Canadian market, particularly at the same time as the Government considers reductions in tariffs and freer and freer trade arrangements, seems to be very limited. It is particularly limited when we have a Government which does not have a wise sense of the need to build demand in Canada. It does not deal with the deficit by reducing tax expenditures which we considered last week in the House, tax expenditures which may well amount to more than the amount by which the budget is in deficit. If that were to be the case, it would be obvious that individual Canadian taxpayers would be grossly overtaxed. That would be one good reason, the soundest reason, for knowing that the Canadian market and the Canadian consumers do not have the means to sustain the demand which the country needs.

● (1540)

We can see on these matters of the economic situation in Canada that there is little reason to hope that the establishment of Investment Canada will solve our economic difficulties. We will end up with the same situation we experienced before. Capital may come in. The inevitable accompaniment of that is the increased technology of other people, reduced opportunity for research and development in this country, and less employment for engineers and scientists.

We will see less opportunity for employment of managers. There will be no possibility of rising to the top of these companies within the Canadian context. We will see particular distortions of trade patterns, excessive imports of manufactured goods, and buying from the parent rather than from Canadian manufacturers and other Canadian industries. There will be increased exports of raw materials without their being worked up in Canada. On both counts there will be less employment in this country. There will be capital outflows.

If there is no close consideration of the benefits to flow from foreign investment, why in God's name do we want to have the stuff? If we are going to let other people profit from it with very little spinoff for us, we face every possibility that the investment could take the form of buying out companies in this country, taking control of them and shutting them down. That could follow directly from the results of this Government's policies.

How can anyone regard what the Conservative Government has put before us in Bill C-15 as being conducive to the economic development of this country? The legislation is a disaster. It is to be profoundly regretted in the national interests that the Government faces us today with the closure of debate on this second reading.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when the Prime Minister (Mr. Mulroney) told a New York audience that Canada was open for business, some of us were greatly surprised. We wondered what on earth he could mean, because Canada had always been open for business.

The Bill before us contains a lot of puffery and a lot of general stuff. The only significant part seems to be that the name of the foreign investment agency is going to be changed. A large proportion of potential foreign investment in Canada will now be free of the necessity of any review. It is perhaps this that leads one to wonder what indeed is the hidden agenda of the Government, because there is no independent sovereign state that I know of that does not have some limitations or some screening of foreign investment to ensure that it meets national goals.

The much criticized Foreign Investment Review Agency allowed about 90 per cent of the applications. It was receptive to foreign investment in Canada as long as that investment was shown to be in the national interest. The language in the FIRA Bill was "of significant benefit to Canada". The Bill before us will require that the investment be of net benefit to Canada. We have not yet had a clear explanation of the reason for changing those words.

There are many issues of key importance in this legislation and that are worthy of serious discussion at second reading stage. I deplore the Government's decision to introduce closure at this stage. When the Opposition is so small in numbers, surely the Government could have refrained from using its massive majority and allowed these serious matters to be discussed in some depth.

High levels of foreign investment will certainly be crucial to Canada during the next few years. A Conference Board of Canada study highlighted that. It is something we all know. There is no evidence whatever that the Bill before us will attract new investment. With the current massive U.S. trade deficit and the great difficulties which many sectors in the U.S. economy face in modernizing their economy, there is no reason to think that we can expect a large flow of American capital here in the next few years. At best or at worst, depending on your point of view, we may find that some American investors will park their money here in a short-term way while looking for the best long term investment in their home country. This is being made very easy by this legislation

which has no requirements, or at least a minimum of them, for the benefit of Canada. Certainly new investment is being excluded from screening, except in certain cases to which I will return.

The Conservative Party has always detested FIRA. However, let me give one example of a case where FIRA would have saved much heartache. A couple of years ago a proud man was in my office in tears. The firm for which he worked had been established in Canada prior to FIRA. It was an American branch plant. It suddenly closed its doors. When he went to work on a Monday, the firm had disappeared. It was a branch plant operation that we saw before FIRA where there was no R and D done in Canada, no attempt to upgrade the skills of employees, and marketing decisions were made in the United States.

When this firm decided it would be in its interests to move to one of the southern States where there are no unions and they could pay minimum wages, all they had to do was to close the doors and move everything out over a weekend. After 20 years, this man, with no marketable skills, found himself unemployed.

That kind of human tragedy was being repeated all across Ontario. It is the kind of thing that FIRA was meant to avoid. With FIRA there was a requirement and an insistence that the investor provide some research and development in Canada and create a situation where, if the firm left, the workers would have some skills and assets.

Another concern about this proposed Bill, which will take off most requirements for review, is the degree of autonomy in decision-making within subsidiaries. This question of absentee decision-making has been raised often in this House. I have given one example of it. There are many cases where decisions being made about the Canadian workplace by people outside Canada is fraught with potential difficulties.

FIRA approved 90 per cent of the applications before it. However, what went on before the approval was a negotiation process aimed at getting the best deal for Canada. The bottom line in this is still, where is the pay-off for Canadians? Is it consistent with Canada's long-term interests to open the door wide to investment without any requirement that that investment be in Canadian interests? The Bill does allow for review in certain cases, but these cases have not been sufficiently clarified in this very brief second reading debate. In my view, they should be clarified even before the matter goes to committee.

● (1550)

The Bill does allow for review when the investment affects Canada's cultural heritage and national identity, but that statement makes a very broad sweep. What issues does the Government propose to include in this and what control by regulation will exist? Will it include oil, gas, mining, and uranium? How often and in which situations will the Government use its reserved power?

What about the review process? As the Bill is written, it looks as though all power rests in the Minister's hands. Is this desirable? Should there not be other methods of review? These are questions to which our Party will be looking for very clear answers in committee and in the House when the Bill returns at report stage.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? Debate.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we are not quite ready for the question yet. It may well be that at some point we will be ready for the question but we will certainly let you know when that is so, Sir.

I just finished having a conversation with certain people in the lobby. I had a chat with one of the pages, in fact, and I said to her: "You have listened to this debate at some length. Is there anything you think I might raise on your behalf as you are one of the young people affected by the inadequate policies of the previous Government and equally or even more detrimentally affected by the inadequate policies of this Government?"

I found her response to be very interesting. She said that this was an important debate and that young people recognized the importance of this debate but that what they really wanted to know was where they were going to find summer jobs this year. They wanted to know where they were going to find employment for this coming summer that would enable them to continue at school as we would wish them to do. I thought that the relevance of that comment was clear. She was really saying, "Why are we doing this right now? Why are we not dealing with what is no doubt the major issue before the country? Why are we not dealing with the question of where the people who are now unemployed might find employment at this point in time?"

It makes absolutely no difference to the current status of the 1.5 million people who are now unemployed whether the Government does or does not have this legislation passed in this current session. I took from the comment of the page that while she could see the value of the debate on foreign investment and, in fact, encouraged further discussion and a more careful analysis of it, she was asking me if it were not possible to move on and deal with matters of immediate relevance. Do you know something, Mr. Speaker? There is a lot to be said for that point of view.

I believe you, Mr. Speaker, and most Members here have travelled in their constituencies recently and have found as I did that the single question that is uppermost in the minds of the overwhelming majority of the people with whom I spoke, and I suspect with whom other Members spoke as well, was the state of the unemployed. They wanted to know whether they would find jobs. If I understand the economic processes and the social programs of this country correctly, and I think I do, this legislation, important though the Minister in charge of it may think it is and relevant though the Prime Minister (Mr. Mulroney) may feel it to be, does not begin to deal with what the Government identified as its main objective and thrust, jobs, jobs, and more jobs.

In fact, let me tell you, Mr. Speaker, why this legislation runs counter to the avowed intents of the Government. It runs counter—

Mr. Dick: In your mind.

Mr. Deans: No, not in my mind but in point of fact. It runs counter to what the Government has said.

You remember as I remember, Sir, that when the Prime Minister was first seeking the leadership of his Party and subsequently when he was seeking the office of the Prime Minister, he identified, quite justifiably and rightly so, that the main problem facing the country was jobs, jobs, and more jobs. I am not even paraphrasing him but am quoting him verbatim.

Let me draw to your attention, Sir, a situation that has arisen in the City of Hamilton that directly touches upon this legislation. I am sure all Hon. Members are familiar with the corporation known as United Technologies. United Technologies has a very bad habit which it developed over many years in many parts of the world. United Technologies acquires companies, then systematically moves to reduce their effectiveness and ultimately closes those companies. I am sure that my colleague, the Hon. Member for Hamilton East (Ms. Copps) is familiar with what I am about to say.

Some years ago, United Technologies was able to purchase Otis Elevator. As a result of its program of closure, it has effectively reduced the opportunity for many hundreds of people from the City of Hamilton to hold down viable occupations.

Every day I come across people who are in their late forties and early fifties, and I am sure my colleague from Hamilton East does as well, who have worked all or most of their adult lives for Otis Elevator. These people did not want United Technologies to take them over. They did not expect that as a result of United Technologies having made substantial commitments, it would move to close the plant and disburse its operations around the world. They did not expect that it would undermine their security and ability to provide for their families. Yet that is exactly what happened.

This is an example of a major corporation moving into Canada with money to invest, purchasing a viable enterprise and then deciding to close it. This operation was closed not because it was not a working operation, not because it did not produce high technology products, not because the product was not recognized as a world leader in its field, but because that particular company decided, for whatever balance sheet reasons it may have had, that it would rather produce some if not all of its products either in the United States or in West Germany.

Is that the kind of investment Tory Members want? Is that what we are about to encourage? Is that an example of what we anticipate will be the great benefit we will derive from the investment that will flow into Canada when we eliminate the review process? If it is, I can cite chapter and verse of other similar situations that have arisen over the course of the last five or six years. These situations have occurred in spite of the review process.

I say that during its lifetime the review process was inadequate. Instead of eliminating it, we should be strengthening it. The review process should have required that certain commitments, once made, were lived up to. The review process should have required that if a corporation were allowed to take over a major part of Canada's economy, then the very least we could expect in return is that people in Canada would receive jobs. However, that did not happen.

Given that years ago this country was an open field in which one could buy whatever was desired with whatever currency from wherever one came and given that we found over a long period of time that that worked to our detriment and that we needed a process for protecting ourselves against unfair purchasing and closures of our major operations, I would have anticipated that this Government would have recognized that the road to prosperity lay not in returning to those days which resulted in FIRA but rather in looking at the FIRA operation, streamlining it in those areas which required streamlining and toughening its provisions in those areas which required toughening.

● (1600)

The Hon. Member for Mississauga South (Mr. Blenkarn) knows, as I know, that over the years, in spite of extracting promises from the majority of those who took over major operations in Canada, we were never able or willing to follow up and require that they performed according to how they said they would in their promises. That was the weakness of FIRA. That is where the process should have been changed.

As a young friend said to me, perhaps it would be more advantageous if we addressed ourselves to the question which is uppermost in the minds of 1.5 million or two million Canadians, that is, where they will find work this year, not five years or ten years from now. This Government certainly is not moving to provide any answer to that question.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy)—Research—Cancellation of proposed Winnipeg Manufacturing Research Centre. (b) Government policy on consultation; the Hon. Member for Gander-Twillingate (Mr. Baker)—Environmental Affairs—Proposed weather service information charge. (b) Method of implementation; the Hon.

Member for Hamilton East (Ms. Copps)—Status of Women—Government's position. (b) Election campaign statement.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to join in the comments made not only by my colleagues of the Liberal Party, but also by the Hon. Member for Hamilton Mountain (Mr. Deans).

After a few days of absence to attend the Ontario Progressive Conservative Leadership Convention, the result of which has made me extremely happy, I was surpprised to find out upon my return that this Government has introduced some kind of closure in a debate on a tremendously significant issue for the Canadian people.

Mr. Speaker, on behalf of my party, I must say that I am extremely surprised that this Government, which, last September 4, succeeded in electing an unprecedented 211 Members to Parliament, cannot find in its ranks anyone ready to speak on foreign investments in Canada.

Mr. Speaker, it is true the Liberal Party has been decimated. We now have 40 Members in this House and the NDP has 30. Nevertheless, to meet the needs of our constituents, Members of both parties have addressed the problems raised by the legislation introduced by this Government. As for the Government majority, its Members sit in silence.

Mr. Speaker, I would like to know whether the Conservatives have taken position for or against anything? They certainly have not taken position on the Bill respecting investment which was introduced by this Government.

Mr. Speaker, I am surprised that the Conservative Members from my region of Hamilton are not rising to speak about foreign investment in Canada. We all know that, in Hamilton, the iron ore industry as represented by the Steel Company and Dofasco is at the forefront of Canadian industries, which shows the Canadian people that we can be a world leader when we want.

Mr. Speaker, putting aside the question of foreign investment for a while, we can see that this Bill does not mention investments by Canadians. In this case, how can we help businesses like the Steel Company, how can we help Dominion Foundries so that everyone can benefit from their investments? Let us speak about investments by Canadians. We can compete with anyone. This is already happening in the steel industry. We know that we Canadians are the best in the world. This is why the Americans would like to freeze iron imports to the United States. Mr. Speaker, I really cannot understand why the Conservative Members of Parliament are not interested either in foreign investment in Canada or in Canadian investment abroad.

Mr. Speaker, we have at least four years before us in view of the unprecedented majority of the Government. Therefore, how can we consider too long two or three weeks of debate for a bill which the Government knows to be this important? I would have thought that every member of each party would rise to speak either to support, to defend or to oppose this legislation. But I see that they are not interested in investments and do not see it as the key which can open not only the doors of our Canadian economy, but also international markets for Canadians. Mr. Speaker, this is the question that this Parliament, this Government and this Minister should ask if they want new markets for Canadians, because it is certain that it is not by looking only at investments in Canada that we can improve our economy for Canadians. It is obvious that our main task is to increase Canadian markets abroad. Mr. Speaker, in this type of closure, and in this—

[*English*]

We have seen a cloak and closure operation with respect to the Investment Canada Bill. I wonder why we have not heard from government Members. I invite government Members from the Hamilton area to stand in the House and indicate if they are in favour of the Bill.

There are 40 Liberal Members. We sit on numerous committees. We are here to defend not only the rights of our constituents, but the rights of all Canadians on the major issues of the day. There were 211 Conservatives elected in an unprecedented majority last September, but the Government cannot muster the manpower to speak to a Bill which will affect the livelihoods, the jobs and the future of all Canadians.

Mr. Blenkarn: We have already spoken on that.

Ms. Copps: The Hon. Member for Mississauga South says that Conservatives have already spoken on it. I would suggest that there has not been a Conservative in the Hamilton area who has spoken to this issue. I invite them to put their positions on the record. A closure motion introduced in the early stages of a Parliament—

Mr. Blenkarn: Let's vote.

Ms. Copps: Mr. Speaker, I am afraid that the Hon. Member's eye is not the only thing that is closed today. The issue is not only one of a full and open discussion, including amendments to this Bill which I have named "Abandon Canada", but it is also one that requires the contribution of all Members of the House. An extremely dangerous precedent has been set by the Parliamentary Secretary who introduced a motion which effectively muzzles the few representatives which we have in Opposition preventing them from putting outlining,

underlining and promoting the concerns and interests of Canadians.

I would have thought that with 211 government Members—many of whom are seeking opportunities to do something because they do not have a defined job in the Government as a Parliamentary Secretary or Minister—they would have looked for opportunities to defend the interests of their constituents. However, not only do governdment Members stand by, muzzled and mum, when they have the opportunity to speak on the issue of Investment Canada, but the Government, through the auspices of the Parliamentary Secretary, who presumably is acting with the full consent of the Prime Minister and the Cabinet, brings closure to a motion at the very earliest stage of this session of Parliament. That is a very dangerous precedent and one about which I should think the Canadian people must be concerned and, indeed, outraged.

• (1610)

We do not have great numbers here on the opposition side of the House. We know that with only 40 Hon. Members, we must cover committees and Private Members' Business and we must speak on a number of issues. But it seems to me, Mr. Speaker, that given the small numbers on the opposition side of the House, and given the Government's large majority mandate, this Government does not need closure. It should give Hon. Members an opportunity to exercise their mental acuity and allow them to get up to speak to the people of Canada about what they think this Bill is going to do for the Canadian people. Putting their words on the record will hold those same Hon. Members accountable.

Mr. Blenkarn: What about jobs for people, for a change?

Ms. Copps: The Hon. Member for Mississauga South asks about jobs. As a matter of fact, if the pretended Minister, the Hon. Member for Mississauga South, had his ears and eyes open, he would know that one of the glaring omissions in this particular Bill is the fact that there is nothing which addresses the issue of Canadian investment in the international market. It seems to me, Mr. Speaker, that we have to open our eyes to the world and to the fact that the Canadian economy, in order to compete on an international basis, will have to take a lesson from the steel industry of Canada. That industry has competed all over the world and deserves not our derision, not our laughs and jokes in the House of Commons, but our full support in the way of legislation and the expansion of a Bill which would allow Canadians to compete in the international marketplace. We do not have to play second fiddle or take second place to the Americans, Mr. Speaker. We can compete and we will compete. It is about time the Government took the lid off this closure motion, allowed Hon. Members in the Opposition to make some amendments which would improve this Bill, and let the Canadian people, for once, flex their muscles in the economic market.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is with a sad heart that I stand to speak on the amendment which was introduced by an Hon. Member for whom I have had some respect since I have returned to this House, namely, the Hon. Member for Charlesbourg (Mrs. Tardif).

I have spent eight years here in the House of Commons, from 1972 to 1980, and when the Liberals were in government, there were many occasions on which they tried to muzzle the Opposition. At that time the Conservatives were sitting as the Official Opposition, and I can remember the cries of anger and pain and the accusations that the Government was attempting to muzzle Her Majesty's Loyal Opposition. Lo and behold, Mr. Speaker, now that those Hon. Members are sitting on the government side of the House, they are performing in exactly the same arrogant and fatuous manner as the Liberals did when they sat on the government side.

This amendment, which in effect closes off debate on this very important national issue of foreign investment, is certainly illogical. When I was speaking with the Hon. Member for Charlesbourg earlier, she asked me what exactly it is that the Opposition is opposed to. She said, "I would like to know what it is you oppose in Bill C-15".

Well, Mr. Speaker, what is the argument which the Government has put forward in defence of this Bill? The basic argument which the one-eyed Hon. Member for Mississauga South (Mr. Blenkarn), the cyclops of Mississauga South, has been braying about in the House, is jobs. In fact, Mr. Speaker, there is no evidence to show that in fact jobs would be created by eliminating any kind of review of foreign investment in Canada. Indeed, following the obeisance of the Prime Minister (Mr. Mulroney) in New York to the Wall Street barons, kissing their rings, their toes and any other part of their anatomy he could find, following that absolutely pornographic performance in New York, the bankers themselves said that they saw no capital for Canada, and I quote from an article in *The Globe and Mail* issue of December 20, 1984. In fact, those bankers said that people in Canada are going to have to be very patient, that investments will go up but not necessarily enough to do anything about unemployment. Those are the bankers themselves saying to Canadians, "Look, this is all smoke and mirrors". It is the same thing that Hon. Members opposite have been so famous for saying. It's all a sham. It's all a scam. In fact, there are no jobs going to be created by this haste to ensure that there are foreign investors. Indeed, Mr. Speaker, the Minister himself said, in a statement on December 7 when he introduced this Bill in the House, that "perceptions play a vital role in the world of investment". That is the same sort of thing that the old shyster at the fair used to do with the pea under the shell. This Government is attempting to pull a scam on the Canadian people.

There are some jobs which have been created, and I found them.

Mr. Blenkarn: Here it comes.

Mr. Rodriguez: I want to quote the Prime Minister as reported in an article in *The Toronto Star* on December 15 for those of us who have been opposing Bill C-15. The headline reads, "The Prime Minister Scorns Nationalists Who Fear Foreign Money". The article goes on to quote the Prime

Minister, "I come from a town, Baie Comeau, Quebec, where the paper mill was built by *The Chicago Tribune*. Thank God for the fire". The article continues, and this is important because we hear about the jobs, "Had it not been for that investment, I and all of my friends would not have had the opportunities that we have had". But we know, Mr. Speaker, that in fact the Prime Minister himself is a prime example of the kind of deletorious effect which foreign investment can have on the Canadian economy. One of the little strategies is always to employ a local manager. That is exactly what Hanna Mining Company did. It hired a local boy from Baie Comeau and made him President of the IronOre Company of Canada. We know what happened. As soon as the going got rough, IronOre simply closed up shop in Schefferville, picked up its marbles and ran away. The same thing happened to Hanna Mining in Capreol the little town I come from. As soon as the going got rough, the IronOre mine was closed up and they packed up and went to Minnesota.

When Canadian immigrants come to Canada, Mr. Speaker, we always ask, "How is your presence going to benefit Canada?", and I believe the same question can be asked of foreign investors. We certainly do not allow people to come in who the Government does not believe will make a contribution to Canada. I recall the last time I spoke on this Bill. I said how proud we Canadians were when we brought back our Constitution to Canada. In fact, we can amend our Constitution here in Canada and we do not have to depend on the Parliament of a foreign country to make those amendments for us. The only thing to extrapolate from that, Mr. Speaker, is that we should do exactly the same thing with our economy. There is a need to repatriate our economy. There is a need for those who are elected to govern this country to determine where the investment would go and the kind of employment to be created. Indeed, there is talk from the other side of the House, too, that foreign companies bring money to invest in Canada. Well, I recall there was a U.S. Senate hearing on foreign investment in the United States. One of the interesting facts which came out of that hearing was that the majority of companies who come in to Canada take over Canadian companies with Canadian money. In other words, they get a foot in the door, borrow from Canadian banks, Canadian savings, and buy out Canadian companies.

• (1620)

Mr. McCurdy: Buying us out with our own money.

Mr. Rodriguez: The Hon. Member for Windsor-Walkerville (Mr. McCurdy) quite correctly says they are buying us with our own money. And this Government is saying: We love it, do it some more.

Well, Mr. Speaker, there is no way that the New Democratic Party can accept Bill C-15. We argued that FIRA was a roaring rabbit. It did not have the teeth it should have and we complained about that. One only has to look at the economic climate in Canada before FIRA came into being. Why did it come into being? It was a response to a real problem. Foreign investors came into this country, raped the country, and when the going got tough, they pulled out. Often times they forced their subsidiaries in Canada not to compete fairly with the parent companies' products in the world. The record is clear that they often enforced their own parent companies' countries' laws on the subsidiary even though it was on Canadian soil.

The last time I spoke I mentioned two examples. One was the forcing of Robin Hood not to sell flour to China back in the 1960s, and the other was not allowing Ford to sell cars to Cuba. No country worth its salt, no sovereign country, one which is master of its own economic destiny, would ever allow a foreign country to determine the direction in which it will develop. I think if the Tories would stop this businesses of getting into bed with foreign tycoons, Mr. Speaker, we would be much further ahead.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this further opportunity to discuss Bill C-15 now before the House, although I resent closure. This is in fact the first exercise in tyranny by the majority, Mr. Speaker. We find that a government with 211 members, historically the largest majority, when confronted with a hard-pressed Opposition, must now resort to a backbencher, what the Hon. Member for Champlain (Mr. Champagne) could call a "deuce", to do its dirty work.

Mr. Speaker, the Minister responsible for the legislation did not even have the courage to be in the House to listen to the legitimate concerns of Members on this side of the House. Unfortunately, he cannot get very much advice from Government Members, because they have all been muzzled, Mr. Speaker. We have come to realize over the last few days, even the last few weeks, that this Bill gets no attention whatsoever from the Government. Following the example of the Minister responsible, they have suddenly lost all imagination, they have lost their right to speak, since we know they were warned not to speak in this debate. So we find ourselves in a situation where the Opposition is forced to use all available means at its disposal to try and put something into the Minister's head. It is not easy. I would almost say: mission impossible. We shall see after the committee reports back to the House, but I think, Mr. Speaker, you will agree that making use of a motion of closure at this stage is at the very least premature.

In a situation where the sovereignty of our Canadian economy is at stake, I find it appalling that just to do the Americans a favour, anyone should want to go over the head of the Parliament of Canada and report to President Reagan as if to say: We will go down our knees if we have to. The Prime Minister is using the Member for Charlesbourg (Mrs. Tardif) to stop a debate that is vital to the future of our country. Mr. Speaker, I thought that with all these new Members we have in Parliament, the Prime Minister would make good use of these people who have a lot of imagination and a thorough knowledge of their constituencies, and I am sure that the

Member for Charlesbourg is acquainted with the problems of a foreign-controlled economy. I am sure she is concerned that our oil and gas industry is 49 per cent controlled by foreign interests, and I am sure she is pleased with our national energy policy, which over the last decade, from 1971 to 1981, managed to bring foreign control down from 90 per cent to 49 per cent. But this is still not enough, Mr. Speaker. We want the Members opposite to be as concerned as we are about Canadian ownership and less about selling their souls to the Americans and other foreign interests.

That is more or less the message we want to give them. We agree that Canada needs jobs, we agree that we need new investment, but they are the Government and they must realize that if a foreign company that intends to set up business in Canada is unable to prove to the Foreign Investment Review Agency that it intends to create jobs in Canada, it is not necessarily a good investment, Mr. Speaker.

If we are to have the assurance that jobs will be created, we must demand proof before the Agency. We know that regions like Trois-Rivières and other regions as well will need new investment. And I should say at this point that one thing they forgot to promote in the legislation now before the House is investment by Canadians. Why should we assume that capital has to come from outside Canada, Mr. Speaker, when we know that in Canada the level of savings is twice as high as it is in the United States. There is capital available across this country. There are people ready to invest and to purchase shares in Canadian companies. What does the Bill do for these people, Mr. Speaker? What does the Bill before the House do to create what is referred to in the Bill as Investment Canada? What does it do to help Canadians who want to invest? I wonder why the new Members from Quebec, who are familiar with the provincial program for investment in Quebec and Canadian companies, are not rising in the House today, to request amendments to the Bill to enable Canadians to invest in their own economy and in job creation, Mr. Speaker?

Those are the kinds of measures we in the Liberal Party are looking for, not just a smokescreen to please our American friends and the former bosses of the Prime Minister. Not necessarily former, some people might say. What we want to do, Mr. Speaker, is to ensure that a Bill like Investment Canada is not just for foreign investors. We would like the Progressive Conservatives to have enough faith in the ability of Canadians to assume control over their economy but, Mr. Speaker, we look upon this Bill C-15 as an open admission of failure on the part of the government. They had been talking about rebuilding a climate of confidence, but instead of trying to do just that in Canada, they would rather do so beyond our own borders. That is altogether unacceptable, and we have seen how this attempt has been unsuccessful.

The Member who spoke before me mentioned, among other things, the fact that American bankers who saw through this scheme have openly been laughing at the government and saying: It is not because you are planning to change the name that money will be flowing into Canada. Yet, during the election campaign, the Prime Minister kept saying: The day after I take office, money will indeed flow right into Canada. Mr. Speaker, tens of thousands of jobs were to be created in Canada. Well now, we have yet to see any evidence of that and there are no statistics to prove that investments have gone up. We still have one and a half million unemployed. That is why I am concerned when I see that Members opposite are not worried about the current situation in the transport industry, for instance, which happens to be 69 per cent under foreign control. Nothing here deals with Canadian ownership. What do they think about Canada's chemical industry, 75 per cent of which is dominated by foreign interests?

I think that this government, anxious to have something in the legislative mill, quite simply introduced this measure through the back door to please the Americans, without any concern about Canadian control of investments in Canada. That is why we intend to fight this Bill every inch of the way.

• (1630)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, during the election campaign the people of Canada were told by the Prime Minister (Mr. Mulroney), then the Leader of the Official Opposition, that the main issue facing the Canadian people was jobs, jobs, jobs. We were told that if we elected a Progressive Conservative Government, hundreds of thousands of jobs would appear on the scene almost immediately.

The Prime Minister was correct that jobs were the main concern of the Canadian people. A Gallup poll published just a couple of days ago showed that the main concern of well over 50 per cent of the people was jobs and unemployment. The jobs are not there, Mr. Speaker. All of the organizations, both public and private, which do research in the field of economics and study the probabilities with regard to employment, have agreed that for the foreseeable future there will not be a real reduction in the number of unemployed. There will continue to be close to 1.5 million unemployed, and the present 11 per cent unemployment rate is not likely to drop to less than 10 per cent in the next number of years.

That situation is even more grim and desperate for our young people. The rate of unemployment among young people is almost 20 per cent. I am sure there is not a Member of Parliament who, during the recent campaign, or in his office in recent weeks has not been visited by very well educated young people who have not been able to get a job in the field in which they have been educated. During the recent election campaign while I was canvassing I called on a house where there was a young man who had graduated from engineering more than two years ago. He had been able to find some temporary work, but has not had a single job, either temporary or permanent, which had any relationship to the field in which he had spent several years getting an education.

We are now meeting people who had stable jobs for 10, 15 or 20 years and the companies for which they worked are now closing up. A recent illustration of that is the Wabasso Company which operated in the textile industry in Ontario or Quebec. It employed 1,200 people and now is closing down. Over the weekend there was an announcement in my own city that Rayovac batteries, which has been in operation for 20 or 25 years in Winnipeg and employed 65 people, is closing down. I am speaking of people in their forties or fifties who have worked at the same job for many years and are now being thrown on the unemployment scrap heap. Where are the jobs for people in their forties and fifties? There simply are not any.

This is the situation, Mr. Speaker. The Government is telling us that we need only pass this legislation to get rid of big, bad FIRA and money will pour into Canada. It took years to get the former Liberal Government to pass the legislation establishing the Foreign Investment Review Agency. Under that legislation, well over 90 per cent of applications were approved. Agencies such as Statistics Canada which did studies indicated that FIRA had virtually no effect in creating disincentives for foreign capital to come into the country.

A number of non-partisan newspapers and magazines have looked into this question. I would like to quote a few sentences from a lengthy article which appeared in *The Globe and Mail* on December 20, 1984 written by Thomas Walkom, who is certainly not a flaming radical. Mr. Walkom said in part as follows:

> Brian Mulroney's new love affair with U.S. investors may be fine as far as it goes, but those waiting for job-producing foreign money to flood into Canada should not hold their breath.
>
> This is the message from the handful of people who exert considerable control over billions of dollars of U.S. capital—New York's investment bankers.

He goes on to say that this program can do nothing about the fundamental problems facing the country. He then gives the reasons. This article goes on:

> They point out, however, that foreign investors are a hard-nosed lot interested in making money. In Canada, that means mainly resource industries, and with the exception of oil and gas, resources are not considered good investments.

If the resource industries in which we have been so involved and which have employed so many hundreds of thousands of Canadian citizens are not considered good investments by U.S. bankers, where is the money which is going to flow into this country?

● (1640)

Another one of Mr. Walkom's bankers said:

> "Natural resources are under the gun worldwide," says another. "I don't know what's going to turn it around and I feel very sorry for Canada because it has built its whole existence on natural resources."

Another banker says, "FIRA itself was not the bogeyman that kept away foreign investment..", and "The NEP was a hell of a whipping horse," says another. "Canada would not have been in much different shape today if the NEP hadn't happened, in my mind. The real problem was world oil prices".

In the 1970s when we were talking about a major expansion in the production of new energy in Canada and about the use of the tar sands, it was assumed by the federal and provincial Governments that the price of oil would rise 15 per cent annually. This meant that when the tar sands plants came on stream, the world price of oil would be approximately $70 a barrel. This meant that it made sense to try to get the tar sands operational.

That did not happen. We know that the price of oil is going down rather than up. Therefore, to depend on that kind of program would not have produced the jobs and it will not produce the jobs now.

The traditional sectors in which Canadians have worked are forestry, mining, agriculture and fishery. All of these sectors are now depressed because of the world recession, increased competition from Third World countries, increased automation, computerization and increased efficiency. All of these sectors employ fever people than they did years ago, and to expect new foreign investment to flow in to these fields is to count on the impossible. That is why we oppose this Bill.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I cannot but take the opportunity given me today to speak briefly on the motion now under consideration. I believe, indeed I am convinced, that the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) who is sitting opposite would have blamed me for not doing so. I also invite her, Mr. Speaker, to take part in this very important debate because I know that her constituents want industries that are Canadian and want us to be masters in our own house. That is what her constituents and mine want for Canada.

Today, Mr. Speaker, the government has decided to close the debate on this bill. We wonder why—

[*English*]

Why does the Government decide to place this guillotine motion at this time? Presumably it is because it believes that this issue has been debated sufficiently.

Mr. Blenkarn: It has.

Mr. Boudria: I am glad to hear the Hon. Member across the way believe that we have. Perhaps the reason is that the Government has a very long legislative agenda. Let us review the legislative agenda.

We will recall that during the election campaign the Government set forth a rather extensive legislative program for the people of this country. It had many commitments, as the Conservatives called them. I call them empty promises; 338 promises.

[*Translation*]

—all kinds of promises to Canadians. This is what the Government has done. Let me refer to a few—

[*English*]

We must close the debate immediately because, according to the Government, there is so much for us to do. This is what the Conservatives promised. They had 113 promises to spend more money and five promises to spend less. There were two promises to increase revenues and 26 promises to reduce revenues. There were 139 proposed actions to increase the deficit and seven actions to lower the deficit. These are promises which the Party opposite made during the campaign.

Let me cite a few specific promises, which presumably the Conservatives want us to discuss as soon as the closure motion is completed. According to its promises, the Government wanted to adopt a positive approach to productivity management through the development of incentives to meet objectives specified in any program placed before Cabinet or Parliament. However, what is the agenda? Although the Government was elected almost six months ago, it only has eight Bills on its agenda. It is now invoking closure because of the necessity to attend to other urgent business. There is nothing on the agenda, and we are told that the cupboard is bare. It is the Government's legislative and imaginative cupboard that is bare. It has nothing to propose to the people. If the Government had many promises to offer months ago, why is it not fulfilling some of those promises now?

With respect to private Members, it is interesting to note that there are only 14 private Members' motions coming from 211 Conservative Members. Indeed, the cupboard is bare. Less than 10 per cent of the government Members can provide the House of Commons with their input in terms of the legislative agenda. That is what they have to offer.

Let me give further examples of election promises the Government wants to implement now which have resulted in the closure debate today. It will ensure that Parliament performs a stronger role. How can Parliament do so when the Government invokes closure? This would not be the first time the Government has contradicted itself.

The Government talks about saving money, yet it spends $24,000 to deliver ten packages of mail across the country and spends $500,000 in one month to provide jet travel for Cabinet Ministers.

The Government is not delivering on its promises. In one of its promises, the Government said that it wants to reaffirm and strengthen the mandate of Treasury Board as over-all managers of Government resources. How does that promise conform with the Government's advertising contracts being given without tender?

Mr. Dick: Where is the Bill?

Mr. Boudria: We are not discussing the Bill, we are discussing the closure motion at this time. In case the Parliamentary Secretary to the Government House Leader (Mr. Dick) is unaware of what we are doing in the House at this time, perhaps I could bring that to his attention.

Mr. Dick: Talk about the Bill.

Mr. Boudria: He may talk about the Bill; I am talking about the closure motion.

Mr. Dick: It is not closure. That is Standing Order 37.

Mr. Boudria: One form of guillotine or another, it is still the same. The Government is cutting off the due process for debating issues in this Parliament so it can move on to other pressing business. However, the Government has no other pressing business because it is not doing its job. It is not proceeding with the legislative program which it promised the people during the election campaign. It has had ample time to do so. If in six months it cannot come up with a legislative program, its Members will find themselves turfed out after the next election. They will be back on this side of the House from where they came. That is what will happen to the Conservative Party if it does not wake up and provide Canada with the leadership it promised.

• (1650)

I did not make 338 promises during my election campaign. Like you, Mr. Speaker, I put up with those promises. I listened to them in disbelief, thinking that it was impossible to deliver them. I was right, it was not possible to deliver those promises.

Mr. Blenkarn: Let us get on to other things.

Mr. Boudria: The Government is not even trying. I hear the Hon. Member across the way. I ask him, what other things? There are only eight items on the legislative agenda of the Government.

Mr. Blenkarn: That is eight of them.

Mr. Boudria: If the Government is so concerned about providing us with what we need, let it introduce the youth employment programs we need right now. If the Minister of Employment and Immigration (Miss MacDonald) came into the House right now to announce a good youth employment program, I am sure there would be unanimous consent on the part of all Hon. Members to listen to an important announcement which would provide the young people of our country who do not have employment with at least some hope that what they voted for on September 4 had at least some semblance of reality.

We will not hear that from the Government this afternoon. The Minister of Employment and Immigration will not be here to make that statement because she does not have a program ready. Why does the Government not have a program ready? The answer to that question is simple.

Mr. Dick: Talk about this Bill.

Mr. Blenkarn: Talk about the Bill.

Mr. Boudria: I am talking about the decision of the Government to cut off debate. If Hon. Members opposite want to contribute to this particular debate, all of us would be most interested in hearing from them. They should tell us why they

feel that this Investment Canada Bill is so necessary at this time.

I should like to refer to an article which appeared in *The Globe and Mail* on December 20. It was a very meaningful article written by Mr. Thomas Walkom. As my time is coming to a close, I will just refer to it very briefly. It indicated that Prime Minister (Mr. Mulroney) and the Conservatives had blamed FIRA and the NEP for scaring away foreign and direct investment and that they had attempted to bolster their point by pointing to Statistics Canada figures on net U.S. direct investment in Canada.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I think one ought to be cautious in exhorting the Government to keep its promises. The Conservative Party made many promises during the election campaign which I hope it does not keep. There are some which I hope it does keep. This Bill happens to be the keeping of a promise to dismantle FIRA. To that extent the Conservative Party is being faithful to its political and ideological agenda. That is why we are opposing it.

Some Hon. Members: Hear, hear!

Mr. Blaikie: At least on this issue, if not on others, the Conservatives have the courage of their convictions.

I realize that we are speaking to a motion which is a very mild form of time allocation or closure. It is not the more drastic measures which could be taken. I might have a word to say about that in a minute. However, I think we need to see this Bill in context, as part of a general erosion of Canadian independence which has taken place since the Government took office. I am thinking of how this jibes with what is happening with respect to foreign policy and the easy acquiescence which we see on the part of the Secretary of State for External Affairs (Mr. Clark) when it comes to American policy on star wars, nuclear arms talks, et cetera. We have to see this Bill as part of a larger package being introduced over time by the Progressive Conservative Government in which I believe there is a serious erosion of Canadian independence.

Also it concerns the total economic package by which the Government is trying to create what it calls a good investment climate and what I call not competition, but capitulation to factors against which we ought to be struggling instead of giving into. We have to see this move in terms of foreign investment as one of four or five measures which I regret.

First, we have the opening of the country to foreign investment without any meaningful criteria as to whether or not that investment ought to benefit Canadians. We need to see this along with changes in respect of environmental policy where the Government has declared, in the interests of bettering the investment climate and reducing the deficit, that it will not be as concerned as it used to be about what factories, plants and various other forms of economic activity are putting into our lakes, rivers, air, soil or whatever. This is another signal to the investment community that Canada is a good place in which to invest because it does not care as much about the environment as it used to.

Another signal concerns working conditions and labour. By postponing amendments to Part IV of the Canada Labour Code, they are sending out a message that we now have a Government which is not as concerned about working people as may have been the case before. There is one signal on foreign investment, one on the environment and one on labour. Another signal—and they all go together—is that the Government is more prepared to tinker with the social programs of the country than to embark upon serious tax reform. It is another signal to the investment community—"Don't worry about us, guys; if we have fiscal problems, we would much rather tamper with social programs than make you pay your share". They are being asked to come and invest here and are being told that they can count on us. We will be patsies, like the Minister of Energy, Mines and Resources (Miss Carney) is a patsy for the oil companies. These are the kinds of signals which are being sent out. They are unfortunate.

It is a tragedy because I think many of these changes are well meant. They are part of an internally coherent package, but I say to all Members of the House of Commons that we will regret collectively as a nation the kinds of steps the Government is taking today and will take in days ahead in its naive attempt to create what it calls a good investment climate and what I call capitulation. It is all part of making Canada the banana republic which it has the possibility of becoming if we embark fully upon the kinds of views advocated by Progressive Conservatives in opposition and now in government.

With respect to the motion, as I said earlier it is a form of time allocation. I should like to take this opportunity to say to the Government that this raises the whole question of parliamentary reform and the allocation of parliamentary time. The House has before it the recommendations of the special task force on parliamentary reform which were recommended unanimously by two committees in a row. If Conservatives are half as serious about parliamentary reform as they constantly said they were in opposition, they had better take some action with respect to those recommendations. They now have the opportunity to make good on decades of rhetoric about parliamentary reform. If that committee is to continue doing its work, and if Members of Parliament are to feel that any kind of momentum is to be maintained coming out of the reforms made in the last Parliament, we had better see some action soon.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and notices preceding No. 150 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

● (1700)

CONSTITUTION ACT, 1982

ADVISABILITY OF AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from Thursday, December 6, 1984, consideration of the motion of Mr. Blenkarn:

That, in the opinion of this House, the government should amend the Constitution Act 1982, to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights so that it reads as follows:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I wish to say first that I appreciate the commitment which the Hon. Member for Mississauga South (Mr. Blenkarn) has to the entrenchment of property rights in our Constitution. At the same time, I would argue strenuously that Private Members' Hour is not an appropriate forum for resolving matters of such constitutional, economic and social significance. We simply lack the time and the collective capacity to assess and deal with complex constitutional initiatives in the span of time available to us. Our debate does, however, enable us to touch on some of the issues and to get a better idea of what may be involved in entrenching property rights in the Constitution.

I would like to express my personal support in principle for the entrenchment of protection for property rights in the Constitution. Property rights are, in my opinion, fundamental to our way of life. Property rights are basic civil rights that enable us to carry on our lives without having to depend on the state for sustenance. They are the basis of our right to carry on and profit from business activities. They allow us to acquire all those things we need and want in our daily lives. The point of property rights, as with the other rights and freedoms which have received constitutional protection, is to afford us a measure of independence from government; some degree of protection against well-meant, but perhaps unnecessary, state interference.

The entrenchment of property rights in the Constitution would be a symbol to ordinary Canadians of the enduring importance of such rights in Canada. It would also be a symbol of their right to own and enjoy property without arbitrary or ill-considered interference by government. The importance of such symbols should not be underestimated. The Canadian Charter of Rights and Freedoms, in addition to providing legal remedies for the violation of the rights and freedoms set out in the Charter, is a symbolic document. It is a symbol to Canadians, and it is a symbol that we can hold out to the world, especially to countries where these rights and freedoms and, in particular, property rights do not exist.

Many Canadians left their homes in other countries so that they could enjoy the rights and freedoms which we take for granted in Canada. They are vigilant about maintaining these rights and freedoms. They have worked hard to build families, homes and businesses, and to contribute to the development of Canada, and they rightfully expect that the things they have worked so hard for will be protected. They recognize that an important way of securing this protection is by entrenching property rights in the Constitution.

At the same time, I wish to acknowledge that there are important societal interests which require governments to enact laws that affect property rights. These interests must be taken into account. The provinces have acted to protect the interests of women arising out of family relationships. In recognition of the contribution of women in the family relationship, important family law reforms have been made to provide for the division of family assets, regardless of the apparent legal title, upon mariage breakdown.

The Supreme Court of Canada has, within the last few days, agreed to consider the rights of common law spouses, on the termination of a long-standing spousal relationship, in the Sorochan case. What would the entrenchment of property rights in the Constitution portend for the evolution of such a re-evaluation of common law property tenets by reference to changed societal standards? We simply do not know, and an abstract and unqualified entrenchment of property rights does not permit us to predict the outcome of this balancing of important societal values.

More generally, societal interests are reflected in the multitude of laws which in one way or another affect property rights. The provinces have sought assurances that their right to enact such laws will not be unreasonably restricted. We should note that only two provinces have passed resolutions supporting the entrenchment of property rights. No other provinces have passed such resolutions. They are concerned about the effect that constitutional protection for the enjoyment of property rights might have on their authority to enact a wide variety of regulatory laws. Provincial laws affecting property rights include such basic incidents of an orderly society as land use planning and municipal laws, laws concerning the acquisition and disposition of real and personal property, construction lien laws, environmental laws, and expropriation laws. This is by no means an exhaustive list. When one considers the scope and extent of existing provincial regulation of property, one can understand something of the apprehension which the provinces have with respect to entrenching the enjoyment of property rights.

The concerns of the provinces are reflected in a unanimous resolution of the Council of the Canadian Bar Association of Ontario. That resolution, as it was reported at page 1 of the June 1984 edition of "Briefly Speaking", the monthly newslet-

ter of the Canadian Bar Association—Ontario, reads as follows:

Various provincial governments have indicated their intentions to seek entrenchment of property rights in the Constitution;

I take it that the authors of this resolution are referring to the resolutions of the Legislatures of British Columbia and New Brunswick in support of the entrenchment of property rights. The resolution continues:

And whereas property rights entrenchment may affect environmental, resource, land use planning, municipal and real property laws; And Whereas very limited study of how entrenchment may affect these laws has occurred; And whereas the federal Minister of Environment and Ontario Minister of the Environment have both requested that the CBA/CBAO undertake such a study; now therefore be it resolved that CBAO strike a committee to study how property rights entrenchment may affect matters including environmental, resource, land use planning, municipal and real property laws for a report to Council—

It is evident that the provinces have sincere concerns about the entrenchment of property rights. These concerns cannot be ignored, and it is clear that the substantive resolution of these issues is essential to the extension of constitutional protection for property rights.

The legitimacy of provincial concern is underlined by the fact that the Constitution gives the provinces a primary role in making laws in relation to property. Section 92(13) of the Constitution Act, 1867 provides that each province may exclusively make laws with respect to "Property and Civil Rights in the province". Other provisions of Section 92 further extend the powers of the provinces to enact laws affecting property rights. In the exercise of these powers the provinces have made laws which, as I noted earlier, affect property rights in many respects. The provinces have also, as they are entitled to do, delegated to municipal bodies the power to make such laws.

In the interests of community planning, and public health and safety, the provinces have enacted land use planning laws and have enabled municipalities to pass zoning laws, building codes and health and safety regulations. Land use planning and zoning laws may regulate or restrict the development and use of land to ensure that these serve the community interest. For example, residential areas may be protected from industries incompatible with residential use. Building codes ensure that our homes and offices are built to meet proper and safe engineering and design standards. Safety regulations ensure that buildings are adequately designed and equipped to allow us to deal with emergencies such as fire. Health regulations ensure that our public facilities are sanitary and ensure that public health conditions are consistent with human habitation.

Provincial laws have been enacted to protect the environment. They control industrial land uses which might create pollution through industrial wastes and emissions. Provincial laws protect our cultural heritage as well as our natural heritage. They do so by preserving historic sites and other precious assets of our cultural heritage.

In addition to regulating the use of property, the provinces also regulate the process of acquisition and disposition of real property such as land and personal property such as automobiles. In any given property, there may be several interests held by different people. For instance, with respect to a given piece of real estate there may be, for example, the interests of the registered owner, a first mortgagee and subsequent mortgagees and the holder of an easement. In addition, it is possible for creditors to obtain a lien against the land or to register a judgment against the land. The provinces have created laws for the orderly creation, transfer and disposition of these interests. These laws govern the interaction of all these interests and establish priorities. They also ensure that persons dealing with real property can ensure that they are getting that for which they contracted. Similar laws apply to personal property.

● (1710)

It is sometimes necessary when it is in the public interest to expropriate property for important public purposes. The law allows for the expropriation of land for public highways or public utilities with reasonable compensation to the landowners affected. The federal government, as much as the provinces, needs to preserve this power while recognizing the need for adequate safeguards for property owners.

As you can see by my examples, Mr. Speaker, there are a wide range of areas in which the provinces have made laws affecting property or the enjoyment of property. In these are reflected a variety of vital societal interests which the provinces protect in the public interest. They are concerned, however, that provincial laws will be vunerable to attack if property rights are entrenched in the Constitution. It is not that the provinces wish to insulate their legislation from standards of fairness, far from it.

The provinces have attempted to balance societal interests against individual property rights by providing built in protections for property rights. Many provincial laws which purport to affect some sort of property right provide procedural as well as substantive protections for such rights. In many cases, citizens have a right to a fair hearing, a right to present their side of the case, and a right to appeal. Many of these procedural protections are also provided at common law by the rules of natural justice. Substantive protections also exist in provincial laws. For example, expropriation laws generally allow the expropriation of property only for important public purposes where no alternative course is available and only with reasonable compensation.

The provinces do not appear to be concerned so much about the entrenchment of procedural protections for property rights as they are about any action which might allow the courts to become arbiters of what is or is not acceptable government policy for laws affecting property rights. The provinces wish to have the assurance that property rights guarantees will not be used to strike down laws protecting important societal interests.

It seems to me, Mr. Speaker, that we should be taking steps to allay as much as possible the concerns of the provinces and to seek a consensus, if possible, on the entrenchment of property rights. Our efforts would, of course, be premised on our support in principle for the entrenchment of property

rights, subject to our commitment made during the election campaign that this could only be accomplished without prejudice to women's interests.

The provinces and other interested parties should be given a reasonable opportunity to give this matter their fullest consideration and to voice their views. A co-operative approach with respect to the entrenchment of property rights will avoid unnecessary obstacles and will smooth the road to constitutional change. Constitutional change is not a unilateral process. It requires, in this case, the support of at least seven provinces.

While I have so far focused on the concerns of the provinces, a property rights amendment would also have ramifications for the federal Government. The federal Government has also passed a multitude of laws affecting property rights. These include, for example, copyright laws, environmental laws, land use laws, and laws dealing with the exploitation of our natural resources. These laws, no less than provincial laws, serve important societal interests. We should be clear about the effect that the entrenchment of property rights would have on these laws.

Like most Canadians, I recognize that the pressing issues of the day are economic. The Government is committed to restoring the economy, to encouraging business and to putting Canadians back to work. These are, for Canadians, the top priorities. We understand that the process of constitutional change takes time and work but we know it will receive due consideration.

Our support for the entrenchment of property rights is no less firm for wanting to ensure that any constitutional amendment would not be prejudicial to the interests of women and to other important societal interests. The amendment of the Constitution, however, is not a matter that should be taken lightly. The potential consequences of an amendment must be carefully assessed because undesirable consequences cannot be easily remedied once the amendment has been made. For that reason, Mr. Speaker, the entrenchment of property rights deserves our careful and considered analysis.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? Debate.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak to this motion today on behalf of the New Democratic Party. Any time that there is a motion to create our first amendment to the Constitution, it is a very serious business. The Government is being told that it would be a good idea to introduce an amendment to the Constitution. As has been stated by the Hon. Member who just spoke, a process for doing so is now in place and it is very straightforward. It simply requires the approval of seven provinces and the Government of Canada to make such a constitutional change which would in effect transfer the jurisdiction over the rights of property and their enforcement from the provincial to the federal level.

I realize that there is a Progressive Conservative Government at the federal level and that there are at least seven provinces in this country that are also run by Progressive Conservative Governments. I believe, therefore, that any such process would move along quickly and smoothly and that we would see a motion for such constitutional amendment before the House very soon.

As you are aware, Mr. Speaker, the provinces and the federal Government must hold discussions to bring about such an agreement. They would make proposals to make constitutional change which, upon the agreement of the seven provinces and the federal Government, would then be presented to the House of Commons for discussion and debate. The whole process would then be transferred to a committee, at which time ordinary Canadians could have input. At that time, the provinces and the federal Government would already have had their discussions.

As I understand it, this matter did come up during the election and was apparently one of the planks of the Conservative Party platform. I am a little confused as to why it is necessary to keep reminding the Government of one of its promises by putting this motion before it.

Before we get too far into this process for change, I believe there are a number of questions that should be asked and a number of answers that should be provided. First, I would argue that property rights have been well taken care of within the provincial sphere, with perhaps a few exceptions which could be considered minor within the scheme of things. When I ask myself when property rights have been abused or not properly upheld on the part of Canadians, not very many instances come to mind. That is one of the first questions I ask myself when I talk about a constitutional amendment. I can think of a few examples of such abuse, one being the confiscation of the property of Japanese-Canadians during the last war. At about the same time, the padlock laws were instituted in Quebec and the Jehovah's Witnesses were not granted the right to use their halls and churches. However, I would point out that even with the Constitution and with the right of property being moved from federal to provincial jurisdiction, both of those circumstances would probably have occurred whether or not there were property rights in the federal Constitution. I contend that what we had in the case of Japanese-Canadians was a very emotionally charged period of time. We were at war with another racial group. What happened to the Japanese-Canadians had nothing to do with property, but probably had everything to do with the racial attitude toward those people at that time. I am from a Germanic background and our property was not confiscated during the First or Second World Wars. My grandparents, who were Canadian citizens well before the First World War, went to visit their parents inthe United States and were prohibited from returning in the fall of 1914 because of the outbreak of war. However, their property was not seized. They had to spend the next 4.5 years in the United States because the Canadian Government would not permit them to return, even though they were citizens. But their property was not seized. Therefore, I contend that the Japanese-Canadian situation would probably have happened whether or not there had been a guarantee of property rights.

● (1720)

Similarly but for different reasons, the Jehovah's Witnesses were locked out of their properties, essentially for religious reasons. Both racial and religious discrimination are now prohibited under the Constitution, but we have yet to discover whether that constitutional strength would be adequate to stop such things happening in the future. Perhaps we would be well advised not to rush into changing the constitutional responsibility from provincial to federal jurisdiction until it is discovered whether in fact the federal jurisdiction could be effective in dealing with these very real problems of racial and religious discrimination which occurred in the past.

There is some indication from the provinces that they are not in a hurry to make that change. The Province of Alberta has a property rights contract with its citizens, but it is still possible in Alberta, if the property is on the route to a pipeline, power line or telephone line, that the property can be just as easily seized as a right of way for public use, as it is in provinces which do not have guaranteed property rights. On the surface it is difficult to find an advantage in that particular province which has property rights. I would also remind the House that Alberta is one province which has been very vociferous in opposing any move to change property rights from provincial to federal jurisdiction. It would be an important necessity for that province to go along with such a change as it is one of the seven provinces which would be required to agree to such a constitutional change. Being from the same political stripe as the federal Government, one would think that Alberta would be among the first on the bandwagon to go along with this proposal.

There is some question as to the kind of rights which will be guaranteed. It is generally agreed by all that property is land. However, when we get beyond houses, factories, businesses, barns and that sort of thing, we get into a fuzzy area as to what is property. I believe there is general agreement that bonds and mortgages are forms of property, but the question arises in the case of a mortgage as to which property interest takes precedence. Will that be spelled out in the Constitution? If there is a disagreement as to whether the terms of a mortgage are being met, does the bank get precedence over the man or woman who is trying to make the payments?

We could look at contracts. Is an insurance policy property? If it is, is a labour contract not also a form of property? If that is the case, is it then possible for workers who have a labour contract with a factory to be put out of the factory either in the form of lock-out or lay-off? How many rights are included in the contract, if it is indeed property?

Whose property takes precedence? For example, we could talk about environmental concerns. Do we shrug off the pollution which our own generation is creating because it will not hurt us, but will put into jeopardy future generations by creating acid rain which kills our lakes, trees and soil? Does a property resolution change any of those questions? How would having property rights written into the Constitution provide guarantees for future generations for a usable environment, for land which will grow crops, for land which will produce trees and for lakes which will produce fish? I doubt if it makes any difference. I believe the inclusion of property rights in the Constitution makes no difference to the groups of people which I have mentioned.

We must recognize that the property rights which we have in Canada have come down to us through British common law and that those of us who have property hold it in right of fee simple from the Crown. The rights which we have are clearly stated in the title, as to the minerals above and below the ground, whether we must grant access to public utilities, or whether we must provide a road crossing in the property. The title also describes the liens and mortgages which exist against the property. However, the title also bears some responsibility. We must pay the taxes, and often it requires us to keep the property in good order, depending on the community in which it is found. If the property is in a farming community, the owner must guard against noxious weeds. The owner could be obligated to keep a building from going into disrepair. Factories cannot be built in residential areas. There are numerous things an owner cannot do with property because of community requirements. The rights which the owner has are only those rights which are allowed after consideration of the community and consideration of the requirements of the Crown.

● (1730)

We have got along with this system, Mr. Speaker, for quite a few hundred years. I have not heard anyone previously in this debate outline any large shortcomings in this system. So I ask Hon. Members of the House very simply and clearly, if there are no problems with the existing system, why should we change it? Why take the right of property away from the provinces and enshrine it under federal jurisdiction? Particularly when there are so many different kinds of interests at stake in different parts of the country, does it make sense to centralize this particular right? What does it do for the right of Prince Edward Island to decide that it should not have a large influx of foreign ownership of its prime recreation land? Is it so wrong that Prince Edward Island should make certain that people who have access to its lovely beaches are Islanders, or at least Canadians? Is that not infringing upon the right of the person, who has the money to pay for such a beach, to own it, whether he lives in Hong Kong or in Bonn? Those are some questions which have been dealt with in that particular province and it has said, "No, we have first right to those beaches".

Similarly, in British Columbia there is a question of what sort of policy should apply to the ownership of the very limited amount of farm land there. That province has determined that there should be some restrictions on who owns farm land. Only farmers may own farm land, and it must be used for agricultural purposes. If we had a guarantee of property rights in the Constitution, would British Columbia still have that right or would whoever had the money to buy that farm land be permitted to do whatever he chose with it? What would be the implications to future generations of British Columbians who were looking for agricultural production and found that they were not able to provide a lot of their own food themselves?

What about the land of the Indian and the Inuit in this kind of constitution amendment? As you know, Mr. Speaker, the Crown, on behalf of Canada, took over those lands through treaty. The Indians were not really aware of that fact but that is what the Crown did. Then, as I interpret it, the Crown transferred a great many of the rights to resources and jurisdiction over the property to the provinces, and now the Indian and Inuit are attempting to negotiate with the federal Government to make certain that with respect to the treaties, and in those areas where there are still no treaties, there is an understanding that there are some rights that the original people have, which are retained rights, even though a treaty has been signed. And we get into the question of whether game is property for the Inuit and the Indians. It is a very contentious question which has not been properly dealt with. Certainly, it has not been adequately answered by deciding to change property rights from provincial back to federal jurisdiction.

In closing, I would like to point out once again that the process is quite clear now that we have an amending formula for the Constitution. The Government in this case, if it is interested in initiating such a discussion, can and should initiate such a discussion with the provinces, then the words which have been agreed to can be brought to this House. We will then look at that agreement and decide whether to accept it or oppose it. It will go to the committee where all Canadians can have a chance to decide whether it is good or bad for them as Canadians. If the resolution passes, the amendment to the Constitution, some of the provinces would still have the option of opting out at five-year intervals. So we may see the very real possibility that even with an amendment, a great many if not all of the provinces would find themselves opting out.

My main point, Mr. Speaker, is that I have great difficulty in seeing an advantage to a radical change to the Constitution when there have been no reasons set forth as to what advantage there will be for us as Canadians. I have not seen any of that in this debate thus far. I hope that future speakers will point those things out, if they are really serious about amending the Constitution in such a manner.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I would like to begin my remarks by complimenting the Hon. Member for Mississauga South (Mr. Blenkarn) for taking the initiative to put forward this motion which would urge the Government to protect property rights by a revision of the Constitution. As the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) said, it would go through a constitutional convention where seven out of the ten provinces would have to agree, as long as they comprised 50 per cent of the population. The Hon. Member asks why change something if there are no problems with the existing system—I think I quote him if not accurately, at least fairly—to which I would simply reply that we are in a transitional period. We are creatures who are accustomed to 200 years of common law, a system which has been very well entrenched. We are now moving into a different mode of constitutional law with the inclusion of a Charter of Rights.

I might add that the Hon. Member for Humboldt-Lake Centre in his speech—and I listened very carefully and enjoyed what he had to say—raised some very pertinent questions with respect to the definition of property and all of those factors. However, his entire speech caused me to remember most of the constitutional debate, and I took careful note at that time to attend as much of the House proceedings as I could. I recall very clearly the process which was going on in the committee stage when the committee was meeting over in Room 200. I recall very graphically that one Thursday evening the Conservative Party had been pressing the Government for an addition or amendmment to the charter which would include the entrenchment of property rights. It so happened that the then Minister of Justice, the Hon. Member for Saint-Maurice (Mr. Chrétien), did agree to that amendment to include property rights in the Constitution. Members of the New Democratic Party went home over the weekend and conferred with their colleagues, particularly those in the Province of Saskatchewan. Those Hon. Members came back after the weekend and said, "Look, if you entrench property rights in the Constitution, we will withdraw our support for the entire package". Considering the cozy arrangement which existed between the New Democratic Party and the Liberal Party at that time, and more or less exists yet perhaps, and that it was very important to the Liberal Government of that day to have the support of the New Democratic Party, the former Minister of Justice withdrew his commitment to have property rights included in the Constitution.

• (1740)

So you have to ask yourself, why would the New Democratic Party, or any Party in the House, be opposed to property rights in the Constitution? The answer comes back very quickly. It is because of its attitude to property in the first place, its notion of the state and its ability to get into central planning and national goals, to all of which property rights are very important. In the socialist way of thinking you really cannot come to grips with national goals, national planning, a totally planned economy, if you do not own all the ingredients.

Mr. Althouse: In that case we would be in favour of putting it in the federal sphere.

Mr. Friesen: So that becomes very important to the socialist scheme of things. I do not fault them; at least they are consistent about that. But he hearkened back to why people are so concerned about it. I can tell you that there are at least two reasons why people are concerned about it. Since I come from British Columbia I can state the B.C. experience.

In the fall of 1972, the people of British Columbia elected a socialist Government under the leadership of Premier Dave Barrett. Now I think that, all in all, there are some things which Mr. Barrett did that were all right. But the single move he made during his regime which probably hurt him and the whole NDP concept in British Columbia most was that of freezing all property sales in B.C. I think the Hon. Member is correct that one of the problems we face in that province is the very restricted access we have to good agricultural land. Since

95 per cent of the province is mountainous, prime agricultural land is at a premium. We have a right to be very worried about how much of that is going to be destroyed by industrialization or poor planning. In that sense I do not fault Mr. Barrett for making that move. But he did what is intuitive to the socialist frame of mind. He did not simply freeze the sale of farm land, he froze every square inch of property in the entire province of British Columbia.

Mr. Scott (Hamilton-Wentworth): Now he works for the CBC.

Mr. Friesen: You see, it was not necessary to freeze someone's 33-foot lot in the heart of Vancouver. It was not necessary to freeze the industrial-commercial sections of any city. If he wanted to attack the problem, he could have done that very easily by addressing himself to a background study of what prime agricultural land we need to preserve if we are to provide an inheritance for our children. That was a legitimate concern on his part, and if he wanted to do that, he could have done it. But rather than that, he did the instinctive thing and moved in on the entire province.

What were the consequences, Mr. Speaker? Instead of preserving the land for our children, it had the effect of robbing the children of that inheritance. As soon as he froze land sales, it made land an item in short supply and in great demand. Overnight, property values mushroomed in value. Our children who wanted to buy property in the next few years could not afford it.

Mr. Althouse: In 1974 they mushroomed all over.

Mr. Friesen: So in a matter of years there was a shortage of land which could be developed because it was not properly planned, and the very people Mr. Barrett wanted to protect were robbed of that protection. So I say that the people of British Columbia have very good reason for wanting to see some kind of protection for their property rights in the Constitution.

It may well be, Mr. Speaker, that the nature of property has to be defined. There has to be a lot more thought given to it, as the Hon. Member suggests. It may be true that the definition of property rights should go far beyond the amount of land you may own. But the fact is that the people have a need for a sense of security, and if they feel that any government or corporation, but particularly government, can move in, then they have a feeling of insecurity, and that hurts the country.

The second experience we should draw on is that of the Member's own province. I cannot say that Mr. Blakeney's Government moved in the same way that Mr. Barrett's Government did. It took a different approach. It simply bought up the land. By the time he was moved out of office a couple of years ago, I believe the NDP Government of Saskatchewan had bought something like one million acres of land.

Mr. Althouse: Should they not have that right?

Mr. Friesen: Well, do they not have that right? You see—

Mr. Althouse: Should they not?

Mr. Friesen: When you are getting into people—

Mr. Althouse: Rights for whom?

Mr. Friesen: It is a matter of rights, but it is also a matter of power. The fellow who owns two quarter sections of land which he values very much has a hard time resisting an offer from a government which has a seemingly endless supply of money and can overprice the land and buy the property. The Government has power which citizens cannot always resist.

Mr. Althouse: Virtually all the government-bought land was below market.

Mr. Friesen: I am not saying that the Blakeney Government did anything illegal or wrong in a legal sense. All I am saying is that there is a nervousness among people who are accustomed to and feel the need to own property for an enduring sense of security when big government can, willy-nilly, move in and take over their property. I recall a statement by an eastern European living in Saskatchewan. He took part in some kind of an interview in that election campaign and he said, "look, when I came to Canada I didn't come because the Government promised me that it would provide land for me; I came because I could come here and make it". You see, it is the freedom of opportunity that is at stake.

The Hon. Member goes on to say that the one area of confiscation that stands out in the memories of all of us is the experience of the Japanese-Canadians. I would remind him that, as far as I know, and I stand to be corrected, but I do not think I need to be, those Japanese who lived beyond 100 miles from the coast did not lose their property. It was only those Japanese who lived along the coastal areas, if I am right, who lost their property. So it was a matter of security arrangements, right or wrong, that were made at the time. I think it was wrong the way they were treated and I am not absolving the Government of the day or any of the people involved. The point is that they did lose their property. The Hon. Member said that the German people did not. Well, not all the Japanese did either, I believe, Mr. Speaker. I want to point out to him that, according to testimony given before the Constitution Committee several years ago, the urgency behind the move to relocate those Japanese resulted from a request of the American Government. The American Government urged and pressured the Canadian Government to relocate those Japanese. That is why it was done. That makes me agree in part with the Hon. Member and makes me wonder why he should have supported the Constitution in the first place.

I think the Hon. Member has a point. The Charter of Rights in times of extreme emotion is not necessarily a guarantee that our rights are going to be protected. I would much rather have seen a Constitution that did nor have a Charter. I think we would have been much better protected under parliamentary common law and tradition than we are under a Charter which has enumerated rights. This is so for several reasons, one of which is that you never get to the end of the enumeration.

There is always another right which has to be added to the list. You never run out. The only people who profit as a result of that are lawyers. We are going to become a nation of litigants as a result of the Charter of Rights, and that is a tragedy. All of my lawyer friends, who used to be my friends, are reacting to what I say. We used to be able to solve a lot of our people problems through discussion, election campaigns, and mediation. Now we go to court and are protaganists. That is not a healthy sign for us. The list is going to grow. Every year there will be another right that people will want to have entrenched. They believe, falsely, that that will protect them.

• (1750)

The other reason that I think the Charter is not a protection is that it is written the wrong way. It is written from the wrong perspective. At least the U.S. Bill of Rights is written from the perspective of people limiting the power of government. The Canadian Charter of Rights is the government extending a list of rights to the people. That is wrong. It is an underlying weakness of our Charter.

I am saying to the Hon. Member that there are problems and that a charter is not necessarily going to protect us. Even though we include this in the Charter it will not necessarily protect us. However, we do have the Charter and we have to live with it. Therefore, let us take those realistic items that the Canadian people believe ought to be included and list them in that Charter. The Member says that there are no problems with the existing system. I have said already that the existing system is not the one we are accustomed to. We are in a transitional period from common law to constitutional law. We are moving into a new regime. We are in kind of amorphous state at this point.

We have historically been an agrarian nation with fairly small government. In the last couple of decades we have become more populated and certainly more cosmopolitan. We now have a Government that is growing and has grown for the last couple of decades. In my view the purpose of the Charter ought not to be so much to protect us from each other, but to protect us from the Government. That was the entire purpose of the U.S. Bill of Rights; to protect people from an ominous, overriding and bullying government. If the Charter is going to function in any logical and responsible way, that is what it ought to do for us. The Canadian Government is growing year by year. It certainly has done so in the last two decades. Canadian citizens need to feel that there is a limitation upon Government, that it cannot willy-nilly encroach upon the rights of citizens.

I think it is important that in the historical experience of western countries the freedom and right to own property is integrally involved with political freedom. It is not that way around the world. I know there are regimes where that is not the case. In Africa, for example, there is a communal system. In western countries it is pretty well unanimously true that when you have the right to own property you also have political freedom because you can always be independent and make it on your own. In those countries where property has been taken away from the people, there is no political freedom. That is a fairly uniform experience in western countries.

The way to make people insecure is to take away their ability to look after themselves. They have no guarantee of being able to look after themselves if they do not have their own property. That is certainly the case in the eastern European countries.

It is important that we urge the Government that the inalienable and undeniable right to own property be entrenched, not to protect us from each other, but to protect us from a Government that becomes insensitive, loses its touch with people, and thinks it has its own reason for being. I commend the Member for Mississauga South for bringing this motion forward. I hope that we will soon see the day when these rights will be entrenched in our Constitution.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I would like to commend the Hon. Member for Mississauga South (Mr. Blenkarn) for the concern that he has expressed about the entrenchment of property rights in the Constitution. This is a matter in which many Canadians are interested. It is for that reason, however, that I must agree that Private Members' Hour is not the appropriate forum for resolving this matter.

I, no less than my colleagues, am sympathetic in principle to the entrenchment of property rights in the Canadian Charter of Rights and Freedoms. These rights are deserving of the protection they can be afforded by entrenchment in the Constitution. By entrenching property rights in the Constitution we would do two things. First, we would be making a statement about the importance of property rights and the value they hold for ordinary Canadians. Second, we would at the same time be providing Canadians with legal rights enforceable in our courts of law. Because the Charter of Rights and Freedoms is the supreme law of the land, these rights will prevail over laws enacted by Government where these laws infringe upon the enjoyment of the rights. The importance of these rights should therefore not be underestimated.

We in the Progressive Conservative Party do not underestimate the importance of entrenching property rights. Hon. Members have heard my colleagues speak of the continuing support of the Progressive Conservative Party for the entrenchment of property rights. This support was reiterated during the recent election campaign. During the campaign, in response to questions about this matter, the Conservative Party provided the following answer:

> A Progressive Conservative Government will consult with the provinces with a view to amending the constitution to recognize property rights in the Charter of Rights and Freedoms, while ensuring that any such amendment does not adversely affect other bona fide rights of individuals (for example, in family law). We believe that the exercise of this right has been instrumental in the building of Canada and is a principle valued by the great majority of Canadians. As you know, the right to enjoyment of property is recognized in the Canadian Bill of Rights. We believe it should be part of our constitution.

I think this statement is a good indication of the depth of our commitment to the entrenchment of property rights.

The historical importance of property rights in our society is clear. It can be traced back as far as the Magna Carta in 1215. The development of property rights is linked with the development of our democratic institutions. This link was noted by the Hon. Member for Richmond-South Delta, (Mr. Siddon), who is now the Minister of State for Science and Technology, on the occasion of a motion to entrench property rights in the Constitution which was brought forward by the Progressive Conservative Party in 1983. The Hon. Member said, as reported at page 24,999 of *Hansard* for April 29, 1983.

If we go back in history we find that not only the right to own and enjoy property is fundamental to Canadian history. As the Hon. Member for Provencher pointed out, it goes back to the time of King John, the Magna Carta and the constant struggle through history, which went hand in hand with the evolution of the parliamentary system and with the evolution of property rights and individual rights as a means of escape from monarchism, feudalism and the baronial entitlements, previous systems under which some citizens had many more rights, powers and privileges than others.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

RESEARCH—CANCELLATION OF PROPOSED WINNIPEG MANUFACTURING RESEARCH CENTRE. (B) GOVERNMENT POLICY ON CONSULTATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am pleased to have this opportunity to speak on the adjournment motion with respect to a question I raised in the House on November 14, but which has a currency that surpasses the elapse of time because it is a matter that is still of very important consequences for the economic development of this country and the economic growth of my own region of Manitoba.

Last week I had the opportunity to present a petition in the House which was signed by over 1,000 residents of the City of Winnipeg asking the federal Government once again to reconsider its decision to close and cut back the major development of the National Research Industrial Technology Laboratory in Winnipeg. I think that by this time the reasons for that are well known, but what is not so clear is the fact that this particular development met every single criteria that was put forward in the statement by the Minister of Finance (Mr. Wilson).

What I could not determine during the Question Period is why a project that met the test of consultation, met the test of research and development, that met the test of new economic growth and development in fact was rejected by the Tory Government.

A brief history might just recall to members' minds what took place. The NRC laboratory was based upon consultation that had gone on for over four years between business, labour, universities, the provincial Government and the federal Government. The objective of that centre was to establish in western Canada an industrial technology laboratory that would provide a stimulus for new manufacturing technology for all of Canada. It would give us the capacity and ability to compete internationally to sell our products abroad and help in particular our small business people to develop new industrial techniques to meet overseas competition.

Furthermore, it was located in a western Canadian city to make sure that the benefits of high technology were not concentrated in just one or two regions of Canada, but in fact shared and distributed equally across Canada.

Furthermore, it was part and parcel of the major downtown development program that would bring new workers into that downtown area and therefore enhance the over-all economic growth of that region. The building was already under construction. The research people had been hired. They were already in Winnipeg undertaking research at the university.

What is more important, over four major companies, some of which were from California in the United States and other places, had decided to locate brand new manufacturing facilities in Winnipeg as a result of the decision to locate the laboratory in that city. This would have provided new jobs for Canada. It would have provided new manufacturing technology for Canada and would have provided a major stimulus for the growth of Manitoba. It would have given hope to young people coming out of our universities and training colleges that there was a place to go. Instead, the Government cancelled the project.

To the credit of people in Manitoba, they have not given up on that. They have not accepted that decision. A number of organizations, the university, the Chamber of Commerce and a coalition of citizens continue to make representations. As their Member of Parliament, I am here once again to make that representation and have the Government once again rethink the project, come to its senses and recognize that the cancellation of that project did nothing but hurt Manitoba, Winnipeg and the country.

I would suggest to members, as I have tried during Question Period, that, if the Government is so wedded to its notion that the federal Government should not be totally committed to paying for the National Research centre, it should at least accept the proposal that we establish research co-op. I suggest that we work out an arrangement whereby the universities, the business community and the governments would share responsibility for that lab and its development and projection and share responsibilty for developing an economic plan for that region growing out of the institute's research facility. On the basis of the Government's own argument for consultation and co-operation, surely it could at least accept the proposal which

is being made by the broad community of the Province of Manitoba representing all sectors.

• (1805)

Time is of essence. The longer the Minister of State for Science and Technology (Mr. Siddon) and the Minister of Finance (Mr. Wilson) drag out the decision and the longer they keep things hanging, the more we will lose those businesses which were planning to locate there, the more we will lose the scientists and engineers who came to Winnipeg to work in that laboratory, and the more we will lose the opportunity for young people to plan their careers in relation to the facilities which the laboratory would have stimulated.

Not only is my intervention at this time a plea for the Government to respond to the proposals for a research co-op, but to respond with a degree of clarity and quickness. If it simply holds out and continues with no answer to the requests and entreaties of members of that community, many of the benefits will be lost and the opportunity for the Province of Manitoba to meet and plan for a new economic future will also be lost. My intervention this evening is simply to say to the representative of the Minister that it is time to take some action and to make some decisions so that Manitoba can go ahead and do some decent planning for the future of its people.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, the decision to end the ongoing funding of the Institute for Manufacturing Technology in Manitoba was not an easy one for the Government to take. As with many of the difficult decisions announced on November 8, the Government was merely confronting the unpleasant fact that in the presence of the growing national debt we cannot afford to do everything we would like to do.

The ongoing operating costs associated with the Institute of Manufacturing Technology would have been in excess of $20 million per year. It is clear that the previous Government had not adequately considered this expense when it approved the capital project.

Last November 14, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) asked about the impact of the decision affecting the institute. In response I would point out that it would be difficult for anyone to ascribe credibly a specific impact to the decision. I say this because those involved with the project are still struggling to define the type of research and the kinds of equipment the institute would have. As the Hon. Member will know, the previous Government was criticized by the Wright Task Force, the CMA, the Senate Committee on National Finance and others, for its policies with respect to technology centres, and IMT was often cited specifically as a concern.

It was in this context that the November 8 decision was taken. Nevertheless, the federal Government recognizes the importance of manufacturing technology. It acknowledges the efforts of many well-meaning people associated with IMT. Thus the Minister is pursuing a number of initiatives aimed at keeping manufacturing technology expertise at NRC.

In addition, construction contracts associated with the project will be honoured, and this will see the building substantially completed. As the Minister said in Winnipeg last November, the building offers considerable potential and the Government is determined to see it put to productive use, notwithstanding the financial constraints facing the country. In this regard the Minister has invited the private sector and the provincial Government to participate in the staffing and the operation of the facility.

This proposal holds tremendous promise. As I mentioned before, the task force on federal policies and programs for technology development, the Senate Committee on Science and Technology and other bodies have stressed the need to increase the linkage between government in-house research activity and the private sector applications of the fruits of this research. The Government believes that the private sector is more likely to take an interest in research and use it if it has a financial interest in the activity. It is for this reason that we are optimistic about the Minister's initiative in relation to the Winnipeg institute.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

• (1810)

ENVIRONMENTAL AFFAIRS—PROPOSED WEATHER SERVICE INFORMATION CHARGE. (B) METHOD OF IMPLEMENTATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my reasons for requesting clarification of a question I asked in the House some time ago of the Minister of the Environment (Mrs. Blais-Grenier) are quite simple. I blamed the cuts on the Minister of Finance (Mr. Wilson), but the Minister of the Environment was good enough to stand up in the House last week and say that it was not the Minister of Finance, but she who cut the programs in her Department. Therefore the Minister of the Environment is solely responsible for those cuts that did not make any sense at all.

The Minister announced that she was going to charge Canadians for picking up the telephone and dialing atmospheric environment; charge people for dialing the weather office. She announced at the same time that she would do away with guided tours in national parks. There are going to be self-guided tours, whatever they may be.

When I asked the Minister whether she was going to charge people for telephoning the weather office, she verified that. I then asked about the changing weather patterns in this country, and how they affect the farmers of western Canada, fishermen in eastern Canada, the travelling public on our highways in the north and in other parts of Canada. With our ever changing weather conditions they need frequent updates other than just those available from the media. The Minister said in cases of health and safety they will not be charged. In response to a direct question her words were that fishermen would not be charged.

The Minister was really on the spot then. How do you determine who is to be charged, and who will make that judgment? Bell Canada will not be a collection agency for the Government of Canada, collecting money for telephone calls, using some kind of a means test. Obviously the employees in the weather office cannot question every caller. If they did it would take time, and even then how could they verify the information. What is a legitimate call? Will they check the social insurance number of every caller to determine whether he is a fisherman, farmer of someone travelling on the highway? How can that be verified?

In announcing these ill-advised cuts the Minister reversed some of her decisions. For example, she reversed the decision on the study of the effect of toxic substances on Herring-gull eggs. That and various other programs in that area will now be continued. I do not want the Minister to reverse this decision the way she reversed that decision. She re-instituted a one person year to carry out the program of all of these people who were cut in the Canadian Wildlife Service. Let the Minister try and deny that. She cannot.

The Minister made a statement to the media today that she would phase in the program on the herring-gull eggs on April 1. That is rather confusing because the cuts were not supposed to take effect until April 1. I do not want the Minister to state here today that she is going to reverse the decision to charge people for telephoning the weather office in the way she made the reversals on the other cuts that she announced. That does not mean anything.

I want the Minister to explain how she will carry out this policy of charging Canadians for phoning the local weather office. How will the interpretation process of whether health and safety is involved be handled? I feel quite confident that she will stand and say they are really not going to charge for that, or that everybody who phones the weather office will be charged, thereby going back on the statement she made in the House during Question Period. It has to be one way or the other. It cannot be as she stated publicly in this House because that is unworkable. I am very interested to hear what the Minister has to say, and I am very pleased that she attends the late show. I look forward to her retracting that charge on the Canadian public.

● (1815)

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank my obliging colleague for giving me this opportunity to outline in this House the measures we will be taking to get the funds that will help us complement our weather services. You have noticed that my colleague, who had very kind remarks for me before Christmas, has been all smiles when asking his question, even though his tone of voice was outrageously shocked. I remember only the smile.

Mr. Speaker, weather information provided to the general public and to special user groups such as farmers and fishermen is already available through the media, and especially the electronic press, that is radio, TV and cable television. Maritime weather forecasts for instance, including warnings, are available through the Canadian Coast Guard's marine bands which continuously broadcast them. Thus are categorized the various user groups.

Environment Canada has established radio stations which broadcast weather information 24 hours a day over a special frequency from the 13 most important centres in this country. In the four Atlantic Provinces, provincial governments cooperate financially with us in making this service available to a greater number of users through automatic answering service. This is to reassure my colleague and suggest to him that general weather information is available, through one or the other of those means, to the vast majority of Canadians.

But there are also people who sometimes want additional information, for instance statistics on past weather conditions, weather conditions in other areas of the country or abroad, more specific details on forecasts, or who simply find it more convenient to get such information over the telephone. Because of their limited or specialized scope, such services should not be paid by all Canadians, because they are now paid for out of public funds. People requesting such additional services from now on will have to pay a small fee to get them. This is only fair in my view. For the first year starting in 1985, we expect to collect $1.3 million in this way.

A task force has been set up within the Department to decide on program conditions and determine the services the Government will continue to provide to the media for distribution to the public, as has been done during the past 100 years. Special attention will be paid to maintaining the quality of the weather information services and the implementation of a system of fees that will be realistic, efficient and compensatory.

STATUS OF WOMEN—GOVERNMENT POSITION. (B) ELECTION CAMPAIGN STATEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if we are to believe the Minister of Environment (Mrs. Blais-Grenier), the government's financial burden has hit Canada's environment the hardest. How incredible!

Mr. Speaker, I think I will go on to another issue and a question which I raised with the Prime Minister (Mr. Mulroney) almost two months ago. Hon. Members and Canadians generally are well aware of the promises made by our Prime Minister during the historic debate on women's issue which was seen by TV viewers in Quebec and in the rest of Canada, in fact all Canadian saw it. In the course of that debate with the three party leaders, our Prime Minister made some promises to Canadian women, promises which indeed had to do with the question of equal pay for equal work, and yet this Government, which has now been in office for about five months, has not done anything for Canadian women—all we

have heard so far were the empty words uttered by the Prime Minister. He fancies himself as an actor or a comedian, a kind of Johnny Carson who does not really want to respond to the Canadian people, especially not to the women of Canada whose economic needs are so real.

When the issue of equal pay for equal work is raised, Mr. Speaker, one thinks immediately in terms of the 10 per cent of the Canadian labour force which comes under federal jurisdiction. A simple glance at the Canadian banking scene reveals that women workers, particularly at the federal and provincial levels, earn roughly 60 cents for every $1 earned by male workers.

The Government, the Minister and the Prime Minister did promise Canadian women that, the minute they got elected, they would do something right then and there to settle that problem.

● (1820)

[*English*]

The Prime Minister (Mr. Mulroney) made promises to the women of Canada promises upon which the election campaign was built. He told the women of Canada that the moment he was elected tens upon thousands of jobs would be created for Canadians and that the women of Canada would see not only a fair application of equal pay for work of equal value, but that they would also see contract compliance at the federal level, and that people who wanted to do business with the Government would have to toe the line. During the debate last August he said, "J'irai plus loin".

We can see—as we saw in the white paper tabled today which considers the removal of universality of benefits to families who earn $28,000 or more a year—that it is just another shallow promise by a shallow Prime Minister and a shallow Government which have no intention of delivering on the promises made to the women of Canada.

All partisan politics aside, the women of Canada showed during the constitutional debate in 1982 that they would not take a second stage or a second seat to anyone. The women rallied on all political sides—Liberals, Conservatives, New Democrats and non-partisans—to ensure that the women of Canada were given equal rights under the Constitution, against the thrashings, groanings and moanings of the premiers of the Progressive Conservative persuasion in Canada. The women of Canada will not be silent. They are looking at this Government. They are judging the Prime Minister, not on the basis of his verbiage, of which there is plenty, but on the basis of his action.

If we look at the economic results which have occurred since September 4, the political results, and the unfulfilled promises made to the women of Canada, it is clear that this is a Government with a Prime Minister who had no intention of keeping the promises, who did not deserve the trust of Canadian women or the vote of the Canadian people, and who will be roundly chastised by the voters when they have an opportunity to return a Liberal Government. A Liberal Government will deliver on its promises in a way which the Conservatives have shown they are unable and unwilling to do. The women of Canada will wait four years and will continue to fight for the equality which has been denied them by the Government and the Prime Minister.

The Prime Minister has not even bothered to show up in the House for this very important issue.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the question raised today by the Hon. Member for Hamilton East (Ms. Copps) is of critical importance, but I really wish she could raise it more calmly and less aggressively. If she did, we women could perhaps get better results.

It is a fact that the principle of equal pay for work of equal value is essential for women to gain economic equality. As the Hon. Member is aware, two departments and one agency—

Ms. Copps: I did not need to read my statement.

The Acting Speaker (Mr. Paproski): Order, please.

Mrs. Bertrand: Mr. Speaker, as the Hon. Member should know, two departments and one government agency are responsible for applying the principle of equal pay for work of equal value within the Public Service. First of all, as the employer for the whole Public Service, the Treasury Board has the overall responsibility of determining rates of pay. The Department of Labour keeps employers informed about government policies and encourages them to recognize the problems which can exist in the workplace and to find mutually agreeable solutions. Finally, the Canadian Human Rights Commission receives the complaints lodged by employees coming under federal jurisdiction who were unable to obtain satisfaction from their employers.

I wish to emphasize that, to this date, four types of complaints laid by members of the Public Service have been settled to their satisfaction. The employees involved were able to obtain a satisfactory settlement in every case. It is only recently that one case had to be referred to a panel of the Human Rights Commission.

Legislation guaranteeing equal pay for work of equal value has existed since 1977. However, these measures by themselves are not enough. They have to be applied efficiently. In the Speech from the Throne we find a commitment by the new Government guaranteeing compliance with the principle or equal pay in all sectors under federal jurisdiction. The Minis-

ter responsible for the Status of Women has already written to his colleagues, the President of the Treasury Board (Mr. de Cotret) and the Minister of Labour (Mr. McKnight), with a view to initiating discussions to ensure that Canadian women will achieve economic equality in the workplace. This will happen eventually and as soon as possible.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6.26 p.m., the House adjourned.

HOUSE OF COMMONS

Tuesday, January 29, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, January 28, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Speaker: Is the House ready for the question?

Hon. Herb Gray (Windsor West): Mr. Speaker, I am rising to oppose the motion that was moved yesterday by the Government. The motion in question is intended to choke off debate at a most inappropriate time. Certainly when we are dealing with a measure of the importance claimed for the Bill to create Investment Canada, by the Government, I would submit that the measure would require the widest and deepest possible consideration, not only in committee but in the formal stages of debate here in the House.

Instead of allowing this debate to continue, instead of allowing Members of the House to have the fullest opportunity to express their views and concerns during the second reading stage, the Government has moved an amendment to have the previous question put, thereby shutting off the opportunity that would otherwise exist for Members of the House to offer reasoned amendments and to bring about a vote on second reading. I submit that this is most inappropriate and most untimely. This motion deserves to be rejected by the House.

Aside from the reason I have already stated, that the motion is designed to choke off debate on second reading before Members of the House feel they have had adequate time to express their views at this stage, another reason to oppose this motion is that the Bill itself has not been shown to be one worthy of the support of the House. The debate that has gone on over the past several weeks, rather than strengthening the case made for the Bill by the Government, has, in my view, done just the opposite.

In proposing to Parliament the Bill to create Investment Canada, the Government has given as a reason for it the notion that the creation of Investment Canada would in itself cause a massive flow into Canada of the kind of investment needed to create jobs and bring about economic growth. However, it is most interesting to note that after the Bill was presented to the House for second reading, a number of articles appeared in the press examining this very question. The articles all came to the conclusion that the Bill itself would not really do anything to bring to Canada the kind of investment we continue to need in order to create jobs and generally improve the economy.

The articles in question pointed out, as I did in an earlier speech in the House, that what brings investment to a country or community is the view of the potential investor that there are profits to be made and that there are markets to be filled. In other words, investment is brought to a community when there are demands for the products or services intended to be created by the investment, demands sufficient that these products or services can be sold at a profit. The Investment Canada Bill does nothing whatsoever to improve the prospects for investors of making a profit through investing in Canada, whether they are foreign or Canadian investors. This Bill does nothing to improve the conditions in the Canadian economy which would lead investors to believe that they have a reasonable chance to make a profit beyond the situation existing at present.

• (1110)

Let me outline some of these factors and try to relate them to the Bill. One of the factors is the extent of capacity utilization in the Canadian economy, that is to say, the extent to which there are factories which are not being used fully to produce goods and the extent to which there are facilities which are not being used fully to produce and distribute services in the Canadian economy. The facts are clear. There is a very high rate of unused industrial capacity in the country, and this Bill does nothing whatsoever to bring about the increased usage of the unused industrial capacity.

Another factor is the rate of profit which is already being earned, or expected to be earned, by business in Canada. There are many in the business community who feel that there has not been a sufficient recovery in profits from the lows which they reached during the recession to justify vastly increased new investments. There is nothing in the Bill to increase the rate of return, or the prospects of an improved rate of return, for business in Canada which would lead business to decide to make further investments in the Canadian economy.

In addition, one of the problems which business has been given for not being willing to increase investment in Canada is the high rate of debt that has been built up and which clutters the balance sheets of business in the country. It is a hangover

from the last recession. Until business feels that there is a better ratio in its balance sheets between debt and assets, and until the debt situation is under better control, business will continue to be inhibited when it comes to investment decisions. I reiterate that the Investment Canada Bill does nothing to help the problem of excessive debt which still clutters the balance sheets of too many companies in Canada.

We do not simply want to see more investment from abroad; we want to see more investment by Canadians so that they will have the opportunity to benefit from the development of the resources, capacities and skills which are found in their country. Canadians have the wherewithal to invest more fully in Canada, if one looks at the very high level of savings as a percentage of the Gross National Product. Canada has a rate of savings which is somewhat greater than, and possibly double, that of the rate of savings in the United States. There is nothing in the Bill which would bring about increased opportunities for investment in the economy by Canadians. There is nothing in the Bill to encourage Canadians to use their high level of savings to invest in Canadian opportunities. Although the Bill gives some superficial lip service to the idea of encouraging investment, there is nothing in it to bring about that concrete result when it comes to investment by Canadians or investment by other people.

There has been no indication to the Opposition or to Canadians generally in the speeches of government Members in the debate on second reading thus far that this Bill will bring about the flow of investment which the Government says will result, the kind of investment which continues to be needed to create jobs and bring about an expansion of the Canadian economy. Spokesmen for business who were quoted in the press, including a recent article in the *Financial Post*, continue to confirm that the level of investment expected in this country will be weak compared to the level at which it was in past years under Liberal Governments.

• (1115)

I believe, Mr. Speaker, that the amendment before this House should be rejected so that government Members will have a better opportunity to make their case as to what this Bill will accomplish for Canada, because they have not made that case as yet. In fact, they have not done anything to undermine the basic point which I and others have made, that is that this Investment Canada Bill, rather than bringing benefits to Canadians in terms of jobs, investment, research and development, will have just the opposite effect. Therefore, Mr. Speaker, until the Government can persuade us and the Canadian people in this second reading debate that this Bill deserves to go forward, it should not do so. The second reading debate should continue and this motion should be soundly rejected.

Mr. Dan Heap (Spadina): Mr. Speaker, what we are dealing with here is a Bill which has been fairly called "a Bill to sell our country out". It is no wonder that the Government is in such a hurry to end the debate with a gag motion. It would rather that Canadians do not hear that this Bill will in effect help foreign businessmen, especially from the major trading partner, the United States, to come in, buy up our businesses and then shut them down as was done at the Black and Decker plant.

We do not need this Bill. We do not need to weaken FIRA; we need to strengthen it and make it more like the anti-dumping tribunal. We need an opportunity for public representations to be made on the question of a takeover by the company which wants to do so, stating its position and reasons and what it will commit itself to do for the country from which it proposes to make a profit. We need statements from the workers and statements from the communities which will be affected. There would then be an opportunity for new commitments to be worked out or, at the least, an opportunity for the community to know what its future is.

However, this Bill does not propose anything of the sort. Instead, this Bill follows the line taken by the Prime Minister (Mr. Mulroney) in the fall and the Minister who moved it, "that Canada needs foreign cash", and there is the unspoken statement that, "we will do anything at all to get it on a short-term basis". The device which is being used now is to make the review more secret, more limited—in fact, limited to one man. That is not what we need, Mr. Speaker. That is how we got into our present trouble.

There has been a great rush of foreign investment into Canada ever since 1945, the end of World War II. I remember that when we came out of the Forces the slogan was "full employment". We all remembered the dirty thirties, we all remembered the hobos riding on the railway cars going east and going west, all of them looking for jobs which were not there. I remember our church collecting pots and pans for a desperate family who were going back to some piece of farm land in Manitoba that was so poor it was empty at the time. I remember my half brother, Bill, working in the Winnipeg soup kitchen. He thought he was lucky to have the opportunity to work the midnight shift as a cleaner, and talked about the men slashing their wrists. I remember my Dad saying to a neighbour, "If war was declared today, I guess you'd have a job tomorrow". In 1945 we did not want to go back to that. So the doors were opened wide to foreign investment which was supposed to be the solution to our problems. During that period, when foreign investment ruled, unemployment rose from less than 3 per cent to about 12 per cent. Unemployment quadrupled in this land during the four decades when foreign investment ruled. It was a short-range solution, or what some people have called a quick fix. It apparently worked for a few years, and now we are having the long-term pain for that short-term gain. Canada was mortgaged to the United States.

• (1120)

This massive increase of foreign investment meant that there was no commitment to keeping Canadian plants open. We had forgotten what happened in the 1930s when foreign owners shut down their plants in Canada, because for a few years Canada and the U.S. were almost the only countries in the world able to sell manufactured products after World War

II. Things looked easy. We did not understand what was coming until the late 1950s. Under the Diefenbaker Government, the last Tory Government which lasted for more than a few months, we had tight money, bankruptcies, and rising unemployment. Remember how immigrants were harassed in the name of unemployment? All the while the U.S. was taking over our industries, so that now they own or control 51 per cent of our manufacturing and we have lost hundreds of thousands of jobs in the last couple of years. They own 98 per cent of the rubber industry and 51 per cent of agriculture. When I grew up in Canada I understood that this was an agricultural country. One thing Canadians could do was to feed ourselves and others. Now we have lost control of 51 per cent of Canadian agriculture and there is nothing to say that we will not be in the position of some other countries some day when the food is grown here but exported while Canadians go hungry.

Some 92 per cent of transportation equipment, 70 per cent of electrical products and 71 per cent of chemicals are controlled by the U.S.

Therefore, the top 50 companies in Canada can be analysed this way. U.S.-owned companies lost twice as many jobs in Canada as Canadian-owned companies during 1982 and 1983. Why? Of firms with over 500 employees it has been found that the Canadian-owned firms spent ten times as big a proportion of their profits on research and development as the foreign-owned companies did. Graduates of the University of Toronto are hunting for jobs, and the reason for the cut-back in research jobs is that the foreign owned companies do not do their research in Canada. Yet the Minister proposes to open the way for more takeovers and he does not want the U of T graduates to know what he is doing in time to protest.

Foreign firms are pumping money out of Canada. The U.S. companies, which represent 36 per cent of all corporate assets here, account for 61 per cent of remittances abroad. In other words, when small business is looking for capital we are being starved by the foreign-owned industries. One third of the tax revenue which should have come to us from the computer manufacturing industry was diverted by companies which played the international pricing game between factories.

We are not, Mr. Speaker, getting what was promised to us in this American takeover of Canadian industries. They are not creating more jobs. For a few years after World War II it appeared to be so, but in fact it is not so, and that is why we have been in such severe trouble for the last three or four years. We do not need an increased takeover of our factories which, as the previous speaker pointed out, are not even operating at full capacity. A foreigner owner would be happy to shut them down completely, probably. What we need is greater protection of the Canadian worker and potential owner of industry who wants to develop industries which will work here in Canada and create jobs for Canadians.

The experience of other countries is just like that of Canada but more intensive. It has gone further because they were weaker to start with. Take a country like the Philippines. In 10 years of this kind of program, foreign control of investment capital and the import-export policies of their government, they have had their real wages cut in half. Workers with only half the money cannot pay the price for rice, which means that the price of rice going to the farmers was cut in half. The result in the Philippines was poverty, repression, assassination, and riots. We are not close to that in Canada yet. We have only growing poverty and some hints of repression through the secret service Bill of the last Government.

This has not been happening only in the Philippines. The same process was carried on in the same years in South Korea and in Central and South America under the rule of the International Monetary Fund. In all cases there were Governments in place which agreed to allow growing foreign takeovers of industries, either directly or through loans from the IMF and western banks. In all cases unemployment and poverty have grown to desperate proportions. In all cases they are looking at possible bankruptcies.

• (1125)

We do not need this gag motion to end this debate. We need to let the public know what is happening.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, Tuesday, December 11, 1984 will live as a day of infamy. On that day the Minister of Regional Industrial Expansion (Mr. Stevens) introduced Bill C-15, an Act respecting investment in Canada to be read a second time and referred to committee. With those and many other words he set out to dismantle the progress that we have made over the decades to make this country a place where greater control is held by Canadian entrepreneurs and workers.

January 28, 1985, yesterday, will also be remembered as a day of betrayal. On that day the Government and the Tory Party undertook to invoke closure to prevent this debate from continuing so that we would not be able to discuss what was at stake with this most important issue. Some feel that this may challenge the very independence of Canada. Those of us in the Opposition know that it will threaten our independence as a nation and affect our sovereignty. Therefore, a great deal is at stake in this debate.

When the Tory Party was in opposition it was very jealous of its right to debate every Bill at great length. The members spoke of the importance of freedom of information, consultation and dialogue. We now see that that same Tory Party, which was on this side of the House such a short time ago, has already betrayed the promises it made to the electorate of Canada that it would form an open government ready to listen and debate. Unlike the Liberal Government, it was going to take its time and listen to people's opinions. Already, such a short time after the opening of the House of Commons, although we have passed quite a number of Bills, we see on this vital Bill impatience to choke off debate in the House of Commons. It is rather sad to see them try to silence the voice of a small Opposition which is trying to sound a note of caution and concern on behalf of a large number of Canadians who have supported this program for years with their votes

and views. This is no unimportant matter and therefore does deserve the serious consideration of the House of Commons.

● (1130)

We now discover that we will be unable to carry on this debate. Unfortunately, in the Conservative's presentation on this important subject, they have been misrepresenting the facts about FIRA and the effects of the Foreign Investment Review Act on Canada. We believe that we have ample evidence to show that it has had a beneficial effect on Canada and a beneficial effect on Canadians.

Let us look at the facts as shown by the statistics. In the ten years prior to the inception of FIRA, from 1964 to 1973, new direct foreign investment in the form of takeovers and other transactions flowed into Canada at a rate of approximately $700 million per annum. Since FIRA has been in force, from 1974 to 1984, the average has been about $1.4 billion per year rather than $700 million. This represents a substantial increase in investments since the time FIRA came into effect.

Over the past four years, the new direct foreign investment figures averaged over $2 billion. In 1983 alone, interest rates were seen as being historically high in comparison to U.S. rates especially. As well, larger firms were retrenching and rationalizing and pulling back. There was a long-term net capital inflow into Canada of $2.8 billion in that difficult year. The facts just simply do not bear out this mythology that has been set forth by the Tory Party about the dangers of FIRA.

As a matter of fact, although the Conservatives often refer to $17 billion in equity capital that has left the country since the introduction of the National Energy Program, the truth of the matter is that over this period there was an aggregate net capital inflow to Canada of $21 billion.

Although it is true that there was an outflow of money from Canada as a result of the NEP, it is largely the result of successful takeover bids by Canadian firms for foreign-owned oil subsidiaries, which considerably increased Canadian ownership of the oil and gas industry. Those who are doubtful need only consider the fact that the Canadian ownership of the petroleum industry has increased considerably during that period for a relatively small outflow of funds.

It cost us money to buy back what we believe we deserve to own, and Canadians supported that buy-back as well as the idea that Canadians should exploit their own country and derive a major benefit from the resources that belong to Canada. We do not apologize at all for that reality.

Moreover, since 1974, the Foreign Investment Review Agency has approved 92 per cent of all applications. Procedures were streamlined in the June, 1982, budget and the approval rate is currently around 97 per cent. That can hardly be called a stringent discouragement to foreign investment.

FIRA exists to ensure that foreign investment will benefit Canada and Canadians and it achieves this by considering the potential investments in a number of dimensions, such as the effects of foreign investment on economic activity, the degree of participation by Canadians, and provincial needs and compatibility with national industrial policies.

All through FIRA's existence, the federal Government has consulted with the provinces on every foreign investment application. Rather than some arbitrary action, it has consulted with the provinces on every application. In the past nine years, the provinces have disagreed with the federal Government on less than 3 per cent of investment applications.

Although most countries do not have a centralized foreign investment review system, they certainly do not have an open door policy on foreign investment. Many countries, including the United States, review investment with legislative provisions and administrative procedures. Canada is one of the few countries in the world that openly outlines investment regulations.

A recent study by the Brooking Institution shows that 35 per cent of U.S. manufactured goods are protected by quotas and buy-American rules and other non-tariff restrictions. It also shows that this protection in the United States has risen by 15 per cent in the last three years of the Reagan rule. While our boy scouts in the Tory Government do their good deeds for the United States and open the door to the U.S. and foreign investors, the Government has had the door slammed in its face by U.S. protectionism.

We regard this kind of debate as vital to our independence, our sovereignty and the interests of our people. We are concerned about unemployment and the fact that foreign takeovers close plants in this country and throw people out of work overnight. We regard this debate as one that should continue and one in which the Government should explain why our anxieties are unfounded and prove to us what it will do to protect Canadians from these dangers. I am deeply disappointed that the Government sees fit to cut off this debate on one of the most important topics that the House of Commons could consider.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is rather disillusioning to be taking part in a debate on an issue which Canadians believe their national Government began to address more than a decade ago with the establishment of the Foreign Investment Review Agency. At that time Canadians believed the federal Government was addressing the issue of domination of the Canadian economy, primarily by the United States.

If members of the Conservative Party believe that Canadians are no longer concerned about foreign domination of our economy as well as of other areas, they are entirely wrong. I cannot understand how the Conservatives could have gone through an election campaign without realizing that one of the most important assurances that young Canadians wanted was that Canada will remain an independent nation with its own salience on the international scene. Perhaps they view this Bill as salutory if they think there might be great economic opportunities for them in becoming totally integrated with the U.S. economy and becoming almost entirely a branch plant economy. However, they should also take into account the

realization that a Bill such as this will not in fact provide them with the economic opportunities they seek. All our young people feel, and they are right in feeling, that they are in a horrific double-bind. There is no longer any pride in Canada and no longer any hope for jobs and economic opportunities.

• (1140)

When the Foreign Investment Review Agency was set up, there was a feeling that at last Canada would have, at least in theory, a mechanism to ensure that some benefit to Canadians was derived from the domination of our resource industries and our secondary and manufacturing industries by multinationals. It is unfortunate that FIRA was never very clear on how to hold foreign countries to commitments to Canadian economic development. In fact, foreign ownership that FIRA allowed did not, as we know from reading all the statistics, provide very much, if any, real new investment in Canada. It was the case time and time again of foreign multinationals buying out existing Canadian companies and not creating new investment. Often they bought them out with our money, money they borrowed from Canadian banks, and did not create any new investment or any new jobs.

We argued many times over the past several years that there must be a genuine commitment from a foreign company to create real new investment and new jobs before the company is allowed to enter Canada, and that the commitment should be closely monitored. At least with all its failings we did have, and Canadians were proud that we had, a review agency that did not simply say that Canada is totally up for sale to foreign interests. It is disheartening for us in the New Democratic Party to witness the dismantling of the Foreign Investment Review Agency, and it is even more disheartening for us to hear the Government, when it tries to justify this measure, which these days is not very often, do so on the grounds that the foreign investment this Bill hopes to attract will somehow, without any controls over its use, provide jobs for Canadians.

As I have said, we know from our own past experience that without any controls or commitments no new jobs are provided for Canadians. If you look at the comments of my colleagues in this party, Mr. Speaker, you will see that they have repeatedly pointed out that of the top 50 companies in Canada the greatest number of jobs lost over the past two years has been from U.S.-owned companies.

One would think that if the Conservatives wanted to put a new face on old economic policies and if they wanted not to be seen entirely as the captives of international capitalism, they would propose something like the joint venture schemes in which we see countries like Sweden, Italy, China, and many others engaged. In those countries very serious and very important controls are exercised over foreign capital. Foreign capital is joined by domestic capital, and the domestic firm usually retains ownership or a significant ownership of the company engaged in the joint venture. As far as I know, the Government has not examined the joint venture operations that now exist in countries like Sweden, Italy, China, and even the United States.

I was looking at developments in the last year in the U.S. auto industry. I found that a large number of U.S. firms have joined forces with Japanese firms to manufacture products and components in Japan. The reverse is also occurring. Honda is making cars in Ohio and Nissan is making trucks in Tennessee. Hundreds of Japanese high-tech companies are entering into supply contracts with U.S. companies, opening plants, building laboratories, and funding research in the United States. This trend is forcing even the U.S. Government to prod companies doing business in the U.S. to invest in complex production using American workers, ensuring minimum employment levels and retaining research and development facilities. Why don't the Conservatives at least look at that kind of operation, at that kind of control of the operations of multinationals in Canada rather than simply giving away the whole shop? The Conservatives could get commitment for real new investment and real new jobs, but there is nothing in this Bill that makes it possible for such commitments to be extracted from multinational companies. The government obviously continues to be a puppet of international capitalism, just as it is of Cold War diplomacy.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I was going to speak on Bill C-15 during the principal debate, but as a result of the closure motion that is not possible, and consequently I will make my remarks, although much briefer, on this closure motion.

Mr. Dick: It is not closure.

Mr. Allmand: It is interesting to note that this Bill is the only new significant measure tabled so far by the Conservative Government in this Parliament, and despite that, it is not willing to let the debate take its natural course. This is coming from a political Party that over the years in opposition decried not only the use of closure, but also the allocation of time. In this case we do not even have an allocation of time.

The Acting Speaker (Mr. Paproski): I see the Parliamentary Secretary to the Government House Leader (Mr. Dick) rising on a point of order.

Mr. Dick: Mr. Speaker, I think it should be drawn to the Hon. Member's attention, if he does not know the rules, that closure comes under Standing Order 37. This comes under Standing Order 57—

Mr. de Corneille: That is not a point of order.

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Notre-Dame-de-Grâce-Lachine East has the floor.

Mr. Allmand: Mr. Speaker, that is the kind of politics of rhetoric that we have been getting from this Government since Parliament began. I know what the rules say—

Mr. Dick: You don't.

Mr. Allmand: —but in fact the effect of this motion is to close debate. I know that there is another closure procedure under another Standing Order, but this one has the same effect. It does in effect close off a very important debate.

The Prime Minister (Mr. Mulroney) when he went to New York after the tabling of this Bill announced that Canada was now open for business. Again, that is a lot of rhetoric. Anyone who looks at the statistics and the record over the last year or two will see that the volume of business between Canada and the United States has been enormous. As a matter of fact, the balance of trade in favour of Canada has been so high that the United States Government is very concerned. We have been selling very strongly into the U.S. market and making a lot of profits, and the Americans have been selling into our market as well. It is not a question of being open for business with the United States. It is, as many people have said and as our Leader has said, a question now of whether we are going to sell out the country to the United States and other foreign interests.

Many government people have tried to give the impression that FIRA, the Foreign Investment Review Agency, was against foreign investment, but that is not the case. The purpose of FIRA was to ensure by review that all investment in Canada was in the best interests of Canada and of the Canadian people.

● (1150)

Why was such legislation necessary a number of years ago? It was necessary because the pattern at that time had been that when foreign companies took over Canadian firms or invested in a substantial way in Canada, they were doing several things that were against our interests. In many cases they were closing down the research and development being carried out by Canadian firms. All that research and development went to their head offfices, whether they were in Chicago, New York or London, England.

I remind members of the Conservative Party from Montreal of the example of Ayerst McKenna, a long-time prominent pharmaceutical firm which was bought by a U.S. company. It went about gradually closing down the research and development area of Ayerst McKenna in Montreal, leaving many highly skilled scientists and researchers out of work. If it had not been for the actions of the federal Government and the Quebec Government last year in setting up research facilities under the reconstruction program, many of those scientists would have been obliged to go to the United States to find work. That is one reason.

Another reason was that many American-owned or other foreign-owned firms shut down the manufacturing element altogether in Canada and did the entire manufacturing in their plants in the foreign countries. They simply kept a sales agency in Canada to sell the U.S.-produced products.

There were many other negative effects. There was the siphoning off of profits into the United States and other foreign countries. The obligation was put on the Canadian subsidiary firms to follow U.S. national interests in politics. We had examples of that during the OPEC crisis and also with respect to our relations with Cuba.

In tabling this Bill, government Members have said that this Investment Canada Bill and the dismantling of FIRA will produce jobs. It will have the opposite effect. If there is no way of screening the foreign investment, no way to negotiate with the foreign investors in Canada and no way to oblige them to ensure that the investment is in the best interests of Canada, they will close down the research and development and the manufacturing and simply use the shell in Canada to sell their products. Therefore, there will be fewer jobs instead of more.

A good thing about FIRA was the way it operated to negotiate a better deal for Canada. As many debaters have pointed out, 92 per cent of the applications were approved. It was not that a large number of applications for investment were turned down. It does not show up in these statistics, but many of us know because we were part of the process over the years. Because FIRA was there, the investing company knew that its proposal had to contain elements which would be in the best interests of Canada. It was always conscious of the fact that it could not buy out a Canadian firm or invest in Canada without considering what was in the best interests of this country. There was a deterrent effect in the law which obliged it to consider those factors at all times.

If a foreign company did not do that, rather than turn down the investment proposal altogether, very often the Government would negotiate with the investment applicant and say, "We do not think your application does enough for Canada. We want some assurance that you will buy your supplies from Canadian suppliers. We want some assurance that you will keep research and development in Canada. We want some asssurance that you will maintain the manufacturing element". Very often through the negotiations they would make a commitment to do that, and the application would be approved. In the statistics on applications approved and rejected that was not always shown, but it was a very important element in the operations of FIRA which provided benefits for Canada and for Canadian jobs.

Bill C-15 is only one part of a Conservative government program to weaken considerably Canada's economic, political and cultural independence. When you look at the cut-backs with respect to the CBC and the cultural agencies and when you see how this Government has been kowtowing to the United States with respect to the defence and external affairs policy, simply going along with the star wars research and so on, you see that in the long run, this country is in for some great difficulty. We will not have the institutions or the laws to maintain those things that we as Canadians think are important.

Over a hundred years ago we decided to be a country on our own. We did not want to be American or British. We recently adopted a new Constitution. We want to be Canadians, despite the fact we are only 25 million spread along thousands of miles of border, next to a huge giant with over 200 million people. If we did not have special laws and institutions like the CBC, national railways, national airlines and FIRA, we would be

completely taken over and submerged by the massive U.S. economy, political system, culture and so on. That is not what Canadians expect or want.

We do not have the numbers on this side to defeat or amend this Bill, but through debates such as this we hope to influence public opinion outside this House so that that public will approach the 211 Conservative Members of Parliament and tell them how they feel about Canadian sovereignty, economics, culture and politics and that they will put pressure on them. We also hope to stimulate Canadian groups, individuals, professors and writers to appear before the parliamentary committee once this Bill gets there and let us know what they think about this measure.

My time is up. This is a very short debate because of the closure motion. I urge the Government to reconsider many of the elements of this Bill and give heed to common sense in what is a very important matter.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise a second time on Bill C-15, the first time on the closure matter. I wish to mention some of the fundamental principles, not only of the New Democratic Party but also of business that I feel are being ignored and even violated in Bill C-15.

There is no inherent hostility or hostility *per se* on the part of the NDP toward the United States or U.S. capital. There is no inherent fundamental quarrel with some of the practices that American companies bring to this country, practices which have been successful in their country and within their business environment. There is no quarrel with U.S. methods of marketing, although I am sure that Members on both sides of the House have felt that techniques that were being imported, particularly as they relate to politics, were somewhat overstated and excessive, given the Canadian environment and our traditions of moderation and caution. Nevertheless, our neighbours to the south have, in general, produced things that work. When they find something that works, they stick with it.

I would emphasize and re-emphasize that we are not seeking in this debate today to present some sort of front or attitude of antipathy toward U.S. capital, corporations or management practices. We are seeking to affirm and re-affirm Canadian economic traditions. It is our belief that in proposing Bill C-15, the Government has been seduced by U.S. propaganda at both the political and the business levels. That propaganda is aimed—and here again we allege no great conspiracy, but merely a community of interests that did not need the specific mechanisms stated—at enabling our neighbours to the south to buy Canadian resources, companies and assets at a price more in their interest than in the interest of Canada. That, Mr. Speaker, is of course a familiar business technique. It is not one that is inherently, essentially or fundamentally immoral, but it is nevertheless a business technique and it is one which is being aided and abetted by the present Government.

• (1200)

We did not find that the Foreign Investment Review Agency was an unusual mechanism. If we look at the legislative structures and commercial regulations of such countries as Japan, for example, we find that there are mechanisms in place which provide for a much more extensive and thorough review and analysis of attempted foreign investments than did the Foreign Investment Review Agency.

One of my colleagues made a good point yesterday, and it is one that should have been taken to heart by the Government. He stated that the United States itself very definitely does have a foreign investment review agency which goes by the style and title of the American Congress. The American Congress is accustomed—and who would deny it the right to do so—to reviewing foreign presence in its economy, but not only foreign presence in the sense of foreign investment or foreign purchases of U.S. companies but also, and perhaps more insidiously, foreign presence in the matter of imports. Let there be no mistake. The commercial régime under which the United States operates is far more invidious in both a qualitative and quantitative fashion to the Canadian economy and Canadian business than the Foreign Investment Review Agency, the National Energy Program and the national policy ever were to U.S. interests operating in Canada.

In tabling this legislation, the Government is sending a message to the marketplace and it is a very unfortunate message. It is a message that is being sent in conjunction with the planned sale of Crown corporations. It was only partly with tongue in cheek that I characterized that planned sale in my maiden speech last week as an attempt to set up a fire sale of Canada. We saw the spectacle of the Minister of Regional Industrial Expansion (Mr. Stevens) snapping eagerly at an initial tentative approach made by the B.C. Resources Investment Corporation to take over a couple of Crown corporations that were on the block. I characterized that apparent interest by the B.C. Resources Investment Corporation as a logical step off a tall building. The proposed purchaser did not have the assets, the commercial background or the track record to take on the Crown corporations in which the Hon. Minister supposed it might be interested.

The Government has not given any assurance to the House that the Crown corporations that are put up for sale will be available only to Canadian investors or Canadian corporations. The absence of that assurance along with the legislation that has been put before us will, to my way of thinking, create an expectation in the United States that Americans can indeed bid on Canadian Crown corporations that are coming on the block and that they will be able to pick up those Crown corporations at a price which will serve their interests better than the interests of the Canadian taxpayers.

In tabling the Investment Canada Bill, the Government is discarding an honourable and historical tradition of Canadian economic nationalism in which the Progressive Conservative Party and its predecessors have indeed participated. Why is there today a railway that does run from sea to shining sea? Why was the last spike driven at Craigellachie in 1886? The railway exists and that last spike was driven in order to tie together a country. It happened because the predecessors of the present Government at least had the wisdom to believe and

know that a government that did not control the economic links which held its country together was a government which would not be able to plan adequately for the economy and would not be able adequately to influence, guide, mould and direct the future economic development of its country.

I believe that the facts speak for themselves. We saw that the national policy was indeed a successful one. It is my belief that while the links of our economic fabric today may not be so obvious, tangible and concrete as was the construction of the Canadian Pacific Railway in 1886, those links nevertheless are of equal importance today as they were 100 years ago.

This tradition of economic nationalism was not established with blinkers on. It was not established for mere reasons of political expediency. It was not established for the sake of simply being different and using different mechanisms. It was established for very good reasons, reasons of Canadian nationhood and, yes, reasons of Canadian patriotism to which regionalism can contribute as well as operate against. It was established for legitimate reasons and deserves continuation for those same reasons.

The Provinces of Ontario, Quebec, Manitoba and British Columbia all recognized that only through provincial control of its utilities could the provinces have a real say in the direction, support and development of provincial growth. That is why we have—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. Is the House ready for the question?

Mr. George Henderson (Egmont): Mr. Speaker, when I spoke on this Bill previously, I brought forward some concerns that had come from Atlantic Canada, specifically concerns in relation to the fishing industry. Since that time, those concerns have become even greater among those employed in the fishing industry. There are concerns over what effect this Bill may have on foreign takeovers, because most fish plant operations are tied to quota licences. In effect, those quotas could be taken over by foreign companies and they could be used in whatever fashion a foreign company decided. For instance, it could close down a plant if it was seen as being in competition with that in its own mother country, it could reduce the operations or indeed, I suppose, in some cases it could even expand the operations, and that would be good. However, that is not likely to be the case.

I have also expressed my concern regarding the management of Investment Canada. I have expressed my concern over the fact that one Minister is responsible for deciding what is good for Canada and what is not good for Canada. I have some very grave concerns about that process. Under FIRA, there was a representative Cabinet committee which made the final decisions. I think it is imperative that all regions of the country including Atlantic Canada, the Northwest Territories and western Canada, should have input into the decisions that are made, and particulary as to how any investment may affect those regions.

In the last few days, we have seen just how Government works. There is no recourse to the bilateral West Coast salmon agreement with the U.S. which the Minister was able to initial. It is very difficult to discuss that openly with the different parts of the industry which are involved. They have no input into that decision. I realize it is sometimes difficult in that governments are required to make decisions, but where is the appropriate consultation which would provide those sectors of the fishing industry—be it the sports fishery, the trawler associations or whatever—and the people who are directly affected with an opportunity to have an input into this agreement? There is a danger in having a one-man operation in government. I do not think we can sufficiently stress that danger.

• (1210)

If we look at the track record of foreign investors in Canada, we will find that it has not always been good. I believe that Canada has lost in research and development. Most research and development of foreign companies which operate in Canada is done outside of Canada. Research and development creates very important jobs in the Canadian economy. Those jobs benefit our university graduates. We cannot always ship our brains outside of Canada. There must be a way in which meaningful jobs can be created, not just the ordinary jobs which last six to eight weeks. We must encourage jobs of a high-paying nature.

Dangers in the high technology industries are posed with the Investment Canada Bill. I am not the only one who believes that. In the business section of *The Toronto Star* today, Mr. James Gillies, a professor of policy and director of the Max Bell program in business and government studies in the Faculty of Administrative Studies at York University, who was a long-time Progressive Conservative member of this House, said:

> Also contributing to the balance of payments problem has been the inflow of foreign capital. It is imperative that capital flowing into the country be used for productive purposes and not for the transfer of the ownership of assets which does nothing for the economy and simply contributes to the foreign exchange problem.

Mr. Gillies has pointed out very clearly that foreign capital has not always been beneficial to the country. He went on to say:

> Not all foreign investment is productive. It is naive to believe that any flow of capital into the country will move the economy forward. It depends entirely on what it is used for. If it is not invested in the production of new plant and equipment and does not lead to an increase in exports it can have serious negative economic consequences.
>
> Moreover, until the intractable balance of payments problem is solved we must try to limit the borrowing of capital from abroad. No government or government agency should borrow in foreign markets under current conditions. If a government has a function that it believes must be performed either directly or through a government agency, the capital should be raised domestically or the proposed operation should be postponed.

Mr. Gillies—and I am sure we all have a great respect for his views—is saying that this is not necessarily a good thing. However, the Party to which he used to belong is bulldozing this piece of legislation through the House.

It is one thing to create a job—and we want to create jobs in Canada—but we should not do that by sacrificing the jobs which are already in the economy. What is the benefit if foreign investment enters Canada and takes over a company which will put other companies out of business? That is what worries me about the structure of this Bill.

Again, with respect to the one-man operation of the Bill, how will it provide proper input for other businesses in order that this can have an idea of what is going on? It is similar to a closed shop. There should be an amendment which requires the decisions to be made public. Canadian investors virtually could be wiped out overnight by the decision of one person, a decision which is in direct competition with their operations.

I mentioned previously some of the problems in the fishery in the Atlantic provinces. The National Farmers Union is very concerned about Investment Canada because of the development of mock products and certainly the new products which are made from whey milk. It is very detrimental to the dairy industry of Canada. The same thing is happening in the fishery with the introduction of mock crabmeat.

I see that my time is running out. Ten minutes is not long enough to put forward our views on the Bill and the seriousness with which this Bill should be taken by the Government and by Members of Parliament.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to explore the whole question of how we approach investment capital in Canada as it relates to foreign investment. If there is a company which requires human capital and that company wishes to go outside of Canada's borders to get that human capital—in other words a worker—this Government, as did the last, requires the company to do a job search. In other words, the company must search for that human capital from sea to sea to ensure that there is no out-of-work Canadian who could perform the task for which there is a vacancy. We should take the same approach when it comes to out-of-work capital. If we are in need of an infusion of capital into a business concern in Canada, whether it is partial or total, a capital search throughout Canada should be required. I believe the Government's role is to facilitate that.

I raised that idea with the Minister of State for Small Businesses (Mr. Bissonnette) in the finance committee meeting last night, in the context of whether or not that was the role of the Federal Business Development Bank. While he indicated that it was not its role to work with FIRA to search for capital, when FIRA receives a request from a Canadian firm to allow it to sell to a U.S. company or other foreign company, he thought it was a good idea that perhaps we should consider.

In order to highlight that, I would like to refer to the recent announcement of approvals which were made by the Foreign Investment Review Agency which appeared in *The Globe and Mail* issue of today. It was indicated there that 38 proposals were approved. The article gives some indication of the kind of things which we are allowing foreign money to be used for. We are allowing a company from Rockford, Illinois, to acquire control of a Canadian business which imports, distributes and services air compressors. Surely Canadians can do that. We do not have to have someone from Illinois come and do it for us. We do not need anyone from Hartford, Connecticut to acquire control of a Canadian business which imports and sells thread and mill rolling dies and machines. We can do that. We have the skills and the knowledge. Obviously, a Canadian company was already doing it and, for whatever reason, it found itself in need of capital whether because the owner was retiring and wanted to get out of the business or because its capital needs were beyond its capabilities. We should be going to that company and saying, "What can we do to help you? What can we do to ensure that your company can remain Canadian-owned?"

• (1220)

A company in Dallas, Texas, was given permission to acquire control of a business in western Canada which sells prescription eye glasses, contact lenses and related eye care products. A company from Portland, Oregon, was given permission to acquire a Canadian company which manufactures band saws for the wood products industry. The last thing we should do, Mr. Speaker, is to let another foreign interest get involved in our manufacturing sector. We have the skills and the capacity to produce our own machinery for the harvesting of our own wood and for the mining of our own ore. We do not have to go outside our borders to find capital. We should work within our borders.

We in this Party have freely admitted that from time to time there are needs for foreign capital to come in to start up new enterprises, because sometimes there are just no Canadians who are prepared to take the risk, for whatever reason. However, one case just boggles my mind. Can you believe, Mr. Speaker, that permission has been given to a company from San Antonio, Texas, to come into Canada and operate a cattle ranch? That is beyond reason. Surely there are Canadians who have the wherewithal to do this. We have been operating cattle ranches in western Canada for years. We do not need Texans coming in to do it for us. Perhaps that is an indication of the lack of support given to the farming and cattle raising communities.

The rationale, Mr. Speaker, is that we should not be opening our doors through Investment Canada and allowing foreign dollars to come in at will. We should be looking at our rules with regard to foreign investment and asking ourselves how we can ensure that Canadians are safeguarded, that there is no unnecessary acquisition, and that there will be no investment in areas where Canadians have the wherewithal and the financial ability to do it themselves. On the other hand, we should make sure that when there are investments, they do bring about real benefits, not just to the investor but to the workers and to the community. We must make sure there is some protection. I admit that FIRA was not the best of vehicles. It certainly was not put together the way we would have liked.

In my own riding and in the riding of my colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), FIRA approved the acquisition by Canada Safeway (Ltd.,) I think it

was, of Dominion Stores Limited, and one of the conditions was that the store in Thunder Bay must be closed. It is wrong for the Government to tell a business to rationalize, and the better way is not to do so through Investment Canada. We should not just throw the doors wide open. We have to ensure that there is control over our own destiny and that whatever dollars are spent are used for the benefit of Canadians.

The Federal Business Development Bank has an excellent program of equity investment which allows it to take shares in companies which are in need of some extra financing but are unable to deal with the burden of a loan situation. The Government is then allowed to sell the shares back to them. In fact, it is required over a period of time to sell the shares back to the company. So in that way the company is given some bridging, some time to get on its feet and become a profitable operation once again. I think that is what we should be doing, Mr. Speaker. We should be using tools like the FBDB to help Canadian entrepreneurs survive and develop so that we can grow as a country and make sure that our prosperity is our children's prosperity.

The Acting Speaker (Mr. Paproski): The Hon. Member for Grand Bay-White Falls-Labrador.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Thank you, Mr. Speaker, you came very close and I congratulate you. It is Grand Falls-White Bay-Labrador. I know that was an inadvertent slip on your part.

I am pleased with having the opportunity to rise and speak on this Bill once more, Mr. Speaker, because I believe it is important to put on the record some of the same points and possibly a few more than I did last time. I feel that the people in my province should know that the legislation we are being asked to deal with now is not of paramount importance. It has no urgency, and we should be dealing with other far more meaningful legislation. The fact is that there is really no need for this Bill at this time. It is fluff, cotton candy, smoke and mirrors, public relations. FIRA, indeed, was working. If one checks *The Globe and Mail* one will find that over 90 per cent of the applications which came before Cabinet and before FIRA were approved. So we do not need this legislation in order to keep out or bring in United States capital. It is really not going to make any difference one way or the other.

But suppose this Bill did attract foreign capital to Canada? What is more important, it seems to me, is for the Minister of Regional Industrial Expansion (Mr. Stevens) to tell us how he is going to target that capital, whether from outside or inside of Canada, to the various regions of the country. I feel that that is the greater challenge. How can we ensure that the East, the West and the North get this capital? That is what the Minister has not told us. Are there going to be tax incentives? The Minister has changed the DRIE program already. He said, for example, that the tourist industry will no longer be eligible for grants and loans under DRIE, the regional industrial development program. What incentives of any kind is the Minister going to bring before us to make sure that investment, whether foreign or Canadian, goes to the various underdeveloped regions of the country? That is not what is before us and that is what should be before us now.

The Minister should tell us how regional development is going to be carried out. What is his policy with regard to regional development? We only know so far from this Government that what it does want is for the private sector to replace the public sector. We have no quarrel with that. It is a laudable objective. But how do you ensure that it happens? The only thing my area of the country has received from this Government so far as proof of its good will and as proof of the effectiveness of its policy, is cut-backs in funds which we have depended on for years, for decades and possibly even for generations. I say that not out of pride but because it is realistic.

The whole thrust so far of government policy in the east has been to take away things we have. Let us look at what has been cut back. For example, there has been a reduction in expenditures in the fisheries infrastructure. There were wharves, breakwaters, haul-outs and facilities on land for fishermen in Newfoundland, in Labrador and in the Atlantic Provinces, which were supposed to go ahead but which did not? Spending has been reduced on the fisheries infrastructure.

The Prime Minister (Mr. Mulroney) made a commitment to the forestry industry in Corner Brook during the election campaign. Yet that public sector spending has not gone ahead. Mr. Crosbie is suggesting that a minimum-medium security prison which was committed to central Newfoundland, in my own riding, may not go ahead. He says he cannot find the money for it although the money was there. Mr. Crosbie is now saying that possibly the Government will renege on that commitment.

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member, who used to be a Minister, would address his fellow colleague from Newfoundland by his title of Minister of Justice.

Mr. Rompkey: I will take that advice, Mr. Speaker, thank you. The point is, Mr. Speaker, that the Minister of Justice (Mr. Crosbie) should be interested in justice. There is no justice in cutting out something we have had for years before putting something in its place. We do not put the cart before the horse. If the Minister of Justice were truly interested in justice, he would see that justice is done in my riding and in my province. That is the whole point.

● (1230)

We have not seen that justice has been done up until now. There have been cut-backs in the CBC, particularly in the northern areas. I said before and I say again that if the Government really wants to do something about our cultural heritage, it will see that those cut-backs are cancelled. Grants for pure research and applied research have been cut back. We are going to lose expert scientists from the only university we have in Newfoundland because of these cut-backs. There is no way that applied research can flourish unless pure research

flourishes. The two go hand in hand, and these cut-backs are going to have an immediate effect on job creation. Even more, they will have a serious effect on long-term job creation because the new technology will not be there. There have been cut-backs in unemployment insurance at a time when unemployment is at its highest. That is the record so far and the only thing I have to go by.

In the meantime, Mr. Speaker, we know that ferry rates in the Atlantic area have been raised. Of course this has the effect of driving up all prices. Whether it is the producer or the consumer, there is an additional financial burden on people in the Atlantic area.

What is going to replace the public sector spending which has been cut? Is there going to be new private sector capital coming from Japan, the United States or Great Britain? We do not really care where it comes from. Is it going to the forest industry? The record so far of British capital in my area is a sorry one. British capital is letting plants go to ruin, not allowing them to keep up and be competitive. That is the record of British capital in Newfoundland. Are we going to see new capital in the fishery? We have not seen it so far. Indeed, the Government has had to step in and provide the needed capital. Have we seen it in mining? No, we have seen U.S. capital cutting back, retrenching, causing lay-offs in Labrador City and the whole of the Quebec north shore. There are colleagues of mine on the other side of the House as well as on this side, including the Prime Minister, who know that the record of U.S. capital has been one of retenchment, cutting back and the creation of unemployment. So the record is not good so far.

The Government's proposal, I presume, will be, in terms of my own province, that these new jobs will arrive as a result of the offshore agreement. The Government's response will probably be that it will create jobs in Newfoundland in that way. But we know too little about that because we do not know what is going to be in that offshore agreement. All we know is what the Prime Minister, when he was Leader of the Opposition, said in a letter to the Premier of Newfoundland. We have asked questions but we cannot get answers. We expect that there will probably be up front a development fund for Newfoundland of close to $500 million. A lot of money, but the question is: Will it be new money or simply recycled old money? That is the question I think we have to ask. Is it simply a redirection and recycling of the funds we along with the other Atlantic provinces have been used to receiving over the years as our fair share for regional industrial expansion. Every year P.E.I., for example, has received certain development funds from the Government of Canada, as has Newfoundland. But the point that should be made is that this money must be over and above that. I have asked the question but I have not got an answer.

How will this money be spent? Will it be spent on highways? Is this the money the Premier is going to use to wage his election in April when that offshore agreement is signed? Will there be an election and will this money be used for that? Will it build the highways? Will it be used to continue the trans-Labrador highway? These are the questions we have asked and to which we have not got answers. How much investment will there be in this offshore deal? Where will it come from? What will the return be to investors? What will the return be to the Government of Canada and the Government of Newfoundland? Who will set the royalties for Newfoundland? Will it be the Government of Canada or the Government of Newfoundland? How much will those royalties be? Apart from the initial fund we are going to get of $500 million, how much money are we going to get in my province and how soon?

If you will just bear with me, Mr. Speaker, I want to finish these questions because I feel they are so important. Will concrete platforms be used? Will there be funds to train Newfoundlanders to take the jobs in the offshore?

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. In fact, I have given him an extra 15 seconds.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I know the Chair will be as generous with me and that I will certainly be entitled to an additional 15 seconds, as will other Members of the House. The generosity of the present occupant of the Chair is well known in this House.

First of all, Mr. Speaker, it does give me some pleasure to get up this afternoon and outlines some of my concerns about this matter. I think probably this is the first situation in which the present Government has imposed that nefarious provision of time allocation in limiting debate, that harsh measure which prohibits the democratic process of debate in this House. Many, many times I have heard the Conservatives in opposition stand up and bemoan the indignity and insufferable contempt of the democratic process which the Liberal Government's frequent use of closure demonstrated to this House. Now we have the Conservative Party imposing the same thing, breaking its electoral promises, breaking its commitment to Parliament to allow openness and fairness in government. If this was the only time that the Government went back on its promises, then maybe we could understand it. Maybe there is something we have missed in this Bill. Maybe there is in it such a tremendous imperative to Canada and Canadian needs that it demands our being sold down the river to the Americans. Maybe we missed it, but I do not think so.

The Conservative Party has now learned that it does not want open government. It has its program, its agenda, and closure will be the order of the day. It would have been nice, Mr. Speaker, if we could have established some type of relationship where we could have discussed these matters even more informally outside the Chamber. But that is not the way of the Conservative Party or of the Deputy Prime Minister (Mr. Nielsen) and his team of apparatchiks who are setting the agenda. They have laid out the scheme for the next five years and it is a shame.

I recall an incident earlier this week in the House which illustrates the kind of thing I am talking about. The treaty on salmon intervention between Canada and the United States is an example of the kind of contempt for the House of Com-

mons and the people of Canada that this Government has which is illustrated by the closure motion today. You will know, of course, that in former years there has been an attempt to gain an interception treaty with the United States. The Prime Minister and his Cabinet approved this treaty with an undignified haste, and it has to be pointed out that it was done so against the wishes of many people who live on the coast of British Columbia and earn a living from fishing. They approved this treaty before they gave anyone documents relating to this particular agreement. The people of Canada and their elected representatives in the House of Commons were given the document after the Cabinet had ratified it. When the overseer, the former Liberal Minister of Finance and the grey eminence of the Liberal Party, Mitchell Sharp, came before the committee, he said that he did not really think anyone should be talking about this particular treaty lest the Americans not buy it. Frankly, I think we have given the Americans such a deal that their tongues will be hanging out to buy this particular treaty.

● (1240)

Nevertheless, Mr. Speaker, the way in which that treaty came into play makes me think that the Minister of Fisheries and Oceans (Mr. Fraser) is just an errand boy for the Deputy Prime Minister and that team of apparatchiks that is running the Government, setting its priorities and issuing the marching orders. That treaty is not the kind of thing that the present Minister of Fisheries would be responsible for. That is not the kind of thing that he promised to the people of the area of this country whom he represents. The only way he would have done that is if the Deputy Prime Minister said, "You are going to do this because we have decided what is going to happen to the people in British Columbia". In fact, Mr. Speaker, the Deputy Prime Minister, the present Prime Minister (Mr. Mulroney), and the priorities group were more interested in having something to give away to the President of the United States when he arrives in Quebec City than in protecting the interests of the people on the coast of British Columbia who depend on that fishing industry.

The Conservative Party formed a Government with probably the largest majority in Canadian history. It did so because of the many promises that the Prime Minister and the Members of the Party which is now governing the country made to people from one end of Canada to the other. It is ironic that many of the supporters of that Party who own tourist resorts in British Columbia are absolutely appalled at the treaty. They had been struggling to have meetings with the Minister and to have the issue brought before committee to have it studied before it was approved.

Many of those people have now been stabbed in the back by the Government. Enormous numbers of telegrams arrived on my desk yesterday and today from people concerned about what this will do to tourism in that area and to their businesses. They have had an example of this already. The Minister of Fisheries and Oceans is now saying, "I will take total responsibility for what happens. We are not going to re-open this treaty. This is a fait accompli. We want it, we are going to have it, and the Deputy Prime Minister has told me to do it". I think that is the case, Mr. Speaker.

The fishing industry is a good example of the contempt that is being demonstrated in the House today through this closure motion. When the present Minister of Fisheries and Oceans was supporting Conservative candidates along the coast of British Columbia, including the candidate in my riding, he talked about a fair buy-back program and about restructuring the fishing fleet in British Columbia in a meaningful way so as to respond to the traditional needs of the people in the industry and the small communities along the coast of British Columbia. Everyone recognized the need for restructuring and realigning that industry, but there were a lot of people who wanted the Government to recognize the traditional nature of that industry.

The documents that the Minister put before his advisory committee indicate that they are going to buy the banks' position. The banks will wind up being paid off. Everyone here recalls that the banks went through a period of lending enormous amounts of money to fishermen to buy new vessels and new technology to keep up with the industry on the West Coast. As the Government allowed interest rates to rise, many of these people found themselves in great financial difficulty. The banks found themselves with many loans which could not be paid off.

The present Minister intends to bail out those banks. Fishermen are going to lose their vessels. Communities along the coast of British Columbia are going to lose thousands of jobs. Many businesses such as ship repair operations in those communities are going to shut down. I think that even Members of the House of Commons will be directly affected by the way in which this industry is going to shrink on the coast of British Columbia because of the way in which the Minister is going to restructure this fleet and promote a buy-back program to bail out the banks. We are going to lose thousands of jobs and we are going to lose businesses. The traditional approach to fishing which people have enjoyed for many years is going to change dramatically on the coast of British Columbia.

This Minister has his marching orders from the Deputy Prime Minister and his apparatchiks who said, "Never mind what you or the Members of the Conservative Party who represent that area would like to do, we have the solution in mind to stop this problem". The present Minister of Fisheries and Oceans is on the coast of British Columbia right now selling British Columbians down the river in order to bail out the banks. He is going to make fishermen pay $200 million to the federal Government to promote a $100 million buy-back program. The federal Government is going to sell $100 million worth of vessels for $40 million. In short, through this buy-back program, for which the fishermen must pay, the Government is going to make a neat profit of $160 million. It is going to bail out the banks, lose several thousand jobs on the coast of British Columbia, close down businesses, and change the traditional way of life along the coast. It is going to sell out the fishing industry to the Americans and put that business in serious difficulty.

I would like to thank you for your generosity in allowing me the time to speak an additional 15 seconds, Mr. Speaker. With your permission, I would like to call it one o'clock.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this is the third time I have had an opportunity to speak in the debate on Bill C-15, and at this point, we must ask ourselves why this Government decided to move the previous question in connection with this Bill, a motion that will have the effect of blocking any further motions by the Opposition on second reading, thus in fact closing the debate on second reading on Bill C-15.

The question is particularly relevant since there is nothing of any substance on the Order Paper of the House of Commons. There is no important legislation that this Parliament would have to consider after the debate on Bill C-15. Sometimes I wonder whether the Opposition is not doing a favour to this Government that has been in power in September 4 of last year. Parliament has been in session since last fall, and since then no important legislation has been tabled. This from a party that claimed, when it was campaigning in Quebec and across Canada, that it had the answers to all Canada's problems. On the subject of employment, they said they were going to create hundreds of thousands of jobs as soon as the Government was sworn in, and now we see that during the months they have been in power, there has been less job creation than during the first three months Prime Minister Trudeau was in office and, on a monthly basis, fewer jobs than during the two months when the present Right Hon. Leader of the Opposition (Mr. Turner) was Prime Minister of this country.

We might expect a political party that has been in the opposition for a number of years to come to power with specific solutions and draft legislation and policies, but all we get is blue, yellow, green or white papers setting up endless consultations. This is a Government that had no policy and no specific programs to put before the Canadian people.

It is indeed surprising that with its comfortable majority of 211 to 70, this Government should impose closure. Its slogans are consultation and dialogue, but it will not let Opposition Members, even though their numbers are relatively small, debate the only worthwhile Bill before the House. One wonders why they want to put the previous question at this time and why they want to choke off debate on Bill C-15. There are a number of possibilities, but it is a fact that since last fall, the Progressive Conservative Government has tried to make Canadians believe that because of the Foreign Investment Review Act there have been no substantial trade relations between Canada and the United States. As this debate continues it is becoming increasingly clear that the Prime Minister's speech in New York was entirely out of touch with reality.

• (1250)

To prove this I would like to refer to a very interesting article by Michel Vastel in *Actualité*, which gives some revealing figures on the trade relations that exist between Canada and the United States and clearly demonstrates that the statements made by the Prime Minister of Canada in his New York speech did not reflect the actual situation. If we consider his statement that Canada is now open for business, I suggest we consider as well the figures quoted by Mr. Vastel in his article. He said that the Americans buy 72 per cent of our forestry products, 65 per cent of our petrochemical exports, 59 per cent of our metal production and nine-tenths of our energy exports including gas, oil and electric power. Conversely, Mr. Vastel goes on, Canadians purchase three-quarters of all their industrial imports from the United States. Thanks to the Automobile Pact, Americans provide 89 per cent of our car and spare parts imports, while 98 per cent of Canadian automobile production goes to the United States. Canada-U.S. trade is worth $35 billion more than trade between the United States and Japan. Mr. Vastel concludes that Canada is the United States' most important customer and that Ontario alone trades more intensively with the United States than does Japan. How could the Prime Minister of Canada say in his New York speech that now the Progressive Conservatives are in power, Canada is open for business, unless he was trying to deceive public opinion or send a message that went well beyond Bill C-15?

Mr. Speaker, in speaking to Bill C-15 on second reading, I have indicated these contradictions between the Government's rhetoric and the proposed Bill. I have the impression that this Government is putting the previous question because as Canadians are becoming better informed, they realize that Bill C-15 might have a disastrous effect on the Canadian economy and Canada's autonomy, not only vis-à-vis the United States but also internationally. They realize it may be wise to think twice before passing these measures. We on this side of the House intend to propose, at the committee stage, a number of significant amendments to this Bill to reflect these views. We would have preferred to propose a number of amendments to the principle of the Bill at the second reading stage, but the previous question, which has gagged the Opposition, has prevented us from doing so.

Mr. Speaker, were it not for the previous question, perhaps we would have had a chance to hear some of the backbenchers speak to this important legislation. I would very much like to know what some of the Members from Quebec think about this Bill. During the election campaign, they were making very emphatic speeches and asking their government to intervene to protect Canadian jobs, especially where the multinationals were concerned. I understand why some Hon. Members must be frustrated. On the other hand, I was not surprised

to read letters in the newspapers, which referred to this Government as a "*gouvernement de deux de pique*", a term readily understood by those familiar with the French language, especially with expressions peculiar to certain regions in Quebec.

But instead of writing letters, those Members ought to take the floor in the House and say exactly what they think, for perhaps some jobs in their ridings are likely to disappear if there is no longer any review of new investments. These might be in direct competition with Canadian companies operating in the various regions and creating jobs. Those companies might find it impossible to stand up against unfair competition on the part of investors anxious to compete on their own turf.

The central issue here is nothing more than the old debate on the national policy of the founder of the Conservatives and that reference to Canada's national policy. As you know, Mr. Speaker, there is logic in everything. Here we have Bill C-15, this open invitation to the Americans, and we hear various remarks about free trade zones, even though the words have yet to be defined. I can hardly wait to see the contents of the document which the Minister for International Trade is expected to make public this afternoon. I would have liked the Minister to table it in the House, but apparently it will be made public outside the House. All those pieces are part of a puzzle, and the Government wants us to pass Bill C-15 without showing us the other pieces of the puzzle.

I see that my time has expired, Mr. Speaker, and I thank you for your attention. I do hope that Government Members realize that the closure motion they are forcing upon us today flies in the face of every speech they made inside or outside the House.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a few minutes before one o'clock and some time after Question Period to make some comments regarding the muzzling motion brought in by the Government. I presume that the Government does not want the Canadian public to know too much about Bill C-15.

Rather than talk about the problems created for Parliament as a result of closure motions such as this, I want to alert Canadians once again to the problems with Bill C-15 and why the Investment Canada Bill should be hoisted and sent back for redrafting. Although the Minister responsible for the Bill wants Canadians to think that this provides a new means for cutting red tape and eliminating the hindrances to the investment needed to create jobs in Canada, the facts are clear about what FIRA did. The Foreign Investment Review Act was a toothless monster and did not really do anything in the interest of Canada. I believe we should have a much tougher FIRA Bill than what the Government now proposes.

It is interesting to note that few government Members are getting up to applaud the benefits of Bill C-15. I believe that many of them, including yourself, Mr. Speaker, will probably notice that there are some tremendous flaws in Bill C-15.

Let me deal with some of the problems in terms of foreign investment coming to Canada to buy corporations or buy land and become involved in speculation. The first problem that was identified is that foreign-controlled companies do not spend nearly as much as Canadian-controlled companies on research and development, which is the key source of economic growth and productivity increase.

Let us look at some examples taken from studies by the Economic Council of Canada in 1983 and the Science Council of Canada in 1984. With respect to research and development, Canadian companies with less than 50 employees spent 11.2 per cent of their capital on R and D while foreign companies spent only 3.3 per cent. Canadian companies with 50 to 100 employees spent 10.1 per cent on R and D while foreign companies were still at only 4.3 per cent. Canadian firms with 100 to 200 employees dropped R and D spending to 9.1 per cent while such spending by foreign controlled companies plummetted down to 3.7 per cent. Of those corporations with more than 500 employees, Canadian companies spent 10.3 per cent on research and development while foreign companies spent a measly 2 per cent.

It becomes quite clear where the larger corporations, particularly foreign-owned corporations, conduct their research and development, which is one of the most important processes within our economy for the creation of new jobs. Those jobs occur outside the country, principally in the United States. I will expand on that at three o'clock, with your permission, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member has seven minutes remaining after three o'clock.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the proposals dealing with the universality of social programs announced yesterday by the government are entirely unacceptable. For example, the reduction in family allowances considerably affects two groups already facing financial problems: women at home as well as families with low and medium incomes.

I would like to state a few facts. Family allowance cheques are too often the only money paid to women at home. Families with low and medium incomes are affected by this government measure. Families with less than $10,000 a year receive less social benefits than those with $50,000 a year.

Where are the fine promises of the Prime Minister (Mr. Mulroney) who wanted to tax bankers with $500,000 incomes? With such a reform, those people will still travel in a limousine paid with the money which in all fairness should be redistributed to the most needy.

[*English*]

CHILD TAX EXEMPTION

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, tax reform can be just only if we distinguish between tax deductions and tax exemptions.

A tax deduction is something optional. It may be given or taken away according to government policy. A tax exemption is essentially different. It is not optional. It recognizes there are parts of a person's income that do not come under the authority of the state.

The child tax exemption is a good example. It should not be seen as a benefit conferred by the state. It should be respected as a right. If parents have a natural duty to support their children, parents have a natural right to the income they need to give that support. That income should be exempt from the tax collector by right.

I speak of this because it is one difference between a socialist philosophy of taxation and a conservative one. Socialists presuppose the state has a right to take whatever part of a person's income it chooses to take. Whatever a person is left to enjoy he has simply by a decision of the state. A conservative philosophy of taxation says: "No. There are parts of a person's life that belong to him or her", and a person has a right to say to the tax collector: "No trespassing. Keep out. This is mine".

* * *

ENERGY

OIL COMPANY PROFITS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to congratulate the Conservative Members, the Hon. Member for Champlain (Mr. Champagne), and the Hon. Member for Duvernay (Mr. Della Noce), for joining me and the NDP in speaking out for the ordinary Canadian consumer of gasoline who, frankly, is being hosed by the big oil companies of this country and tax greedy provincial and federal Governments. There is lots of talk about having independent Members of Parliament and Members of Parliament speaking out. When they do that, I think the media and the public should support them.

I have two down and 209 to go, Mr. Speaker. I tell the other 209 Conservative Members of Parliament to look at the report today from Imperial Oil. It just announced its profits were up from $332 million to $533 million.

Paul Joseph from Burns Fry, energy consultants, expects Imperial's profit will be even higher in 1985. Imperial Oil is 69.5 per cent owned by Exxon of New York. What other country in the world would allow its major oil company to be foreign-owned, then give it tax breaks and so on to transfer money from ordinary Canadians at the pump to the oil company so it can buy more assets in Canada? Already the industry gets 52 per cent of the pie, or $11.6 billion, it wants more, and this Government is prepared to give more.

[*Translation*]

Mr. Speaker, that is more of the same.

[*English*]

It need not be that way. We once had a national dream, and we can have a dream again in which the ordinary Canadian consumer can have a break, and the big oil companies and tax-greedy provincial Governments will not benefit.

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NATIONAL FILM BOARD

FUNDING OF PRO-ABORTION FILM CONDEMNED

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise today to bring to the attention of this House the concerns expressed to me by many of my constituents as a result of the recent propaganda film on abortion entitled "Abortion: Stories North and South".

The National Film Board provided funding for this film to pro-abortionist Gail Singer to present her one-sided view of this matter, which she had the audacity to call enlightening.

The only way to describe the misuse of public funds by the National Film Board to promote the pro-abortion view is outrageous. This abuse of public funds and trust cannot be tolerated.

I, as well as many other Canadians, believe that life begins at the moment of conception, and from this moment on the unborn are entitled to the same rights and privileges as we enjoy.

It is my opinion that we must stop using buzz words, such as "termination of pregnancy", and recognize abortion for what it really is, the murder of an unborn child.

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[*Translation*]

SOCIAL SECURITY

GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to express my disappointment with respect to the proposed changes to the family allowances and the other child benefits provided to families.

The paper outlines two options which are in fact disguised as income tax increases for the middle class, without any substantial benefit for low income families. The Conservatives once said that they were aiming at the bank president, but they are hitting his janitor.

According to Option 1, families with an income lower than $10,000 would receive only 98 cents more per day, and families earning between $10,000 and $20,000, would have an increase of only 68 cents.

Option 2 is still worse. Families with an income lower than $10,000 would only get 48 cents more per day, and those earning between $10,000 and $20,000, 36 cents per day.

Moreover, the paper refers to family income, while in our Canadian tax system, the concept of family income is not recognized for general taxation purposes.

This means that if the Canadian government wants to implement either one of the two options outlined in the program tabled yesterday, surveys will have to be made covering a large number of families. After much dilly-dallying, this is all the Government could come up with. Quite simply, the Minister of Finance (Mr. Wilson) has lost the battle he himself has started.

The Government is trying to hide the Minister of Finance's loss of credibility with some kind of cosmetic change that brings in significant tax increases for the middle class, but no substantial benefit for lower income families.

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TRANSPORT

CITY OF MONTREAL—HORNER COMMITTEE—BOMBARDIER CORPORATION PROPOSALS

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, last week, the city of Montreal, COPEM, the Chambre de commerce and the Montreal Board of Trade endorsed and submitted to the Horner Committee the Bombardier Corporation proposals. I agree with them that Montreal should be a transportation centre of Canada and that the policy of governments should be to contract work out to the private sector rather than leaving this field of endeavour to the responsibility of the public sector. However, I do not understand how they could have overlooked other Montreal companies, such as versatile Vickers in my constituency, which has been in operation for 74 years, which built the first subway in Montreal and which already has, which is not the case of Bombardier, the facilities needed to build and repair passenger cars, its physical plant extending over 205,000 square feet with a working capacity for more than 500 workers. This company has the equipment, the expertise and the technology required.

I would therefore like to ask the City of Montreal to reconsider its position and the Horner Committee to take these facts into account. One of its members should not be favoured to the disadvantage of others, especially since Bombardier has joined with the Urban Transport Development Corporation to put in tenders for the contracts of the Federal Government and Ontario to build new trains for VIA Rail. Maintenance could perhaps be left to another company.

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[*English*]

CORPORATE AFFAIRS

SASKATCHEWAN BREAD PRICE WAR—IMPACT ON SMALL BAKERIES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, due to a price war on bread which is currently raging in Saskatchewan between the two major suppliers, Westons and McGavins, smaller bakeries across the province are being forced out of business. I have had appeals from many small bakeries requesting that action be taken on their behalf so that they will not go under as a result of excessive price cutting.

Their complaints are fully justified. These are important small business people who are major contributors to the well-being of local economies. If they do not survive this price war, the unemployment lines will continue to grow even longer, and bread prices will quickly rise to above the old price level as soon as the local bakeries are out of business.

Bread which has been sold at $1.05 a loaf retail will not remain at the 58-cent a loaf retail currently in place. Once the small bakeries are pushed out and McGavins and Westons take over, $1.05 will look cheap by comparison.

• (1410)

I urge the Government to take immediate action through the Combines Investigation Act so that these small businesses can continue to remain open. This will provide customers with a choice, and will allow local bakeries to continue to play an important role in their local economy. Surely a Government which claims to be open for business cannot stand idly by while giants in the bread industry shut down small bakeries in their bid for total control of the bread market.

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EXTERNAL AFFAIRS

FORMATION OF INDO-CANADIAN ASSISTANCE SOCIETY

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, last year was a tragic one for India. We saw the assassination of Prime Minister Gandhi and large scale communal violence in the events leading up to and following her assassination. These and other events in India have seen Indian pitted against Indian, and sometimes members of one religion have attacked members of another religion solely because of religion. Other events, such as the recent tragedy in Bhopal, have

cut across religions. These events have, to some extent, spilled over into Canada. Relations between Canadians with Indian backgrounds of different religions have sometimes become strained.

That is why last month, in Toronto, a group of Canadians, primarily of Indian background from the major religions in India, formed the Indo-Canadian Assistance Society. This non-profit society was formed to aid victims of communal violence in India regardless of religion, as well as to aid victims of the recent chemical accident in Bhopal. The president is Christin, the treasurer is Hindu, the secretary is Sikh, and the first vice-president is Moslem.

Already two Members in addition to myself, the Member for Dollard (Mr. Weiner) and the Member for Edmonton Strathcona (Mr. Kilgour), have agreed to become honorary presidents of the Society. Hopefully all of us can work together to bring aid to those suffering in India and, by working together in Canada, ensure that religious differences between Canadians are minimized.

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DISASTERS

GOVERNMENT INITIATIVES SOUGHT TO ASSIST GLACE BAY, N.S.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, as most Members are aware, the town of Glace Bay and the surrounding areas suffered another serious economic setback this past Saturday due to a fire which destroyed the Highland Fisheries fish plant, throwing another 350 persons out of work. This is the second economic blow within a year to a community which was devastated by the fire at the No. 26 Colliery, leaving 1,200 miners unemployed. The unemployment rate has now soared to 55 per cent.

As I was meeting with town officials and the owner of the fish plant yesterday to discuss the situation, I was unable to be present in the House yesterday, but was heartened by the assurance of the Minister of Employment and Immigration (Miss MacDonald) to assist the town with whatever the Government can do.

There are many initiatives which the Government can take. It is this Minister who has the responsibility to move on them. First, the Government could sign a federal-provincial subsidiary agreement on infrastructure projects for the town of Glace Bay. Second, it could initiate a pre-retirement plan for older miners, thus enabling the younger ones to obtain jobs and plan for the future. Third, it could make a firm commitment on new coal developments for the town of Glace Bay. I urge the Minister to take action forthwith.

S.O. 21

[*Translation*]

FORESTRY

PULP AND PAPER MILLS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, yesterday in Montreal the Canadian Pulp and Paper Association inaugurated its 72nd annual meeting. The Canadian industry is feeling somewhat optimistic and is looking forward to increasing its production to 68 million tons by 1995. To achieve that goal, the industry is ready to invest from $3 to $5 billion per year to update its pulp and paper facilities to bring about an era of increased productivity, more competitive prices and wider profit margin. It should be emphasized that 1984 witnessed an increase of 6.2 per cent in production over the previous year.

Here is the case of a thriving industry, thanks to the consultations and agreements we have had with the provinces in the area of forest husbandry. We believe in the future of the forest industry in Canada in general and of the pulp and paper industry in particular, and we want to demonstrate our support and commitment to the industrial corporations and associations which are helping in the recovery of our country.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—CALL FOR REDUCTION IN AUTOMOBILE EMISSIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Minister of the Environment (Mrs. Blais-Grenier) has indicated that the approach of the Government with respect to acid rain from here on in will be to emphasize the bilateral nature of the problem as opposed to the international nature. I suggest to the Minister that while she should continue to emphasize the international aspect of it, with respect to the bilateral relationships on acid rain, and particularly with respect to the United States, she should do two things.

First, she should really restore the Herring Gull egg program to show that we are concerned about the environment. We could then be appropriately self-righteous with the United States when it comes to the environment. Second, she could ask the Minister of Transport (Mr. Mazankowski) to bring in reduced auto emissions immediately, which also have to do with acid rain. Then, when we approach the United States with respect to acid rain, we will have cleaned up our own back yard, first on the wider environmental issue of Great Lakes water quality and, second, with respect to auto emissions. The Minister of Transport should do something now about that.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

GOVERNMENT CONSULTATION PAPER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would have liked to direct this question to the Prime Minister since it affects his Government's policy on social programs. If I may, I will put it to the Deputy Prime Minister. The Prime Minister's $500,000 a year bank president did not suffer too much under the document called a *Consultation Paper* yesterday, but a bank teller with two teenagers certainly did. After two months of provoking uncertainty and confusion as a result of conflicting ministerial and prime ministerial statements on the universality of our social programs, this document was supposed to have relieved that uncertainty.

On page 11 the Minister says that the options he put forward "do not constitute specific proposals for change endorsed by the Government". On page 15 he says they "are not intended as statements of preference". Why did the Government provoke and instigate this debate on the social programs of the country without knowing where it is going, and without having any concrete proposals? Why did the Government yesterday only compound the problem by adding to the confusion and the uncertainty for millions of Canadian families? When will the Government let us know where it stands on tax reform and on our social programs?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Right Hon. Member that what we have said from the beginning, and it came from the November 8 statement of the Minister of Finance, is that we intend to consult. Surely that is a valid approach. If we had not done that, he would have been the first to get up in this House and ask why we were not asking Canadians what they want in their social programs. That is exactly what we are doing.

MIDDLE-INCOME TAXPAYERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, after having provoked this debate, the Minister should be in a position to exercise with his Government some leadership on where he wants to take the country with respect to social programs. Let us look at one of his preferred options—apparently the preferred option. The second option would give 48 cents a day to poor families, a lousy 48 cents. At the same time this apparently preferred option would attack millions of modest-income families, and others. Take a family with two teenagers. The family allowance is cut, the taxes are raised, and there are no summer jobs. Why did the Minister of National Health and Welfare choose to attack modest-income families? Why is he attacking those making as little as $23,000 a year? Why do only middle-income taxpayers have to bear the burden of tax reform?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the right hon. gentleman made a number of statements which are not factual. For example, he referred to no summer programs. That is not the case. My colleague, the Minister of Employment and Immigration, clearly said that in this House. If he wants the exact answer in terms of middle income—

Ms. Copps: It is a means program.

Mr. Epp (Provencher): The Hon. Member for Hamilton East again does what she does best. She does not listen, and does not think. She just squeaks.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I say to the right hon. gentleman that in terms of the second option it is not a matter of a preference.

• (1420)

Regarding Option 1, in most cases people have put forward that the most regressive part of the system is the child tax exemption. As I am sure the Right Hon. Member knows as a former Finance Minister, in a progressive tax system the greatest benefit goes to those who have the greatest income.

In most cases people have indicated that that is the one area that should be re-examined, and that we should redirect some of those savings to the needy. We have done that. In fact, if the Right Hon. Member looks very carefully at the tables, he will find that even with middle-income earners the statement he makes does not stand up to the light of day.

PROVINCES' TAX SHARE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, before putting the question I would like to suggest to the Minister that the real winners yesterday were the provinces. The real losers were modest-income families with children.

Under one option the provinces receive an increase in tax of about $330 million, and under the other option they receive an increase in tax of $150 million. Compared to that, the average poor family in the country receives 48 cents a day, and two million modest-income families must bear the burden of this tax grab in favour of the provinces.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure that the right hon. gentleman knows that the options that were put forward were consultation options. He might not like that, but that is the approach that is being taken by the Government.

The second point I would make to the Right Hon. Member is that those would be the savings, the federal Government having said that any savings would be redirected to those in greatest need. That is an accepted fact, and I am sure that the Right Hon. Member now accepts that that is the purpose of the federal Government.

Additionally, the present established programs financing arrangement, and the present equalization arrangement, and other fiscal arrangements between Ottawa and the provinces are arranged by consultation and agreement, and as a former Finance Minister he knows that. Unfortunately, it did not quite happen that way the last time. However, that has been the plan and the process in Canada. Under the present arrangements, that would be the result. The paper does not indicate in any way that those savings would automatically go to the provinces. Some of us believe that we can talk to the provinces.

[*Translation*]

TAX EXEMPTION FOR FAMILIES WITH CHILDREN—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare and is related to what he said this afternoon.

On December 20 of last year, I asked the Right Hon. Prime Minister the following question: Could the Prime Minister inform the House whether it is his Government's policy, or whether his Government intends to reduce gradually over the years the tax exemption for families with children? The answer given by the Prime Minister was as follows:

No, Mr. Speaker. That is not what the Government intends to do.

My question to the Minister is as follows: Why did the Prime Minister of Canada, from his seat in this House, inform us and all Canadians on December 20 of last year that he did not intend to reduce tax exemptions for families with children, while yesterday, the Minister tabled two options, the first being to eliminate tax exemptions entirely and the second to reduce them by two-thirds? Mr. Speaker, when are we to accept the answer given by a Prime Minister in the House of Commons as valid?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, yes, the Hon. Member should accept the Prime Minister's statements. He should also accept the Prime Minister's statement that universality would remain. The paper does that. He should also accept the Prime Minister's statement that there will be no means test. The paper addresses that. He should also accept the Prime Minister's statement that it would not be used for deficit reduction.

What he should now accept is that this is a consultation paper. These are some options. I am sure the Hon. Member has read the paper. It also says that there could be other options, or variations of those options, and I make that proposal to the Hon. Member as well.

[*Translation*]

FAMILY ALLOWANCES—GOVERNMENT POSITION TOWARD QUEBEC

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, throughout the debate during question period, this was the only specific answer the Prime Minister gave us, and now the Minister of National Health and Welfare has made a complete about face in his document.

My supplementary is as follows: Considering the fact that the Province of Quebec is the only province in Canada that provides provincial family allowances instead of these exemptions, how does the Minister of National Health and Welfare intend to compensate Quebec for the resulting loss of revenue?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member has asked that question. If he reads the paper very closely, he will find identified what has been seen by some as an $80 million federal saving. As I said yesterday, and as I have said right along, I do not want to fall into the same trap into which the former Liberal Government fell when it made changes to the family allowances and the social programs. The Liberal Government got into trouble with the Quebec Government at that time. Because there is no tax collection agreement with Quebec, that $80 million has obviously been identified for that purpose. I will not fall into the trap into which former Liberal Members in Quebec fell, and that is why that observation exists in the paper.

CHILD BENEFIT PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Before Chirstmas the Minister of Finance said for all of the country, save one gentleman, to hear, that the people of Canada could no longer afford social programs for middle-income Canadians. This was denied at the time by the Prime Minister.

Yesterday the Minister of National Health and Welfare brought forward a document that changes the priority emphasis of the Government completely by proposing, in two alternative models, reductions in income benefit programs related to children, for over one million middle-income Canadian families. Why is there this complete reversal in the priorities of the Government? What happened to the $500,000-a-year bank president as a serious target for social reform?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Hon. Member for Oshawa regarding the point he made about the bank president, that that option obviously remains for the Minister of Finance. I am saying to the Hon. Member that if he would return to the very com-

ments he made during the Christmas break, he would find that he put forward an option which is basically Option 1. I am saying in the paper that Option 1 has some adverse effects. I am sure the Hon. Member thought these things through. I would just ask him to be consistent.

Mr. Broadbent: Mr. Speaker, there is no problem with this Party's consistency on social policy. I will be happy to send—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: Conservative Members are obviously a little concerned by the hypocrisy of bringing in a program that whacks away at middle income Canadians to the tune of hundreds of thousands of dollars, but leaves untouched thousands of Canadians earning $50,000 per year who do not pay a penny in taxes. That is why they are embarrassed.

FUNDING OF SOCIAL PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, why did the Minister put a ceiling on the amount of money the Government is prepared to put into social programs? One of the documents released with yesterday's paper, as the Minister knows, indicates that the Government is not prepared to spend any more money on the social program side of the ledger. If the Government is concerned about the poor and wants to leave our programs as they affect middle-income Canadians alone, why did it not say that it is prepared to allocate more money for the poor today, and get that money from the rich who are not paying their share of taxes?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, these are consultation options, and I repeat consultation options, including one not dissimilar to the one the Hon. Member put forward. If the Hon. Member for Oshawa were to look at the very argument he is putting forward, he would find that, in Option 1, 70 per cent of the money redistributed would come from Canadian families that earn $40,000 per year or more. In option 2 it goes up in fact to over 80 per cent redistribution from families that earn $40,000 per year and up. When the Hon. Member says that it is the middle class that is affected, he should analyse his statements very carefully before he gets himself into a situation which just does not bear out according to the facts.

• (1430)

FAMILIES EARNING BETWEEN $30,000 AND $50,000 ANNUALLY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I in turn would advise the Minister to treat with some care what he says. I listened to what the Minister just said and I want to ask the Minister if he will deny that the proposals, in either of the two options which he has put before the people of Canada, represent a major reduction in income for over one million middle-income families who are earning between $30,000 and $50,000 a year. Will the Minister confirm that the Government is prepared, in either of those options, to reduce the benefits for one million families in that income category, and that at the same time it is unwilling to change the tax system to ensure that those very wealthy Canadians who are not now paying taxes will pay their share? Will he admit that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would first say to the Hon. Member for Oshawa that a number of the statements which he made are incorrect.

First, in terms of upper incomes, that option remains. He should be careful what he says about that. Second, if he takes a look at the incomes of $10,000 and less, Canadians get more. If he looks at the option of $20,000 and less, Canadians get more. This Government has also said—because he said we are going to freeze social spending—that above that we are going to do something for widows and widowers. If he puts that altogether, it is a good program.

Some Hon. Members: Hear, hear!

EFFECT OF OPTIONS ON GOVERNMENT REVENUES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of Finance. I must say that I am impressed he had the courage to come into the House. That is more courage than the Prime Minister has demonstrated. He is understandably embarrassed. Even the Deputy Prime Minister is flushed.

This document is pathetic. It is ludicrous in the extreme. Worse than that, it is a bad joke. Even worse than that, it is a massive tax grab at the expense of the social programs—this is my question, Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Johnston: Mr. Speaker, I am outraged. It is at the expense of the social programs and middle-income Canadians.

Will the Minister of Finance confirm that, under the first option, 58 per cent of the amount which is taken away from the programs is retained by Governments? Under the second option, will he confirm that 60 per cent of the amount which is taken away is retained by Governments? Will he confirm that, at the expense of the social programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make one thing clear. It says "Consultation Paper" on the front of the booklet. It is for consultation. They are not proposals. They have been presented to draw out comments from various people who are interested in this matter and who want to enter into the debate in a reasonable and responsive way. That is the approach we will take over the next few months, after which decisions will be made in the course of preparing the Budget.

USE OF SAVINGS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I suppose the Budget will have "consultation" marked on it as well. In any event, what I would like the Minister of Finance to do today is to guarantee to the House, and to Canadians, that every cent which might be taken away under either of the proposals will go back into supporting family benefit programs.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that matter is addressed quite clearly in the document. It says that the savings which will be made will be redirected into the social envelope.

EFFECT OF OPTIONS ON FAMILIES WITH $25,000 INCOME

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. I would ask the Minister is it fair that a secretary who earns $15,000 a year, with an unemployed husband who perhaps brings in $10,000 in unemployment insurance, should lose benefits under the proposed options? Is it fair that the working poor, who are struggling to remain off welfare, should be penalized?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would say to the Hon. Member that the purpose of the exercise is to try to make the system more fair. I say to her in all frankness that, if we took a look at the child tax credit, obviously any Government, society, and people would like to see the very best benefits go to those who need them most. Obviously, one also has to be restricted to the financial ability of the country and its citizens to raise money.

Mr. Broadbent: Oh, oh!

Mr. Epp (Provencher): The Hon. Member for Oshawa may not understand that, but some of us do.

Mr. Broadbent: We understand it very well.

Mr. Deans: We understand it.

Mr. Epp (Provencher): So, what I am saying—

Mr. Deans: Tax the poor. That's always been your policy.

Mr. Speaker: Order.

Mr. Epp (Provencher): The Hon. member is very familiar with the social policies of Canada. She will notice, for instance, the turning point in the child tax credit. It is at $26,330, after which the benefits diminish up to $41,000. One could argue that that figure could be higher. Right now it is not indexed. Obviously, year by year, even that turning point, in terms of real dollars and disposable income, is reduced. We could argue about levels. That is the purpose of consultation. But I would tell the Hon. Member one thing. When we look at these programs, we look at them not only at how they can best benefit Canadians, but also, realistically, that when we redistribute money, it is taxpayers' money and not the largess of the Canadian Government.

BANK PRESIDENT'S SITUATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am talking about human beings who are trying to raise kids at a time when the incomes of young families are going down and the costs are going up. Now their family benefits are being cut back, and even the family allowance in one option is being eroded, following the Liberal policy.

The Minister has called for objective discussion. How can people be objective about this when a bank president who earns $500,000 will be asked to give up only a paltry $345 a year, and will be able to keep all his tax shelters and loopholes, while a family which is struggling on $25,000 a year will lose $120 in family benefits? How can he possibly say this is fair and progressive social policy?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member would agree that it is fair and socially progressive that families earning below $20,000 would get more money, under the options which have been put forward for consultation, than they would under the present system.

What she constantly forgets is that there can be more than one program in place than just this paper. Obviously the point which she has put forward is the terms of a budgetary item. Just for once I would like her to think about more than one thing at the same time.

Some Hon. Members: Hear, hear!

[*Translation*]

SINGLE-PARENT FAMILIES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to direct a question to the Hon. the Minister of National Health and Welfare.

In the document on social programs made public yesterday, the Government does seem to entertain misconceptions about the economic reality of Canadian families, particularly single-parent families, 65 per cent of which are the responsibility of women.

Considering the ever-rising cost of the grocery basket, housing, transportation and education, and knowing that the proposed increase ranges from 48 to 98 cents a day, would the Minister indicate to the House what he intends to do to bring genuine relief to those single-parent families, and particularly to those women for whom every day is a reminder of their precarious financial status?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has put forward a very valid point. If she takes a look at the paper she will know that with

respect to single-parent families in the situation she raises—and obviously in a consultation paper I can only give examples—the benefits that go to those who are in greatest need are even greater when applied to single-parent families.

[*Translation*]

Mrs. Pépin: Mr. Speaker, since the proposed increase does not even enable them to buy a litre of milk, I would like to know what kind of answer the Minister can give us to reassure those women who keep phoning us. What can we tell them to prove that the Government is indeed concerned about them?

● (1440)

[*English*]

Mr. Epp (Provencher): Mr. Speaker, what I would hope the Hon. Member would tell those women is exactly the answer I gave. Second, I would like to put it in the largest perspective. The Hon. Member knows social policy. I perhaps know a bit of social policy, and that is that the best social policy for the country is to get the economy going again so we can afford the programs. The worst social policy is always developed when you have bad economic policy. So we have to look both to good social policy and to rejuvenating the economy. When we do those two things, we will get the very benefits the Hon. Member looks for.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE ATTORNEY GENERAL OF ONTARIO, HON. ROY McMURTRY

Mr. Speaker: I would like to point out to Hon. Members the presence in our gallery today of the Attorney General of Ontario, Hon. Roy McMurtry.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

STUDENT SUMMER JOBS—DEPARTMENTAL DOCUMENT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question will be addressed quietly, and not in a loud voice which may be unsettling to the Minister of Employment and Immigration. Yesterday in the House the Minister denied that she has seen and agreed to a program called SELF, which would supposedly supply jobs this summer for students, but fewer than last year. High level officials in the Minister's own Department have now confirmed the legitimacy of the document which I said yesterday she had seen. Someone surely is misleading the public. Someone surely is not telling the truth.

Mr. Speaker: Someone surely should put a question.

Some Hon. Members: Oh, oh!

Mr. McCurdy: Is the Minister in a position today to repudiate the statements of her own officials?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when I finally had a chance to see the document to which the Hon. Member referred, I recognized it, Sir—

Some Hon. Members: Oh, oh!

Miss MacDonald: Wait for it. I recognized it as a preliminary document to which I had agreed there should be given further consideration. That consideration was being given, along with a number of other proposals—

Mr. Broadbent: Another policy change in the works.

Miss MacDonald: —which had been put forward by my officials. I can tell the Hon. Member that that consideration is ongoing, and out of it will come the decisions which govern the Canada Student Summer Employment Program. I would hope that when the Hon. Member hears those decisions announced, he will stand up and applaud them.

Mr. McCurdy: Mr. Speaker, I would look forward to applauding a good program but I hope it happens before the robins sing and the snow melts in Ottawa, and students are not completely frustrated about the unavailability of jobs.

REQUEST FOR INTRODUCTION OF PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Is the Minister going to assure this House, and the students and young people of this country, that she is going to bring in a program this week, because if it is delayed any longer than this week it is going to put thousands of students in a very difficult position this summer?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when I announced last fall that there would be new programs for the Canada Student Summer Employment Program, I had determined the Government's schedule for that. It was not determined by leaked documents, and it was not determined by the hysteria of the Hon. Member. It was determined by a planned approach to this very important issue. I would just like to tell the Hon. Member to stick around and he will be able to hear what is announced.

* * *

NATIONAL DEFENCE

FRIGATE CONSTRUCTION PROGRAM

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is directed to the Minister of National Defence. Will the Minister advise us if he anticipates any substantial or serious delays due to the management shakeup at the Saint John shipbuilding yard in Saint John, New Brunswick? Can the Minister also advise if he has any information why the com-

pany has decided to hire an American firm to assist in the construction of the frigate program?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I thank the Hon. Member for indicating his concern about possible delays in the frigate program. I want to tell the Hon. Member that I met this morning with the Chairman and President of the Saint John shipyards. They are presently meeting with my officials. Discussions are under way, and I hope to be able to make a fuller report to the Hon. Member tomorrow in relation to the discussions which are going on at this present time.

* * *

SOCIAL SECURITY

CHILD TAX EXEMPTION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Minister of Finance. The Minister of Finance is no doubt aware that the Prime Minister misled the people of Canada last December—

Mr. Hnatyshyn: Order.

Ms. Copps: — when he said in this House that there would be no reduction of a tax exemption for families with children. Was the Prime Minister also misleading the people when he answered a question put by the Hon. Member for Sudbury, which is found at page 1198 of *Hansard*, and I quote:

> In light of the Minister of Finance's interview with *La Presse* yesterday, can the Prime Minister tell us whether Canadian families who earn $35,000 a year or more are to expect cuts in their old age security cheques and in their family allowances?

The answer of the Right Hon. Prime Minister was, "No, Mr. Speaker". Can the Minister of Finance expect the Canadian people to believe this kind of "bulroney"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I remind the Hon. Member that this is a consultation paper. We are looking for the reasonable observations which she and others might make as to the merit of the proposals which have been put forward.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I should remind the Hon. Member that under one of the options — it is very interesting, Mr. Speaker, how the people who have the least amount to say make the most noise.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Under option 1 there will be no change in the cheques which are received by Canadians. That is clearly an option, and we welcome views on it.

Ms. Copps: I might say that in this Government it is the Minister of Finance who appears to have the least to say.

STRUCTURAL TAX REFORM INQUIRY

Ms. Sheila Copps (Hamilton East): In that light, I direct my supplementary question to the Minister of Finance. When his colleague, the Minister of National Health and Welfare, instead of defending the rights of middle-income Canadians, including families earning $23,000 or more a year, is instituting family tax grabs, why is the Minister of Finance not prepared to table a similar discussion paper this week in this House to deal with the kind of over-all structural reform we need in the tax system, to ensure that social policy is not going to pay the price, that it is not going to be the area—

Some Hon. Members: Oh, oh!

Ms. Copps: —in which Canadians are expected to pay the price for our national economic situation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated that I am very open to the suggestions of Hon. Members on changes which we might make to corporate taxation as well as to the taxation of individuals. I have demonstrated up until now that I am prepared to make changes, and I will continue to make changes. However, most of those matters will have to wait until the Budget. In the meantime, I will ask the Hon. Member to send her views to me.

ALTERNATIVE TAX MEASURES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Given that the Government since it came into power has already increased taxes on middle-income Canadian families by about $500 per family, and given that in addition to that it has indicated that, as a result of its new initiatives in social spending, it intends to establish a ceiling at or about the present level of expenditures in social programs, why did the Government not look at alternative ways of raising the money necessary to pay for the needs of those who are in need, by taxing those who are not now paying their fair share?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Hon. Member for Hamilton Mountain that these are not initiatives. This is a consultation. I hope the Hon. Member can understand that. Second, the matter he raises in terms of taxation still remains open for the Minister of Finance.

TAXATION INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister will acknowledge, I am sure, that in the discussion documents the Government indicates that it intends to maintain the ceiling at or about the present level. Why, then, in the consultation document was there not a section referring to alternative ways of raising the money necessary to provide for the poor? Why was there no reference made to a discussion on whether or not we could, in fact, tax those who do not now pay

their fair share, as an alternative to the measures presented in the document?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first of all I want to make the point to the Hon. Member that, when he talks about a ceiling, we are talking about the envelope as against an individual. I think that is the first point which should be made.

Mr. Deans: That's okay. I understand that.

Mr. Epp (Provencher): Fine, as long as we understand, because I don't want words out there that people do not understand.

Mr. Deans: They don't understand it anyway.

Mr. Epp (Provencher): Well, possibly you would like to help—

Mr. Deans: We are trying.

Mr. Epp (Provencher): —and not confuse the issue with things that are not correct.

● (1450)

I am saying to the Hon. Member that there are families, should the Government accept either option, or a variation, below a certain income who get more. That is the first point that was made. I have also mentioned the spouse's allowance.

The third point I make, and I hope he can understand it, is that I think every Member of this House, regardless of Party, would like to do more for Canadians at the lower end of the income scale. Obviously. Just a minute! The point I make is this. To be able to do that, the economy obviously has to generate that kind of growth, and that has to be our purpose.

Mr. Deans: You are not talking about that. You are not even referring to that.

* * *

[*Translation*]

FAMILY SECURITY

POLICY CONCERNING THE FAMILY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I assume everyone heard what the Prime Minister said about getting at bank presidents with salaries of $500,000 and up who were receiving family allowances, but I think the Minister will agree that after reading his pot-boiler, one is left with the impression that the bank's janitor and not the bank's president is going to suffer.

I would like to ask the Minister why he lacks the courage the Minister of Justice showed in defending the judges' salaries—poor souls, they only get $100,000 a year. Why did he lack the courage to defend this country's policy on the family and make it a priority for consultation purposes? Why are some more equal than others? The Minister of Justice does not consult anyone about the salaries he gives his judges, but the Minister feels he has to consult everyone about what he is going to give low-income families.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): I say to the Hon. Member, with all the gentleness I can muster—

An Hon. Member: That is not much.

Mr. Epp (Provencher): That might be your view. I say to him that, if either one of these options were adopted, families earning less than $25,000 would have more disposable income than under the Government of which he was a member.

Mr. Ouellet: Forty-six cents.

Mr. Epp (Provencher): Why did he not defend them like we are?

[*Translation*]

Mr. Malépart: Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare.

I think he knows perfectly well this means an increase of forty cents a day. He knows what it costs to raise a family.

My supplementary is as follows: In the Throne Speech—I am not talking about election promises here, this was in the Throne Speech—the Government made a commitment to improve its social policy for families. Did it mean the Government was going to destroy its family policy?

[*English*]

Mr. Epp (Provencher): I say to the Hon. Member that, whatever the increase is, it is more than he offered, first of all. Secondly—I say to the Hon. Member for Notre-Dame-de-Grâce-Lachine East to be careful because, when his Government brought in a program, it reduced the family allowance.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Just be consistent. You reduced family benefits.

I am saying to the Hon. Member that if he has a better view I am willing to listen to him, but do it on the basis of what we can do to improve the situation rather than say that when they get more at the lower end that is somehow worse than what he was doing.

[*Translation*]

EMPLOYMENT

REQUEST FOR REVISION OF SELF PROGRAM

Mr. John R. Rodriguez (Nicket Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In the light of the fact that the criterion of benefit to the community seems to have been minimized in the SELF program, could the Minister give the House the assurance that she will revise the program in such a way as to clearly include this criterion?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member does not expect me to give him the details of a program today which I will be announcing in due course. However, I can assure him that the program for summer students, when it is announced, will certainly be fair, equitable, and it will see that the students involved get meaningful jobs this summer.

EMPLOYMENT LEVELS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister talks about great consultation. Members of Parliament and others were never consulted and we were forced to make these representations in the House. Can she assure the House that the levels of employment in the Employment Development Branch in effect in 1984 will be held to when this program is announced for 1985?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the consultations were undertaken beginning—

Mr. Rodriguez: That is not for the summer program.

Miss MacDonald: —beginning in early December. I have been sitting here every day waiting for some words of wisdom to come to me—

Mr. Rodriguez: You just got them.

Miss MacDonald: —from the Hon. Member. I do not know why he has not been in touch with me, has not written me, has not sent them, but he has had two months to do so.

* * *

VETERANS AFFAIRS

INTERPRETATION OF MEDICAL NEGLIGENCE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Last December 14 I made a statement under Standing Order 21 regarding a problem a constituent of mine was having in getting an interpretation under the Pension Act. I ask the Minister, through you, Mr. Speaker, if this interpretation has been made and, if not, how soon can we expect to receive it?

Mr. Turner (Vancouver Quadra): Order Paper question.

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, that question is under consideration at the moment and an answer is expected within the next few days.

Mr. Turner (Vancouver Quadra): Attaboy, George.

Mr. Speaker: Just for future reference, may I say that is coming awfully close to an Order Paper question.

* * *

SOCIAL SECURITY

SIZE OF FAMILY ALLOWANCE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of National Health and Welfare and also refers to the consultation paper released yesterday. The second option in that paper would reduce by one third the family allowance paid to families with over $20,000 of family income. Does the Minister think that two working parents with a combined income of $20,000, and three children to support, can afford to lose any part of their family benefits at this time?

Hon. Jake Epp (Minister of National Health and Welfare): I agree with the Hon. Member that families in that circumstance cannot afford to lose any of their benefits. I say again it is a consultation option. If she takes a look at it, they would in fact have more disposable income. What I think we have to look at is that if there were a monthly reduction in the family allowance and an increase in the child tax credit, does that better meet the needs of families who need disposable income month by month? I will raise another matter, that of the child tax credit where the money comes to the mother, in most cases, at the end of the tax year. We then get involved with tax discounters. Those are the kinds of questions which are totally valid, and I look forward to her views on those things in consultation.

1981 CENSUS FIGURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, according to the 1981 census, there were 7,900 families in my constituency with two to four dependent children and an average family income of $21,346. These families are hard working, thrifty, and good citizens. They buy homes and educate their children. I sincerely hope that the Minister can find some way of helping the poor without it being at the expense of these families.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is very responsible and I say to her that that is the point of the exercise. I have no intention,

and this Government has no intention, of going after the families which she has described.

Mr. Axworthy: Read your paper.

Mr. Epp (Provencher): Just a minute. What we are saying—

Mr. Axworthy: Doublespeak, that is what you are saying.

Mr. Turner (Vancouver Quadra): Read the document, Jake.

Mr. Epp (Provencher): What we are saying in the paper is: Are some of these options or derivatives thereof a better way to help those in greatest need? That is the point we make.

* * *

[*Translation*]

EMPLOYMENT

UNEMPLOYMENT AMONG PEOPLE AGED 40 TO 60 YEARS—GOVERNMENT POSITION

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, I congratulate the Minister of Employment and Immigration on taking such a challenging initiative and preparing new programs to create lasting jobs for unemployed youths, a new summer employment program. However, is the Minister considering appropriate mechanisms to help a group of unemployed whom I call "the forgotten people", those aged 40 to 60 who are left to fend for themselves? Will her Department soon have proposals to come to their assistance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am fully aware of the interests of the Canadians mentioned by the Hon. Member, and I am convinced that the Government will meet their requirements.

* * *

● (1500)

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, January 28, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF SECOND REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the second report, Statutory Instruments No. 29, of the Standing Joint Committee on Regulations and other Statutory Instruments, in both official languages.

* * *

TRADE

TABLING OF DISCUSSION PAPER ON ACCESS TO EXPORT MARKETS

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, pursuant to Standing Order 46(2), I take pleasure in tabling, in both official languages, a discussion paper, *How to Secure and Enhance Canadian Access to Export Markets.*

* * *

[*Translation*]

CULTURAL PROPERTY

TABLING OF ANNUAL REPORT ON EXPORT AND IMPORT OF CULTURAL PROPERTY

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Standing Order 46(2), I have the honour to table in both official languages the annual report on the Cultural Property Export and Import Act.

* * *

[*English*]

PETITIONS

THE ALASKA BOUNDARY LINE

Mr. Jim Fulton (Skeena): Mr. Speaker, I have the honour today to table a petition on behalf of a large number of my constituents. Very briefly, the petition relates to the Alaska boundary dispute. On October 17, 1903 the Alaska Boundary Tribunal permanently established a line between the mouth of the Portland Canal, Cape Muzon and westward to serve as the international boundary between Canada and the United States.

The petitioners call upon the Government of Canada to enshrine the A-B line into legislation as soon as possible. I have listed the large number of communities that have signed the petition.

MEASURES TO COMBAT PORNOGRAPHY

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of a number of constituents in the Thessalon area, who are expressing their concern about the availability of hard core pornography. They are petitioning the House of Commons to tighten the security at the border to stop these publications from coming into Canada and to exercise a more strict control of the licensing of video tape production and distribution which have an adverse effect on the young people in this country.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: 135, 170 and 178.

[*Text*]

PURCHASE OF MINISTERIAL CARS

Question No. 135—**Mr. Boudria:**

With reference to the answer to Question No. 6, in each case, what was the (a) market value (b) purchase price (c) name of the dealership from which the car was purchased?

Hon. Harvie Andre (Minister of Supply and Services):

Make	Model	Year	Market Value	Purchase Price	Dealership
Oldsmobile	88	1985	$19,328.00	$18,171.00	Myers Chev Olds Cadillac Ltd., Ottawa
Oldsmobile	88	1985	21,500.00	19,000.00	Atomic Auto Sales, Saskatoon, Sask.
Oldsmobile	88	1985	18,513.40	16,214.00	Colonial Chev Olds, Newmarket, Ont.
Pontiac	Parisienne	1985	18,497.25	17,150.00	Turpin Pontiac Buick Ltd., Ottawa
Pontiac	Parisienne	1985	17,096.45	15,492.00	Jack May Pontiac-Buick Ltd., Manotick
Buick	Le Sabre	1985	18,455.30	17,455.30	Surgenor Pontiac Buick (1975) Ltd., Ottawa
Chevrolet	Caprice	1985	17,092.95	16,081.00	Myers Chev-Olds Cadillac Ltd., Ottawa
Mercury	Grand Marquis	1985	20,626.00	16,930.49	Fairview Mercury Lincoln, Pointe-Claire, Quebec
Oldsmobile	98	1984	22,327.35	18,380.00	Lalonde Chev Olds Ltée, Ville de Laval, Quebec
Ford	Crown Victoria	1984	19,575.00	18,599.00	Campbell Ford, Ottawa

OFFENCES COMMITTED WHILE PERSONS FREE ON BAIL

Question No. 170—**Mr. Stackhouse:**

In 1983, how many men and women were charged with offences said to have been commited while free on bail?

Hon. Harvie Andre (Minister of Supply and Services): Statistics Canada reports: Data currently collected by Statistics Canada which provides information on individuals who are charged with offences, does not currently provide information at a level of detail which distinguishes between offences committed while free on bail and offences committed under other circumstances. This information is not available elsewhere.

AVERAGE ANNUAL INCOME

Question No. 178—**Mr. Stackhouse:**

1. In (a) 1982 (b) 1983, what was the average annual income for (i) families (ii) single-parent families?

2. How many families were headed by single parents and how many single parents were male?

Hon. Harvie Andre (Minister of Supply and Services): Statistics Canada reports:

1. Average incomes for families and single parent families are not yet available for 1983. However, the following estimates are available for 1981 and 1982 from Statistics Canada's annual Survey of Consumer Finances:

	Average family income ($)	
	1981	1982
Families	30,440	32,981
Single Parent Families	18,182	18,683

2. In 1982, it is estimated that there were approximately 664,000 single parent families. Of this number approximately 98,000 single parents were male.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

[*English*]

Mr. Boudria: Mr. Speaker, I wonder whether the Hon. Parliamentary Secretary could indicate to the House exactly when the Government intends to respond to question No. 131 which stands in my name. It is a very short question involving political patronage. I see that those kinds of questions on the Order Paper seem to take a very long time to get answered by the Government. They are being ignored.

Mr. Dick: Mr. Speaker, I would like to indicate that as of the thirty-fifth sitting day of this session we have answered 26.5 per cent of the questions, whereas—

Mr. Speaker: No, no.

Mr. Dick: —whereas in the Thirty-second Parliament they had answered only 18.3 per cent of the questions.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

PRACTICE CONCERNING BRIEFING OF MEMBERS ON DISCUSSION PAPERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. It is in the form of a question to the Government House Leader, if I may. It has to do with a procedure which has developed that I think would prove to be disruptive if not at least brought to the Government's attention. He may be aware, and I am sure that you, Sir, are not aware, of the fact that yesterday and today the Government chose to hold lockups and press conferences on matters of considerable importance to the public of Canada and the House of Commons during the Question Period. That effectively excluded Members of Parliament from participating in any briefing or any press conference that was held with regard to two vitally important matters.

I would ask the Government House Leader in a friendly way if he would look at that practice and direct, or attempt to direct, that Ministers of the Crown do those things in times other than during the Question Period, which is the time when most Members are required, out of necessity, to be in the House.

Mr. Axworthy: Mr. Speaker, I rise on the same point of order.

Mr. Speaker: The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Mr. Axworthy: Mr. Speaker, I would like to speak on the same point of order, if I may, on the practice that has now been adopted of presenting documents for consultation without any reference to Parliament. As part of the Government's own mandate it said that it was the great defender of Parliament and was going to use Parliament in a new, effective and broader way. Yet we see Ministers of the Crown presenting documents for consultation without any reference to the Commons or to committees and without any reference within the Chamber of the House.

We saw an example of that today when the Minister of Employment and Immigration (Miss MacDonald) said that Members of Parliament could consult on training, but we did not even have access to the papers. The policy was announced during the Christmas holiday when the House was not even in session. Could the House Leader indicate to us what the intention of the Government is with regard to referring those consultation papers to committees of this House?

Mr. Speaker: Would the Member please tell me what his point of order is, there not being a point of order with regard to the admissibility or inadmissibility or tabling of a document? We have a tradition that we use a point of order procedure, which we really call a question on the business of the House, to allow the House Leaders to have a small conversation in the House. I am not inclined to allow bootlegging on that issue for other issues that are in fact not points of order. I am therefore in some difficulty. If the Member has a point of order I would be glad to hear it.

Mr. Axworthy: Mr. Speaker, the point of order is clearly based upon your own definition. The point of order has to deal with the business of the House. We are saying that the business of the House is being frustrated because reports are not being tabled in the House.

Mr. Speaker: That is not a point of order.

Mr. Axworthy: Well, I think you should redefine it then.

Mr. Speaker: The Speaker does not define what is a point of order. The rules of the House define what is a—

Mr. Axworthy: How do we get answers from these guys?

Mr. Speaker: I take it the Hon. Member is trying to obtain an answer from the Government House Leader with regard to a matter that concerns him. I suggest to the Hon. Member—

Mr. Axworthy: It concerns this House.

Mr. Speaker: May I say to some Members that it is bad enough when they do not listen to answers from people they put questions to, but when you put a question to the Speaker and do not listen to his answer, I find that very difficult.

Mr. Axworthy: We would like to get some answers.

Mr. Speaker: It is very difficult. I beg your pardon?

Mr. Axworthy: We would like to get some answers.

Mr. Speaker: I will give the Member the answer to the question he seeks, I take it. That is, if he has a question on House business, then he should put it to his House Leader, who in turn should put it to the Government House Leader. That is the tradition of the House. If the Member believes that the order of the House has been violated, then he can rise on a point of order in the House of Commons and put his point of order.

Mr. Axworthy: That's exactly what I did.

Mr. Speaker: I have not heard a point of order raised yet.

Mr. Axworthy: Mr. Speaker, if I may speak to the point of order.

Mr. Speaker: On what point of order does the Member for Winnipeg-Fort Garry rise?

Mr. Axworthy: Mr. Speaker, I am rising on a point of order considering what I believe to be a violation of the orders of the House in the sense that major documents are not being referred to this House by Ministers of the Crown. We would like to know from the Government House Leader why and how he intends to change it.

Mr. Speaker: Could the Member quote to me please the rule or order that has been violated, the rule of the House of Commons, the order or the tradition?

Mr. Axworthy: The tradition of the House.

Mr. Speaker: Oh, no, the Member is rising on a point of order.

Mr. Axworthy: Yes.

Mr. Speaker: Does the Member wish to cite a rule of the House?

Mr. Axworthy: Mr. Speaker, I would suggest that perhaps you and your Clerk examine the traditions and procedures of this House considering the responsibility of Government to refer to the House major documents of Government policy and to refer them so that Members of Parliament, who are elected by their constituents do deal with such matters, have the opportunity—

● (1510)

Mr. Speaker: I invite the Hon. Member to read the rules of the House of Commons. For the sake of the Hon. Member, I will read the citation that perhaps would be of interest to him. I quote from Beauchesne's Fifth Edition, Citation 233(1). It reads:

> (1) Point of order are questions raised with the view of calling attention to any departure from the Standing Orders or the customary modes of proceeding in debate or in the conduct of legislative business and may be raised at virtually any time—

I am sorry that I have to educate the Hon. Member. I invite the Hon. Member, if he has a point of order at any future time, to raise a point of order.

Mr. Axworthy: I intend to.

Mr. Speaker: I invite the Member when he raises a point of order, and I respond, to listen. I ask him to do that out of courtesy to the Chair.

Mr. Dingwall: Mr. Speaker, on the same point raised by my colleague, I certainly do not wish to be disputatious with the Speaker—

Mr. Speaker: Does the Hon. Member have a point of order? I have already indicated that the point raised was not a point of order.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. On the basis of the plain rules of natural justice, I would hope that the Speaker would at least give me an opportunity to be heard before he makes premature judgments with regard to the business of the House.

First, I believe my colleague has raised an issue which is of concern to me and other members of this Party.

Mr. Parry: He already said it is not a point of order.

Mr. Dingwall: When we want to hear from the cattle, we will rattle your horn.

Mr. Speaker: Excuse me if I am being disputatious. May I ask the Hon. Member to come to whatever his point of order is, recognizing, with respect to the Hon. Member and to the Hon. Member who raised the point previously, that I have already indicated that the point raised by the Hon. Member who spoke previously is not a point of order. Does the Hon. Member have a separate point of order?

Mr. Dingwall: Mr. Speaker, you asked a specific question with regard to a section of the House orders. I tell you that I thought it was the custom and tradition within the House with regard to the publication of documents—

Mr. Speaker: Is the Member now having a conversation with the Speaker, or does he have a separate point of order? If he rises to make a representation to me on a separate matter that is a point of order, I will hear him. If he does not, I would ask him not to rise on the same point of order on which we have already ruled.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development: and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to resume debate from before the lunch break with regard to the muzzling order that has been brought in by the Government with respect to the so-called Investment Canada Bill.

In resuming my remarks this afternoon, let me touch on the key points of which I think Canadians are aware but which they do not often think about in relation to the new legislation

that was introduced by the Minister. Let me go through some of the features of the old Foreign Investment Review Act and cite questions which would be asked of major foreign takeovers, according to the Act.

The first question is if it will provide jobs for Canadians. I suggest that this is a very appropriate question to ask about foreign capital coming into Canada. One can only wonder why the new Minister of Regional Industrial Expansion (Mr. Stevens) would not want that test to apply.

Another question is, will it improve Canada's export performance? Again, one would assume that such a test is one that ought to apply to foreign capital coming into the country. Will it contribute to having more of Canada's raw material processed within our own borders? I suggest that that is a test spoken about frequently by all political Parties during federal elections but one which seems to have been bypassed by this new legislation.

Will the applicant provide new investment within Canada? I believe that question is inherent in any foreign investment, whether we are talking about the old Bill or the new Bill.

Will the applicant buy supplies in Canada, provided they are competitively priced? I intend to expand on that point in a few moments. A key consideration for a foreign enterprise coming into Canada is where it buys its inventory and raw materials. That is crucially important.

Will there be new opportunities for Canadians to be shareholders, directors and managers of the enterprise? That is a crucially important test in order to determine if Canadians will have an opportunity to give direction to a corporate entity without provincial or federal government involvement so that the enterprise will operate in the direction in which the country wants to go.

Will it improve Canada's access to new products and processes? One would hope that that kind of test could stay within the legislation, but again we see that the new Minister has removed it. Will it improve Canada's industrial productivity? One would hope that that test would be applied, but the Tories have decided that it is inappropriate.

Will it increase the level of competition? Surely one would hope that the opposite would not be the case and, therefore, one must ask why the Conservatives would want to remove such a test from a Bill related to foreign investment.

Is it compatible with the Government's industrial and economic policies? That seems to be a basic and fundamental test that is applied in every industrial country around the world, whether democratic or not. One would expect that test to be applied.

Let me expand on the shortcomings of this Bill. Even the *Toronto Star* on December 9, 1984, described the foreign investment proposals of the new Government as being "Stevens' shortsighted gamble". The article states:

> The danger in Stevens' approach, consequently, is that it risks long-term pain for short-term gain. If he does succeed in attracting an influx of new branch plant operations without any requirement that they operate in Canada's best interests, we may see some short-term increase in jobs—but what will our economy look like 10 years from now?
>
> The peril is that we could end up with an economy with an even higher degree of foreign ownership than at present, a diminished capacity both to export and to innovate and hence to make our own way in an increasingly competitive world—and therefore, in the long run, with fewer opportunities to create good jobs for Canadians.

I think a few facts are important in this debate even though we could spend the brief time that we have discussing why closure on this Bill is so inappropriate. I think it is important to raise some facts about why this legislation should be redrafted. Despite the FIRA approval rate over the past two years, which was up between 95 per cent and 98 per cent, less than one-half of those approved foreign takeovers intended to increase investment or provide any new jobs. Since the beginning of 1984, 15 per cent of those approved promised neither new jobs nor new investment. It was simply a case of a big fish eating a Canadian fish.

Second, Canada has more foreign ownership and control per capita than any other industrialized nation in the world and more than many developing countries.

Third, Canada imports more duty-free, finished manufacturing goods, even excluding automotive goods, than do the United States, Japan and the European Economic Community combined. That fact comes from the Science Council of Canada.

According to *Canadian Business,* of the top 50 companies in Canada, the greatest number of lost jobs over the past few years has been from U.S.-owned companies.

In 1983, Canada had a deficit of $9.4 billion in interest and dividend payments. Since the record was begun in 1926, Canada has been a net exporter of interest and dividend funds.

Foreign investors used Canadian found capital to further expand and take over inside Canada. That has been demonstrated time and again. Foreign capital comes in and acquires either a branch plant or a mine within Canada and then uses our money, banking and credit union system to buy up more and channel more dividends and profits to the foreign country.

Foreign corporations take resources home to create jobs in manufacturing in the parent country. I gave some statistics with respect to that this morning. The amount of resources that are distributed back out of Canada to the parent country is devastating. Seventy-two per cent of all imports into Canada were designated for foreign-controlled firms, which deteriorates our balance of payments. That fact comes from a Statistics Canada study in 1978.

Canada's trade deficit in end products was $14.9 billion in 1983 and, to the end of October, 1984, it stands at $15.5 billion.

According to the U.S. Senate committee, in 1981, "Much of our trade with foreign countries originates with orders placed by subsidiaries of U.S. companies located overseas. For example, 75 per cent of our exports to the 300 largest companies in Canada originates from the subsidiaries of U.S. firms".

I am pleased to have had a chance to say a few words on this Bill that is in dire need of redrafting.

• (1520)

Mr. John Nunziata (York South-Weston): Mr. Speaker, I rise to speak on the specific motion of closure. I believe as a Member of Parliament that I have a responsibility to indicate to my constituents who elected me on September 4 where I stand on issues. I believe it is the obligation of each and every Member of this House to do that so that their constituents may determine how a Member feels about issues of concern to the nation.

I note with respect to this particular Bill that very few government Members have spoken. There are 211 government Members, yet only a handful have deemed it necessary to express their points of view. It seems to me that either Members do not care, they have nothing to say, or they were instructed not to speak. I suspect the latter is the case. I suspect that the House Leader or the powers that be in the Conservative Party have advised Members not to speak on this Bill in order to have the Bill become law as quickly as possible.

It is interesting to note that a special parliamentary committee has been established to investigate the role of the back-bencher in order to advise Parliament and the Government on how the role of the back-bencher can be enhanced. It seems somewhat hypocritical of the Government to embark on this parliamentary investigation while, on the other hand, effectively muzzling Government Members from speaking.

I submit, your honour, that government Members as well as opposition Members do a very serious disservice to their constituents by not standing up to express their points of view and give Canadians some insight and information on why they support or do not support the particular piece of legislation before the House. I concede that it may be important for government Members to support the legislation because it is a government initiative, but that does not stop Members from standing up in this House to explain why they support a particular Bill. Once again, it is my respectful submission that constituents, and Canadians as a whole, have to know where a particular Member stands.

The Government talks about enhancing the role of the back-bencher. How hypocritical. One recognizes that the opportunities for a government back-bencher are somewhat limited. Opportunities to ask questions during Question Period are limited and, because of the sheer numbers, opportunities are limited with respect to Standing Order 21 statements, and with respect to contributions to deliberations of standing committees of this Parliament opportunities are limited. Yet here is an opportunity for government Members to stand up and say, "I support the Bill for the following reasons," or, "I do not support the Bill for the following reasons," or, "I am suggesting possible amendments or alternatives to this legislation".

I challenge government back-benchers to speak. By not doing so they are not doing an effective job. A farce is being made of this special parliamentary committee and its deliberations.

With respect to the motion before the House, I want to indicate my very serious concern and chagrin at the method by which this motion was introduced. As a result of parliamentary trickery, a Government back-bencher introduced this closure motion. It is my submission that the closure motion we are presently debating is an abuse. It is an absolute abuse of the majority which the Government holds in this House today.

Canadians were fearful after the reality of September 4 because of the lop-sided majority of this Parliament. Their fears are well founded, Mr. Speaker. In my view this is but the beginning of how this Government intends to abuse the overwhelming majority it has.

The Government, by introducing this motion, is effectively denying any further opportunity for any more substantive motions. It is unhealthy for a democratic system that the Government in its wisdom has decided to introduce this amendment. The Opposition, as is obvious, has some very serious concerns with respect to this legislation. It is a major piece of legislation. It is the Government's first major piece of legislation. It seems to me that it is incumbent upon the Government to ensure that a full and complete debate occurs on this legislation because it is serious and important and it will affect Canadians from coast to coast.

This is a marked departure from the policies of the previous administration. It is a departure from the way we deal with foreign investment. On that basis, the Government is obligated, not only by the huge majority it holds but also by respect for Parliament and respect for this House, to ensure that a full debate occurs.

This Government has decided to invoke this form of closure. I concede that the Opposition will have other opportunities to express its point of view on this Bill. The Bill will go to committee and the Opposition will have the opportunity to speak at committee and to introduce amendments considered necessary and advisable in the best interests of Canadians.

This Government has set a very dangerous precedent for the remainder of this Parliament by deciding to invoke closure. It is but the beginning. I pray that the Government recognizes the importance of respect for Parliament, for the right of the minority, the right of both minority Parties, to be heard. By invoking this drastic measure of closure, this Government, in my respectful opinion, has shown disrespect for this Parliament and disrespect for the traditions of Parliament.

It seems to me that nothing would be lost except a few precious weeks or months if the Government were to allow the Opposition to have a full debate. It appears that this Government is bent on ramming this legislation through without consideration. It claims that it is a consultative government. During Question Period today, the Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare (Mr. Epp) indicated they wanted to consult with respect to social programs, that they wanted Canadians to have input with respect to these major changes. I ask you, Mr. Speaker, where was the input with respect to this piece of legislation? With whom did the Government consult other than the rich boys on Bay Street and the oil barons in Calgary? What about others? Were others consulted? Were options put forward as were the options concerning universality and social programs?

Were options given to Canadians? The answer is a simple no. The Government decided there would be no option.

• (1530)

I recognize that my time for speaking has expired. I simply wish to reiterate my very serious concern with respect to the Government's actions to effectively end debate. In my respectful opinion, it does not bode well for the future workings of this Parliament and democracy *per se*.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is unfortunate that I have to speak on what in effect is a closure motion. It was interesting to listen to the last speaker, the representative of the Liberal Party, talking about how a closure motion hurts Parliament and how it is undemocratic. In your many years in the Opposition, Mr. Speaker, I am sure you remember that quite often various members of the Liberal Party introduced various forms of closure or motions to restrict the ability of the Opposition to debate and raise issues in the House of Commons. When the Liberals are on this side of the House they say one thing, but they say and do the exact opposite when they are in government.

The hypocrisy is not only to my right; it is also across the way. When you were in opposition, Mr. Speaker, you were joined by people who are now part of the Government Party who would rant and rave against motions of closure. For that matter, you probably remember an incident where the Conservative Members actually charged the Speaker on a matter of closure. I am not recommending that as a course of action to be taken, but it reminds us that when the Conservatives were on this side of the House they were completely opposed to any limitations on debate in the House of Commons.

I recognize that from time to time there is a need to limit debate in the House of Commons, but this is not one of those occasions. This Government came to power last fall. It did not introduce this Bill until December and it is now toward the end of January. We have had only a few days of debate on the Bill. Most of the country does not know what is in this legislation. One way that Members of the House of Commons have of getting information to the public is by making speeches in the House of Commons. The closure motion before us today means that within the next day or two debate will come to an end.

As a result of this legislation, we are again hearing about a group which had died two or three years ago, the Committee for an Independent Canada. As a result of the actions of this Government, this legislation in particular, that group is talking about re-emerging. Unfortunately, if we rush through the passage of the second reading of this legislation, send it to committee and the Government again forces closure at that stage, groups concerned about the economy and the ownership of the industries of our nation will not have a real opportunity to protest this legislation. That is a serious concern for all of us.

A number of speakers from the New Democratic Party stated that we in this nation have one of the highest percentages of industries owned by foreign people and corporations. Others from our caucus have pointed out that most of our natural resources are not owned by Canadians. Member after Member has given examples of where American owned firms have applied American law in their dealings rather than Canadian law.

I am glad to see the Secretary of State for External Affairs (Mr. Clark) in the Chamber. He will know that on occasion firms operating in Canada have not followed the policy of this Government. They have followed the policy of the American Government or their home nation. Jobs are lost in Canada not because of Canadian policy but because of American policy.

I spoke on this legislation last week. I did not read quotes from labour movements, socialists or Canadian nationals. I did read some quotes from the Science Council of Canada, a government agency headed by a former leader of the Liberal Party for Ontario, Dr. Stuart Smith. I referred to a study done by Frank Longo for the Science Council of Canada on the history of research and development by foreign-owned firms in Canada in comparison to Canadian-owned firms. Mr. Longo's study found that by and large foreign-owned firms did less research and development in this nation than Canadian-owned firms. On average, therefore, a foreign-owned firm will do less research and development in Canada. I repeat, that study was done by the Science Council of Canada.

Even with the weak legislation that exists at the present time, we do not get the same amount of research and development from foreign-owned firms that we get from Canadian firms. For the Government at this time to look at further weakening those very limited controls on foreign investment will result in our having less control and less say about our future.

Mr. Longo's study also looked at what happened with money supplied by the Canadian Government with regard to foreign investors. It is interesting to note that Canadian firms by and large, though not everyone, took the money they received from government grants and matched it dollar for dollar in order to do research and development in this nation. Not so with foreign-owned firms. There were exceptions and some foreign-owned firms did a good job of research and development in this country, but on average they did not match and only used the federal Government supplied money. Not only do we have less research and development done by foreign-owned firms, but they do not even match the money they receive from the federal Government in order to do research.

I referred that study to the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens). I have a letter here from the Minister of Regional Industrial Expansion in which he admits that he does not know what study I am talking about. I referred to the author and that it was done by the Science Council of Canada. If a Minister has a study that affects legislation before this House, he should read that study. That study was paid for by the taxpayers of Canada. It looked at how our economy can be developed and the Minister has not even considered it.

I recognize that as a result of the closure motion before us, I have only one more minute to speak. I plead with the government back-benchers, the silent majority in this House of Commons, to consider their role in the House of Commons. Consider what will happen to research and development, what it will do to the opportunities for our young people, our opportunities for economic development in the future, and vote against this legislation. Members have a duty. I ask them to please carry out that duty for the benefit of their constituents.

[*Translation*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

• (1540)

[*English*]

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I join with my colleagues in participating in this debate. I must say at the outset that when I read the motion put forward by the Hon. Member for Charlesbourg (Mrs. Tardif), I was quite surprised, particularly in view of the fact that the Right Hon. Member for Yellowhead (Mr. Clark) is present in the House. I can recall with great clarity that when he was on this side of the House, he vigorously opposed any limitations on debate which came before the floor of the House of Commons. I also recall, as I am sure you do, Mr. Speaker, that occasion one evening when Members of Parliament from the Conservative side rushed the Speaker's chair.

The limitations that are being put on the debate today, at a time when the whole substantive issue of foreign investment has not been thoroughly discussed by Members of Parliament in this Chamber, seems to me to be a bit unfair. It seems to me that the Government, very unwisely, is rushing its legislative timetable. When the Bill was initially tabled in the House of Commons, I thought it was a mistake. I would have thought that this Bill would have come forward after some consultation with the Canadian people and the Members of the House of Commons. After all, were we not told by the Right Hon. Prime Minister (Mr. Mulroney) that consultation would be the key, operative word for the new Government? Instead, we saw two incidents. One was an arbitrary cutting of $4.2 billion from the Canadian economy; the other was an attempt to pass a piece of legislation dealing with foreign investment without any meaningful consultation with Canadians. That seems to fly in the face of the arguments made so eloquently by Conservative Members that there ought to be consultation. Nevertheless, this piece of legislation is now before us.

I am a bit saddened to see that government Members, for whatever reasons—I can only assume they are good reasons—do not wish to join one after the other in debating the substantive portions of this particular Bill. To try to perpetrate this piece of legislation on the Canadian people in a limited amount of time flies in the face of what members of the Conservative Party did while they were in opposition.

I think it is very distasteful that we as Members of Parliament, at a time when a committee has been appointed by the House to review the role of Members of Parliament, are now confronted with a piece of legislation which we must pass within a limited period of time. That is totally unacceptable, particularly if we are to change the way Parliament works and the way Parliament ought to work.

The substance of the Bill that is before us leaves a great deal to be desired both for Members of the House of Commons and, I am sure, for Members of the other place. Equally so, there are other legislatures across the country that have some grave concerns about the substantive parts of this Bill. I recall that the present Minister of Development for the Province of Nova Scotia, a member of the provincial Conservative Party, has expressed some serious doubts as to how far this Bill will go in terms of attracting investment, particularly to Nova Scotia. It is frustrating to see the Government trying to rush this Bill through very quickly, but it is even more frustrating to see that those of a different political stripe than I have legitimate concerns about this piece of legislation.

Second, Mr. Speaker, Canadians from all regions of the country are concerned that the lack of foreign investment review, which would be the pith and substance of the Bill, will allow for investment from abroad which has no regulatory control. I think Canadians in all regions of Canada are concerned about that. I would have thought that Members opposite would have wanted to have the opportunity to debate that matter on the floor of the House of Commons. Apparently the exact opposite is the case.

I was also disappointed that the Minister responsible, in speaking to the substance of this Bill, failed for whatever reasons to place before Parliament a document which would clearly spell out the jobs that he would anticipate as a result of the passing of this legislation. Members of Parliament were told that if this piece of legislation were to be passed, it would create wealth, jobs and prosperity. We were told it would open the doors and give our young people, women and minority groups an opportunity to have meaningful employment. I think all Members of Parliament would applaud that objective. However, the Government went a step farther: it indicated that that would happen forthwith.

All I have asked of the Minister and of his officials is to provide the documentation regarding jobs here on the floor of the House of Commons so that Members of Parliament who may have different ideologies, philosophies and approaches to the running of the economy can debate what those numbers mean. Unfortunately, the Minister responsible has not seen fit to comply with that very reasonable and objective request. I suggest that that would make one a little suspicious of the Government's intentions.

First we had a Government that talked about jobs, jobs, jobs. Then it talked about consultation, consultation, consultation. There have been no jobs. With regard to this piece of legislation, there has been no consultation and the Government is trying to slam it through. Time and time again, both in the House of Commons and through the news media, I have heard

that the Government is concerned with creating confidence in the Canadian economy. The Government said that the way to do this was to consult with people from coast to coast. There has been no consultation on Bill C-15. I do not see any outpouring of confidence as a result of the tabling of this legislation. In fact, I find that what exist are fears, apprehensions and a suspicion of the Government's intention incoming forward with a document like Investment Canada so early in its mandate.

If one wished to be political, one would believe that there is a rift between the Minister of Finance (Mr. Wilson) and the Minister of Regional Industrial Expansion (Mr. Stevens), and that one is trying to outdo the other. Perhaps the Minister of Regional Industrial Expansion really wants to be the Minister of Finance and that is why he has jumped the gun on his colleague, the Minister of Finance. I hope that is not true, but some have argued that that may be the case. I hope there is no disunity on the other side because those on the other side have a major mandate to carry out for the Canadian people.

The changing of the Foreign Investment Review Act, as we know it today, to Investment Canada is not supported by any evidence put forward by the Conservative Party that states unequivocally that jobs will be created in each of the provinces of Canada. Job guarantees are very important. I have had experience with foreign investment. We welcome foreign investment, but there must be some restrictions on where that foreign investment goes and how it will operate within the Canadian economy. I suggest that the Prime Minister went to Washington prematurely. He went to New York and to Washington and gave them all that they requested without attempting to obtain reciprocity with regard to the things which we were seeking in Canada. I think that is a pretty immature way of running the country and improving the Canadian economy.

• (1550)

I hope that other Members will join in this debate and express their thoughts as to how we should proceed from here.

[*Translation*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Yes.

Some Hon. Members: No.

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in this debate which has imposed closure on Bill C-15. It is with sadness that I note it is the first motion of closure which has been introduced by the new Conservative Government. There is a little voice in the back of my head which suggests that it will not be the last which we will see. In fact, it is probably the first of many to come.

It is also sad that a Party which was so eloquent in opposition in denouncing the motions of closure which the former Liberal Government introduced, on numerous occasions and many times for no justifiable reason, now committing exactly the same sin. It is amazing to see, in the men and women who sit across the aisle, the type of conversion and mind change which has occurred. Indeed, power corrupts. What amazes me is how soon and how quickly power corrupts.

It is also somewhat discouraging that so few government Members have risen to explain and justify this legislation. We have heard some very simplistic statements and slogans which government Members like to put forth. This legislation is essentially based on simplistic premises, the major one being that the problem which exists in Canada today is that there is not enough foreign investment. They say it is because those naughty Liberals were really socialists and closed the door to foreign investment, and that that is why we have an unemployment rage which is so high in Canada. So all we need do is open up the gates and foreign investment will come in and create the jobs and prosperity needed to put Canada back on the road to economic recovery.

I appreciate that Members in the House—who after all are politicians—give political speeches, and that often those speeches contain simplistic notions. What concerns me is that this is not just speech material but the actual policy and thinking of the present Government. It scares me, because if this is the policy it is simplistic, and it will not bring about the desired solutions. However, it will create more problems in the future.

First, I would like to deal with the notion that FIRA and the former Liberal Government which introduced and administered FIRA were made up of a bunch of socialists who stopped the flood of foreign investment. We could not get further from the truth. If we consider that 95 per cent to 98 per cent of the applications in the last two years were approved by the Liberal Government, we begin to realize that FIRA was indeed a toothless tiger. It did not hold back foreign investment. If we consider that Canada has more foreign ownership and control per capita than any other industrialized nation, we begin to realize that most of this occurred under previous Liberal Governments. So to make the charge that it was FIRA and the Liberals which stopped the flood of foreign investment does not make sense.

Second, the simplistic notion which has been put forward is: Let's get rid of FIRA and foreign investment will come into Canada. I suggest that that will not happen because in the past FIRA has not been effective and there are no great globs of foreign investment waiting to come into Canada after this legislation is passed. *The Globe and Mail* did some background checking with investors and bankers in the United States—mainly in New York—which showed that very few had any expectations of new investment flowing into Canada. I think the Tories are suffering some disillusionment. They believe that because they were elected and because they are bringing in this legislation, all of a sudden foreign investment will come into Canada. Foreign investment occurs when there are certain economic and social conditions; mainly the condition that there is a profit in the investment. Investors already have enough investment in Canada and see no reason to open

new branch plants. For the moment they have enough; there is no need for them to establish new centres of production in Canada.

Much of what we have heard during this debate is frivolous and has no basis in terms of reality. When we hear the odd Conservative spokesman say "Pass this legislation and new investment will come in", I believe it is a phoney statement. When we hear Liberal members stand up to proclaim the evils of foreign investment, that too is phoney. The fact that this country, on a per capita basis, is owned by more foreigners than any other developed country in the world is the result of the actions of Liberal Governments.

The simplistic idea that if we bring forth more foreign investment it will cure all our ills is dangerous. It can create on a short-term basis some jobs and development in Canada; there is no denying that. But people invest in something because they expect to get more out than they put in. Eventually, a day of reckoning must occur. The money going out, in terms of dividends and interest payments, is greater than the new investment money which is coming in.

The day of reckoning occurred in Canada some time ago. Canada has a greater outflow of capital in the form of dividend payments than it has in new capital coming in. Therefore, in order to cover our deficit in the balance of payments, we try to encourage more new capital to come in. It is like digging a hole in order to get the dirt to fill up the hole which was dug some time ago. But in the process a deeper hole has been dug. That means that the future must be mortgaged in order to service the debts of the present. The Conservatives have not given us a change in Canadian Government policy but a continuation of the policies which existed in previous Liberal Governments. It is an attempt to get more foreign capital to come into Canada in order to pay the deficit resulting from the flow of capital which is leaving the country. It is stupid economic policy and it will not work. We are only postponing serious problems with which future generations will be forced to deal.

There are numerous studies which show that foreign investment is not necessarily the solution to a country's problems. We have seen studies which suggest that research and development suffers when most of the country's major industries are branch plants of foreign multi-nationals. We have seen, in such an economy as we have in Canada, that the employment rate decreases when a vast majority of the plants are foreign-owned. We see that there is a negative outflow of capital funds. We see that the social, economic and political independence of a country gets eroded when a good hunk of its economy is foreign controlled.

• (1600)

Something I also find discouraging in the Government's economic policy is that it is one which is backward-looking. I had hoped that with the election of a new Government with new faces, some new outlooks would be introduced. We are moving into a new social and economic age. By all signs it seems that in this new age, production should be small scale, that there should be community, country and regional self-sufficiency, and that the new products coming on the market should be intensive in information and technology. It is customization versus mass production.

The indications are that this is the economy of the new age. The Bill which is in front of us ties us into an old age of mass production, world-wide mandates and into a type of economy which is owned by multi-nationals and controlled from outside our borders. The encouragement of this kind of economy is a sin.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. It is my duty, pursuant to Standing order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Swift Current-Maple Creek (Mr. Wilson)—Canadian Wheat Board—Request for early pay-out to farmers; the Hon. Member for Winnipeg North (Mr. Orlikow)—Consumer Affairs—Activities of cheque cashing companies. (b) Request for investigation; the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey)—Banks and Banking—Chartered banks' refusal to cash welfare cheques. (b) Existence of cheque discounters.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I admit to being lucky to have this opportunity to conclude the remarks I began last week. As you recall, Mr. Speaker, last week I gave a few examples of the fact the rhetoric we hear from our colleagues opposite is far removed from what they actually do and the policies they advocate here in the House and elsewhere.

Among other things, Mr. Speaker, I mentioned the case of Petromont where the Government wasted about $15 million on a project which we had rejected in the election campaign. But that is only an example. As I explained to you and my colleagues in the House a few days ago, the same thing can be said about the Bill under consideration—more rhetoric, nothing concrete. They change the name, they do something else and invite foreigners to invest in this country. The same invitation is extended to Canadian investors. That is why I ask the question, Mr. Speaker: What for?

Incidentally, I have just read in two different papers today—*Le Devoir* and *La Presse*—the remarks made in Toronto yesterday by our Minister of Finance (Mr. Wilson), and I quote:

Shortage of investments—Wilson denounces businessmen

And again:

Private sector not fully behind economic recovery, Wilson claims.

And it goes on to say:

Federal Finance Minister Michael Wilson said Monday that certain businessmen do not seem to realize that they are just as responsible as the Government for the economic recovery.

So here is my next question, Mr. Speaker: Will he take a similar approach with our foreign friends? Will the Minister of Finance also denounce foreign businessmen because they are not here in Canada to invest? Simply more of the same rhetoric, Mr. Speaker. And again I stress the point: Canadians do not realize that the rhetoric we hear day in and day out in the House has precious little to do with what the Government actually does.

Here is another example, Mr. Speaker. Conservative spokesmen have always maintained that certainty in tax matters is altogether indispensible if we are to instil confidence among investors, create jobs in Canada, and what have you. I am sure no one will disagree, but, Mr. Speaker, one of the first measures taken by this Government with respect to fiscal policy was to stop the practice of handing down certain advance rulings. This particular measure has caused instability and uncertainty, while at the same time disrupting negotiations on major transactions. Where were the critics, Mr. Speaker? I ask you, where were the critics? Here in the House, among my Opposition colleagues but aside from the general public, hardly a critic to be found.

Another example, Mr. Speaker. When the Progressive Conservatives were in the opposition, they criticized the Minister of Finance's plan to raise the sales tax because according to them, it was the most repressive federal tax ever, collected by hypocrites, cynics, manipulators, rogues and slick operators.

I shall quote a few comments by some Progressive Conservative Party critics. They asked Mr. Lalonde, who was Minister of Finance at the time, to postpone or cancel this plan. Mr. Mulroney, then Leader of the Opposition and now our Prime Minister, had urged the Minister of Finance, Mr. Lalonde, my colleague at the time, to reconsider his decision to raise taxes, in order to, and I quote the Prime Minister:

In order to correct these appalling policies that have drained the country and the economy.

After these practically hysterical attacks against a one per cent increase in the sales tax, what did the present Government do when it got a chance, Mr. Speaker? What did it do? Did it reverse the previous Government's decision? It did not. It confirmed that decision. And this time the critics grumbled a little, but not much.

Another example, Mr. Speaker, again in the tax field, and you people opposite better listen, because this is what your Government is doing.

Some Hon. Members . . . Excuse me, Mr. Speaker.

Here are a few more examples I would like to mention, still in the same field. For a long time, Progressive Conservatives maintained that the Petroleum Compensation Charge was a considerable and costlyobstacle to economic growth. The critics said: Terrific, they are going to abolish this tax as soon as they come to power. That would make sense.

It would have made sense, but what did the Progressive Conservatives do? They made another about-face and decided to maintain the tax as a source of general revenue.

I could go on for the rest of the afternoon, Mr. Speaker, giving examples to prove that the credibility gap on the other side is widening every day. It is unbelievable!

Another example. The budgetary cutbacks announced by the Minister of Finance (Mr. Wilson) in his economic message, his so-called mini-budget of November 8, 1984, included a reduction of $150 million in funding for research and development, an activity essential to economic growth as the Progressive Conservatives have been saying for many years.

• (1610)

This is another obvious contradiction in policy between, on the one hand, the rhetoric we hear in this House and elsewhere, and on the other hand, the initiatives taken in fact by the government.

Finally, let us look at defence expenditures. Our friend from Winnipeg, who is in the House today, is very interested in this question.

Mr. Speaker, who in Canada does not believe that the Conservatives were planning on increasing defence expenditures? But what did they say during the campaign? Then in his economic statement, the Minister of Finance announced that he would cut the defence budget by $154 million.

The debate must continue so we can emphasize this point, Mr. Speaker, because I want to close by saying something.

Personally I think that this bill is extremely dangerous because we are giving the Minister of Industry the discretionary power to decide by himself whether a foreign investment should be accepted in Canada. Is this not a fact? How can we vote for such a bill which will place in the hands of a single Minister the power to make the final decision on such important investments for Canada?

Frankly, Mr. Speaker, it is shocking to give such discretionary powers to anyone. An amount of $500 million or $100 million could be involved. It could be any amount according to the legislation. A single Minister will still make that decision.

Mr. Speaker, I can tell you that, if we approve this bill, it will mean that the Cabinet has totally relinquished its responsibilities.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, as I understand it, the Government's insistence on dismantling the Foreign Investment Review Agency is based on the premise that by doing so Canada would somehow manage to generate hundreds of thousands of jobs overnight, and that much of the problem of Canada's lack of productivity and high unemployment at present stems from the very fact of FIRAs existence. In my view, Mr. Speaker, the mismanagement of successive Liberal Governments is hardly a reason for blaming FIRA.

The experience of this country with FIRA is that it has not prevented foreign investment. The figures show quite the contrary. If FIRA can be blamed for anything, it is for perhaps being overly bureaucratic in its decision-making process and for unnecessarily delaying investment decisions by foreign investors. Certainly the figures clearly indicate that foreign investment in Canada has not declined to any degree at all since FIRA was established. I believe the figures show that 98 per cent of all applications to FIRA were approved. Therefore, to make an ideological argument that FIRA somehow destroys investment opportunities in Canada is seriously misleading the public.

If indeed the Government is making that kind of ideological decision because it does not like public agencies, that is something else, and the Government should come out and clearly say so. That would be better than saying that if we get rid of FIRA we can create all kinds of jobs overnight. I would like to see this Government come forward with some figures which would clearly indicate that. Perhaps if it did so Members of the Opposition might look more kindly up on what the Government is trying to do. However, Mr. Speaker, I can tell you from my own personal experience that FIRA, its decision-making process, and Government policy towards FIRA, have done nothing to protect Canadian workers or the Canadian market-place.

This is a serious situation, Mr. Speaker. For example, Canadian General Electric is a part of the branch plant economy and whether or not that corporation has provided a direct benefit to Canadians can be seriously questioned. In a plant in Toronto called the Radio Valve plant which later became the Canadian General Electric plant, the company was involved in production of vacuum tubes for televisions and radios. That plant was closed by CGE around 1969. The argument was that it was no longer a viable operation. In fact, the company closed that plant as part of an international rationalization program. They decided that plant was not profitable for the purpose of continuing to supply the Canadian market with vacuum tubes for television sets. Perhaps they may have had an argument there, but they moved production of that plant to a plant in the United States and continued to import exactly the same product into the Canadian market-place. In the process they threw 800 Canadians out of work. Some of those people had seniority with that company in excess of 40 years.

That, Mr. Speaker, is not the kind of investment that I or other Canadians want to see. Surely if we allow companies to come into Canada to exploit our market-place and Canadian workers in order to make a profit, then they have an obligation to prove they will make a significant contribution to Canada and Canadians. From my experience that has not taken place.

If you look at the major industries in our country, Mr. Speaker, you will find that most of them are dominated by foreign companies. I think it is also safe to say, and many people would agree with me because I have heard it expressed, that Canada is probably the only country in the world in the process of de-industrialization. Most countries are industrializing. One of the major reasons for that is the large degree of foreign control of investment in this country. We have no say at all about how that is controlled, and we had none even with FIRA. I predict it will be even worse once we get rid of FIRA and end up with this new agency the present Government wants to bring out.

I want to mention two other instances more current than that of Canadian General Electric which I spoke about. The first is the Black & Decker plant closure in Barrie, Ontario. That company received approval last year to buy into the CGE operation in Barrie, and less than a year after receiving approval they turned around and are now closing that plant to consolidate it with another operation of the company. They are now laying off some 500 workers, I believe.

That, too, is not the kind of investment we think this Government should be encouraging; or if it is going to encourage it, make sure that when that corporation establishes itself in the country it is not going to do the kind of things that Black & Decker is doing in Barrie, Ontario.

• (1620)

I would like to discuss, as another example, what is happening in Toronto between the Pepsi-Cola company and 7-Up. In that particular case Pepsi-Cola has taken over 7-Up's production in Montreal while 7-Up has taken over Pepsi's production in Toronto. More than half of the 260 employees at Pepsi's Weston plant in Toronto will lose their jobs when the plant closes, which is scheduled for next month. The union in that plant has been told that 7-Up will build a new plant in Malton, which is outside the union's bargaining territory, to handle the

increased work, rather than taking over the existing facility in Toronto.

We do not need another American corporation coming into this country on a union-bashing spree either. If they want to come into Canada to exploit our markets and receive a fair return on their investment, which no reasonable person would argue against, we at least expect them to act like responsible corporate citizens rather than a bunch of hoodlums coming in to smash a union which has been in that particular facility for many years. They then turn around and destroy 260 jobs when many of the employees had up to 30 years of service with that corporation.

Surely while we are attracting investment to Canada we can at least take the responsible attitude of telling the corporations that we need to protect the jobs in this country. I do not believe that we do not have the investment funds in Canada, because most of these corporations use Canadian money in the first place to buy up Canadian corporations. Very few of them come into Canada to start a new enterprise. Then if the competition is too stiff, they close down their operation in order to exploit the Canadian market-place from their home base.

Mr. Speaker, I see my time is up. Thank you very much for your patience.

[*Translation*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is with pleasure, but also with a feeling of disappointment that I rise to speak on the amendment moved by a Member from Quebec who, as her first mission, is willing to do the dirty work that the Minister did not want to do himself. I do not think that the Hon. Member realizes that in doing so, she becomes the first one to introduce a motion aimed at muzzling the opposition, at shutting up those who should speak for the Canadian people. I am very disappointed that this should be done by someone from the same province as I am, someone who is satisfied with earning an extra $9,000 simply to carry the bag for the Minister and allow him to be somewhere else during this debate.

Mr. Speaker, we can see that the government ... If the Conservative backbenchers have anything to say, let them have the guts to speak up! Let them rise! Your colleague from Champlain (Mr. Champagne) was the one who said that the small fry should express their views and your colleague for Duvernay (Mr. Della Noce) was the one who said publicly that he does not understand his colleagues who are quite content to go on trips and nothing else. Those are not the words of Liberals, but of two Progressive Conservatives Members of Parliament speaking about their Quebec colleagues. If you have something to say ... Mr. Speaker, I invite them to speak up instead of remaining in their seats.

I was saying that the government has introduced a motion of closure. In the meantime, we have learned that, even if the bill is not approved, the Americans are certain that Canada now belongs to them. We only have to look at what is going on in the industry concerning the frigate program. We are going to have not only American investments, but also American workers. Not only will the Americans or people from other countries be able to invest in Canada, but at no time did the Minister or any other Conservative Member give evidence that this would create employment. If it did, I would agree with it. No one—

If the Hon. Member who just made a comment has anything to say, he can now rise and do so! He has not risen to speak in this House yet. In my opinion, the former Member for Lac-Saint-Jean had more guts than this one. He had some backbone. He was able to rise and speak.

Mrs. Mailly: That is why he was defeated.

Mr. Malépart: Therefore, Mr. Speaker ... You, the Member for Gatineau, just wait, it will not be long, your turn is coming!

Mr. Speaker, I can see this so-called Government which has developed two sets of policies, one for its own citizens and one for the oil corporations, boasting about consulting people. Then when the time comes for making decisions on gasoline price increases, this Government meets with oil company bosses to hear what their instructions are and complies with them immediately, without even consulting its own Members. That is not important. They are just porters, or so said the Hon. Members for Champlain and Duvernay (Mr. Champagne and Mr. Della Noce), both Progressive Conservative Members themselves.

Mr. Speaker ... You too, the other fellow from Lac Saint-Jean, when you have the guts to do so, you rise and make a speech!

Mr. Speaker, when the time comes to make decisions affecting all of our citizens, whether this has to do with humane provisions such as the spouse's allowance for single people between age 60 and age 64, when the time comes for reforms, so-called reforms to improve family policy in respect of family allowances, then it is something else. They bide their time. There is no hurry. And then they make all kinds of rules behind closed doors to try and get money back from middle- and low-income citizens.

Mr. Speaker, it was not I, it was the Minister of State (Youth) (Mrs. Champagne) who said that Ottawa does not have much money to help the young. Do you understand that, young people? You were promised all that. But that is over. They knew of course. There was one minister of the Crown, the Minister of Justice (Mr. Crosbie) who was quite outspoken during the election. He told the truth. But not the others, Mr. Speaker. I do not blame the Progressive Conservative back-

benchers. I hear them howling. I know this hurts. I appreciate that you do not like to hear the truth. I see the Hon. Member for Chambly (Mr. Grisé) who is supporting me on that.

So, Mr. Speaker, I know you are disappointed with your colleagues! I am sure, Mr. Speaker, that being humane as you are, if you were in Cabinet you would not tolerate the kind of things that are now going on on the Government side.

Mr. Speaker, what we find is that as soon as the Americans are involved . . . we may recall that the Prime Minister accepted to be the hatchet man for a multinational corporation named—

The Hon. Member for Gatineau (Mrs. Mailly) is quite in a hurry to speak. Stand up!

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I would like to say to the Hon. Member that when the Speaker is in the Chair he is in a very neutral position. He is a referee or umpire. I just do not like the statement or inference that the Hon. Member made during his speech. I would hope that he would not imply that type of statement in the future.

[*Translation*]

Mr. Malépart: Mr. Speaker, I always have much respect for the Chair, and especially for the present Speaker. You have shown your qualifications in all areas.

Mr. Speaker, if only Hon. Members would let me speak . . . As I was saying our Prime Minister agreed to act as a hatchet man for the Iron Ore. He accepted, and I think Quebecers will very well recall that. He agreed to quietly shut down an industry, and a town.

Mr. Speaker, it will be remembered that the Prime Minister, as soon as he was elected, went south of the border to meet with big finance in the United States and with the American President. Very early, he went to get instructions, and very soon he will be forced—

• (1630)

Mrs. Mailly: Mr. Speaker, according to the rules of the House, it seems to me that speeches should be dealing with the subject being debated. Up till now, I have not heard a word that is related to the Bill.

[*English*]

The Acting Speaker (Mr. Paproski): I do not think that is a point of order.

[*Translation*]

Mr. Malépart: On the point of order, Mr. Speaker, the Hon. Member for Gatineau (Mrs. Mailly) has just shown her ignorance. We are not dealing now with the Bill, but with the amendment calling for closure. I suggest it is about time the Tory Members were briefed in their caucus and knew that the House is now dealing with the amendment moved by the Hon. Member and that it is a motion to close this debate, Mr. Speaker.

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

The Acting Speaker (Mr. Paproski): Order, please! The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: I think the Hon. Member is wrong, Mr. Speaker. I think also that we are dealing with the previous question, which is Bill C-15. Is it not so, Mr. Speaker?

I should like you to shed light on this matter. I think—

The Acting Speaker (Mr. Paproski): Order, please! This is not a point of order.

Mr. Malépart: Mr. Speaker, the question is—

The Acting Speaker (Mr. Paproski): Order! Just a minute, please.

Mr. Malépart: Thank you, Mr. Speaker. The matter of closure. I can understand why Conservative members keep interrupting, since they do not want to hear the truth, even though they know exactly where they stand, as evidenced by their disappointment reported recently in the press.

Mr. Speaker, I was saying that the Prime Minister (Mr. Mulroney) will meet with Mr. Reagan, the President of the United States, and show that he has delivered the goods and carried out the orders.

I think that is why the Hon. Member for Charlesbourg (Mrs. Tardif) has accepted this assignment—I admire this person who is both nice and competent—but I think she should not have accepted an assignment which is below her.

Mr. Speaker, we must realize that we will be faced again with a similar motion when the House is called upon to deal with the spouse allowance, which is an injustice with regard to 80,000 senior citizens in Canada, 85 per cent of whom are women who are excluded from this social program merely because they are single, separated or divorced.

The Government will again move a similar motion to end the debate.

Mr. Speaker, when the time comes for us to deal with such important issues as the amendments to family-oriented programs, I only hope it will not be another Quebec Member who will do the dirty work and move a motion to prevent Opposition Members from—

The Acting Speaker (Mr. Paproski): I am sorry—

[*English*]

I am sorry, the Hon. Member's time has expired.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, because the Government has moved a motion to terminate this debate, this is my last opportunity to speak on the Bill at this

particular stage. My next opportunity would be at third reading stage if the Government is indeed so short-sighted as to pursue its initiative that far.

I believe that if the Government listens to the concerns of Canadians, and if they are able to appear before the committee, it will see the problems that it is creating for Canadians and our economy. Hopefully it will decide to stop pursuing this legislation at that point.

Let me remind the House of the roots of this particular legislation. As has already been stated, the old Foreign Investment Review Agency was essentially a toothless tiger. However, it was part of an over-all policy upon which the Government at that time was attempting to embark at the request of many people across the country some ten or fifteen years ago.

I am sure Members can recall the advice of the Committee for an Independent Canada and some of the work done by Mel Hurtig at that time. The results of the post-war decision to open up the country for investment by multi-national companies was clearly pointed out. By the middle 1960s we had essentially become a branch plant economy. While that is no longer so much the case, there is a branch plant economy still existing in some sectors. The implementation of the policy for investing in Canada forced a change in that existing attitude. Of course, that attitude was formed in part by the investment community and the manufacturing sector in Canada at that time.

I think one problem was that the existing institutions did not want to be threatened by other Canadian challenges. Therefore many companies did not issue shares for expansion purposes but chose to finance through banks, trust companies or insurance companies. As a result, there was a small club of the large investment community that was operating within itself. This prevented an opportunity for small investors to become a part of the over-all expansion of larger plants and industrial processes.

A recent example of this is Nova Corporation, which is essentially an Alberta-based corporation. That company came to Ottawa to explain its activities and talk about some government policies it had experienced in past years. I believe its comments are pertinent to this debate on the Investment Canada Bill as a result of which there will virtually be new rules regarding the importation of foreign capital into the country. Their comments also pertain to how the large investment community acts within itself.

Businessmen face difficulties when they attempt to build a company and attract investment by issuing new shares. This is the course which Nova Corporation chose to take but that company and others like it do so at some cost. If it issues new shares to accommodate the new investment, the value of its shares will remain relatively flat. It was competing in a market-place which chose to hold the same amount of shares and finance internally through the banks or trust companies rather than to issue new shares. Therefore the value of those shares would escalate quite quickly.

I remind the House that most of the investment funds in Canada are being held by insurance companies or trust companies. They tend to look for shares that have a history of increasing in value very rapidly on a consistent basis. That type of money is attracted to companies which are borrowing but not enlarging the shareholder base, not paying dividends or taxes. It is a combination of our tax policy and investment policy which has been determining the kind of new investment that takes place in the country.

• (1640)

A company like Nova Corporation which was attempting to expand by issuing new shares and new stock was at a distinct disadvantage. I think the activities of the Committee for an Independent Canada and other like-minded groups helped to draw attention to this sort of thing and I think to some extent were partly successful in getting some of our tax policies and some government policies beamed away from relying totally on that very powerful little clique of investors that have been guiding investment decisions in this country and not making the benefits of those decisions available to ordinary Canadians.

I mentioned the attempts that were successful by Nova Corporation which took advantage of the national energy policy to expand its corporation into a number of areas involving oil and gas. It had very good results, growing in size by three or four times in the course of a mere eight or nine years.

I would also like to bring to the attention of the House some of the options that were experimented with at the same time as those kinds of corporate experiments were going on. There were also experiments by some of the provinces to become involved in attempting to buy back control of their resources and to buy back some industries in control of foreign owners. One of the well-known experiences, at least well-known in my province, is that which Saskatchewan had in taking back control of the potash industry. About 50 per cent of the potash industry came back into Saskatchewan's hands as a result of a Crown corporation being set up with that particular mandate in mind.

What were some of the benefits of gaining that industry and having it held within the province? First, the head office was in the Province of Saskatchewan. It was not in Albuquerque or Chicago, it was in Saskatoon. This meant management decisions were made in Saskatoon. The second and third levels of management tended to be made up of Saskatchewan people and there was a clear decision on the part of the board of directors to attempt to operate that particular industry in a way that would be of benefit to Saskatchewan and create jobs for Saskatchewan residents.

I see, Mr. Speaker, you are signalling that I should come to the end of my remarks. I think these experiments have shown there are other methods of creating investment within the country and that they have clear advantages over relying on foreign investment. I wish the Government would look at some of those before pushing this legislation to the exclusion of these ideas.

The Acting Speaker (Mr. Paproski): The Minister of State, Government House Leader (Mr. Hnatyshyn), is rising on a point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I have just had a meeting with the Opposition House Leaders. I thought it would be appropriate for me simply to indicate the business for tomorrow. We are making such great progress on this legislation that I think what we will try to do is to carry on with the same order of business tomorrow as we have today.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, as I mentioned before I honestly do not see why this Bill is called Investment Canada. It should be called the Foreign Investment Act. Canadian investors will not receive any benefit from this Bill. It will do nothing for investment in Canada. The benefit will go to the foreign investors. It will certainly not be of benefit to Canadian industry or Canadian employees. I fail to see how the Government can tell us that this Bill will be good for the economy or that it will create jobs and stimulate the economy.

What we are going to become more and more in this country is a branch plant economy. We are going to have more of our industry taken over by American corporations. The tendency will not be for Americans to invest in Canada. They have said they will not invest in Canada. Even following the speech of the Prime Minister (Mr. Mulroney) in New York they have said that they will not be increasing their investment in Canada at this time and for us not to expect American investors to be waiting at the border, as they call it, with bags of money to invest here.

In light of that, what can we expect? I maintain we can expect very little. In fact, there will be a negative result. For instance, if we have this branch plant economy that I predict, what will the future be for research and development in Canada? Corporations controlled in other countries will not maintain a high level of research and development in Canada in branch plants. They will reduce research and development in Canada. More and more what little research and development we have here will filter back to the head offices in the countries of origin of multi-national corporations.

What is the position with respect to exports, Mr. Speaker? If a company has a branch plant in Canada, that branch plant cannot export the product of the parent company. The parent company does the exporting. The branch plant sells the product in the country in which it is located, in this case Canada. What we will have is not only a branch plant but merely a store front where the product of a parent company will be sold in Canada without any avenue or vehicle whatsoever to export that product to other countries. If this Government would put some energy into developing Canadian industry, to fostering research and development to a much larger extent than it has, to fostering and developing Canadian products that we could export, we would be much, much further ahead.

What about the question of parts, machinery and equipment? If these branch plants are part of foreign corporations, then the obligation and the incentive will be to import parts, machinery and equipment from either the subsidiaries of a company in other countries or from the parent company itself.

What will be the situation if we have a downturn in the economy, Mr. Speaker? Which areas will be the first to suffer in the event this transpires? It will be the countries where the branch plants are located. The impetus is to maintain a strong parent company, to maintain the strength of the company in the country of origin where the principal activity is located. It will be the branch plants and the store fronts that will suffer. Here in Canada we will lose our employment and we will be the first to suffer as a result of any further downturns in the economy.

I am not saying all foreign investment is wrong. I do not maintain that in any sense. However, it has to be developed and monitored within a certain framework. The Hon. Member for Regina East (Mr. de Jong) stated that the former Liberal Government was too lenient, that too many foreign companies were allowed to operate in Canada. The Government is saying that we were too strict, that we are rated among our trading partners in the western world as the most inhospitable to foreign investment.

Obviously, with those two polar positions we must have been doing something right. The position that the former Liberal Government took was the correct one and FIRA was the proper way to go. That is not to say FIRA operated perfectly. There were things that had to be modified and should have been modified. Decisions were too slow. There was a dialogue and a consideration that was just not pertinent to what was intended as far as the Canadian economy was concerned.

• (1650)

That is not to say that the vehicle itself did not work. It in fact did work. Even though the Foreign Investment Review Agency did not turn away that many investment prospects in the last few years, the agency was there and everyone knew what it stood for. Before an application was made, it was believed that there had to be some work and some attempt to

meet the requirements of FIRA. This was done. By doing that, it provided a very useful service to this country.

Where I see a major problem arising and where the greatest difficulty may be is in the energy sector. At the present time we have very depressed stock prices in certain sectors of the energy industry. If a marketing multi-national or a major company in the marketing field needs a resource base, then we have Canadian companies that are ripe for takeover and purchase. That may be good, it may be not so good. That is not to say that we can disregard that possibility. This Government said it is projecting as a major objective of the Government's energy policy enhanced Canadian participation. If so, how can it reconcile this danger of takeover of Canadian ownership in the energy field? FIRA looked at this and all other possibilities.

The Minister says there will be no Government intervention, no review of takeovers of companies with assets of $5 million of less. I say that there will be no review, period, with this Government. This Government has gone to the United States and said that the door of investment in Canada is open. It said: "Come in, buy our industries, do what you want if you have the money. Just come in and we will look the other way". I fail to see how this Minister, with his attitude for foreign investment and disregard for Canadian ownership, will offer any kind of hindrance or review of the potential but major takeover of Canadian industries. I predict this will be a source of regret by this Government in the not too distant future.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Last week, Mr. Speaker, I made a few remarks in the House to say just how important we think this measure is. I must admit that I was rather pleased to have been quoted by the Hon. Member for Charlesbourg (Mrs. Tardif) who, as you know, is Parliamentary Secretary to the Minister who introduced this Bill, the sponsor of the Bill. I knew that I would manage to draw some applause, at least from the Conservatives. She deserves my full admiration for the excellent speech she made. I do not know whether my admiration stems from the fact that she quoted me, but she did say, and I quote, Mr. Speaker:

> As one of their own, the Hon. Member for Saint-Denis (Mr. Prud'homme), said, the real work on a Bill does not take place in the House. Let us therefore proceed and go to committee right away.

What I would like to stress, Mr. Speaker, is that I am wondering whether we have really been all that slow in the consideration of this Bill. In fact, as the Hon. Member was speaking, 31 Liberals, 25 New Democrats and 13 Conservatives—13 of her colleagues out of 211—I can appreciate just how impatient they are to proceed with the study of this Bill in committee. I admit that what I said is true: the real work is done in committee. But on the other hand, I am surprised that only 13 out of 211 members spoke on this important bill.

Mr. Speaker, I am going to stick to the bill because I do not want to annoy the assistant whip of the party, the Hon. Member for Gatineau (Mrs. Mailly) but I am going to deal with the bill and the motion because a double motion is involved. The Hon. Member for Charlesbourg introduced a motion raising the previous question under the Standing Orders. The previous question is a pleasant way to avoid the word closure because in effect it is exactly what this motion is all about ... and I am glancing at our advisers at the table who are impartial, to see if I am right or wrong. If I am wrong, I will stand corrected, but the previous question is equivalent to a motion of closure since we will be unable to continue to speak in this House, we will immediately have to vote on the bill and refer it to the committee for consideration.

I have said and still maintain that my NDP friends, and I do mean friends, are always suspicious of anything that happens in the United States, which is not the case where my Conservative friends are concerned. I now welcome the former Prime Minister, the Right Hon. Secretary of State for External Affairs (Mr. Clark). I feel fortunate today because he is accompanied by his distinguished Minister of External Relations (Mrs. Vézina). Frankly I did not expect so much, but there will certainly be something special at five o'clock. I am sure that they are not in this House to hear the members discuss that bill. However I said that it was a motion of closure on a quite important bill.

I see, Mr. Speaker, that I still have four minutes left. I could be very partisan and say to the Hon. Member for Charlesbourg: You should have been here during the many years when the opposition, now the government in this House wasted so much time.

Remember that we also had to impose closure for a thing as simple as the setting up of a committee on Constitution. For the information of the older members as well as the younger ones who are now working in this House we had to deal during nine months with an issue as important as the Canadian flag. It is almost incredible but it is true.

Since we are discussing a bill which is so closely related to our Canadian identity, as I was saying last week, our young people and the Canadian public are entitled to know what will be its implications. My party whip and all those who have taken part in this debate are well aware that the implications of this bill are not yet known to the Canadian people. Anyone who knows the workings of Parliament realizes that, very often, it will take many days of debate before the Canadian public becomes aware of what is going on in the House of Commons.

If I may, and I say this without wanting to sound paternalistic, I would like to explain why a piece of legislation should sometimes be debated for a longer time in the House of Commons. It is, because, if a bill which is considered very important is debated only for a short time, it does not have a chance to reach the public which might then want to express its views. We may have been wrong. Obviously, the debate is drawing to a close. I do not think that the procedures of the

House have been abused. I can even say that the debate is certainly coming to an end because of a lack of participants. It is probably ending. It will do so eventually, but not too quickly.

• (1700)

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and notices preceding No. 24 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

[*Translation*]

CONSTITUTION ACT, 1867

AMENDMENT TO INCLUDE HULL IN NATIONAL CAPITAL REGION

The House resumed from Friday, December 7, consideration of the motion of Mr. Isabelle: That Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) had the floor.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, you will recall that I asked to be recognized in this debate because of some comments by the Member for Gatineau (Mrs. Mailly) on the proposed legislation. The Hon. Member for Gatineau had given the Bill her approval in principle. I merely wish to comment briefly on the Bill and suggest that—

Mrs. Mailly: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: I am sorry, Mr. Speaker, but I do not recall having given my approval in principle to this Bill, quite the contrary!

[*English*]

The Acting Speaker (Mr. Paproski): I am sorry, but the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor. If the Hon. Member for Gatineau (Mrs. Mailly) is willing to participate in this debate, perhaps she will have an opportunity.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I may not because I have already spoken to the Bill. However, I think that if the Hon. Member is making statements that do not reflect what was said, perhaps he should be called to order. I never approved the principle . . .

[*English*]

The Acting Speaker (Mr. Paproski): That is debate and if it comes to that point, I will call him to order.

[*Translation*]

Mr. Gauthier: Mr. Speaker, in any case, it is not a point of order if the Hon. Member has a loss of memory. I intend to read exactly what she said as reported in *Hansard* at page 1032 later on, but the debate this evening is on Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada), tabled by my friend and colleague the Hon. Member for Hull-Aylmer (Mr. Isabelle).

Mr. Speaker, I suggested earlier in the course of this debate that since we practically had approval in principle of all Members of the House, it would probably be preferable to deal with the Bill by referring it to a Committee of the House for study and consideration.

In the course of her comments, the Hon. Member for Gatineau (Mrs. Mailly) said, as reported at page 1032 in *Hansard* of December 7, 1984:

> So, although we do approve in principle the Bill—

Those are her very words. I did not make them up.

> —presented by the Member for Hull-Aylmer (Mr. Isabelle), we do not think that it is well enough structured to initiate the very serious discussions—

And so on. So she did approve the Bill in principle, and that is what I said, nothing more.

Mr. Speaker, with the consent of my colleagues and considering we have already had one hour of debate on this Bill, I move, seconded by Mr. Guilbault (Saint-Jacques), the following amendment:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada) be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Vanier (Mr. Gauthier), seconded by the Hon. Member for Saint-Jacques (Mr. Guilbault), has moved a motion regarding the subject matter of this particular Bill. We are looking at the motion at this moment. At this time I would like to recognize the Hon. Member for Ottawa Centre (Mr. Cassidy).

Constitution Act, 1867

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am quite happy to comment both on the motion that has been put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and also on the idea contained within this Bill. In fact, the proposal which the—

[*Translation*]

—by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) in December, to have the subject matter of the Bill referred to a Standing Committee of the House, without referring the Bill itself, is a proposal I accept and support as a Member from the National Capital Region. I could not agree to have the entire Bill with the specific proposals made by the Member for Hull-Aylmer referred to committee.

Since it was quite clear, for instance, from the tone of the comments by the Hon. Member for Gatineau (Mrs. Mailly) that there are some reservations on the other side of the River and also since, in the course of my consultations today, I spoke with the Office of the Mayor of Ottawa and personally with the Mayor of Hull, and they both have serious reservations about this Bill and the way it was proposed, especially since apparently, the Member for Hull-Aylmer did not really consult with the municipal authorities and the two largest municipalities in the region, namely Hull and Ottawa—

[*English*]

In commenting on the proposal of the Hon. Member for Ottawa-Vanier, the principle of referring of the idea that we should find some way of expanding the constitutional recognition of the capital of Canada to include Hull or the Quebec side of the national capital region is something of which I am in favour and at which I am prepared to look. However, I have very severe reservations about the Bill itself and the manner in which it has been put forward by the Hon. Member for Hull-Aylmer (Mr. Isabelle).

I believe the Bill reflects an evolutionary process which has been taking place for most of this century and particularly since the formation of the National Capital Commission some time after the War. *De facto* but not *de jure*, the national capital region of the country exists on both the Quebec and the Ontario side. The national capital region is as large or almost as large on the Quebec side as it is on the Ontario side. Substantial numbers of members of the Public Service of Canada and a number of important government departments have now moved to Les Terrasses de la Chaudière and the other government office buildings which have been built in the last 15 years in the centre of Hull. It is no longer the case that Hull is the poor relation while Ottawa has all of the priority as the capital of Canada. I welcome that.

[*Translation*]

Mr. Speaker, I think it is a good step forward that over the last 15 years, we have actually started recognizing *de facto*, the fact that the National Capital is not simply Ottawa, but Ottawa and the Hull area. There is an increasing recognition of the fact that we are a bilingual, a bicultural nation, and this is why we have a Capital that extends to both our largest provinces and that encompasses two cultures.

I spoke earlier today with the Mayor of Hull, Mr. Michel Légère. He told me about his hope that the City of Hull be seen, in his terms, as a showcase for the Quebec culture, the Francophone reality of our country, a complement to Ottawa, which would presumably be in his view a showcase for the culture, for the Anglophone and perhaps the multicultural reality of this country.

[*English*]

I certainly accept that, Mr. Speaker, but I have reservations. I support the idea of referring only the subject matter of the Bill because of the manner in which the Hon. Member for Hull-Aylmer put forward this particular Bill.

This Bill provoked a great deal of concern when it was debated in the House of Commons in December. I share those concerns because the intentions of the Hon. Member for Hull-Aylmer are in fact greater than those of the Bill itself. The Hon. Member for Hull-Aylmer made no bones about his view that this Bill should be the first step toward the formation of a federal district for the national capital of Canada which would apparently be comparable to the federal district of Washington, the District of Columbia, in the United States. He said this quite explicitly. This was not a hidden agenda but an agenda that was very direct and overt. In debate on December 7, at page 1028 of *Hansard*, he said:

—it would be a first step towards the establishment of what many people wish to see, a federal district.

On page 1029, he went on to say:

Moreover, if we consider what some politicians have said during the years, the best way to administer the national capital region would be to establish a federal district.

Later on in debate he said:

—the Government must have the necessary tools in the decision-making process.

In other words, he was discussing a federal district which, I suppose, would be along the lines of that proposed by Mr. Douglas Fullerton in his report on the national capital of 1973 or 1974. In that particular report, Mr. Fullerton proposed that there should be some form of amalgamation of municipalities and that there should be a supra-national or supra-governmental authority that would take in the municipal officials, perhaps the provincial officials and the federal Government. That would provide government for close to a million people who are living in the national capital region. I do not know who all these people are.

• (1710)

[*Translation*]

Frankly, I do not know those people who so enthusiastically seek and promote the establishment of a federal district similar to Washington's Federal District in the United States. I do not know them. I have been a politician in this area for close to fifteen years yet, during all that time I do not think I have ever met one citizen in this area who supported the idea of a federal

district, with the possible exception of Mr. Fullerton who is one of my constituents in Ottawa Centre.

[*English*]

On the other hand, I have heard a great deal against such a position. The negative opinions against a federal district have been voiced whenever the issue has surfaced. For example, that negative opinion surfaced in response to the proposal which Mr. Fullerton brought forward in the early 1970s. There was a parliamentary committee established to study the Fullerton report. The municipalities of the region either boycotted the committee or when representatives came forward they were not prepared to say anything constructive because they felt—and I think correctly—that it was wrong to deprive the people of this region of access to the kinds of government which they had had for decades upon decades, both the municipal and provincial authorities.

Many of my constituents in Ottawa Centre work in high-tech industries. Others work at Loblaws or the Bay. Others are trying to organize because they work at Eaton's. Some of them are consultants or people who have brought a business to Ontario because they like the ambiance of Ottawa. Those people may have nothing at all to do with the federal Government, except that they happen to live in the city where the federal Government has its headquarters. Many people who work for the federal Government share the views of those who have nothing to do with the federal Government. They do not want to incur the risks of losing provincial medicare, the system of law and the priorities which they have had for a long time through the creation of a federal district. They fear a form of government—a national capital commission or a group of commissioners appointed by the Cabinet or the Prime Minister—which would sit on a co-equal basis with the Mayor of Ottawa and the Mayor of Hull. Possibly there would not be a Mayor of Ottawa or a Mayor of Hull.

The people I have talked with about this issue over the course of many years have grave reservations about that kind of venture. They see it as something which is unknown. I believe they would also resent some of the comments which were made by the Hon. Member for Hull-Aylmer (Mr. Isabelle) in his contribution to the debate. For example, he indicated that he was very disturbed by the municipal planning which had taken place. In his view it had the effect of blocking out the House of Commons. He said:

> Beauty is not the only issue but Parliament must be "at home", as they say, except that in this case the Ottawa municipality has control over it, which is a nonsense, if I may say so.

I think the Hon. Member ignored the fact that in the planning of the City of Ottawa, which came after the Greber report, and when the downtown area was planned in the early 1960s, specific regard was had in trying to recognize the pre-eminence of the Peace Tower and the House Commons. We, in our wisdom today, may judge that wrong, but nonetheless anyone who examines downtown Ottawa will discover that the height limits have the effect of creating a saucer, so that the House of Commons and the Peace Tower remain the pre-eminent buildings in this part of the downtown core. The buildings are only allowed to get higher as they get farther away from Wellington Street and the parliamentary precinct. Today that may be seen as naive planning, but it was clearly designed to take account of the fact that Parliament Hill is an important national symbol and should be given that pre-eminence.

The planning of the City of Ottawa in those days—and I was a member of the municipal council for part of that time—was carried out in close conjunction with the National Capital Commission. That remains the case to this day. I could cite the example of the location of the new courthouse which is being built in my riding at the corner of Laurier Avenue and Elgin Street. In that particular case the National Capital Commission played a very strong role. When the city said that the building should be oriented toward Elgin Street, the National Capital Commission, acting on behalf of the citizens of Canada, said no. The National Capital Commission felt that it was an important building and a symbol of the presence of the Province of Ontario in the national capital. They decreed that the building should be oriented toward the canal and the National Arts Centre rather than toward Elgin Street. The NCC won. So it is hardly the case that the control of the City of Ottawa is making a nonsense of the respect for this community, which is also the national capital.

What I am concerned about is that if one pursues the concept of the Bill, one must be aware of the kind of sensitivities which were reflected in the debate in December.

[*Translation*]

I have in mind for instance the comments made by the Hon. Member for Gatineau (Mrs. Mailly). She said that the population of the City of Gatineau exceeds by 20,000 that of the City of Hull. Even if Hull is the core of the urban population on the Quebec side of the National Capital area, there is now a sort of competition between Gatineau and Hull and this must be recognized.

Frankly, I do not know how to react to that. Are we to establish a national capital to be called Ottawa-Hull-Gatineau or, since Nepean's population is almost similar to that of Gatineau, should it be Ottawa-Hull-Gatineau-Nepean, or are Gloucester or Cumberland going to have their day? I do not know.

Clearly there are problems and they can be studied if the matter is referred to a committee of this House. However, a referral of the Bill as such would do two things in my view, Mr. Speaker. On the one hand, it could give rise to reactions from certain people from both sides of the river who would suggest for instance, as we say in English:

[*English*]

"The capital of Canada was always meant to be Ottawa". They are rednecks who have not understood that this country has changed since Confederation. Perhaps at that time the Fathers of Confederation did not understand that our country should be joined together; two equal and kindly peoples who should come together. They were not prepared to recognize

that. There is no question that in the capital of Canada les Québécois et les Hullois were junior partners for a long time. That has now changed.

To name Hull in a Bill and to send the Bill forward and attempt to bring it back to the House for third reading without having considered some of the alternatives seems to me a bit short-sighted. It would be very provocative as well if we were to send a Bill forward with the connotations which have been given it by the Hon. Member for Hull-Aylmer, and specifically his suggestion that this was the first step in the creation of a federal district. I would be extremely uneasy about that, and so would my constituents. I would also suggest that the constituents of the Hon. Member would be uneasy. I would place on the record the fact that in the election of 1980 the Hon. Member for Hull-Aylmer had a majority of 17,500, but his majority shrank to some 1,500 or 1,600 in the 1984 election. Perhaps that suggests that he does not have that many constituents who are keen on this particular suggestion, which he has put forward on numerous occasions, particularly in view of the lack of adequate consultation with a number of people—municipal leaders and others—who deserve to be consulted on this subject.

Mr. Dick: What about your majority?

Mr. Cassidy: I have a much smaller majority, but I was coming up, not going down.

In closing, I would remind Hon. Members that I believe the feeling was that the Fullerton report was dead letter, after the cool reception which it got from the Province of Quebec. Quebec is not prepared to surrender any territory. Regardless of what happened at the PQ convention a few weeks ago, I think any political leader or political party in Quebec would share that view. They are not prepared to give up territory. They want to add Labrador to the Province of Quebec. Certainly they do not want to give anything up, whether it is to a national capital district, the Province of Ontario or anything else.

• (1720)

That would be the view, Mr. Speaker, of the people of the Province of Ontario. In my riding we consider ourselves Ontarians, Ottawans and proud residents of the national capital. We have succeeded for a very long time in having those three concepts co-exist, and be proud Canadians as well. I do not think that can be changed—I do not think it should—by the kind of proposals or extensions to the proposals which are coming forward from the Hon. Member for Hull-Aylmer.

[*Translation*]

Therefore, for the above reasons, I would support the comments of the Hon. Member for Ottawa-Vanier (Mr. Gauthier): Let the subject matter be referred to a committee, but not the Bill.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I have examined the amendment and I find it in order. Therefore, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), seconded by the Hon. Member for Drummond (Mr. Guilbault), moves in amendment thereto:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada) be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Mr. David Daubney (Ottawa West): Mr. Speaker, as the Hon. Member for Ottawa West, I am pleased to rise to address both the motion and the Bill. I, in fact, am the only Hon. Member on this side of the House whose constituency is entirely within the boundaries of the City of Ottawa. I am therefore particularly pleased to participate in a debate which has become something of a tradition in this House, the debate initiated by the Hon. Member for Hull-Aylmer (Mr. Isabelle), perhaps not every year but most years, on the subject of Canada's national capital. The Hon. Member has been introducing such a Bill on a regular basis since 1967, and if there have been years when he has not introduced such a Bill, he has compensated for that lack by offering it twice, as he did in 1984. In fact, one year ago this month, during the second session of the Thirty-Second Parliament, a not dissimilar Bill was introduced by the Hon. Member and it is a tribute to his consistency and resilience that he persists with his proposal.

The theme is always the same, Mr. Speaker, but contains, however, its variations. On this occasion we do not have a proposal to change the name of the capital of Canada from Ottawa to "the national capital region" or to some such anonymous equivalent but, as I understand it, it is proposed to call it "Ottawa-Hull" instead of "Ottawa".

This theme of renaming or reorganizing the national capital of Canada did not, of course, originate with the Hon. Member for Hull-Aylmer, although after 17 years I think he might be forgiven for thinking that he has acquired squatters' rights on the territory. The argument for creation of a federal district to serve the national capital has recurred on a regular basis for many years. One local observer wrote in 1962 that it was only a matter of time before such a district was created. He was quite sure, in fact, that it would be established before the centennial celebrations of 1967. That deadline having expired at the time the Hon. Member for Hull-Aylmer began his own introduction of motions and Bills on this matter in this House—perhaps as his own centennial project—the question now is whether such a district will be created before the centennial anniversary of the Hon. Member's efforts.

The arguments on this subject predate all of this, however. They go back to Confederation itself. Ottawa was not, contrary to a popular and inaccurate impression, chosen on a whim of Queen Victoria as the capital of Canada. Careful study was made of competing sites, such as Kingston, Toronto, Quebec City, Montreal and Ottawa, before a decision was made. Ottawa was chosen because it offered many advantages which it continues to offer today. Its people and its culture were a hybrid of our two founding peoples. It was located on the border of Upper Canada and Lower Canada. It had, and

still has, of course, great natural beauty. Those Hon. Members who will be participating in tonight's parliamentary hockey game in connection with the Winterlude celebrations will attest to the fact that it has an exhilarating and bracing winter climate, which we all enjoy!

The debate on the location of Canada's capital was heated and continued for many years prior to Confederation. Debate has continued since, not, I am happy to say, on the location but on the administrative organization of our capital. The Bill of the Hon. Member for Hull-Aylmer is a continuation of a debate which is as old as our country. In 1872 one of the fathers of Confederation, John Hamilton Gray, had this to say on the issue:

> At the time of the convention, one mistake occurred: no provision was made for creating a federal district for the capital and withdrawing it from the exclusive control of the local legislature of any one of the provinces.
>
> That which was designed to be the capital of the Confederation might fairly rest its claim for support upon the people of the Dominion. Its order, well-being, sanitary arrangements, police regulations, adornments and improvements are essential to the comfort and security not only of the representatives who attend Parliament, but of all those who are compelled to resort to it as the capital of the country in the discharge of the various duties attendant upon the administration of public affairs.

In language reminiscent of that of the Hon. Member for Hull-Aylmer Mr. Gray went on to say:

> Its reputation should be national, not provincial. It belongs no more to Ontario than it does to New Brunswick, Nova Scotia, Quebec or any of the provinces constituting the confederation.

He then went on to say, and it is something with which the residents of Ottawa would probably agree.

> The expenses incident to its civic control must necessarily be far greater than would evolve upon it if merely an ordinary municipality. It is no answer to say that increased value and property is sufficient consideration for the increased burden put upon its inhabitants.

Since then the debate has continued, Mr. Speaker, always with the same basic arguments; first, that the national capital should not be part of any one province and, second, that the capital itself would be better administered by eliminating the jurisdictional overlap which now exists between varying federal, provincial and municipal authorities in the national capital region.

The Hon. Member has not suggested, at least not in this particular Bill, that a federal district should be created. He just suggests that Hull be included in the national capital. However, I think I agree with my friend, the Hon. Member for Ottawa Centre (Mr. Cassidy), that it is obvious that the creation of a federal district is what the Hon. Member for Hull-Aylmer has in mind. He has certainly supported this idea in the past. Last year, in fact, during a debate on a Bill in the last Parliament, he discussed the difficulties of administration in the national capital region, concluding, and I quote:

> This is why over the years I have always advocated a federal district, in order that the federal Government be at home here.

Frankly, Mr. Speaker, it seems to me that after 117 years the federal Government has made itself quite at home in Ottawa. The arguments in favour of the creation of a federal district, particularly the administrative arguments, do have some merit and perhaps we should be studying such a proposal. But we have to ask ourselves—and I am sure the people of Canada would ask us this question—whether the creation of such a district would be worth the trouble it would take to do so. If we think we have jurisdictional problems now, they would be nothing compared to the problems we would have in trying to persuade the Governments of Ontario and Quebec to cede territory to a new federal district.

Is this, after all, the most important issue on the national agenda? Are constitutional questions at all of prime importance to the Canadian people at this point in time, particularly after years of acrimonious constitutional debate and at a time when questions of national and international economic problems, issues of famine and world peace might reasonably be expected to be on the minds of parliamentarians? And of all the possible constitutional questions which might be discussed, is the creation of a new administrative entity for the national capital something which should take priority? Should it take priority, for example, over the question of Quebec's participation in a constitutional accord? Should it take precedence over creation of new administrative arrangements for the people of the north who have been living, really, under a quasi-colonial administration for years? Is the question of administrative reorganization of the capital more important than resolving important constitutional issues and questions of human rights concerning the native peoples of this country?

● (1730)

I do not think we would find much support throughout this country if we were to devote much of our time to this issue right now. It would take time, Mr. Speaker. The Hon. Member for Hull-Aylmer and other Members of this House were involved some years ago in committee deliberations on this issue, deliberations which took months of work and the energy of many people. It is a complex issue which cannot be resolved by a quick debate in this House, not if we wish to do justice to it. It would again take deliberation and some delicate constitutional negotiations. The fact is, and I say this as someone who is not without sympathy for the efforts of the Hon. Member, and as someone who, having lived in Ottawa almost half of his life, is familiar with the problems of living here, that I think we are reasonably well off in this area.

The situation is not perfect; there are administrative overlaps. Jurisdictional issues can be confusing, as anyone who has dealt with three or four different police forces in a day can attest to. But things work. Life goes on. We manage to make this city, this whole region, work, and it works well enough to be considered a desirable residential area for many people. It could be improved and a federal district, properly structured, could be a positive change. But the return on our investment of energy and time would be insufficient to justify undertaking such a reform at this time.

How would the different legal systems of Quebec and Ontario be reconciled in one new territory? I assume that the Hon. Member would want Hull to be included in such a territory. What about local self-government, Mr. Speaker? We would not want to turn the capital into another domestic

colony, disenfranchising the people of this area who, whatever the complications, at least now have many opportunities to vote for various elected bodies. We would not want to restrict the political activities of people residing here. A large proportion of our local population has already suffered that infringement on their political rights—public servants who are denied the right to speak out on important issues concerning their lives.

What political system would a new national capital have, Mr. Speaker? Would territorial councils be created to do the essential work now done by municipal councils on both sides of the river? Would there be one territorial council for the whole area or two? If there were only one, and it seems logical to have only one, if one of the arguments in favour of creating a federal district is to reduce jurisdictional confusion, then what protection would there be for the minority residing on the Quebec side of the Ottawa River?

How would federal and local interests be resolved under a new political system, Mr. Speaker? Presumably voters in the district would not be disenfranchised federally any more than they would at the municipal level and would continue to elect Members of Parliament. It is clear that a territorial legislature would not have the same independence as a province, because the whole *raison d'être* of this proposal is to remove the capital from a province and facilitate treatment of what are viewed as national concerns in the administration of the capital. Would federal representatives be appointed to a territorial council, and what balance would there be between elected and appointed officials?

The questions go on and on, Mr. Speaker, and resolving them would take years of negotiation beforehand, and years of conflict, compromise and adjustment during implementation. The fact is that no matter how simple a policy or plan may seem to be, it is never simple in implementation. This is one plan which would be complicated in its development, and undoubtedly acrimonious and unpredictable in implementation. In a perfect world, a federal district serving as the capital might be worth while; but in the real world, the world we live in, we look for the best workable solution. In an imperfect world, we establish priorities, weigh our resources, and apply them to the urgent problems before we deal with what is merely desirable. This type of administrative and political reform for the capital might be desirable, but it is certainly not urgent.

The Hon. Member might then say well, why not just proceed with his Bill today, as an interim measure, to amend the Constitution, and include Hull as part of the national capital? The Hon. Member's Bill would go further than that. It would permit Parliament also to prescribe in the Constitution other surrounding areas as part of the capital of Canada. And in fact, if the name of the capital is going to be changed to Ottawa-Hull, why not, after all, include Nepean, Gloucester, Vanier, Aylmer or Gatineau? What is the magic barrier, the invisible demarcation line which would prevent other areas from also being so included? The fact is, Mr. Speaker, the capital does draw its character from the people beyond the bounds of the City of Ottawa. Thousands of people who work for the Government of Canada reside in areas outside the City of Ottawa and, as the Hon. Member has noted in the past, many of the people who do reside in Ottawa work in government buildings in his constituency as they do in mine.

No one denies that there is interaction and that the interaction between Ottawa and the surrounding areas of the national capital region is important to the culture and character of the city. The interactions which form our characters as individuals, as groups, as cities, have virtually no limit. Today the capital of Canada is Ottawa. Tomorrow the capital would be Ottawa-Hull if the Hon. Member's wishes were realized. The day after, who knows? We might speak of the capital as Ottawa-Hull-Nepean-Gloucester-Vanier-Aylmer-Gatineau. The next move would be to return to the Hon. Member's earlier suggestion to rename the area "the national capital area", or something similar. Such a name would be easier on the ears than a hyphenated melange, but oh so gray, so soulless, so boring!

It would always be possible to substitute an Indian name for this bleak administrative title; Algonquin, perhaps? Asticou? How about that variation on the old Indian word, Ottawa? It has a certain ring to it, it has all of the historical connections, the roots and tradition of this country, that a national capital should have. It is not an imported name; it is a proud local name, recognized throughout this country and throughout the world as the home of our Parliament and the capital of Canada.

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am pleased to rise this afternoon on behalf of the constituents of Nepean-Carleton to share their concern over the Bill before us and the amendment related thereto. I want to preface my remarks this afternoon by complimenting the two previous speakers and conveying to the House the fact that I endorse the concerns they presented to us in the course of this afternoon's debate.

National capitals around the world are governed in different ways. Many systems are in place in Washington, Canberra, Moscow, London and others. There are advantages and disadvantages to the different types of government which exist in the various nations around the world. However, the bottom line is that no perfect system has yet been identified for national capitals.

The Bill before us obviously has merit in many respects, but the thing that raised my real concern was when the sponsor of the Bill indicated that this was really a first step towards the creation of a national capital district. It is that aspect of it, Mr. Speaker, that concerns me more fundamentally than any other aspect. I agree with the Member for Ottawa West (Mr. Daubney), relative to the earlier studies into the creation of a national capital district for the capital of Canada, that there is no local support for this type of approach to national government. We have had this debate many times but most recently in the early 1970s when this community had a dramatic and heart-rending debate on the particular issue. The consensus that came out of that was that there was no heart, no desire,

no will and few advantages to be gained by that type of a national government system for the nation's capital.

● (1740)

Ottawa, the nation's capital, is situated at the confluence of the Ottawa and Rideau Rivers. It is a sight that has tremendous natural beauty. The area is underlain by pre-Cambrian rocks which are a billion or more years old. Sitting on top of the pre-Cambrian terrain which extends for many hundreds of kilometers is a thin veneer of Ordovician rock, roughly 580 million years old. Those pre-Cambrian and Ordovician rocks are the basis of the local physiography of the area.

As the millenniums moved on this area was covered by a thick ice sheet 20,000, 30,000 and 40,000 years ago. We are unable to tell how thick this ice sheet was locally, but it was sufficiently thick and sufficiently heavy to cause the local area to be depressed as much as 180 to 260 feet. As this ice melted the rebound associated with it was very low and the area was inundated, 16,000 to 20,000 years ago, by what we now refer to as the Champlain Sea.

The invasion of the Champlain Sea was a god's blessing, if one can put it that way. The sediments that were deposited out of that sea, known as the Champlain sediments, have provided us, in the St. Lawrence and Ottawa River valleys, with the tremendously good agricultural lands which exist locally. If it was not for that invasion of the sea not so many years ago, this would be a barren pre-Cambrian terrain with no capability of food production.

Once the rebound was complete and the Champlain Sea withdrew 12,000 to 16,000 years ago, a tremendous forest developed locally. It was one of the prime pine timber forests that the world was ever to see. It was in that environment that the Algonquin and Iroquois families and communities developed and grew and fought with one another and others. In the course of time, in the early 1600s, Champlain moved through this terrain briefly, I believe in 1600 and 1602. The next white person to move through the community was Nicholas Gatineau Duplessis. He came down what is now the Gatineau River and named the area of that great valley.

Many, many years were to go by before there was much inluence on the Algonquin and Iroquois communities. It was not until 1798 and 1799 when a man by the name of Philemon Wright, who was then living in Woburn, Massachusetts, came on two exploration expeditions into what is now called the Ottawa valley. He was a farmer, a cattleman, a puritan in faith I am told, and Kentish in extraction. In the winter of 1800 and 1801 he moved with his family and five other families from Massachusetts into the Ottawa Valley and settled in what is now the City of Hull. He was the first of the timber barons and farmers to settle locally.

Perhaps the next highlight of our local history was the arrival of Colonel John By in 1827. He arrived on behalf of the Government of England to build the canal between Kingston and Ottawa. On his arrival the village on the south side of the river became known as Bytown, named after Colonel John By. In 1847 Bytown was incorporated as a town with a mayor and a council. Its first mayor was a man named John Scott. In the course of time he became a federal Member of Parliament for this particular area. It was not until 1854 that the name was changed from Bytown to Ottawa through an Act passed by the Legislative Assembly of United Canada. In this period Ottawa was chosen by Queen Victoria to become the seat of government for the new country of Canada.

In 1860 the Prince of Wales, then 17 years of age and perhaps better known as the Duke of Newcastle, visited Canada. During the course of his visit in 1860 he laid the cornerstone for the Parliament building of Canada. That is something we should be aware of. From that date forward what we now know as the parliamentary precinct in Ottawa has grown.

In the years that followed the National Capital Commission and the national capital district was formed. In 1969 we had superimposed on our local area a form of regional government which was created by the Province of Ontario. The Ottawa-Carleton regional Government was the first such system of regional government to be developed anywhere in Canada.

In the greater Ottawa community we have three tiers of government at the moment. We have that tier which relates to the activities of the National Capital Commission, we have that tier which relates to the regional municipality of Ottawa-Carleton and we have that tier which relates to the local municipalities such as the City of Nepean, the City of Ottawa or the Township of Rideau.

The National Capital Commission is responsible for many activities in the national capital district. We must make this distinction clear. It is responsible for certain aspects of planning. It is responsible for the development of parks, for certain national driveways, and for certain educational activities on the south side of the Ottawa River. It has other responsibilities which are partly different in the Province of Quebec. It is responsible, of course, for the well-being, planning and management of the parliamentary precinct in addition to the things I have just mentioned.

For a short but precious period in my life I had the privilege of being a councillor in the regional government to which all of the local municipalities belong. That regional level of government is responsible for all health care locally. It is responsible for sewer and water and for the upper level of planning. It is responsible for the regional road system, for public transit and for everything associated with the local welfare system. It is a reasonably democratic system of government. It is locally, awkwardly expensive. However, I believe the quality associated with what the region does is beneficial for the greater Ottawa community.

● (1750)

That has been its track record and involvement. Its activities are very long lasting. Many of us do not realize this locally, but we have incorporated in our sewer and water system in the regional municipality some of the most advanced technologies that exist anywhere in North America.

While some of us may debate this issue in the winter months, we have a splendid public transit system. Few of us realize that currently over 70 per cent of the work trips into the core of the Ottawa area are made by public transit. The goal of our local public transit is to have 80 per cent of the work trips into the core area by public transit. I am sure that with the creation of the new bus ways and related features, that goal will be accomplished.

The municipal system of government, such as those in the Cities of Ottawa, Nepean, Gloucester and Vanier and in the Townships of Osgoode, Rideau, Goulburn and the City of Kanata, was set up originally in 1851 and 1852 and amended at various times in the interim period. However, it involves the election of a mayor or reeve and a council to their respective corporations.

Within that local system of government to which people are now elected for three-year terms, one of the tremendous advantages is the ability of the ordinary citizen to interface with that level of government. It is possible to call one's local councillor this afternoon and tomorrow evening at the council meeting the matter can be resolved. Matters move very quickly. Many of the activities related to this lower tier of government is related to voluntarism. This is something that is very precious.

For instance, in the south end of my riding the fire protection service is provided by volunteer fire departments. They are people who are willing to give freely of their time at any hour of the day or night to respond to a local emergency. All of the recreation activities in those communities are provided on a volunteer basis. The library system is run on a volunteer basis. Most of the recreation is supervised and organized on a volunteer basis.

At the same time I think it is also fair to say that most of the planning is developed locally and on a volunteer basis. Therefore, it is a splendid system of government that we have, with volunteers and elected councillors working together in a community for the over-all benefit of its citizens.

Quite apart from this type of regional and municipal government that those of us who live locally find so valuable and precious is a tremendous educational system. In this instance it is associated with the Province of Ontario but that is not terribly important. Most of the local educational system has been developed by local input in which we have daycare centres, French immersion programs in primary and elementary schools and public and separate school systems. The community is integrated into one of the best educational systems which I believe exists anywhere in Canada. Perhaps few places around the world would excel in comparison to it.

The citizens of the greater Ottawa community have developed this tremendous system of local education with local input, pride and opportunities. In this milieu over the years we have had the creation and development of two great universities, the University of Ottawa and Carleton University, as well as Algonquin College. If we should proceed in the direction anticipated by this Bill, would these universities lose their local identity? Would they, by necessity, have to become the national universities of Canada? What would their relation be to the Province of Ontario? What would their relation be to their local community? How would they be governed and financed? As national universities, would their responsibilities be to the local community or to citizens from St. John's to Vancouver? One wonders about that.

As a local Member of Parliament and a person who has been involved in this community for approximately 25 years, there are many concerns associated with the potential creation of a national capital district and the government that would be associated with that. If we had a national district created here, one could imagine that the form of government which would be superimposed upon it would probably be identical to that in which the National Capital Commission is presently governed. There would be a chairperson who, while chosen because of their qualities, would probably also be chosen for political reasons. There would be councillors chosen for political reasons. According to the present constitution of the National Capital Commission, I believe only three or four of that group are from the local area.

In that system there is no way of influencing these people. They are not accountable to the local population in any way. They do not need to listen because they have no reason to. They have another master. There is nothing in the system that makes them accountable and keeps them attuned to the local needs. Naturally, as Canadians they would have pride in the national capital, but beyond that their interests would be much different from the ongoing interests of those of us who have the privilege of living in the lower regions of the Rideau valley and along the south shore of the Ottawa River.

While I am sure the intent of an alliance between Hull and Ottawa as part of a nation's capital is well intended and those of us who have come to learn the value and traditions of the two cultures locally could think of nothing but having the opportunity of strengthening those relationships, the animal that this Bill might lead us to is not the way that the residents of Nepean-Carleton want to go. Nor do I believe it is the direction in which the residents of Ottawa-Carleton want to go. I would urge Members of the House not to proceed with this Bill for the reasons I have given.

● (1800)

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CONSUMER AFFAIRS—ACTIVITIES OF CHEQUE CASHING COMPANIES. (B) REQUEST FOR INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, yesterday I put two questions to the Minister of Consumer and Corporate Affairs (Mr. Côté) arising out of a report in my own City of Winnipeg that one of the cheque cashing companies—not a small company, one with 20 branches across the country—on Christmas Eve charged a mother who was on welfare $76 to cash a cheque for $466. The cheque was dated December 28. The company charged this woman $76 to cash her cheque four days early that is, on December 24. The interest rate was 21 per cent. When one talks about interest rates, one talks about interest rates for a year. The annual rate, therefore, would have been 21 per cent. This company cashed the cheque on December 24 and was able to get the face value of the cheque, namely $466, four days later. That 21 per cent interest was in fact calculated on an annual basis, more than 2,500 per cent.

It is not Members of Parliament, doctors, lawyers, businessmen, or even skilled workers who have to go to one of these cheque cashing companies to get money a few days before the cheque is legally cashable, it is poor people, native people, and people on welfare. These companies are ripping off people who are in most desperate situations. These companies are victimizing people. What they are doing may be legal, and I shall come to that in a moment, but it is certainly highly immoral.

In the office of this money cashing organization is a sign which reads that it charges from 10 per cent to 21 per cent to cash post-dated cheques. There is a provision in the Small Loans Act which reads:

"criminal rate" means an effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles that exceeds sixty per cent—

That is 60 per cent a year, I presume.

I asked the Minister to investigate what happened. This was not an isolated case. If we believe this company to which I refer was breaking the law it should be prosecuted. If the company is not breaking the law, then there is something wrong with the law.

● (1805)

What we want the Department to do after investigation is to come back and bring legislation to the House. If legislation is not needed, it should tell the House what will be done to stop this kind of completely unacceptable rip-off. This is not the first time this matter has been brought to the attention of the Government. The National Anti-Poverty Organization brought the matter to the attention of the former Liberal Government. My colleague, the Hon. Member for Burnaby (Mr. Robinson) brought this to the attention of the then Minister of Consumer and Corporate Affairs last March, almost a year ago. At that time the then Minister said:

Unfortunately it is too late to do much this year, but I can assure the Hon. Member that a new system will be in place by the next taxation year.

The new system obviously is not in place. The present Minister said:

I would like to reassure the Hon. Member and say that we are closely monitoring the situation. There is no law forbidding such uses and we shall bring in appropriate solutions in due time.

I want the Minister and the Department to bring in those appropriate solutions now, or in a very short period of time, not at some time in the future. I urge the Minister to take action quickly on behalf of the poorest people who have to go to this kind of company.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, on January 28, the Hon. Member for Winnipeg North (Mr. Orlikow) asked two questions, the first regarding cheque cashing services offered by certain businesses, and the second regarding tax rebate discounting services. With respect to the Hon. Member's question on cheque cashing operations, I wish to advise the House that this matter is under consideration.

The Hon. Member has suggested that we investigate these businesses. He has raised this matter before, and I appreciate it being brought to the attention of the Ministry and this House. As he indicated, these companies been established quickly over the past few years. Then cash various types of cheques for a fee. I understand that the fees range from 2 to 10 per cent for most cheques, although they may range from 12 to 21 per cent for post-dated cheques. This fee takes into account that services are provided during non banking hours, usually from 9 a.m. to 9 p.m., six days per week and sometimes on Sundays.

On reviewing the Act, it is not clear that the fee for these services can be interpreted as a rate of interest. If this were the case, it would be up to the Attorney General of each province to prosecute, if indeed there was a rate of interest charged that exceeded the maximum rate permitted under the Criminal Code. Currently under review is the rate of 12 to 21 per cent and whether it is a charge or a rate of interest. These businesses offer a service for which many Canadians are prepared to pay. Their reason for doing so may derive from such legitimate interests as greater convenience. As stated previously, the Department is aware of the Hon. Member's concerns and we appreciate him bringing them to our attention.

With respect to tax rebate discounting services, the Hon. Member can be assured that discounting transactions are monitored to ensure that they comply with the federal legislation. Indeed, there have been prosecutions under the Tax Rebate Discounting Act.

I wish to remind the House of the purpose of this Act. It is to protect the interests of taxpayers who give up the right to their anticipated tax refund in exchange for a minimun of 85

per cent of the value of the refunds in order to receive immediate cash. The statute was enacted in 1978 at the urging of provincial governments. The legislation appears to have successfully addressed the problems it was intended to remedy. New firms have entered this market and there are indications that competition is beginning to push rates down.

The Acting Speaker (Mr. Paproski): I regret to inform the Parliamentary Secretary that his time has expired.

• (1810)

CANADIAN WHEAT BOARD—REQUEST FOR EARLY PAY-OUT TO FARMERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, this question is further to my question yesterday which was erroneously listed under the heading of the Canadian Wheat Board, while it in fact related to the Western Grain Stabilization Act.

The difficulties in western agriculture are obvious, I believe. There is a very serious cash flow problem resulting from two factors, the first being the cost-price squeeze and the second being the credit squeeze. The cost-price aspect of it is evident. On the income side, the price of grain has dropped over the past few years and producers were making it on volume; they produced more and more grain. The 1984 drought and the consequent short crop has exacerbated the problem. On the expense side, fertilizer, chemicals, equipment and fuel costs and the cost of money or interest rates all continue to add to the farmers' burden.

In response to this, last July at Prince Albert the Progressive Conservative Party announced a number of commitments to western Canada, undertakings that were designed to emphasize the inclusion of western Canada as a partner in Confederation. After 20 years of exclusion, we in western Canada feel that we are now doing quite well.

Already a number of promises have been horoured. We are represented by some 13 Cabinet Ministers. We have reduced the price of fuel to producers, including western farmers, by some 28 cents a gallon. Interest rates have gone down some 2.5 points since election day. Some rail lines that were destined for abandonment have been restored and revitalized. Farm Credit Corporation loan interest rates have been reduced for a certain category of borrower.

I also recall that at Prince Albert, we indicated that we would amend legislation to permit quicker government reaction time on such legislation as the Western Grain Stabilization Act in order that it be more responsive to economic trends and to the immediate needs of the producers. There are clearly a number of reasons why this Government should follow through with its commitment to amend the Western Grain Stabilization Act to allow for an interim payment this spring. I would like to elaborate on these reasons and to ask the Minister of State for the Canadian Wheat Board (Mr. Mayer) to reply.

The overwhelming reason why an interim payment is needed stems from the drought which ravaged the prairies last summer. At least five million tonnes of grain were lost. With a potential value of $200 per tonne, that represents a direct loss of about $1 billion to Canadian farmers, and indirectly to all of the companies which provide input and services for them. In addition to the losses due to drought, many farmers in northeastern Saskatchewan and in central Manitoba suffered grain losses due to excessive moisture. These losses come on the heels of the losses of previous years.

Last year, western farmers spent some $1.4 billion on direct crop inputs including seed, fertilizer, pesticides and other supplies. Most of this was required in the spring. This year the costs will be even higher. Statistics Canada indicates a projected increase of about 5 per cent. What is more, the price of grain which was poor last year is expected to drop slightly in the coming year.

A considerable amount of publicity was generated by the announcement in December that Canadian farmers' realized net income rose by 14 per cent in 1984. That figure is quite misleading in view of the fact that realized net income, the cash that farmers actually receive, does not take into account inventory changes. The gain which amounted to 15 per cent on the prairies was only achieved through a very considerable reduction in inventory. Farmers delivered most of the grain they had in storage.

If one looks at real net income from last year's crop, one sees that it is down by over 50 per cent on the prairies. Saskatchewan's real net income was down by some $400 million, Alberta's by some $220 million and Manitoba, rebounding from an impossibly bad previous year, had a gain of only $140 million.

• (1815)

It would be foolish to suppose that the money paid out by the federal Government for crop insurance, stabilization, final Wheat Board payments and drought assistance will carry farmers through the planting season. In a great many cases, the money has already gone to creditors for last year's crop.

It is true that most of the young and beginning farmers are the ones who are most deeply in debt. These are also the people on whom we will need to count to produce our future food supplies. These young farmers have a heavy debt load as a result of land purchases which were made at high prices. Over the last couple of years, through rising expenses and falling grain prices, there has been a turnaround in land prices. Land prices have fallen dramatically and the lending institutions—the banks and the credit unions—have moved their attention away from asset values as a basis for lending, and now, quite properly, look at cashflow. I say, "quite properly" because without cashflow there cannot be repayment. One wishes that as much attention had been paid by borrower and lender alike to cashflow when land prices were rising as is being paid to them as the prices fall.

Many institutions which loaned money on the strength of fair market value of assets see their security eroding and consequently are calling in their loans. Many are now refusing operating credit to those producers who are in bad shape.

Those caught in this credit squeeze will have trouble borrowing operating funds for spring seeding. There is now a very urgent need for an interim payment under the Western Grain Stabilization Plan. I do not mean the kind of payment that the Liberals made. That was a cynical offering made in August, two weeks before the federal election. That was the kind of manipulation which we in the West came to expect and know so well. I am talking about a sincere and timely response to a western problem; the kind of response which was contemplated when the Prince Albert declaration was formulated. The Government should be looking at making an interim payment to help farmers meet the heavy financial commitment of spring seeding. I would ask the Minister to move swiftly to present amending legislation which would permit an interim payment in time for spring seeding.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I want to thank the Hon. Member opposite for giving me a chance to respond to his concerns. I assure him that the Government shares many of the concerns he has expressed. We have taken some steps, not only on behalf of western farmers, but on behalf of all farmers in Canada.

In the statement made by the Minister of Finance (Mr. Wilson) on November 8, we significantly reduced the tax on farm fuels. Admittedly, there is still a considerable amount of tax on farm fuels, but the federal Government recognizes that there is a problem and it is taking steps to improve that. Last week the Government introduced legislation to amend the Agricultural Stabilization Act. That will allow for a voluntary tripartite red meat stabilization program in Canada. Just before Christmas we announced for the first time the invoking of the meat import quotas under the provisions of a Bill which was passed by the previous Government.

I would like to mention another item which will benefit western farmers. The Minister of Transport (Mr. Mazankowski) has frozen the seaway tolls, in response to the concerns of farmers over rising costs.

Let me directly address the question of the Hon. Member for Swift Current-Maple Creek (Mr. Wilson). We certainly anticipate being able to make an interim payment. We have legislation which will be introduced very shortly. As I said yesterday in response to his question, I very much appreciate the co-operation—as I am sure do western farmers—which has been indicated from both opposition parties in assuring us that they will pass the legislation very quickly.

The larger question is: What do we do with the Western Grain Stabilization Act? It has been roughly ten years since that legislation was implemented and I think that is a sufficient period of time to know how the Act works. There is good evidence that the Act should be reviewed. The Government will look at it as quickly as possible.

I have heard representations that the Government should take into account more individual records of producers, so that there will not have to be a major crop failure on the Prairies in order to trigger a payout. I have also heard concerns that there should be provisions in the Act which would allow people who grow and feed their own grain to contribute to the plan.

The Government will be acting very quickly to allow for an interim payment in time for the spring seeding. We fully recognize the cash shortage problem facing prairie farmers, and we also very much appreciate the contribution that they make to the national economy.

● (1820)

We will also be looking as quickly as we can at what can be done, and I have already had some input from some provincial Governments. We welcome input from other people on what we should do with the Act on a longer term basis to make it more responsive so we do not have to ask for legislation to make an interim payment. The Act will be there. It will be responsive, and we will not have to make amendments in order to make payments to producers who are in need of cash.

The Acting Speaker (Mr. Paproski): The Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey).

BANKS AND BANKING—CHARTERED BANKS' REFUSAL TO CASH WELFARE CHEQUES. (B) EXISTENCE OF CHEQUE DISCOUNTERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Thank you, Mr. Speaker. I congratulate you on your memory. I also congratulate those who are stage managing the late show because we are able to have a debate on what I consider to be a very important topic. I rise on the same topic as that put forward by the Hon. Member for Winnipeg North (Mr. Orlikow), that is the disgraceful situation which is taking place in this country whereby low-income Canadians are being forced into the hands of loan sharks because the chartered banks in Canada are refusing to cash their cheques. These loan sharks charge horrendous rates of interest, rates which are way out of line and, I think, beyond the law. In any event, they are immoral, disgraceful and should not be allowed to continue. The banks are refusing to cash legitimate government cheques and those loan sharks are taking advantage of that particular situation.

The Hon. Member for Winnipeg North mentioned tonight the latest instance of this, a case where the interest rate may be as high as 2,500 per cent, if one projects the rates on a daily basis. This must not be allowed to continue, Mr. Speaker.

I raised the subject on December 3 and I was very disappointed to hear the Parliamentary Secretary say tonight that it is still under consideration. It has been under consideration for almost a year now because this Party, when we were the Government, undertook through the previous Minister of Consumer and Corporate Affairs to do something about this situation. Still we find that nothing has been done.

What can be done? First, the Minister of Finance could use moral suasion on the Canadian Bankers' Association in Toronto. He could say to the bankers that what has been going on in their banks must not be allowed to continue. They must be told that they must cash government cheques and must

allow people on welfare and low-income Canadians who receive these cheques to get them cashed for nothing.

The Minister of Consumer and Corporate Affairs (Mr. Côté) could also look at the law which came into being in Quebec in 1980. It states that no one can require fees from a consumer for cashing a cheque issued by the federal, provincial or municipal Governments. There have been some difficulties with that particular law in Quebec, but none, I feel, that cannot be overcome. Another possible solution, Mr. Speaker, is that government cheques could be directly deposited into people's accounts at the banks. In Great Britain there is another way of doing this whereby savings operations are attached to the Post Office and, therefore, anyone with a postal address has a savings account. Whatever course of action the Government chooses to take, this is a situation which cannot be allowed to continue.

The Parliamentary Secretary also said previously in answer that this situation arose quickly. Well, it has arisen over the past few years and that is hardly quickly. It is time now, I believe, for the Government to stop considering this matter and to take action so that these low-income Canadians can be treated fairly and justly as full Canadians in every sense of the word. The chartered banks of Canada are making good and healthy profits, Mr. Speaker, and it is not right, just or fair that these horrendous rates are charged to those who can least afford to pay that burden. It is a situation which should no longer continue to exist, and I call upon the Government, and upon the Minister of Finance and the Minister of Consumer and Corporate Affairs to see that this situation is rectified right away.

• (1825)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, no existing legislation compels chartered banks to cash cheques issued by the Government of Canada. The only obligation of banks operating under the Bank Act is that they may not collect service charges for cashing Canadian Government cheques.

As a result of the ever-rising number of frauds, banks and other financial institutions are wary about cashing any kind of a cheque for non-clients. A few financial institutions do have mechanisms to help people who regularly receive payments from Governments or social agencies, but those mechanisms have not always given the expected results. Certain institutions have therefore specialized in cheque-cashing operations, but they may impose service charges since they do not come under the Bank Act.

The Minister of Finance (Mr. Wilson) can understand why some of the financial institutions such as banks, trust companies and credit unions are hesitant to offer services to people who do not do business with them, and that is due to the prevalence of fraudulent transactions. However, he firmly believes that if the bearer of the cheque provides adequate identification and everything indicates that he or she is the legitimate owner of the cheque, then the financial institutions ought to honour the cheque, as they are required to do under their mandate.

The Minister will soon raise that important issue for poorer Canadians with spokesmen for banking institutions, and he will eventually recommend to the House or to the Government that appropriate steps be taken, as our colleague has just suggested, at least for moral if not legal considerations.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6.27 p.m., the House adjourned.

HOUSE OF COMMONS

Wednesday, January 30, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

GOVERNMENT EXPENDITURES

AIR TRAVEL COSTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, while in opposition, Conservative Members criticized the Liberal Government for abusing air trips which were funded by taxpayers. The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) spoke in the House for hours on the subject. I would like to quote that Member. He said:

It is astounding that we have this kind of extravaganza from a Government preaching restraint.

That sounds familiar. We have yet to hear the Hon. Member, who now sits on the government side, complain about the fact that the Government has spent more than $496,000 in the last two months on air trips, and refuses to make public the reason for the use of these sacred instruments of travel.

This is the Government that, throughout the election campaign, misled Canadian people by promising that it would bring about changes; that it would not be abusive; that it would be an open Government, and that it would create jobs. There were 338 promises in total.

The Government has yet to prove to the people of this country that what it promised during the election campaign was not "bull roney". Happiness is never having to say you are Tory.

* * *

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, the Cruise missile is tested in the Primose Lake Air Weapons Range which straddles the northwest corner of my constituency.

Recently I met with the Battlefords Association for Nuclear Disarmament. Members of that group told me they were opposed to Cruise missile testing; that they were opposed to involvement with the United States; that they were opposed to defence spending, and that they were opposed to NATO. One member of this group explained that he supported what he called the Soviet Union's "assistance" to Afghanistan.

It is my view that Canadians strive for a truly mutual, balanced and verifiable disarmament. Our Government pursues this goal by using a moderate, conciliatory approach through the channels of diplomacy. I believe that sensible and fair Canadians, the majority of our citizens, want an honest and common sense approach. Many who protest, talk about their highly moral position. Striving for peace, by any means, is moral. No side in this debate has the exclusive claim to morality.

Some Hon. Members: Hear, hear!

* * *

SEARCH AND RESCUE

DEPLOYMENT OF HELICOPTERS ON WEST COAST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to call to the attention of the House and to the people of Canada the matter of the opening of an inquest today in Port Hardy, British Columbia. The inquest is inquiring into the deaths of five fishermen and the matter of receiving inappropriate weather information on the coast of British Columbia.

It is with some pleasure that I note the Minister of the Environment (Mrs. Blais-Grenier) has looked into the matter, but I would warn the Government that it is not simply a matter of weather warning improvement. The availability of search and rescue equipment on the coast of British Columbia is such that if fishermen, or indeed any people, get into difficulty, quite often in the wintertime, during daylight hours, helicopters cannot reach them because of inappropriate deployment along the coast of British Columbia. I would also point out that Sikorski and Boeing Vertol, manufacturers of helicopters, have indicated that the entire coast of British Columbia could be covered by helicopters within one hour's flying time, for a price of $10 million.

More must be done to ensure the safety of people at sea than simply tuning-up weather forecasting and weather broadcasting. The Government must show concern in many other ways by co-ordinating and improving the resources which we already have.

S.O. 21

[*Translation*]

TEXTILES AND CLOTHING

INDUSTRY SITUATION—REQUEST FOR GOVERNMENT MEASURES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I should like to draw your attention to the fact that the current crisis in the textile and clothing industry continues and is growing worse. Thirty-four thousand jobs have been lost in that industry over the past ten years. It is a deplorable situation if we consider that it costs in excess of $250,000 to create a job a year in that sector. Many of my constituents have told me their concerns about this, and it is imperative that the Government implement policies designed to alleviate that situation.

In August 1984, there were 39,700 workers in the textile sector, and 48,100 in the clothing and hosiery sector in Quebec. Those industries account for one out of five jobs in Quebec's manufacturing industries, including several thousand in my riding of Drummond, which goes to show that those industries are a major component of our economy.

Textile and clothing imports into Canada have reached unprecedented levels in recent years. In 1983, imports rose by 25 per cent over the previous year. This unabated growth in imports means that more than 27,000 pieces of clothing come into Canada every hour, every day. This situation is the result of inaction on the part of the Liberals who were unable to adhere to the principles of their own policies.

To remedy that situation, Mr. Speaker, I would urge the Minister responsible—

Mr. Speaker: I regret to inform the Hon. Member that his allotted time has expired. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

* * *

SOCIAL SECURITY

SPOUSE'S ALLOWANCE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, Friday last the Minister of Health and Welfare (Mr. Epp) introduced Bill C-26. The purpose of that legislation is to extend to needy single persons, aged 60 to 64, one of the old age security benefits, the spouse's allowance. My first reaction is to say "Hurray"! But, unfortunately, the Government has decided to add a new criterion which unfairly discriminates against 80,000 people in Canada, most of whom are women.

Mr. Speaker, I am sure not one Member of this House, whatever his political stripe, will let the legislation pass as it is now worded. Otherwise it would be a shame. If the Bill becomes law as it now stands, every time a 62-year old lady calls at one of our constituency offices and says: "I have been turned down!", and, being asked why, she will answer: "Simply because one day I separated from my husband."

Mr. Speaker, I am counting greatly on the support of every member in this House to have the Prime Minister amend the legislation to render it accessible to all needy single persons, and I am convinced he will do so.

* * *

• (1410)

EMPLOYMENT

DEBATE ON INVESTMENT CANADA—OPPOSITION'S ATTITUDE

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, unemployment remains the first concern of our government. Unfortunately, our friends opposite do not seem as sensitive as we are to this issue. They continue to make speeches and prolong unduly the debate on the Investment Canada Bill which will enable our small businesses to expand and create jobs.

Mr. Speaker, a German industrialist told me recently that many of his fellow citizens were just waiting for more favourable Canadian legislation to be passed before coming to Canada to invest and to create some of the thousands of jobs which this country desperately needs.

Mr. Speaker, the Members opposite use the Standing Orders and the procedures of this House neither to make the debate any clearer nor to improve some of our bills intended to correct a situation which has become intolerable for Canadians, but simply to score political points with the media, perhaps to be named Official Opposition of the week, the month or the year!

* * *

[*English*]

ANTI-SEMITISM

FIRE BOMBING OF VANCOUVER SYNAGOGUE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it is with regret that I report to this House that early on Friday, January 25, the Temple Shalom on West 10th Avenue in Vancouver was fire bombed. The synagogue was gutted, and there was $400,000 damage. Later, on Monday night, again there was an attempted fire bomb at the Schara Tzedeck funeral chapel. I am sure all Hon. Members of this House will join with me in deploring these terrible attacks.

Rabbi Philip Bregman is quoted in *The Globe and Mail* as saying that:

—he has hired guards in the past to watch over services during this temple's high holy days in the fall. At various times during his four and a half years at the synagogue, rocks have shattered windows, his car was vandalized twice, red paint has been poured over the front doors and over the Star of David and there have been telephoned obscenities and bomb threats.

This is not Europe, Mr. Speaker; this is not Paris; this is Canada. We thought we did not have these kinds of things happen in Canada. We have been rather smug in the past. I think we should note that anti-semitism, when we think it is dead, always seems to rear its ugly head again. On the fortieth anniversary of the liberation of Auschwitz, I would like to think that we Canadians, all Canadians, could liberate ourselves from this terrible problem of anti-semitism.

As long as Jews are singled out and persecuted, none of us in Canada are safe, and we should express our regrets about these terrible attacks in Vancouver.

Some Hon. Members: Hear, hear!

* * *

ATLANTIC PROVINCES TROWEL TRADES COLLEGE

CALL FOR PUBLIC SUPPORT

Mr. Pat Binns (Cardigan): Mr. Speaker, the Atlantic Provinces Trowel Trades College was recently established in Summerside, Prince Edward Island, as a training institution to encourage young people to take up the trowel trades and meet the needs of our Atlantic building industry.

The College came about because of the foresight and commitment of union leaders, civic officials, training institutions, and federal and provincial Governments. Some of these people are in the public gallery today, including Mr. Albert Vincent, Mr. Leo Rossiter, and Mr. Derek Key. They are here to meet with members of the Atlantic caucus. They seek the support of the Minister of Employment and Immigration (Miss MacDonald) and the Government of Canada, as well as of officials of provincial and municipal Governments, and union leaders, in order to continue their training courses. I urge continued public support be given for assistance to this college.

* * *

CANADIAN BROADCASTING CORPORATION

INTENTION TO CANCEL *OUR NATIVE LAND* RADIO PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have been informed of the intention of the Canadian Broadcasting Corporation to cancel its native affairs program *Our Native Land*. This one half hour show, which is heard nationally on Saturday evenings, is the only radio broadcast which focuses exclusively on issues which are of concern to Indian, Inuit, and Metis peoples. The approach is one of in-depth and concentration, and it is not duplicated elsewhere.

I recall, Mr. Speaker, when the CBC, under the previous Liberal administration, cut this program from one hour to one half hour. It was a disgraceful, shocking decision at that time, and I said so. Now, *Our Native Land* is to be cut entirely and replaced by three native news stories per week.

CBC has once again failed to carry out its mandate to reflect the culture of the peoples of Canada. I know that the CBC is responding to government directives to reduce its expenditures. There is a lot of fat in the CBC; that cannot be denied. But, please, let us get rid of one of those unneeded vice-presidents and keep *Our Native Land*.

Some Hon. Members: Hear, hear!

Mr. Penner: *Our Native Land*, Mr. Speaker, will celebrate its twenty-first year of broadcasting next month. I call upon the Minister of Communications (Mr. Masse) to intercede and talk some sense into the CBC executives who sit in such splendid isolation in their corporate boardrooms.

• (1415)

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL SECURITY

SOCIAL PROGRAMS—REQUEST THAT GOVERNMENT INTRODUCE BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

In the House yesterday, the Minister of National Health and Welfare seemed unable to confirm whether the options mentioned in the Government's consultation document were government policy or not. Forty-eight cents a day more for disadvantaged Canadians is almost an insult. There is uncertainty and confusion everywhere in this country, owing to a definite lack of leadership. For months, the obvious confusion in Cabinet has been causing much concern among low-income families, senior citizens and working mothers. Only a budget can put an end to the confusion.

Could the Prime Minister persuade his Minister of Finance to put an end to this confusion by bringing down a budget as soon as possible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance will bring down a Budget towards the end of April, as agreed. I think this has already been announced. Concerning the confusion referred to by my right hon. friend, I think perhaps I should quote someone who is a bit more objective, Louise Dulude—

[*English*]

—of the Social Policy Reform Group who last night, on CTV, described the social benefits paper as a very good first step. I think that is what the consultation process is all about, Mr. Speaker.

Mr. Gauthier: That is a Tory group.

MATERNITY BENEFITS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary is directed to the Prime Minister. In December the Minister of Finance contributed to that confusion, indeed caused an uproar, by suggesting that we should end social programs for middle-income earners. Now the Minister has mused aloud in Toronto about tinkering with maternity benefits. Will the Prime Minister put an end to this confusion, because working women are now worried about the Minister's remarks? Are we going to have yet another confused consultation paper?

Mr. Crosbie: We have a confused Opposition.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to remind the Right Hon. Leader of the Opposition that on November 8 I said exactly the same thing on page 78 of the agenda paper, at which time I drew attention to the fact that unemployment insurance premiums were high and having a retarding effect on the ability of small business to create jobs. I asked the question then, as I did earlier this week, whether it was more appropriate to take these programs out of the unemployment insurance program and have them financed by general government revenues. If the Right Hon. Member has any comments on that, I would be very pleased to receive them.

Mr. Turner (Vancouver Quadra): Mr. Speaker, to the Minister of Finance, that agenda paper of November 8 seems to have been overridden on several occasions and we do not know whether we can rely on it any more.

* * *

FINANCE

TIMING OF BUDGET INTRODUCTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final supplementary is directed to the Prime Minister. As I said in my first question, only a Budget can end this confusion. I suspect that Budget is being delayed partly because of dissension in Cabinet—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): — and perhaps because of the recent undermining of the Minister of Finance by the Prime Minister. However, I want an answer to a third suggestion. Would the Prime Minister confirm that the Budget is being delayed, despite the confusion in the country, because his political allies in Regina, Queen's Park, and St. John's are contemplating elections and want to get them out of the way before what they foresee will be a disastrous Budget introduced by the Minister of Finance?

• (1420)

Some Hon. Members: Oh, oh!

Mr. Deans: That is precisely what Frank Miller said.

Mr. Turner (Vancouver Quadra): I understand from a communiqué out of the Prime Minister's office this morning that he is going to see Mr. Miller, the Premier-designate in Ontario. Perhaps I could ask him, Mr. Speaker, whether Budget time is going to be Miller time.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hate to be unkind, but in the interests of national harmony, bring back the cue cards.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is curious that my right hon. friend invokes the word "dissension" the same day as the Hon. Member for Shawinigan returns to the House.

Some Hon. Members: Hear, hear!

Mr. Chrétien: Saint-Maurice.

Mr. Mulroney: I just want to tell—

Ms. Copps: Ask Champagne about party unity.

Mr. Mulroney: There's the decreasing influence of Queen's Park at it again. It's the melody in the voice that I love.

Some Hon. Members: Hear, hear!

Mr. Speaker: It's clearly Wednesday.

Mr. Mulroney: In response to my right hon. friend, I want to say, with respect, that he can expect, at a time that was already indicated, an outstanding Budget brought forward by a truly outstanding Minister of Finance.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

MATERNITY BENEFITS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Prime Minister. The Government's message to Canadians this week is: "Don't have children". It is cutting the family allowances and the child tax exemption. It is going to eliminate maternity leave under the UIC, and it has done nothing about day care.

Is the Prime Minister's Government serious about eliminating maternity benefits under the Unemployment Insurance Act? If so, how does he reconcile that with the promises he made in the televised women's debate before the election? Is he telling Canadians now that we cannot afford to support women when they leave work to have children? Is that what he is telling them?

Right Hon. Brian Mulroney (Prime Minister): For someone who began with such promise in the Catholic Youth Organization only a few years ago—to be indulging in such distortion today! The answer is absolutely no. We are trying to do what

we have tried to do in many other instances. I say this with affection for my hon. friend. He knows, as I do, that we are trying to help those most in need in our society.

SICKNESS AND RETIREMENT BENEFITS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, if that is the case, how does it benefit Canadians to muse in public about the elimination of one program when they do not know where they are going with the replacement? All it does is provide confusion and uncertainty.

The Minister of Finance mentioned the elimination of social programs. Are they also considering eliminating or changing the sickness and retirement benefits under the unemployment insurance program? Are they doing that as well?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say, with the greatest sincerity and seriousness, that that sort of distortion is not becoming to the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I said very clearly that we were considering taking the financing of those programs out of the unemployment insurance scheme and putting them into general revenues of the federal Government. I never talked once about making any changes in the program.

● (1425)

As I said in a previous answer, the reason why we are doing it is to take the load off small business that is suffering from that high front-end tax, so that it can create more jobs. I should think that the Hon. Member should be encouraging us to do that.

TAX POLICY AFFECTING THE RICH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns the social spending plans of the Government. The only way to increase social spending for the poor without cutting back on programs for middle income Canadians is to increase the total going into social programs and obtain the additional revenue by changing tax policy to get more revenue from the rich. In the options proposed in the paper that was released on Monday, why was this important, specific option excluded?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Member for Oshawa that his question is very similar to those asked yesterday and to which the answer was given. The answer had two aspects. First, if we increase social spending, obviously we must get the economy producing more. I think all of us agree on that.

Mr. Deans: No.

Mr. Epp (Provencher): That is obviously one point that has to be put forward. Any other options in terms of tax reform are budgetary, and remain with the Minister of Finance.

Mr. Broadbent: The memorizing of a precise answer does not constitute a rational reply to the question.

REDISTRIBUTION OF INCOME

Hon. Edward Broadbent (Oshawa): I will direct my supplementary question to the Minister since the Prime Minister is not dealing with the question. He has just said that the only way of getting more revenue for social programs is to have an upswing in the economy.

There are over 8,000 Canadians currently at income levels exceeding $50,000 a year—presumably working men and women—who do not pay any income tax whatsoever. There are additional thousands of upper income Canadians who, because of their high income level, had their taxes substantially reduced when others were not, a few years ago.

Why did the Government not include among its options the possibility of giving a tax increase to these people instead of middle-income families, and redistribute that income to the poor who badly need it?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I looked at the position put forward by the Hon. Member yesterday, that it was coming from middle-income Canadians. I said yesterday that, according to option one, 70 per cent of the money redistributed would be coming from families above $40,000, and it would be over 80 per cent from option two.

I studied it even further last night. For families earning over $50,000, sixty per cent of the redistributed money would come from them. That is the exact group that he says to tax more.

If he goes back to the bank janitor and the bank president, he would see that the bank janitor would gain money and the bank president would lose 65 per cent of his benefits.

MIDDLE-INCOME GROUP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again the Minister did not deal with the question. He neglected to note in his reply that more than one million middle-income families, earning between $30,000 and $50,000—many of which are families with two-income sources—will be paying hundreds of thousands of dollars in lost benefits that they will get—

Mr. Speaker: With respect.

Mr. Broadbent: I will come to the question, Mr. Speaker. Why, in the expressed concern of some of the poor groups themselves, has the Minister embarked upon a program that will put the major part of the burden on middle-income Canadians and redistribute that to the poor, instead of going after those Canadians who can afford it, namely, the rich, by bringing in tax reforms now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will give the Hon. Member the same answer.

He might not like the answer, but it is the correct answer. The other point I would make is that the option which he put forward has some of those very adverse effects, and now he is trying to reverse quickly and cover himself. Now he is attempting to talk about the rich.

I told him that the options provide for a 65 per cent redistribution to those at a lower income. I hope he understands when I tell him again that the options he puts forward in terms of tax reform are obviously a budgetary item.

* * *

• (1430)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SIR PATRICK WALL, M.P., PRESIDENT OF THE NORTH ATLANTIC ASSEMBLY

Mr. Speaker: May I interrupt the proceedings to advise Members of the presence in our gallery today of Sir Patrick Wall, M.P., United Kingdom, President of the North Atlantic Assembly.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF HON. MABEL DEWARE, NEW BRUNSWICK MINISTER OF CONTINUING EDUCATION

Mr. Speaker: I have the honour to inform the House that also in our gallery today is the Hon. Mabel DeWare, Minister of Continuing Education, in the Province of New Brunswick.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF FINNISH PARLIAMENTARY DELEGATION

Mr. Speaker: As well, may I draw to the attention of House the presence in our gallery of a delegation of Members of Parliament from Finland led by Chairman Tarja Halonen and Vice-Chairman Saara Mikkola.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

NEEDY FAMILIES—GOVERNMENT POSITION

Mr. Jacques Guilbaut (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It is clear that middle-income families will have to pay as much as $571 million to provide an extra 48 cents a day—almost worse than nothing and not even enough to buy a quart of milk—for families who need it most. That is because this Government has decided to transfer more money to the Conservative provincial governments than to those families.

Mr. Speaker, I would like to ask the Minister how he can even consider transfering such considerable amounts to the provincial governments, instead of substantially increasing the meagre extra benefits he intends to provide for families who are in greatest need of them.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, yesterday the Right Hon. Leader of the Opposition brought forward the 48 cents a day option. I looked at that last night as well, and I want to put that into perspective today also.

The greatest benefit, if you take the three programs in the family benefits package together, is about $800, just over $2 a day. A 48 per cent increase for those who are poorest in our society would be a 25 per cent increase.

Mr. Deans: For goodness sake.

An Hon. Member: You can't even buy a litre of milk for that.

[*Translation*]

REASON FOR TRANSFER OF LARGE FUNDS TO PROVINCES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a supplementary.

Mr. Speaker, what an answer! The Minister informs us that 48 cents is enough. Mr. Speaker, I would like to know how much money is going to the provinces. What kind of deal was the Minister able to make with the provincial governments, if he is now transferring such enormous amounts of money to the provinces? Is he trying to compensate for reductions the Minister of Finance is about to make in other transfer programs?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in the preface to the question of the Hon. Member I did not say what he attributed to me and it was a distortion of what I said. What I said and what I was pointing out concerned the benefit because the Right Hon. Leader of the Opposition was trying to point out yesterday, I take it, that it was insignificant.

Mr. Deans: It is.

Mr. Epp (Provencher): What I am trying to point out, in terms of the benefit these people are receiving, is that obviously we would like to do more, but in view of the redistribution, taking a look at what we are getting and in terms of what the 48 cents means per day, or the yearly increase, that has to be put into perspective. I say to the Hon. Member not to distort what I am saying.

In terms of what the redistribution would be with the provinces, I said yesterday, and I repeat to the Hon. Member today, again, that obviously we want to sit down with the

provinces in terms of their social programs and see what arrangements could be made if either of those options became government policy.

* * *

MUNICIPAL AFFAIRS

INFRASTRUCTURE CONDITIONS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister of Finance. He will have had an opportunity to review the report presented to him over a week ago by the Federation of Canadian Municipalities which outlines the deteriorating condition of municipal infrastructure and calls on the federal Government to inject funds into the municipal sector.

Would the Minister not agree that such an investment in our municipalities creating, it is estimated, some 75,000 jobs a year, would be a wise use of public funds, and seeing as the federal Government has reduced its contribution at the municipal level to almost nothing, would the Minister now make a commitment to meet with representatives of the Federation of Canadian Municipalities to expedite an agreement which would allow work to begin this spring?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, I met for a full morning with the entire Council of the Federation of Canadian Municipalities and we had a very worth-while and productive meeting. They raised the question which the Hon. Member has just raised on the state of the infrastructure of the municipalities. I said it would be something we would be looking at closely to see whether there were some basis on which we could provide some support. However, I did caution the Federation that, because of the major financial requirements of the Government, and the difficulty of our financial position, it was not going to be easy to meet what the Council put in front of me.

REQUEST FOR FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a supplementary question for the Minister of Finance. Given the situation at the municipal level, and the fact that the federal Government has backed off on any kind of contribution over the last 10 or more years, and given that we do need jobs in this country, would the Minister not agree that it is urgent to give an indication to the municipalities that the Government will provide some funds and meet to negotiate the actual level, perhaps even with the provinces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate very much the concern of the Hon. Member and I appreciate very much the concern expressed to me by representatives of the municipalities. There are many pressing needs in our country today. They have one, and we will take that into account as we review the wide range of demands that are upon us right now.

[*Translation*]

TRADE

SECTORAL DIALOGUE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of External Trade. In the paper he made public yesterday, the Minister is soft-pedalling the sectoral approach at a time when two agencies are holding public hearings on the subject in the United States. What has the Canadian Government been doing since September to pursue the sectoral dialogue?

I would also like to know what the Minister has done about following up the commitment made by his leader when he said last year on April 18 in Toronto: We shall pursue talks already initiated with the United States with respect to certain sectors. What has the Minister done since September to keep this option open, Mr. Speaker?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in reply to the Hon. Member, I would advise that sectoral trade discussions are not continuing with the United States at this time as we wish to discuss with the Canadian people the whole range of options that are available in our trade relationship with the United States. Once that discussion has been completed, then we will continue our discussions with them on the option that has been chosen.

I would like to point out to the Hon. Member that, in the meantime, discussions on day-to-day trade issues are continuing with the United States.

[*Translation*]

MINISTER'S ANNOUNCEMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary.

Mr. Speaker, the Minister referred to consultations, and I know that yesterday he announced to the media that he would be doing a series of letters on international trade. I therefore wish to ask the Minister, since all Canadians are concerned by international trade, whether he intends to have his paper examined by a committee of the House to ensure that an issue of such fundamental importance is considered by the Members of this House.

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that we feel a referral to a committee of the House at this time would be premature.

Some Hon. Members: Oh, oh!

Mr. Kelleher: I would point out to the Hon. Member that this is a discussion paper. We want to find out what the problems are in the Canadian sector—

Mr. Deans: You have studied it 50 times.

Mr. Kelleher: Once we have ascertained what those concerns are, we will be in a position to direct our discussions and perhaps return to Parliament and a committee at that time.

* * *

EMPLOYMENT

STUDENT SUMMER JOBS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I am happy to be informed that she has now agreed to meet with the Canadian Federation of Students after all, to discuss her new program.

Some Hon. Members: Hear, hear!

Mr. McCurdy: It is, of course, based on a wage subsidized career internship program and private sector initiatives. Does she not recognize that it is already too late to introduce a new program, of doubtful effectiveness, and that students are deeply concerned? In spite of its shortcomings, would the Minister consider using for this year the well-tested project oriented program which we know will achieve specified job-creation goals, and thus ensure that students will be in a position to know where they are going to be this summer, and then allow adequate consultation and preparation for the program that she plans to introduce next year—that she would be better off introducing next year.

● (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am not quite sure whether I followed that convoluted question. However, I should like to say to the Hon. Member that, in the last couple of months, I have had the benefit of meeting with students and with unemployed young people in Regina, in St. John's, Newfoundland, in Halifax, in Toronto—all across the country—so that I could have their input with regard to the summer programs which will be forthcoming. I can tell him that I do not consider it too late to be announcing the very substantial programs about which he will hear shortly.

GOVERNMENT FUNDING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, as I indicated yesterday, summer is almost upon us.

Some Hon. Members: Oh, oh!

Mr. Speaker: There must have been three fine caucuses this morning. The Hon. Member for Windsor-Walkerville on a supplementary question.

Mr. McCurdy: Summer is almost upon students who are worried about how they will pay their tuition next year. Will the Minister and the Government consider a more rationalized approach? Rather than this program which the Minister is obviously having difficulty putting together, would she not consider rationalized spending initiatives to provide both full-time jobs for the unemployed generally and summer jobs for students in economically useful, productive, and needed expenditures for municipal infrastructure reconstruction, reforestation, and to meet social needs—

Mr. Speaker: Would the Hon. Member consider allowing the Minister to reply?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in replying, I should like to tell the Hon. Member that when we cancelled the Liberal Government's $85 million—and remember, it was $85 million which it had in the budget for Summer Canada this year—we announced then that we would be coming forward with a program which would meet the real needs of young people. We gave that commitment. I want to tell the Hon. Member that I intend to meet that commitment.

* * *

UNEMPLOYMENT INSURANCE

GOVERNMENT PLANS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Finance. It is based upon answers which he gave today during Question Period to the Leader of the Opposition and to the Hon. Member for Notre-Dame-de-Grâce-Lachine East. The Minister said that his intention now was to transfer part of the costs of the Unemployment Insurance Program on to general taxation. Is the Minister of Finance confirming, in total contradiction to commitments which he and the Prime Minister have made that there would not be a general tax increase, that the Government is considering a general tax increase to cover costs of the Unemployment Insurance Program, and God knows what else?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wonder if I could pass this document over to the Hon. Member so that he could read it and understand, because he obviously cannot hear. I have very clearly said that there may be a part of the Unemployment Insurance Program which is not unemployment insurance in the true sense of the word "insurance". Should we consider moving those social programs to be financed under general revenues as opposed to an employment tax which small business has been telling us—and I believe the Hon. Member when he was on this side of the House—would retard its ability to create jobs? That is all that I said. Any extension of that is a distortion on the part of the Hon. Member.

REQUEST FOR SINGLE GOVERNMENT DOCUMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister of Finance says that it is a distortion. How-

ever, the Minister of National Health and Welfare said that he would take benefits away from the middle class and the Minister of Finance said that he had to cover unemployment insurance by general taxation. When will the Government get its act together and bring these proposals together in one document so that Canadians will know for what they will have to pay come next April?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, a number of the questions the Hon. Member is asking, he knows, can only be asked in the course of a Budget. However, let me point out that we are trying to have a look at some of the mess left us with the distortions in the policies of the previous Government, distortions which are causing more difficulty for small business, in particular, to create jobs.

Mr. Axworthy: Are you going to raise taxes or not?

Mr. Wilson (Etobicoke Centre): Is the Hon. Member saying to us that he does not want us to help the small business community?

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

MONITORING OF FOOD RELIEF DISTRIBUTION IN ETHIOPIA

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of External Relations. In the 1984 report on the administration of CIDA under the previous Government, the Auditor General claimed that there was an inadequate monitoring of CIDA's food aid projects. Despite several inquiries at CIDA and at External Affairs in the past few days, I have been unable to learn that the Government now has any staff in Ethiopia exclusively assigned to monitoring the daily distribution of Canadian food relief. We know of short visits by government officials—

Mr. Speaker: With great respect, is there a question? Statements are for earlier in the day.

Mr. Stackhouse: So that assurances can be given to Canadians that their gifts are helping people, will the Minister tell us what steps have been taken to monitor, day by day, distribution of Canadian food relief to the Ethiopian people?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker I want to thank the Hon. Member for asking this question as it gives me an opportunity to explain the present situation in Ethiopia.

Needless to say, our policy is dictated by humanitarian reasons first and not by political considerations and the information we have received from our embassy and from non-governmental organizations indicate that as much as possible food relief is being distributed to the hungry and that it is very difficult to reach the provinces of Eritrea and Tigre.

We are doing everything in our power to ensure that Canadian Food relief is distributed—

[*English*]

Mr. Speaker: I must, with great respect, invite the Minister to make a statement under Statements by Ministers.

* * *

[*Translation*]

CULTURAL AFFAIRS

BUDGETARY CUT-BACKS—CONSULTATIONS WITH ARTS GROUPS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications, who met yesterday with the representatives of a new coalition established as a result of budget cut-backs in the cultural sector. The Minister has yet to meet with leading groups in that sector, such as the Canadian Conference of the Arts. Therefore, I should like to know whether the Minister intends to honour the commitment made by his party during the election campaign, namely to consult with artistic groups. I am not referring to Conservative culture Ministers, but to the groups themselves, the representatives of the cultural community. If so, when does he plan to hold such consultations?

Hon. Marcel Masse (Minister of Communications): Yes, Mr. Speaker, I did meet yesterday with some of the representatives of that group. I might reassure the Hon. Member by telling her that, several weeks ago, I went to the Canadian Conference of the Arts, the organization she has mentioned, for the official opening of its new facilities. I spoke with several Ministers, not only Conservative colleagues but also the Minister of Manitoba who, as far as I know, is of the same persuasion as the NDP Opposition Party.

We do have ongoing consultations with most of those who play a role within the cultural community. With that in mind and taking into consideration the fact that there will be a federal-provincial cultural conference in Vancouver at the end of the month, I intend to spend most of the month of February meeting with most of the groups to which you are referring.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

NATIVE PROGRAMMING—REQUEST FOR ADEQUATE FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary question is directed to the same Minister. It concerns a more specific area regarding cut-backs and arises out of the cut-back of the program *Our Native Land* on CBC Radio. Would the Minister give us his commitment to native programming? Would he tell us what it is and how he will ensure that there is adequate funding so that there will be native programming?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Hon. Member knows very well it is the responsibility of the CBC management to determine the corporation's programming and the directions it has to take in either of the areas mentioned. The Government has advised the corporation about the need to reduce the national deficit, and that accordingly all government agencies, departments and organizations must assume their share of the responsibility. However, I can assure the Hon. Member that I will pass on to the President of the CBC her concerns as expressed in this House.

* * *

● (1450)

[*English*]

INCOME TAX ACT

PROVISION AFFECTING LAND PURCHASES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of National Revenue. Many taxpayers who have sold land and purchased replacement land are being reassessed under Section 44 of the Income Tax Act for failing to file an election. Since no election form is provided by Revenue Canada, will the Minister examine the matter of Section 44 deferrals, and will he consider the act of re-purchase as an effective election, thus providing relief to those taxpayers who face unfair treatment?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, the Minister of National Revenue is now in Toronto announcing important changes to the Income Tax Act. I therefore take notice of the question and will refer it to the Minister.

* * *

[*English*]

TRADE

UNITED STATES DUTY ON CANADIAN CODFISH

Mr. George Henderson (Egmont): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, I would like to direct my question to the Right Hon. Prime Minister. The Prime Minister will know that the United States Department of Commerce has imposed an interim trade barrier against imports of Canadian dried salt cod. This will result in average duties of over 24 per cent against Canadian salt cod exporters. Since Canadian exporters and, indeed, ultimately the fishermen will have to bear the cost of this protectionist measure against them, what action is the federal Government taking to stop this anti-Canadian fish tariff imposed by the United States?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to have a chance to answer a question about fisheries, since they will not ask any questions about justice.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That's because there's no justice in the country.

Mr. Deans: We didn't know what to ask you. We didn't know what you knew.

Mr. Crosbie: In fact, Mr. Speaker, they are not interested in the answers at all. They are howling and bawling like a bunch of banshees.

The Hon. Member will know that what the Department of Commerce released was a preliminary estimate of the dumping margin which could be imposed upon Canadian producers of skin-on dried whole salted cod. That salted cod has its skin on. That is more than I can say of most of the Members opposite.

Some Hon. Members: Oh, oh!

Mr. Gauthier: At least we're not salted in brine like you are. We don't want a pickled Minister.

Mr. Speaker: I could get into a lot of trouble here, but I wonder if the Hon. Member would like to "fin-ish" his question.

Some Hon. Members: Oh, oh!

REQUEST FOR CANADIAN INTERVENTION

Mr. George Henderson (Egmont): Mr. Speaker, I would hope that the Minister of Justice would scale down his remarks just a little bit.

Some Hon. Members: Hear, hear!

Mr. Henderson: It is a very serious question and I am sure that the fishermen in eastern Canada would like a little justice to be served to them. Since the matter does relate to and affect the Prime Minister's own riding as much as any other riding, I would think that the Government would be very serious about trying to intervene with the Government of the United States. Considering the great relationship that the Prime Minister says he has with the United States Government, surely he would intervene on behalf of the good fishermen of eastern Canada and make sure that they do get justice in their marketplace.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, undoubtedly, if it becomes necessary, we can count on the Prime Minister to make strong representations. However, he cannot interfere in the quasi-judicial system of the United States.

The United States International Trade Commission has now to determine if there is injury to the domestic industry. The Department of Commerce has determined that we are selling codfish to the United States at below production costs. Unfortunately, that happens to be true, because the world price is below our cost of production. However, that is why the Canadian Saltfish Corporation exists. It exists to help those areas of Quebec, Labrador, Newfoundland, and southwest Nova Scotia. At the appropriate time, if and when it becomes necessary for influence to be exerted, the Prime Minister, because of his relationship with the President of the United States, will be able to be very effective.

* * *

ENERGY

EXPORT PRICE OF OIL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. After four Conservative Energy Ministers failed to reach an agreement on new oil and gas prices and taxation this weekend, she announced that Canadian oil producers could sell off more of our precious crude oil resources at even cheaper prices to American refiners. How can the Minister justify selling Canadian crude oil to Americans at prices lower than eastern Canadian refiners must pay for this oil on the world market?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think I could more properly ask the Hon. Member how he could justify his question since he is the one who, when debating the National Energy Program, said that that program is the only success of this Government, meaning the Liberal Government. The reason why we have a discrepancy in prices is because of the previous administration which was supported by the NDP. I would like to correct the Hon. Member because he knows perfectly well that, at the wellhead, the prices are the same for Canadian as well as export oil.

GOVERNMENT POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister knows full well that the NDP supported neither the National Energy Program nor the previous Government.

Some Hon. Members: Oh, oh!

Mr. Waddell: I would like to ask a question of the present Minister because we must deal with the here and now. The Government seems to have a policy enunciated by the Minister that it will not sell natural gas to Americans for less than it sells it to Canadians at the Toronto citygate price. Why does the Government have a different policy for oil? Why is the Government not consistent on this matter, and why is it discriminating against Canadians?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the policy about which the Hon. Member is talking is the policy of the former administration and the policy supported by the NDP. It is this Government that is working closely with the provinces to go to de-regulation which will get rid of this false and malicious system which hurt western Canada so badly, and which is now hurting the consumers of Quebec and Ontario.

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AEROSPACE INDUSTRY

HELICOPTER PROGRAM INVESTMENT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Minister will know that the country has invested, or is proposing to invest, $275 million with Bell Helicopter, and $100 million with Pratt & Whitney, to develop a twin-engine helicopter program. There has been a suggestion made that there is no market for this type of helicopter or that there is not a sufficient market to justify the investment. Has the Minister investigated those allegations? Will the Minister advise the House what he is doing about this suggestion?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member for Mississauga South, I would caution him about believing what he reads in the newspapers sometimes, and particularly about the report to which he has referred, which was based entirely on idle speculation and did not have much truth connected to it.

* * *

AGRICULTURE

AMOUNT OF FARM DEBT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture and concerns the farm debt crisis which has become apparent in our country today. Farm bankruptcies are estimated to be up to 1,000 in the coming year. The Farm Credit Corporation has suggested that the default on farm loans will be over $2 billion in the next year or so. Is the Minister going to respond to the demands of the Opposition, the Canadian Federation of Agriculture, and the National Farmers Union, by bringing in an immediate program to forestall some of these bankruptcies?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the Hon. Member's question and his interest in this subject. Indeed, we have responded, and we have responded very quickly. The Hon. Member will know that we immediately put a moratorium on farm bankruptcies into place. Second, we put into place the Farm Credit Appeal Boards across the country. Third, we put into place a pilot project involving the banks, the federal Government, the prov-

inces, and farm organizations in the Counties of Bruce and Grey in Ontario.

• (1500)

UNITED STATES PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, I wonder why the Minister will not take some effective action, like the United States Government has done. Over 8,000 United States farmers have been assisted, either with the lowering of interest rates to 7 per cent, or they have had set aside up to a quarter of their farm debt for a five-year period. Why will the Minister not bring forward a substantial and effective program, like the United States Government has done, which has been demonstrated to be so effective in only its first six weeks of operation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member looked into the success of the U.S. program, he might not be quite so supportive of it.

Indeed, I do not know why the Hon. Member is so indignant. We made a commitment to lower interest rates during the election campaign, and we have done that. We have delivered a 4 per cent reduction in interest rates which provides a benefit to some 5,600 farmers in Canada. When the Party to which the Hon. Member belongs was in Government, that Government did not fund the special farm assistance program throughout 1984. Apparently, interest rates of 16.75 per cent were satisfactory to him when his Party was in Government. However, they were not to us, and that is why we have lowered them.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, January 29, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

HOUSING

TABLING OF CONSULTATION PAPER

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I have the honour to table in both official languages copies of a consultation paper on housing.

[*Translation*]

METRIC CONVERSION

GOVERNMENT POLICY

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to announce to the House today the Government's policy on metric conversion. During the last few months we have had exhaustive consultations with retailers, various associations, consumers, business and many Canadians who wanted to express their views. We have reached a decision which, I believe, will satisfy the requirements and expectations of both business and individual Canadians, as well as current market requirements.

In the early seventies, as part of the planning for the conversion process, the economy was divided into more than 100 sectors. In each sector, conversion was initiated on a voluntary basis with the full co-operation of the industry and at the rate decided on by the industry. However, in the retail sectors, and more specifically with respect to gas and diesel fuel, home furnishings and individually weighed foods, it was decided to adopt regulations that would make the use of metric units compulsory and limit the use of imperial units. These regulations were adopted under the Weights and Measures Act.

[*English*]

Canadians feel, and we agree, that a compulsory "metric only" approach is both insensitive and heavy-handed.

Some Hon. Members: Hear, hear!

Mr. Côté (Langelier): Therefore, the three regulations under the Weights and Measures Act covering fuels, home furnishings and individually-measured foods will be revoked. They will be replaced with new provisions allowing the use of metric only or the use of imperial units alongside metric units in the advertising, displaying and weighing, and measuring of these groups of products. In all other sectors the situation will remain unchanged.

This means that consumers who are unfamiliar with the metric system can continue to refer to imperial measures while buying products in these three retail sectors. However, metric will continue to be required in these sectors, to ensure that consumers can easily compare prices between stores and products. This will also guarantee fair and equitable competition among retailers.

[*Translation*]

For small retailers, Mr. Speaker, abiding by the new policy entails practical difficulties, harsh consequences and undue expenditures, so they will be exempt from provisions concerning weighing and measuring. In other words, they will be allowed to continue to use imperial scales. However, they will be expected to use the metric system alone or in conjunction with the imperial system in advertising, displays and labelling.

Our Government believes that this policy is in the best interests of all Canadians. The metric system is here to stay. Canadian industry and retailers have spent a lot of money to convert to the metric system. Today's young school graduates are familiar only with the metric system. We do know that the way the metric system has been forced upon retailers has been a source of problems for the many Canadians who find it difficult to use only the metric system.

The Government is committed to metrication, but the significant point is that it will achieve it through a more flexible and more humane process than has been the case so far. This new approach, which allows the use of both imperial and metric systems, takes into consideration the concerns expressed by our fellow citizens, yet it will eventually meet their basic requirements.

[*English*]

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my main concern today is that it took the Government so long to come forward with any policy at all.

Some Hon. Members: Oh, oh!

Mr. Rompkey: We have been saying to the Government since the House convened in November: "For goodness sake, do something". Today, what we have from the Minister—who will possibly be known in the future as "Mr. Half and Half"—in at least some sort of statement.

The most telling part of the Minister's statement was that metric is here to stay. Substantial investments have already been made by Canadian businesses and retailers. Children coming out of school today have been educated only in metric. That is to state the obvious.

Given that admission here today, why has it taken so many months to get any kind of policy out of the Government?

Mr. Dick: Consultation.

Mr. Rompkey: The reason it has taken so long is that during the election campaign that Party promised to do away with metric. That was very clear.

Mr. Dick: Never.

Some Hon. Members: Oh, oh!

Mr. Rompkey: As stated—and politically, let's give him his due—

Mr. Speaker: With all due respect to the Hon. Member, I would like to hear the Hon. Member's statement and other Members might allow him to be heard, please.

Mr. Rompkey: The policy of the Party opposite during the election campaign was enunciated very clearly by the man who is now the Parliamentary Secretary to the Minister. Indeed, until a few weeks ago that Parliamentary Secretary was saying that metric was dead. It is not dead, it is alive and well! That is the only policy that this Government can have. Why has it taken them so long? Because there are deep divisions in that Party.

Some Hon. Members: Oh, oh!

Mr. Rompkey: They are listening to the antediluvian forces. What we have seen today is a further flip-flop by the Government, a further lack of continuity. Its members are not keeping the promises they made during the election campaign. There is confusion in the ranks of Hon. Members on the other side, Mr. Speaker. I want to say to those Members of the Government that they were elected to govern, and whether the solution is simple or difficult they should take their responsibility seriously and get on with the job.

• (1510)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I do not think that in all my years in Parliament I have ever heard such a convoluted and confusing statement as I have heard made today by the Minister. After all, Mr. Speaker, when the program of metrication was brought in, it was criticized by Hon. Members of the Conservative Party as not going through fast enough. The process has now gone on, Mr. Speaker, for years, tens of millions of dollars have been spent, and the Government has been told by industry, retailers, the grain trade and by consumers' associations that the process has gone so far that it cannot be reversed. The Minister's statement agrees with that because the Minister says that metric is here to stay.

I believe, Mr. Speaker, that when we have a chance to ask questions, and when the people concerned realize what the Minister has said, we will find in fact that there is no real change.

The Minister says in his statement that retailers in food stores, for example, can use both systems. Does that mean they will have to have two sets of scales? That doesn't make any sense at all. Can they use the imperial scales alone? The Minister says no. Obviously, Mr. Speaker, they are not going to go back to the old system. The Minister says that small retailers who still have the imperial scales can continue to use those scales but they must mark their products in both metric and imperial. But if they have not got the metric scales, how can they calculate what the metric costs are?

I believe, in fact, there is going to be very little change. The Minister knows that, but as indicated by my colleague, the Hon. Member from the Liberal Party, he had to give something to those Conservative Hon. Members who had advocated going back to the imperial system. Representatives of all the interest groups have told the Government and the Minister to get rid of the confusion, let us know what we are doing; let us keep metric.

There are many people, including older people, who still have difficulty with the metric system. We know that. But surely the stores have taken care of that because while they use the metric scales, most of them have cards indicating the price of products both in the metric and imperial measurements so that people can get by. It seems to me that the Government

ought to stop this nonsense, talking out of both sides of its mouth, and admit the fact that we have metric and we are not going to go back to imperial.

[*Translation*]

Mr. Lapierre: In view of the statement the Minister has just made, I would like to ask him how, in the case of gasoline, for instance, the owner of a small service station who wants to please both his consumers who prefer the metric system and those who prefer the imperial system, can technically offer two kinds of pumps at his station? Does the Minister intend to ask retailers to re-equip themselves with both kinds of pumps? Under the program just announced by the Minister, are we going to need a subsidy program so that the small butcher shop on the corner can re-equip himself with imperial scales since he no longer has the old ones? What does this mean for the corner stores whose customers will want both systems? Can the Minister tell us exactly what will be the impact of this decision on the retailers?

Mr. Côté (Langelier): Mr. Speaker, in reply to the question asked by my hon. colleague, I wish to tell him that what we were asked to do after lengthy consultations was to provide a much more flexible system under which imperial measurements can be used without resulting in legal proceedings. It is in this context that we have announced a new policy today. What we are saying is that businesses will have the choice between metric only or both systems. However, the small retailers such as the corner stores mentioned by the Hon. Member will be able to get an exemption if they wish to continue using imperial measurements.

Mr. Gauthier: Mr. Speaker, my question for the Minister is as follows: What assurance do the consumers have that the inspectors of his Department will continue to guarantee that Canadian weights and measures are controlled efficiently in the chaotic situation which the Minister has just created by allowing both the metric and imperial systems? What assurance will consumers have that the goods they purchase are weighed correctly? Are the inspectors getting from the Minister the necessary budget to inspect gas pumps and weigh scales used in the stores? Has the Minister received more money to allow his inspectors to do this?

Mr. Côté (Langelier): Mr. Speaker, I think that with their usual keenness and the required instructions, the departmental inspectors will be in a position to enforce the regulations as clarified, and I expect no legal proceedings in that respect. Indeed, I would like to point out to the Hon. Member that we have in our statute books the Consumer Packaging and Labelling Act, which specifically allows the use of the metric system or both systems of units, and there has never been any problem nor any legal proceedings under that Act which has been in force for the past ten years.

[*English*]

Mr. Orlikow: Mr. Speaker, in the Minister's statement he suggests that food stores will be permitted the use of metric only or the use of imperial along with metric. Is the Minister saying that stores will have to have two sets of scales, both in metric and imperial, or can they have either? In other words, can they have imperial scales only? If that is so, what protection does the consumer have?

Mr. Hnatyshyn: Read the statement.

Mr. Orlikow: I have read the statement; that is the problem.

[*Translation*]

Mr. Côté (Langelier): Mr. Speaker, I would like to point out to my Hon. colleague that we are now announcing the following policy. In a grocery store, it is either metric or both systems and this means that in a place where you have for instance several units of measurements, we want the operator to keep on if he so wishes using metric only, but if he decided to use imperial measures, then he must have at all times a reasonable presence of metric units in order that the consumer may be able to compare these measures and make a better decision with regard to his or her purchase.

[*English*]

Mr. Rodriguez: Mr. Speaker, that strikes me as a policy of sucking and blowing at the same time.

Mr. Hnatyshyn: Here is the expert!

Mr. Rodriguez: There were a great deal of problems when the previous Government said we were moving to metric and gas station operators were being prosecuted when they maintained a gallon reading on their pumps. With this system, are those who are selling gasoline by the gallon going to be required to carry a metric pump? Because if people have been raised under a metric system, they have a right to see the equivalent in metric, in litres, of the gasoline they purchase. Is the Government going to force its colleagues in the Conservative Party who own this gas station to carry a metric pump as well as the imperial?

Mr. King: They had it already.

[*Translation*]

Mr. Côté (Langelier): Mr. Speaker, the answer is yes. And my colleagues on this side of the House who, according to the Hon. Member, operate a gas station, will have to use or have metric measurements available if they want to go on using imperial units.

[*English*]

Mr. Speaker: I am in difficulty. The House knows that the tradition on these matters is that questions should take no longer in total than the sum of the speeches. I can allow, therefore, approximately two and a half minutes more.

(1520)

[*Translation*]

Mr. Boudria: Mr. Speaker, I am quite concerned about the Minister's decision and I would like to put the following question if I may.

Will the Minister admit that what is now being done will be an encouragement and a reward for those who have broken the law, and have avoided metrication? After all, they still have the old scales and the former equipment which could now be an advantage over their competitors?

I see a Conservative backbencher who applauds those who have broken the law. Is it the policy of the government to reward those who refuse to comply with the laws of the land?

If such is the case, I would also like the Minister to answer the following question: How will the retailer go from one system to the other if he has only metric or imperial scales? Will your inspectors also make sure that the conversion will be made in a specific manner? Are you going to inspect the equipment used in such conversion?

Mr. Côté (Langelier): Mr. Speaker, I would merely remind the Hon. Member that the previous policy prohibited imperial measures. Thus those who experienced problems in using only the metric system were liable to prosecution because of a system which they could hardly understand. According to our consultations, over three-quarters of Canadians think that they should not be punished or liable to prosecution for using a system which they find difficult.

I think that the policy now implemented is much more flexible and responsive to the needs of Canadians. The government has undertaken to proceed with metrication while showing a greater understanding for those who still want to use the imperial system as long as they can also use the metric system to allow a better comparison.

[*English*]

Mr. Speaker: In order not to confuse the House, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) says I have just made a ruling. I have not. I have merely reported to the House what has been the tradition of the House under previous Speakers, that the Speaker has full control and discretion over the length of this period of time. It is my judgment, for the purposes of the Hon. Member for Ottawa-Vanier, that I will exercise my discretion in saying that we have used up almost all of our time, but in the interests of not causing offence to the Hon. Member for Saint-Denis (Mr. Prud'homme), I will allow one more question.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, my question is quite simple but not important in my opinion. Would the Hon. Minister tell us, to the best of his knowledge today, whether it will cost anything at all for inspectors to re-equip themselves as a result of the statement he has just made today? At present the food inspectors' equipment is exclusively metric. Now, the Minister is stating that the metric system is first and foremost while the use of the other system also is allowed. Then could he tell us how much it will cost to re-equip our food inspectors so they will be able to inspect as well those who will see fit not to comply or to use both systems?

Mr. Côté (Langelier): Mr. Speaker, in reply to my honourable colleague, I would say that I do not have any exact figures for him today with respect to his question, but I will provide them as quickly as possible. However, I do not think we could say today that there will be any additional costs. We intend to show tolerance, understanding and flexibility with respect to the needs of Canadians. We are simply bringing forward a policy which is needed and requested by most consumers and retailers in those three industrial sectors.

[*English*]

Mr. Speaker: Petitions.

Mr. Taylor: Mr. Speaker, hundreds of farmers and other Canadians who were made foreigners in their own land by compulsory metric will now welcome this choice.

Mr. Speaker: No, petitions. Excuse me, we are now on petitions.

* * *

PETITIONS

CBC PROGRAM CUTS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present a seven-page petition signed by 98 people in my riding who object to the specific cut by the CBC of the program *The Friendly Giant*. They believe there are many cuts that can be made in areas other than children's educational programs. I therefore submit this petition on their behalf.

MILITARIZATION OF SOUTH AMERICA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present a petition on behalf of a committee formed by several churches in the City of Chilliwack in the Fraser Valley East riding. This committee is concerned about the increased militarization in Central America and wishes to express their support for the peace initiative of the Contadora group.

Order Paper Questions

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

REQUEST TO REFER DISCUSSION PAPER TO STANDING COMMITTEE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I seek the unanimous consent of the House to refer the report entitled "How to Secure and Enhance Canadian Access to Export Markets" to the Standing Committee on Finance, Trade and Economic Affairs. As you know, Mr. Speaker, this paper deals with a fundamental issue pertaining to the economic and political sovereignty of our country, and I think the House should agree to refer it to its committee for consideration. I am also convinced that my hon. colleagues opposite will want to—

[*English*]

Mr. Speaker: The Hon. Member might be able to make those comments if the matter had been introduced by consent, which is what he is seeking. I must now find out whether the House wishes to consent to the introduction of the motion. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: There is no such consent.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 169 and 192.

[*Text*]

IMPAIRED DRIVING

Question No. 169—**Mr. Stackhouse:**

In 1983, how many individuals were (a) charged with (b) convicted with impaired driving?

2. In 1983, how many fatalities occurred on the roads and highways and, in each case, how many were (a) a result of an impaired driver (b) injured as a result of these accidents?

3. In 1983, how many individuals under the age of 21 were convicted of impaired driving?

4. In 1983, how many driving licences were suspended due to impaired driving?

Hon. Harvie Andre (Minister of Supply and Services): Statistics Canada reports:

1. (a) In 1983, in Canada there were 135,701 charges of driving while impaired. This total consists of (i) driving while impaired through drugs or alcohol; and (ii) driving with more than 80 mgs of alcohol in 100 millilitres of their blood.

(b) This information is not available elsewhere.

2. (a) and (b) This information is not available elsewhere.

3. This information is not available elsewhere.

4. This information is not available elsewhere.

NUMBER OF MURDERS COMMITTED IN CANADA

Question No. 192—**Mr. Stackhouse:**

In (a) 1980 (b) 1981 (c) 1982 (d) 1983, how many murders were committed in Canada and how many were police officers or penitentiary guards on duty?

Hon. Harvie Andre (Minister of Supply and Services): Statistics Canada reports:

The table below depicts the number of homicides and murders for Canada for 1980, 1981, 1982 and 1983 and depicts the number of police officers and correctional officers who were murdered on duty.

Year	Total Homicides*	Total Murders	Police Officers Murdered on Duty	Correctional Officers Murdered
1983	682	625	1	1
1982	668	622	1	3
1981	648	601	5	0
1980	593	493	3	0

* Homicides comprise murders, manslaughters and infanticides.

[*Translation*]

Mr. Dick: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, January 28, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I know that I have only four minutes left and that other Members are waiting anxiously for the Committee on Management and Members' Services, which I have the honour to chair, to begin its meeting. It is in the interests of Hon. Members opposite that I should leave the House to chair this meeting, especially in view of the order of business for today. It concerns several of them.

The Hon. Member for Charlesbourg (Mrs. Tardif), who is Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mr. Stevens), did me the honour of quoting something that I had said. However after thanking her for this kindly gesture yesterday and upon reflection, I went back to the source, since I am a cautious man, and saw that she had not quoted me accurately.

• (1530)

The Hon. Member and Parliamentary Secretary said the following:

> As one of their own, the Hon. Member for Saint-Denis (Mr. Prud'homme) said, the real work on a Bill does not take place in the House. Let us therefore proceed and go to committee right away.

I would not really have any objections to that going down in history as something I said, but this is only her interpretation of what I said. My comments were as follows, as reported on page 1636 of Hansard for January 24, 1985:

> I often think we can be more effective through our work in parliamentary committees, in caucus, and by travelling across the country—

I want to make it quite clear that I was not contradicting myself and did not say that we should proceed and go to committee right away since so few of the Hon. Member's colleagues had taken part in the debate.

Mr. Speaker, this is about all that I shall be able to say because we have this previous question hanging over our heads to muzzle us, but I think that, for us, parliamentarians, and also for yourself, Mr. Speaker, who are a distinguished parliamentarian and have been a Member for some time, it would have been interesting if those who have been sitting here for many years could have heard what the new Members, especially on the Government side, had to say about this bill, which they must consider essential since they want it to be passed immediately.

This is therefore an important bill. As for us, and I do not think that the Members opposite have any reason to question our sincerity, we do not believe that agreeing to it would be in the interests of Canada which is an independent country with the right to protect itself, as do our friends from Great Britain, from France, but especially from the United States. Mr. Speaker, it is on this point that I shall conclude before leaving the floor to my colleague from Saint-Maurice (Mr. Chrétien), if you want to recognize him, or else I could invite my colleagues from the Government to rise.

Mr. Speaker, it is not in the interests of Canada that the Americans believe that, under this new Government led by the Right Hon. Prime Minister (Mr. Mulroney), whom we respect, the door is now wide open in Canada, that all controls have been lifted, that we beg them to come here, to create jobs, to reduce jobs, and to keep research and technology in their own country. We have evidence of this. In Canadian companies with less than 50 employees, 11 per cent of the research is done in Canada and 3 per cent abroad. In companies with 50 to 100 employees, 10 per cent of the research is done in Canada, but when these companies are foreign-controlled, the figure is 4 per cent. In companies with 500 employees, 10 per cent of the research is done in Canada, but 2 per cent is done in—

The Acting Speaker (Mr. Paproski): Order, please. I regret to interrupt the Hon. Member, but the time allotted to him has expired. The Hon. Member for Saint-Maurice (Mr. Chrétien).

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, it is a pleasure to return to the House today. I see we are involved in a procedural wrangle in which the Minister of Regional Industrial Expansion (Mr. Stevens) is using his young Parliamentary Secretary (Mrs. Tardif) to do his dirty work. Frankly, I can sympathize with the Hon. Member for Charlesbourg, because as the House may recall, I was once Minister of Finance in this House—

[*English*]

When I was Minister of Finance my critic was the Member who is Minister of Regional Industrial Expansion (Mr. Stevens) today. We had a debate in the House which lasted 15 weeks. He was still asking questions and complaining about when I would get up rather than asking my Parliamentary Secretary to get up and do a little job. I got up and said that that was enough, after 15 weeks we had to vote.

I was in the House all the time. We have not seen the Minister in the House. Where is he today? Is he closing factories in Quebec? Is he selling Canada out to the Americans? He prepared the speech that the Prime Minister will use to sing for the American bigshots in Baie Comeau. He went to New York to sing again a few weeks ago with a speech prepared by the Minister of Regional Industrial Expansion. He is

not in the House to do his job. Where is he today when the Government is imposing closure after 14 hours of debate? He is running away and asking a Member of Parliament to do his dirty job. Where are they on the other side?

[*Translation*]

Those Messrs. Muffler who when they were in the Opposition complained because we used closure once or twice after twenty weeks of debate . . . They are not complaining today. I will say this for the Hon. Member for Champlain (Mr. Champagne): He is not a Mr. Muffler. In fact, he said he was a "deux de pique", a two of spades, and I suppose his neighbour is the three of diamonds. Where are they, all those silent Conservative Members who were elected in Quebec? The Hon. Member for Charlesbourg (Mrs. Tardif), who said herself that she was used by her Minister and was not familiar with the procedure. I found this so outrageous that I felt obliged to take the floor, Mr. Speaker.

And when you consider the policy of the Conservatives! Today we have seen once again the confusion about metric and non-metric. They said they were going to do away with FIRA and they created a new agency called Investment Canada. Americans may be obliged to file applications after all. They tell them they will not when they are in the United States, and then they table legislation in Parliament that will maintain the obligation to apply to a Government agency for permission to invest in Canada.

Of course we want foreign investment, but not at the cost of our national pride. It was humiliating for Canadians to see what happened in New York a few weeks ago, when the Prime Minister of Canada sang for his supper to entertain New York businessmen. But where is this investment today? Since the Progressive Conservatives came to power, in the Saint-Maurice area alone, which I represent, Melchers closed its doors in Berthier, Wabasso and Westinghouse closed down in Trois-Rivières and Wabasso, Le Carbure and C.I.L. in Shawinigan. These industries are Shawinigan's lifeblood. And I could mention many similar occurrences in the region, like the one that caused the Member for Champlain—good for him—to say that this region had become a disaster area since the Progressive Conservatives came to power. We had several plans for the Saint-Maurice area, including the electrochemical research center for Shawinigan, which was cancelled, the agricultural research center for the riding of Trois-Rivières, also cancelled, and the agricultural research center for Victoriaville, cancelled as well. And now what is happening? At least 2,000 jobs have been lost in central Quebec alone, since the Progressive Conservatives came to power. Where are last summer's demagogues who said we were doing nothing for Quebec? Where are the Members who were elected to bring investment to Quebec, and to create jobs for Quebecers? They are silent! They have been silenced, Mr. Speaker, as effectively as Mr. Muffler silences cars on TV.

The Minister is smiling, but we have not heard him say much about Quebec's economic problems. Not a word today, and we are paying the price for their silence. The only policy they have is to get on their knees and ask the Americans to come and invest in this country. They will come if there are any profits to be made in Canada. They are not going to come because we get down on our knees. If we are proud to be Canadians, we cannot go to the Americans as we are doing today and say: Come and take what you want in Canada, it is free. They will not respect us for it. They will come if they can make money. They are not going to come because they like the way we smile. And meanwhile, what is happening to this country?

I have just come back from a trip to the far East, and people are wondering whether there still is a Canada or whether we have become an extension of the United States. I asked this question the other day, and it is becoming increasingly clear that the only thing the Prime Minister of Canada wants is to try to please the Americans and become the first Governor of the State of Canada.

In any case, let us talk about external affairs. Last week, the Secretary of State for External Affairs (Mr. Clark) apparently forgot that last fall the House indicated quite clearly that we were against the American star wars policy. At that time, the Opposition agreed with the Government and the House was unanimous on that truly important international policy. But since Reagan told Mulroney: We want you on our side, everything changed and our contribution simply vanished. The various parties in the House of Commons had managed to reach a consensus concerning our position on the international peace policy, but the Americans in New York spoke to Mulroney and once again the issue is settled. Here we are today, after hardly fourteen hours of debate, Mr. Speaker, you have been in this House long enough—

• (1540)

Mrs. Mailly: Two things. First, on a point of order, I should think the Hon. Member ought to refer to the Right Hon. the Prime Minister (Mr. Mulroney) rather than to Mulroney. Second, I am beginning to worry about the ears of our Members and I am wondering whether he could not speak so loudly in the House.

[*English*]

The Acting Speaker (Mr. Paproski): The former Minister should know that he should address the Prime Minister (Mr. Mulroney) as the right hon. gentleman.

Mr. Chrétien: The Right Hon. Governor of Canada.

[*Translation*]

Mr. Speaker, I see that the Conservatives are touchy. I must say that it is shameful, because we are taking decisions about the future of Canada and I am really asking myself just what kind of economic policy we will have in this country. Who will decide for Canada when it comes to jobs, research and development? What is going on in the House? The scandalous aspect of all this is that the Minister has gone into hiding after

asking his Parliamentary Secretary to put the previous question. This is unprecedented in the House, the Ministers do not take their responsibilities. It is unheard of, they impose closure after only fourteen hours of debate on an extremely important measure which has not been the subject of consultation throughout Canada. They have been saying all along:

[*English*]

"We will consult with everybody". I don't know who was consulted about the Bill. Not even Members of Parliament were consulted. The Conservatives consulted the business community in New York probably but not Canadian businessmen.

What effect will this Bill have on some parts of Canada? In the northern United States people are complaining because jobs are going from Michigan or New Hampshire down to the sun belt. What will happen to us when we are even farther north if there is no border and no capacity to make decisions to protect our own jobs in Canada? What has been the result of six months of free enterprise mentality? It has been an absolute disaster in the Province of Quebec. In the last three months one factory after another has been closing.

The Minister will not discuss options with anyone and will not intervene to save jobs. He will just let the Americans take over all of Canada. I believe that there is still a place in this land for this Parliament to express views about what the economic policy of this country should be instead of the businessmen of New York, deciding that.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, initially I would like to welcome the Member for Saint-Maurice (Mr. Chrétien) back to the House from the corporate boardrooms of Toronto. It is a pleasure to see him putting in a guest appearance in the House and we certainly welcome him back after that kind of performance.

I am delighted to take part in the debate on this fundamental question. Again, it is with some interest that I have been listening to Liberal Members of Parliament, including the Member for Saint-Maurice, speak on this question. I recall very vividly when we on this side of the House in opposition, along with our Tory colleagues in opposition, rose time and again to question the Government about shutdowns of corporations right across this land. It was that Liberal Minister and that Liberal Government that said it was the market that was taking the role and they were responding to market forces. That kind of hypocrisy surely is not acceptable to the people of Canada.

The Liberals talk with ringing indignation about the fact that Canada must not take its orders from the boardrooms of New York, Hartford and elsewhere in the United States. If one looks at the foreign policy of that former Government and the decision with respect to the testing of the Cruise missile, for example, where are those great defenders of the autonomy of Canada today? Just a few months ago they were the ones who were defending the American economic policy, foreign policy and every other policy as well.

I remember questioning the former Minister of Regional Economic Expansion with respect to a company in my constituency that had shut down. It was one of the 98 per cent or 99 per cent of successful applications approved under the Foreign Investment Review Act of the previous Government. I had asked the Minister about the undertakings given by that company when it had received approval to take over this Canadian company. I was told that unfortunately those undertakings were not a matter of public record but were between the Government of Canada, FIRA, and the company. Even the 250 workers at that plant who lost their jobs were told that they had no right whatsoever to know the terms and conditions of that takeover.

Today, there is a Government which has come forward to say that it is effectively putting up the for sale sign. Canada is for sale to the highest bidder. If one examines the rather toothless wonder of FIRA and the very minimal conditions which were in effect, how can the Government possibly come before Parliament and suggest that it wants to destroy even the basic scrutiny that existed under the previous Government, inadequate though that may have been?

What were some of the questions which were asked of companies which sought to invest in Canada? The first question was whether this new investment would provide jobs for Canadians. I would have assumed that a foreign company coming to Canada would have been asked that as a basic question. Yet the Government, through this Bill, is saying that it does not care. If a company wants to come in and take over Canadian companies, the Government puts down the welcome mat. If the company decides to shut down that plant six months later because of its world product mandate, its desire to maximize profits globally and to open up where there is cheaper labour, no environmental or labour standards or no unions, the Government says that that is fair enough because that is free enterprise in action.

It is free enterprise in action but if we look at the record of foreign capital in this country, it has been a record that has resulted in the net loss of thousands of jobs. It has been one which has resulted in research and development in Canada being at one of the lowest levels of any industrialized country in the western world.

Of course, if there are foreign corporations in Canada they will not do R and D in Canada; they will conduct their research and development at their head office in the United States. Historically, Mr. Speaker, foreign companies have viewed Canada as a cheap source of raw materials and as a lucrative market for their goods and services.

• (1550)

The fundamental decisions which have been taken about investment, about employment, about research and development, about export, new technology and marketing, have not been taken here in Canada by Canadians in the interests of Canadians; they have been taken in foreign boardrooms not in the interests of Canadians but in the interest of the global profit picture, the bottom line, of a multinational corporation.

What this Conservative Government is doing in paying off its friends in the corporate boardroom is saying let's have more

of the same. Let's sell out Canada. Let's sell out Canada even more than we have already sold it out. We in this Party say that is fundamentally unacceptable.

I see a Tory back-bencher who wants to speak, Mr. Speaker. I would suggest that he might want to take the opportunity while this debate lasts to rise to his feet and defend the policies of this Government which is effectively throwing open the doors to foreign capital and ending any meaningful control by Canadians over investment in Canada. I suspect we will not hear very much from the Hon. Member for Kootenay West (Mr. Brisco) aside from the bleating coming from the back-benchers. The word has gone out. This Government has been secretive, yet it purports to reflect the views expressed on parliamentary reform and a new era in Parliament. But what have the Tories done on one of the most important Bills to face the people of Canada? They have shut down debate. That is a shameful action and the people of Canada will remember the silence of Tory back-benchers when it comes to the next election.

There is no question that this debate is an historic debate because it touches upon the future and who will be making decisions about Canadian resources and Canadian jobs. We do not need more studies to show the level of destruction to our economy as a result of the fact that basically we are tenants in our own land. There has been lots of documentation about that. There was the Gordon Commission in the 1950s, the Watkins report in the 1960s, and the Gray report in the 1970s, all of which documented very clearly the problems that foreign investment creates in this country.

The question then must be asked, who is going to control the economic decision-making in this country? The answer which appears to be given by the Tories is—

Mr. Rodriguez: Wall Street.

Mr. Robinson: —that we do not care any more because ultimately wherever the bottom line reigns that will be where the Tory Party is prepared to accept foreign investment.

The Liberal approach to foreign ownership was not significantly better, but at least the Liberals did not propose to dismantle FIRA. Ed Lumley, a former Minister, said that Canada was one of the most open countries in the world. I cannot imagine another country that is more generous in its treatment of foreign investors. We in this House have seen hundreds of thousands of Canadians losing jobs as a result of throwing Canada open to foreign ownership by this Government and the previous Government. We have seen the contradiction in policy. On the one hand the Government talks about reducing the deficit, but in the next breath it brings in this Bill which will increase the deficit because it will result in a net outflow of dividends and interest payments. It is time that we in this country took control of our own economy for Canadians and by Canadians.

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, pursuant to Standing Order 64(1) I am honoured on behalf of the Minister of Finance (Mr. Wilson) to lay upon the Table a notice of a Ways and Means motion to amend the Income Tax Act. I would ask that an Order of the Day be designated by you for consideration of this motion.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. In order to interrupt Routine Proceedings or Orders of the Day, does the Minister not require unanimous consent to revert to motions or to revert to some other proceeding? Is the Minister not out of order?

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West (Mr. Benjamin) rises on a point of order. I would like to bring to his attention that on page 61 of the Standing Orders, Standing Order 64(1) reads:

64.(1) A notice of a Ways and Means motion may be laid upon the Table of the House at any time during a sitting by a Minister of the Crown—

* * *

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens, that Bill C-15, An Act respecting investment in Canada, be read a second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, it would be appropriate to identify what this debate is all about and remember that it is Standing Order 56(1) that is being referred to right now, and that it requires that the previous question be put.

As Hon. Members will remember, that motion was put by the Hon. Member for Charlesbourg (Mrs. Tardif), the Parliamentary Secretary to the Minister. We regret that once more the Minister does not have the guts, the courage to do his own work in this House. We have very seldom seen him here since the debate started. And looking back at the Members who participated, I think the Hon. Member for Saint-Maurice (Mr. Chrétien) was right when he called the Government Members "mufflers", because they have not been very articulate in this debate that is most important to us.

Looking at *Hansard*, Mr. Speaker—and I would like to say this for the record—there were only a few hours of debate, three hours and 12 minutes to be more accurate, used by the Progressive Conservatives, as against 10 hours and 51 minutes for the Liberals, and 9 hours and 19 minutes for the New Democratic Party. I would not say that 22 hours of debate is

something excessive for such an important piece of legislation, and certainly not a reason for the Government to impose closure. The Government has 211 Members, who say nothing because they have nothing to say. That conclusion is obvious because they have not spoken. But we have much to say on the Bill, and we insist that our democratic rights be respected in this House. For that reason, Mr. Speaker, we will oppose and vote against Government closure.

Mr. Speaker, in addition to being a muzzle, the Standing Order prevents any person, any Member from introducing amendments to the legislation. This second reading stage, is traditionally the stage for consideration of the principle of the legislation, that is when the House may discuss the principle of the Bill.

I had expected the Government to be interested in hearing the views of all Members, but as I said, such is not the case. Indeed, I am very much amazed that the Hon. Members from Ottawa-Carleton, my area, have not risen in this debate, except for one. And I thought the Hon. Members for Ottawa-West and Nepean-Carleton would speak up because in their constituencies, in the Ottawa area, there is a major high technology industry, an industry that has created many jobs.

Mr. Speaker, it will be remembered that the Hon. Member for York-Peel, when he introduced the Bill, said that the impact of Bill C-15 would be to create jobs.

But looking at the media, or at the comments made at the time by the Hon. Members, we realize it is not quite accurate to claim that this change or name substitution will mean any great contribution to job creation. I am thinking, among other things, about a report in the December 20, 1984, issue of *The Globe and Mail* in which it was suggested that the big American financiers would not be in any great hurry to come and invest here, and I would simply like to quote from that report in English:

[*English*]

—foreign investors are a hard-nosed lot interested in making money. In Canada, that means mainly resource industries, and, with the exception of oil and gas, resources are not considered good investments.

The world is producing too much of raw materials, such as copper, nickel, and certain kinds of lumber, which Canada traditionally has produced.

[*Translation*]

Concerning funds those Americans supposedly would invest in Canada, I am quoting once more from Mr. Thomas Walkom in *The Globe and Mail:*

• (1600)

[*English*]

"You don't get the idea that there are a lot of folks with money bags at the border, waiting to get into Canada", said a banker, smiling wryly.

"People in Canada are going to have to be very patient," . . . "Investment will be up, but not necessarily enough to do anything about unemployment."

[*Translation*]

I did not say that: an American banker, one of the Prime Minister's friends in New York did. Thus, we must not rely upon the United States to bring us money or jobs. I read also in the House of Commons *Hansard* a comment on clause 21 made by my friend from Ottawa-Carleton (Mr. Barry Turner), in which he says about jobs and investments:

Capital resources in Canada are not sufficient to meet the needs of governments, whether federal, provincial or municipal, nor those of the private sector.

Therefore, we have on the one hand a statement saying we need money and on the other, American bankers who say: We have money but we may not be in as much of a hurry as you think.

Mr. Speaker, the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) said when he rose in this House:

[*English*]

I would just like to point out that for three months our Party has been talking positively about an opportunity . . . for foreigners to invest in this country . . . unemployment has gone down. There were 100,000 new jobs started up.

To him I must say that one cannot be so naive as to think that sweet-talk can create 100,000 jobs. We all know that there is a six-month lag in economics and that jobs come after a certain time. The result, the jobs about which he bragged, were indeed created by policies of the former Liberal Government in months gone by. As a matter of fact, if we look at the statistics we find that the number of jobs created in the last few months is no greater than the jobs created in previous months.

A more interesting statement was made by a friend of the Tories, Mr. James Gillies, a former Member of this House. I refer to an article which appeared in *The Globe and Mail* in which Mr. Gillies talked about capital flow and job creation. I think this article is worth reading. It is enlightening in terms of foreign investment. In part it read:

Not all foreign investment is productive. It is naive to believe that any flow of capital into the country will move the economy forward. It depends entirely on what it is used for. If it is not invested in the production of new plant and equipment and does not lead to an increase in exports it can have serious negative economic consequences.

I am not the one who said that. It was Mr. James Gillies, an expert economist and a former Tory Member of the House. He continued:

Moreover, until the intractable balance of payments problem is solved we must try to limit the borrowing of capital from abroad. No government or government agency should borrow in foreign markets under current conditions. If a government has a function that it believes must be performed either directly or through a government agency, the capital should be raised domestically or the proposed operation should be postponed.

I thought that statement was rather interesting. It was published in a January, 1985 edition of *The Globe and Mail.*

The auctioneer of some of our assets in Canada—I am thinking about Canadair, de Havilland, Teleglobe and other companies of that nature—Mr. Paul Marshall, was given the job of trying to sell, if he could, these companies to prospective buyers. We were told by the media in a recent report in *The Citizen* that Mr. Paul Marshall, President of the Canada Development Corporation, made a statement to the effect that

there were no job guarantees in these possible sales. As a matter of fact, to quote Mr. Marshall, he said: "There are no job guarantees at this point". One would wonder why the Government would want to get rid of some of our good Crown assets without some guarantee of job security for those employed by these companies. The Government has been giving us promises of jobs, but evidently it has not been carrying out its promises. At this time it is not preaching by example when it puts on the block companies which are Canadian and which are Canadian assets, in my view.

I will just end my remarks by saying that we oppose this motion and regret it immensely.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to have the opportunity to talk about this Bill. I think it is a very poor and misguided one. I want to put my concerns on record on behalf of my constituents.

It has been said that Canadians do not care whether a company is foreign owned or Canadian owned so long as it gives them jobs. Rather, I think it is because Canadians care very much about jobs that they have to look at the issue whether the company is foreign owned or domestically owned. Foreign-owned corporations do not provide as much employment and indeed are responsible for many unemployment problems in the country. As a result of control by foreign head offices, decisions are made that result in jobs disappearing, research and development jobs not being created here, and spin-off jobs which come from the purchase of other Canadian goods and services not going to Canadians because of the number of imports.

The situation with which we were faced before Bill C-15, before this dismantling of FIRA, was not an adequate one. We do not have a strong FIRA. It is something of a token operation. We would like to see FIRA strengthened. It was not adequate as it was set up. Of course it has been declining in its operations. It has been almost rubber-stamping applications, not looking after the interest of Canadians in finding jobs.

Our response to the inadequacies of FIRA would not be in the direction of this Bill. It would be in precisely the opposite direction. FIRA has not been strong enough. It has not been doing enough. There have not been the other measures which the Government should be introducing to buck up FIRA and to provide a context within which Canadians could begin to regain control of their economy.

Recently I returned from visiting Atlantic Canada and Regina with the NDP caucus action group on jobs. We met with a very large number of community groups. They spoke to us about their concerns about high unemployment in the country. I did not hear one group, individual, expert or specialist ask us to get rid of FIRA, to dismantle it or to weaken it. However, I heard from many individuals, experts, economists, political scientists, people running co-ops, small-business people, people active in the economic life of their communities and unemployed people who want to be active in the economic life of their communities. They talked about greater control of the Canadian economy. They talked about co-ops and small businesses. They talked about job creation at home and manufacturing concerns which would buy goods and services in their communities and keep money in their communities. They talked about foreign corporations coming into their communities, making a bundle largely on the extraction of resources and then leaving. Of course, this is what foreign corporations can do. They talked about profits not being plowed back into their communities as a result of foreign ownership.

I heard quite an earful about the difficulties we already have with foreign investment and foreign control of our economy. People want less of it, not more. They want local control. They want the money to stay in their communities. They want jobs there. They want all the surrounding goods and services and the diversification which comes when companies operating in their communities are Canadian controlled, buy from their neighbours in the community and help keep the economy going.

We have a number of very fundamental problems. We have to look at the differences between foreign-controlled and Canadian-controlled corporations and at why foreign-controlled ones are not beneficial to our economy. First I point out that foreign-controlled firms import much more than Canadian-controlled ones. This reduces purchases in communities, jobs which go along with those purchases and spin-off benefits accruing from doing business within communities. This occurs particularly with the purchase of machinery and other high-level kinds of purchases.

• (1610)

Foreign companies imported 22 per cent of their sales, five times that of Canadian-controlled companies. In manufacturing, foreign-controlled companies imported 30 per cent of their sales, four times more than Canadian companies. Why do we want more of our economy controlled by corporations that will import more? It will simply mean job loss.

The second problem that arises with the differences between foreign-controlled and Canadian-controlled corporations concerns the disproportionate share of payments for non-merchandise items like interest payments, profits and service and management charges. The resources available for potential investment and job creation here in Canada are reduced by the outflow of interest payments, dividends, profits and so forth to head offices. This affects Canada's balance of payments and means that there will be less money available. The money is going out of the country to pay for management services which could well be provided by Canadians. That means that less money is left in the Canadian economy to be reinvested in an attempt to create more jobs.

Specifically, American-controlled firms holding 36 per cent of industrial assets in Canada accounted for 61 per cent of the external remittances. These remittances are going from foreign-controlled corporations and specifically American ones right across the border to the head offices. The Canadian corporations, to a much greater extent, are finding the management services and other services they need in Canada and they are paying out their interest payments, their profits and

their dividends to other Canadians who will be reinvesting that money in the country.

The third structural problem that exists with foreign-controlled corporations is that they do not spend nearly as much as Canadian-controlled corporations on research and development. This reveals a great deal of hypocrisy on the part of the Government which has indicated that it wants more research and development. This is true of the previous Government as well. We certainly apprised that Government of the problem and it said that it was concerned about research and development. Of course, it did very little about it.

Any increase in foreign control of the economy will mean that less research and development will be taking place in Canada, and of course that means there will be fewer job opportunities for Canadians who are involved in research and development. There are many people with Ph.D.s in all kinds of specialties who are unemployed. People who are well trained in research fields are driving taxis or doing part-time jobs and not using the talents they developed because they cannot get jobs. Where are those jobs? The jobs are attached to head offices in another country. Canadians do not receive these very important jobs. Indeed, the investment we have made in educating these people and developing their skills is lost to the Canadian economy.

An analysis of research and development expenditures of different sized corporations has been done and it indicates that the very large corporations, the ones we would expect to be contributing the most to research and development, are actually contributing the least. The relationship of research and development over sales for Canadian corporations with more than 500 employees is 10.3 per cent. That same ratio for foreign-owned corporations is 2 per cent. In other words, there is roughly a five-fold difference. These are the companies to which we look particularly for doing research and development in Canada.

The next problem I would like to raise is that the high rate of foreign control of Canadian industry contributes to poor productivity performance by reducing competition. Foreign subsidiaries do not face competition from their parent firms. This is a fact of life in the branch plant system. Branch plants operating in Canada are not meant to compete with parent companies but are meant to purchase, often at inflated prices, the products of the parent company and other affiliates in the system. They are not meant to put other products for which they have done research and development which would compete with the parent corporation on the market because it is the profits of the parent corporation which count in the economic decision-making process, not the profits of the branch plant. A branch plant that could be innovative and could compete is not allowed to do so because that is not a part of the branch plant system.

Specifically, foreign-controlled companies account for 72 per cent of all merchandise imports to Canada. That is what foreign-controlled companies are supposed to do. They are supposed to be importing rather than exporting and competing. A great deal of economic analysis has been done about this by government departments, Statistics Canada, and of course by a large number of independent researchers who have made very, very clear this very important structural problem.

The last of the problems of a structural nature that I wish to raise is that the greater dependence of foreign-controlled firms on merchandise imports which are usually tied to the parent company at the exclusion of Canadian competitors has the effect of reducing jobs available to Canadians. Studies done by the United States Senate and the Harvard Business School have found that direct American investment in Canada produces a significant net creation of jobs for all sectors of the United States workforce. That is lovely for the United States workforce but what is this Parliament doing maximizing job opportunities for American workers at the expense of Canadian workers?

We must be concerned about the high unemployment rate in our own country. To be in favour of a measure that will increase unemployment for our own people is simply scandalous at this time of high unemployment. It means that workers of all kinds, from research and development specialists to blue collar workers, will lose job opportunities because of the structure of the branch plant system. It extracts resources from Canada. Branch plants do the hewing of wood and drawing of water in Canada and keep the manufacturing and research and development at head office.

Even as it exists today, FIRA has certainly not been a tough check on foreign investment in Canada. FIRA approval rates over the past two years have been in the order of 95 per cent to 98 per cent. It is not as if we can say that the current FIRA has been screening out a great deal of foreign investment. Less than half of those foreign takeover applications that were approved were intended to increase investment or provide any new jobs, and that is a very crucial point.

Corporations that received approval under the existing FIRA did not provide opportunities for job creation. They did not represent new investment or expansion and they certainly did not represent greater productivity and the possibility of exports, innovations, or anything of that sort. They were simply takeovers. In some cases these takeovers even reduced production in Canada. We know that that happens. A company takes over a Canadian plant and a year later, in spite of everything that has been said to FIRA by the corporation, closes down the plant and jobs are lost. There are plenty of instances of foreign corporations entering Canada without even pretending that they will help the Canadian economy.

The current FIRA has not been careful enough in seeing that foreign investment on balance does good things for the Canadian economy. It has not even acted according to its own current terms of reference. In the future we can expect Investment Canada to do an even worse job unless there are major amendments to this Bill.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but her time has expired.

Mr. Sergio Marchi (York West): Mr. Speaker, Bill C-15 is the first major piece of government legislation that has been

put before us. It provides Canadians very quickly with knowledge of the philosophical bent that handcuffs the Conservative Party.

The debate over FIRA versus Investment Canada is a classic example of something which distinguishes a Liberal Government from a Conservative Government. First, FIRA was an instrument of nation building. It was an instrument to safeguard and promote Canadians and Canadian economic sovereignty. Investment Canada will do neither.

Second, while foreign investment was viewed as an indispensable sector of the economic pie, FIRA was an initiative taken by Canadians to put Canadians first. It was an initiative that attempted to instil in Canada a sense of purpose, vitality and leadership. Investment Canada will merely perpetuate the often heard criticism that Canada lacks the drive and self-fortitude to make things happen.

Third, FIRA put Canada second to no one. It viewed Canada and the United States as co-tenants of the North American continent. Investment Canada views the United States as the owner and Canada as the subservient tenant.

● (1620)

In short, FIRA subscribed to the theory that the ability to control the economy makes a strong economy, and also defines the kind of country we are and indeed want to be. Through Investment Canada we will lose that sense of national will and purpose. The economic subservience theory which is espoused by the new Government will not ensure long-term economic growth; it will merely transfer it to other lands and other peoples. It will only help boost the value of the American buck, the Eurodollar and the Japanese yen. Canadians are asking: "What about us?"

In reality Bill C-15 is yet another example of government which is far more interested in the art of public relations than it is in actual substance. This Government is prepared to sacrifice long-term economic planning and economic sovereignty for short-term, image-making propaganda. The Minister who introduced the legislation late last year declared in his press statement:

> We are back in business. This legislation sends a message to the world that, once again, Canada welcomes investment.

Of what world does this Minister speak? This country has always been open for business and has always welcomed investment. If that were not the case, we would not be witnesses to what is a great, prosperous and thriving nation. In terms of economic investment, like any other country, under a Liberal Government, and specifically through FIRA, Canada wanted and stressed what was good for Canada and Canadians. Is that a negative attitude to take as a country? Is that not how a country attains a degree of respect in the international business community?

FIRA was an essential and calculated policy instrument which sought to ensure that foreign investment also included significant benefits to Canada. FIRA allowed Canadians to bargain and negotiate with a huge variety of multinational interests from a point of strength. The objective of FIRA was not to prevent or discourage foreign investment, but rather to cater to it and to the needs and aspirations of Canada.

It should be noted that since its inception in 1974 FIRA has approved, on average, 92 per cent of all applications. That figure clearly demonstrates that foreign investors not only wanted to and did invest heavily in Canada, but that they were willing to meet the criteria which were established by FIRA. In short, the investors realized and appreciated that more jobs for Canadians, more research and development for Canada and greater Canadian exports were parts of the investment deal. Why should it be any different today?

It is doubtful that FIRA discouraged in a significant way any foreign investor who was serious about investing his or her capital in Canada. In fact, the Conference Board of Canada performed a study last April which determined that FIRA provided a deterrent for only 11 per cent of foreign business. More important, Statistics Canada figures indicate that FIRA did not halt the flow of U.S. investment into Canada. In fact, the gross inflow of direct U.S. investment into Canada continued to expand during the time of FIRA. Gross inflows varied between $1 billion and $1.4 billion throughout most of the 1970s, before sky-rocketing during 1980 and 1981. If we took a quick analysis of the facts and figures, we would find that they effectively contradict the Government's blind portrayal that FIRA was the enemy of foreign investment and that the removal of FIRA, replaced by Investment Canada, would bring a new beginning.

As the Bill stands, direct acquisitions by non-Canadians of businesses in Canada with assets of less than $5 million are not subject to review; neither are indirect takeovers resulting from the acquisition of parent companies outside Canada when the Canadian subsidiary has assets of over $50 million. In my opinion, that is a grave concern for Canadian small businessmen, particularly in the increasingly competitive field of high technology. The Government will simply open the doors and allow the takeover of firms which are below these thresholds. What will Canada gain if these small enterprises are more prone to shutdowns? What will we gain if these Canadian jobs are not guaranteed? What steps will be available to the Canadian Government to prevent such economic hardships? What action can the Government take to guarantee benefits to Canada and to ensure jobs for all Canadians? Unfortunately the answer to those questions is that this Government wishes to wash its hands of its commitment to small businessmen.

Another case which illustrated FIRA's protection for small businessmen involved the terms which were negotiated when the Herald Company of Syracuse, New York, a publishing firm, took over Random House of Canada Limited. As a result of FIRA, the American buyer agreed to guarantee the jobs of all 85 Random House employees and to offer jobs to ten employees of another Canadian company which was closing its Mississauga plant. In addition, the Canadian employees of Random House were to be given a chance to buy a controlling interest in the company. Finally, the buyer agreed to print in Canada any book it published when Canadian sales were expected to exceed 10,000 copies. Those economic concessions

will no longer be possible with Investment Canada. Many firms which are below the new thresholds may be small, but collectively they are the engine and the spirit behind the creation of new jobs in Canada.

To further compound the inequities of Investment Canada, the larger takeovers which will dictate the fate of thousands of workers and the interests of entire regions will now rest at the mercy of one Minister. Under FIRA those factors would be shared by the full Cabinet in order to incorporate and understand a variety of disciplines, interests and regional necessities. That perspective was much more encompassing. Now, a billion dollar decision in the hands of one Minister centralizes power in an unprecedented way. In doing so, it imposes horrendous limitations as it relates to the spectrum of interests.

Not only is the concept that FIRA discouraged foreign investment a fabricated myth perpetuated by the Tories, but that inaccuracy is also complemented by a mood that at the present time the U.S. is least likely to undergo active investment abroad. This growing view was echoed in a fascinating article in *The Globe and Mail*. I realize, Mr. Speaker, you are signalling that my time has ended. Perhaps, if this debate is extended, I could read that fascinating article to the House at another time.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, this is a day which should be marked and underlined with a red pencil in the annals of the new Mulroney Government. We are seeing the gagging of Parliament. We are seeing another form of retreat from those brave, bold words of July, which turned into shambles and tatters by the time we reached January. They are the great paragons of parliamentary rights.

Without a doubt, this is one of the most critical pieces of legislation which has been brought forward in many a year. After a limited debate of not more than 20 hours, this grand majority—those 211 Members—are putting their tails between their legs and retreating into the last refuge of scoundrels—the right to close off debate. Why? Because they are afraid of what they are hearing. Government Members do not like what is being said in this Parliament about the inadequacies and fallabilities of the Government's approach to the Investment Canada Bill.

We on this side are not surprised at that. The Government started out with a broken promise. I would like to quote from an interesting article from *The Calgary Herald*, which of course I read faithfully every day. The Minister of Regional Industrial Expansion (Mr. Stevens), who was then the Opposition critic, was asked what the Conservatives would do about the Foreign Investment Review Agency if elected. He said that he would not like to say what the changes would be but that there would be public hearings. He continued:

> Those public hearings will be held before a Tory government drafts new legislation—

Well, we were all waiting for the public hearings, but in the darkness of night the Minister sailed into the House, laid the legislation on the Table and we have not seen him since. The House has heard all this debate, but where has the Minister been? This Government that wants to consult and hear from people has discriminated against Members of Parliament. It does not want to hear from its own Members of Parliament or from us. The Minister has not bothered to show up, nor has the Prime Minister (Mr. Mulroney). This Bill is the centre piece, the crown jewel of its economic program, and Ministers of the Government cannot be bothered to take a minute or two away from working with their chiefs of staff to come here and listen to the debate. Instead, they are going to close off the debate.

• (1630)

Of course, Mr. Speaker, they are closing it off because they realize and recognize that it is a faulty and flawed piece of legislation which does not do the job it is supposed to do. It has nothing to do with investment in Canada. It has to do with some punitive, vindictive response to what Government thought were the inadequacies of the Foreign Investment Review Agency.

The debate thus far has shown some very serious flaws in the Bill which the Canadian people are now beginning to recognize. When has there ever been a piece of legislation which has given such uncontrolled power to make discretionary decisions on major plant locations and economic development to one Minister without any recourse to Cabinet, to Parliament or to any committee? He has been set up as an economic czar and he does not have to answer to anyone. That is incredible power, and if I were a member of the Conservative Party I would be a little concerned because those Hon. Members will also suffer the same limitation of access as any other Canadian. We know how inaccessible the Minister is. He is never in the House, so I do not know when his colleagues see him. I can tell you one thing, Mr. Speaker, to provide one Minister with that kind of power is asking for trouble, and those Hon. Members opposite are going to find it in spades. On what basis will decisions be made: on who paid his Tory membership last month, or on who was talked to at the latest dinner for the old alumni of the Bank of Western Canada? Who is going to get the benefit of that particular kind of examination? We do not know, Mr. Speaker, and neither will any other Canadian.

We know very clearly, Mr. Speaker, that in this Bill there is power to make decisions which will affect regions. Nothing is more critical to economic development, and yet here we have a Minister who has shown time and time again his insensitivity to regional development. He does not understand the word. He can only see so far from when he sits on his horse farm somewhere north of Toronto. He has nothing to do with what is going on in Atlantic Canada because we see there the evisceration of all the regional development investments which made sense.

What is the reason for all this, Mr. Speaker? We know the price we will have to pay and we are still taking cap in hand, doffing it to our American friends and saying, "We are wide open for business". It is a doormat policy which we are encountering day after day in this House. We see it in every respect. We saw the Minister of National Defence (Mr.

Coates) selling out on the DEW line question, initialling agreements open to totally unintended consequences. We saw the Secretary of State for External Affairs (Mr. Clark), that one-time red Tory, who is now turning an indescribable purplish shade, rising in his place to say, "Oh, I agree with star wars. That is one of the great advances towards world peace". So we are going to have a star wars philosophy because that is going to help and encourage negotiations. To spend $40 billion or $50 billion on a brand new weapons system in outer space somehow, in the logic of the Secretary of State for External Affairs, is going to help maintain world peace. I have more respect for that Minister than that. I suspect he has simply been given his orders by the Prime Minister not to disrupt those kind and cordial relations with the President of the United States, which the Prime Minister says he wants to establish in order to make sure we get a better economic deal.

But, Mr. Speaker, what have been the results of that sort of cap in hand, doormat approach which Government has taken? We just heard today in Question Period in the House of Commons that in return for our investment, in return for our so-called open hand, the Americans are going to increase substantially the tariffs on cod fish, which will only affect the entire economy of eastern Canada. In particular, the constituency of the Prime Minister is going to be one of those areas which will be affected in the most dire and drastic way. But it is all right that our American friends are going to increase the tariff by 25 per cent.

Last week we heard of the decision of the Minister of Energy, Mines and Resources (Miss Carney) to take off the export surcharge on gasoline or heavy oil to the United States. What will Canadians pay? They are going to pay $6 a barrel more. I believe this Government, Mr. Speaker, is headed toward a very thorny patch. What disturbs us, of course, is that it does not know what the consequences are. What we are seeing is a haphazard, ad hoc, confused approach to government. Those Ministers are making decisions when they get up on their feet, if then. They are contradicting one another and do not have any kind of clearly enunciated strategy about how we can develop the economy of this country. The Americans themselves, the Conference Board of Canada and the American Wall Street brokers, have all said that this legislation will not add one additional cent to the foreign investment coming into Canada. They say there are other kinds of problems. Last year under the old FIRA program $4.3 billion came into Canada. And there was, however, a difference, Mr. Speaker, we had the ability and capacity under that program to ensure that there would be benefits and jobs for Canadians, that there would be research and development in Canada, and that there would be good management. But this Government is giving up that right. It is giving up the power to bargain for a better deal for Canadians. Its so-called open window, open sesame approach is simply a way of saying—

Mr. Dick: Hear, hear!

Mr. Axworthy: I think there is some kind of Irish conspiracy going on and we will have to trace it back to some sort of Fenian plot in the 19th century in order to explain the Mulroney-Reagan love-in affair, the amorous union that is taking place daily, which results in absolutely no form of protection for Canadians. That is the problem with which we are faced. We are getting into these new liaisons which result for Canadians in the loss of their birthright. We are losing our birthright. No economic development is going to take place. There is nothing in the Bill to encourage Canadian investors. There is nothing to provide for protection for our small businesses. We have nothing to bargain with. Now Parliament is being snuffed out, debate is gagged, and we are told there is no point in even looking at the issues anymore.

Well, Mr. Speaker, we happen to believe that there are still a lot of very important issues. I can say on behalf of my caucus that if we are not allowed the privileges and rights as parliamentarians to debate this Bill any longer in this Chamber, we will certainly make full, proper and effective use of that right when we get to committee. I will tell you, Mr. Speaker, if the House Leader is within hearing distance of our words, that he had better not plan for an early summer vacation.

Mr. Les Benjamin (Regina West): Mr. Speaker, I find it somewhat amusing to sit and listen to Liberals making the same speeches about closure as I heard from Conservatives last year, the year before that and the year before that. If we have ever had evidence that there is really no difference between the Grits and Tories, we have had it today, and neither of the Parties had the courtesy to blush. I wish they would at least send their speeches back and forth across the way, then they could take turns making them every time we have closure in this House.

The issue is not whether we should have foreign investment. There is no argument that we need some foreign investment. What we need is more loan capital and less ownership or equity capital. I like the American people, all of us do. They are good neighbours and good friends. I like my own friends and relatives also, but I do not want them moving into my house so that I have to live in the garage. That is a quote from Tommy Douglas at the time we forced a minority Liberal Government to bring in foreign investment review. We ended up with a toothless tiger, but at least it was a beginning.

Canada is not alone in how it is treated by foreign investment. I had an opportunity to be in Mexico City and when I left I bought the Mexico City *Daily News*. On the financial page it says: "Foreign Firms Reaping Profits". Here is what happened in Mexico. Transnational companies operating in that country invested $273 million in the first six months of 1984. Those same companies sent out of Mexico $820 million in royalties, interest and profits during that same period, in other words, Mr. Speaker, almost quadruple their investment. And Mexico is a poor country. No one objects to foreign investors making a reasonable return, but any nation worthy of the name has to have some ground rules which put controls on the reinvestment of profits. These companies cannot just cut and run whenever they feel like it.

• (1640)

In that poor country of Mexico, in the two and a half years from the beginning of 1982 to the middle of 1984, United States corporate investment was $1.2 billion. In that same period of time, some $4.78 billion was sent back to the parent companies. That is nothing more than the bleeding of a poor nation. It is bad enough when they bleed a country like ours that is relatively well off, but they even do it to a poor country like Mexico.

I spoke about ground rules on foreign investment. Those ground rules must cover such things as how much profit is to be reinvested. They have to say that if you are a resource-based foreign-owned corporation with an operation in a one industry town, you shall pay a royalty into a fund to protect that town at a time when the resource has been depleted or the operation is not profitable. If the company wants to leave, there will be enough money there to ensure that the community will have funds available to be invested in some other industry and thus save the community from dying. That also needs to be applied to domestic corporations which think they can move into communities and pull out 20 years later, leaving them high and dry.

There need to be limits on how much the company can send back to the parent company by way of interest and dividend payments. There needs to be a requirement that a certain percentage of the total parent companies' spending on research and development must occur in the country in which they have branch plants. It cannot all be done in the home country. Without those kinds of ground rules, Mr. Speaker, we become nothing more than a territorial extension of the United States or of any other major foreign investor. Just as we have become a territorial extension of the United States militarily, we will also become a territorial extension economically. When you allow too much foreign ownership and control of your economy, you lose some of your economic sovereignty and national independence. It has happened before and it is bound to happen again if the Government insists on going ahead with this mindless pleading for foreign investment without there being sufficient ground rules.

There must be significant benefit to Canada Mr. Speaker. That is a key phrase. It was in place under FIRA. But the Government of those days did not make sure that it laid out the ground rules for FIRA to enforce. Unless and until we get those kinds of ground rules, we have to be more than once bitten and twice shy about foreign investment. We cannot just leave it to come and go for the sole benefit of an international corporation and to the detriment of our own nation.

I believe, Mr. Speaker, that most Canadians are more concerned about our independence and sovereignty, our ability to exercise control, not only over our national policies as they relate to defence but over our economy as well. The minute we allow inordinate amounts of foreign ownership in one or more sectors of our economy, we have lost some of our sovereignty, our independence. No self-respecting parliamentarian can sit back and allow that to happen. We all believe in having good international relations. We are internationalists, but not at the expense of our own nationalism and our nationhood. We are not internationalists at the expense of our sovereignty.

You cannot blame the foreign investor or the foreign corporation for acting as it sees fit in the best interests of that corporation, when it is allowed to operate freely, or when there are no real ground rules for it to live up to. We cannot blame them; we have to blame ourselves. Successive free enterprise governments have, since before Confederation, gone on their hands and knees, begging and pleading foreign capital to control a major part of our economy. As a result, successive national Governments were immobilized in their ability to deal with booms, busts or anything in between as they ran the risk of incurring the anger of the Government of the nation where those foreign corporations were located. The United States has a long history, as did the British, French and German colonial powers, of exercising its power over countries like Canada at any time it thought its corporations and their investments in Canada might in any way be inhibited or reduced. The United States Government has always, as a matter of policy, be it Democratic or Republican, gone to bat for the major corporations which have controlled anywhere up to 90 per cent of any one sector of our economy.

I hope the Government will reconsider and present to the committee, if, as and when this Bill reaches it, a set of ground rules that we can all support. Then this so-called Investment Canada will be an even stronger agency than FIRA and it will be able to deal impartially with foreign investment for the benefit of our own country.

Right Hon. John N. Turner (Leader of the Opposition): I am not here in the Chamber just because I wanted to see you again, although it is always a pleasure, Mr. Speaker.

Mr. de Jong: You guys can hold hands somewhere else.

Mr. Turner (Vancouver Quadra): When I see the experience, diligence and good judgment represented in the Chair, it gives me the confidence I need in knowing that I am going to get a fair hearing.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Now they have changed.

• (1650)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I was just saying some generous things about your deputy, which you can read in *Hansard*. I have respect for the Chair, and particular respect for an old friend. However, that is not the reason I am here.

I am here because I am concerned, as are the members of my Party, with the unecessary haste with which the Government is treating this Bill, which is a very important piece of legislation. I am concerned about the methods it is using to curtail free debate and unduly accelerate its passage through the House of Commons.

At the outset I would like to congratulate those in our quarter of the House who have said a great deal in response on

the merits of the Bill. I speak particularly of my old friend and colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy); my seat-mate, the Member for Windsor West (Mr. Gray), and the Member for Cape Breton-East Richmond (Mr. Dingwall), who have had a good deal to do with the mobilization of debate from our quarter of the House.

Mr. Benjamin: Don't forget the Member for Saint-Maurice (Mr. Chrétien). He did a good job too.

Mr. Turner (Vancouver Quadra): He did a good job this afternoon, as did the Member for York West (Mr. Marchi).

This legislation was not really introduced in the House of Commons. It was introduced one night in New York City before the American investment banking community.

Some Hon. Members: Shame, shame!

Mr. Turner (Vancouver Quadra): At that time the Prime Minister (Mr. Mulroney) said that this country is open for business again. I had never felt that the country had ever been closed to business. I do not stand in the shadow of the Prime Minister in wanting to enhance and improve our trading relationship and friendhip with our great neighbour, the United States. On other occasions I have said to him that I do not envisage our relationship with the United States on the continent of North America to be one of proprietor and tenant, but, rather, one of two equal co-tenants sharing the resources, future and environment of the continent. Any enhancement of our relationship with our neighbour should not be made at the expense of an independent foreign policy for Canada, our political sovereignty, or our economic and cultural integrity. Those are the issues at stake in this particular Bill.

I said that I did not object to the Prime Minister saying that this country is open for business. However, I say once again, as I have said in the House and across the country, that Canada is not up for sale.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am concerned, as are my colleagues, that the Government is not seriously considering its relationship with the United States in matters of defence. It is accepting, almost blindly, what the U.S. Secretary of Defence may say or the Pentagon may dictate. We have already spoken about the extension and destabilization of our weapons systems into star wars research.

Last week we in the House of Commons experienced the extraordinary phenomenon of my having to put a question to the Minister of Fisheries and Oceans (Mr. Fraser) following a committee session on Thursday during which the Conservative Members of the standing committee refused to allow the text of a treaty to be signed with the United States to be revealed to other Members of Parliament on that standing committee. I met the U.S. delegation which came to Ottawa on Monday to sign that treaty. I said that I was not in a position to make a comment because I had not had an opportunity to read the treaty. I said that at the appropriate time we would want to know what concessions had been made to Alaskan fishermen that changed that treaty from the text which was defeated by the United States Senate two years ago.

I bring that to your attention as a relevant example, Mr. Speaker. This disregard for Parliament is without precedent. A treaty involving the fishermen on the West Coast was signed in Ottawa without any Member of Parliament or standing committee of the House of Commons having an opportunity to review it. I concede the argument of the Minister of Fisheries and Oceans that constitutionally the executive of Cabinet has the power to sign a treaty unless it has legislative consequences upon which Parliament or the provinces must act. However, a treaty is an important document. It has more validity and strength than a mere agreement, an exchange of notes or a contract. It binds two countries.

I have had some experience in negotiating treaties. I had the honour of being on the negotiating team for the Columbia River Treaty. The Hon. Paul Martin was the Secretary of State for External Affairs at that time and I was parliamentary secretary to the late Arthur Laing, whose riding of Vancouver South is now represented by the Minister of Fisheries. We took the position that the Columbia River Treaty need not be before Parliament for ratification as it had to go before the United States Senate under our constitutional precedents. Yet the treaty was of such importance that we sent it before the Standing Committee on External Affairs. The committee examined the treaty and heard witnesses on it for six weeks in order to convince the Canadian public that it was in the best interests of Canada.

This present treaty involved very sensitive issues. It involves the livelihood of the fisherpeople on the West Coast of the country as well as the sports fishermen. This treaty, involving a very important industry in British Columbia, has not even reached the floor of the House of Commons or a standing committee. That attitude is infectious in the Government. Moving that the previous question be put at this stage in the debate reflects the same disregard for the House of Commons.

This is the first major original piece of legislation brought to the House by the Government. It raises more questions than it answers with respect to foreign investment. It raises serious questions which need to be debated by the House. These questions have been brought to your attention and amply outlined by my colleagues. Are the levels of the review procedures too high? What is the impact on small Canadian independent business? What are the implications of the change in the benefit test from a "significant" benefit to Canada to a "net" benefit to Canada? These words may have a great consequence on the way in which this legislation will operate.

When we look at the assessment factors we see the same five factors as in the earlier legislation plus the inclusion of the words, "compatibility with cultural policy and effect on international competitiveness". What do those words mean? We have had insufficient review and explanation from the Government on that. Yet they are absolutely crucial to the operation

of this legislation because they are the factors upon which the agency bases its assessment.

What about the review process itself? What about the words "culturally sensitive factor"? The reserve power to review any investment, regardless of size, in culturally sensitive factors, is subject to that review process. What does "culturally sensitive" means? Once again there has been insufficient explanation given.

The issue of job creation was handled very eloquently by my colleague, the Hon. Member for Winnipeg-Fort Garry. The Minister for Regional Industrial Expansion (Mr. Stevens) says that this legislation will bring investment flowing into the country, and thereby jobs. That is merely an assumption which has not been proven. As my colleague said, when the New York investment banking community was asked by members of the media from this country whether that would be the fact, they said no. This Bill will not change market factors or the unused industrial capacity in this country which militates against the investment we like to see. This piece of legislation will not change the debt-equity ratio of some of our major concerns for our smaller businesses, several hundreds of thousands of which were ravaged by the recession in this country. There is nothing in this Bill to encourage Canadian investment, yet the title of the Bill is "Investment Canada". That point was made very succinctly by my colleague from Laval-des-Rapides.

• (1700)

[*Translation*]

The power to review foreign investment now belongs to a single minister, namely, the Minister of Regional Industrial Expansion (Mr. Stevens), a minister who does not really believe in regional expansion or in such a policy. Should we allow a single minister to hold a monopoly over the approval of foreign investment in Canada? That is a risk I do not care to run.

Several Hon. Members have indicated that the Minister is absent.

Mr. Speaker, this House is now debating a major piece of legislation. But the Minister responsible for it is not here. He was absent from the House on several occasions. He is never here! The Hon. Member for Saint-Maurice (Mr. Chrétien) has indicated that, as Minister of Finance, he used to pilot from his seat any piece of legislation from his department. I, too, as a former Minister of Justice and later as Minister of Finance, sat here days on end, attending debates on legislation I was responsible for, because I held Parliament in high respect, because I had respect for this forum of the nation, and because I had consideration for the elected representatives of all parties, each Hon. Member representing his or her many constituents. But the Minister responsible is not here. Ministers of the Crown are not there, except for a lone one.

Mr. La Salle: But he is a good one.

Mr. Turner (Vancouver Quadra): He has been here for a long time. He is having problems in his riding with hog producers, but that is a different story. Only one minister . . . but not the Minister responsible, not the Prime Minister.

Decisions in this area used to be taken by the Cabinet as a whole. I am aware of the Minister's approach concerning our Crown corporations. He favours the clearance sale approach. He has not even determined under what terms Canadair, de Havilland, Eldorado Nuclear and Teleglobe Canada would be sold. Who would be the eligible buyers? At what price? What protection would there be for Canadian technology and, more importantly for Canadian workers, men and women? He does not say. Are we going to let that same minister control all by himself all foreign investment coming into Canada? What a risk. Well, the House would not have the time to hold a debate. Why is there not at least a committee of ministers? Why has the Minister of Finance no input in this regard?

Contrary to what the Minister had promised, there was no public consultation. We hear constantly in the House about this new government of consultation. It is eternal consultation to try and reach a consensus, but consultation without leadership. But in this area, there is no consultation. With the Americans maybe, but certainly not with Hon. Members of this House.

[*English*]

There has been no public consultation. The Government seems to be more concerned about pleasing the bankers on Wall Street, New York than the baker on Main Street, Canada.

I come now to the motion. Why is the Government so afraid of the Opposition that it has had to impose this heavy-handed measure to end the debate? The back-bench Conservative Members were elected from all parts of Canada with a huge majority and a massive mandate from the people of Canada. Why do we not hear from them? All that we hear is the flipping of the fins. Whenever the House Leader gives them the word, there is a standing ovation and applause for the Prime Minister.

There have been only 23 hours of debate on an issue of vital importance to Canadians. The Minister of Transport (Mr. Mazankowski) was here, but he has left the Chamber.

Mr. Lewis: He is right there.

Mr. de Jong: We are working.

Mr. Turner (Vancouver Quadra): The Minister and the Hon. Member for Regina West (Mr. Benjamin) who just spoke will recall that there were over 400 hours of debate on the Crow legislation. The people of Canada focused on an issue that was of great importance, particularly to the western provinces. There were 400 hours of debate on that legislation, but only hours of debate on this legislation which is of very great significance to this country. Of those 23 hours, according to the rules, there were 11 hours used by Liberal speakers prior to this afternoon, 9.2 hours taken up by the New Democratic Party, and 3.2 hours used by the Conservative Party. Divide

3.2 hours by 211 Members and it shows a great individual contribution, doesn't it?

Mr. Axworthy: About 48 cents a day.

Mr. Turner (Vancouver Quadra): Where is the respect for Parliament?

The Hon. Member for St. John's East (Mr. McGrath) has the responsibility for the committee on the reform of Parliament. No one on this side doubts his sincerity. We can recall the Conservative Members, when in opposition, calling for an enhanced role of the Member of Parliament. I believe in that enhanced role because each one of us is elected individually by people in this country, in ridings composed of 80,000, 100,000 or 120,000 people. I respect every Member in this House and while I do not think there is a single Member I dislike, I have not had an opportunity to meet this new faceless mass, these new Conservatives. I cannot judge them because no one gets up to speak. No one says anything. Perhaps they are still in awe of this Chamber or in awe of you, Mr. Speaker. I know that you gave these new Members indoctrination lessons to the House of Commons. It is a privilege to be elected here, and the greatest honour for any citizen is to receive the tribute of being elected by one's peers to the House of Commons of Canada.

We are proud of that and we have exercised our rights. I call on Conservative Members to retrieve their dignity and their independence as Members. Show your constituents that you are not nameless, faceless and anonymous cyphers sitting in the House of Commons. Their constituents elected them, yet there have only been 3.2 hours of debate in 14 speeches.

Mr. Jepson: The people have spoken. Why don't you listen?

Mr. Turner (Vancouver Quadra): The people have spoken but they expect you to speak. The people of London wanted you to speak. You ought to get up.

We do not have a government by referendum or a government by plebiscite whereby the citizens of this country would be expected to vote on every piece of legislation. They elect each one of us to cast our best judgment, use our best experience and contribute our best eloquence to the consideration of legislation in the House of Commons. Those Conservative Members across the way have been derelict in their duties with respect to this particular piece of legislation.

Mr. Dick: Let us vote.

Mr. Turner (Vancouver Quadra): Where is that great respect for Parliament? This is the Government's first major Bill, and yet it is using closure. The Conservatives still have an opportunity to contribute to this debate because it does not have to close until all those who wish to speak have risen.

I recall, as you will, Mr. Speaker, what the Conservatives said when, after hours and hours and weeks of debate, closure occasionally had to be applied. The Conservatives said that the use of any measures to limit debate was the end of democracy and threatened the survival of the House. Now the shoe is on the other foot. Now, suddenly, closure after 23 hours of debate is a good thing. Now the great leaders in the fight for the rights of Parliament have become the great followers of a Government showing utter disdain for the rights of Members of this House where even the Minister responsible for piloting the legislation does not do you, Mr. Speaker, nor us the courtesy of appearing to hear what we have to say.

• (1710)

The Tories have abandoned the principles they said they would uphold. Why closure, Mr. Speaker? I do not think they have any other legislation available.

Mr. Dick: It is not closure. Do you not know the difference? Read the rule book.

An Hon. Member: It is the rattle of the chains over there.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): They know this fellow well in the Ottawa Valley. The trouble is that they do not know him well enough yet.

Mr. Dick: But they re-elect me.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): May I, through you, Mr. Speaker—and I hope you will use your indulgence here, because none of the government Ministers except the Hon. Member for Joliette (Mr. La Salle) are present—ask you to tell them that we are not going to be pushed around? Would you tell them that we are going to examine this Bill in committee, carefully. We are going to call witnesses. We are going to alert the public of Canada as to what this Bill is all about.

Mr. Young: We will not be silenced.

Mr. Turner (Vancouver Quadra): Will you tell them, Sir, that this type of guillotine is not the end of this issue. Will you tell them that this is a very bad indicator and sign of how the Tories want to treat future legislation but before your Honour by putting the guillotine on this very important first major piece of legislation introduced by the new Government. We are not going to let the Government hide the legislation behind draconian motions to end debate. We are not going to be silent on this issue. We are not going to roll over and play dead, like the Tory back-benchers are doing. The Minister of Transport smiles. He is lucky he is on the front bench. He is very lucky he is on the front bench.

Mr. Johnston: He is also on the front burner.

Mr. Turner (Vancouver Quadra): He may be putting rail transportation on the back burner—

Mr. Mazankowski: We have so much talent in the back, I cannot leave my seat.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Minister has so much talent in the back that he cannot even see it.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Let me tell the Minister of Transport that he does not have to feel any threat from his back-benchers. They are not saying anything. He has only one guy to worry about.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The lord high executioner.

Mr. Turner (Vancouver Quadra): At any rate it has been a privilege to be before you and to see these empty benches across the way. It is a great experience to hear those fins flap every Question Period. But, by God, let us hope that the Tory back-benchers wake up to their responsibilities as Members, or else the people will be asking questions. And then there is the sitting behind the curtains. Remember the time when one used to be able to smoke behind the curtains? One cannot do that anymore. Let me tell them over there to come out here in half an hour. We will have the vote. Remember that the vote is not the full exercise of a Member's responsibility here in the House of Commons. We hope we are going to hear something more from the Tories. I will sit down so as to let that happen. Thank you, Mr. Speaker, for coming back to your chair.

Some Hon. Members: Hear, hear!

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on the motion of Mrs. Tardif (Charlesbourg), seconded by Mr. Fontaine:

That the question be now put.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mrs. Tardif) which was agreed to on the following division:

(Division No. 10)

YEAS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Dorin
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Hamilton
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (Mrs.) (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Moore
Mulroney
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Redway
Reimer
Roman
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
White
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—162.

NAYS

Messrs.

Althouse
Angus
Axworthy
Benjamin
Blaikie
Boudria
Cassidy
Chrétien
Deans
Dingwall
Frith
Garneau
Gauthier
Heap
Henderson
Hopkins
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Lapierre
Malépart
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Murphy
Orlikow
Parry
Robinson
Rodriguez
Skelly
Turner (Vancouver Quadra)
Young—34.

Mr. Speaker: I declare the motion carried by a slim margin.

Investment Canada Act

The next question is as follows: Mr. Stevens, seconded by Mr. Hnatyshyn, moves that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Is the House ready for the question?

Some Hon. Members: Agreed.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 11*)

YEAS

Messrs.

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Dorin
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Hamilton
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (Mrs.) (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Moore
Mulroney
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Redway
Reimer
Roman
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
White
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—164.

NAYS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Blaikie
Boudria
Cassidy
Chrétien
Deans
de Corneille
Dingwall
Frith
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Lapierre
Malépart
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Murphy
Orlikow
Parry
Penner
Pépin (Mrs.)
Prud'homme
Robinson
Rodriguez
Skelly
Turner (Vancouver Quadra)
Waddell
Young—41.

Mr. Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Regional Development.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I just want to announce the business of the House for tomorrow. We will commence second reading of Bill C-20, followed by Bill C-23 which deals with amendments to the Small Business Loans Act. I hope to see progress made on those items of legislation.

Mr. Speaker: It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

At 6.07 p.m., the House adjourned.

HOUSE OF COMMONS

Thursday, January 31, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved, seconded by Mr. Scott (Hamilton-Wentworth), that Bill C-20, An Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

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

Mr. Prud'homme: Mr. Speaker, on a point of order.

Mr. Speaker: The Hon. Member for Saint-Denis, on a point of order.

Mr. Prud'homme: Mr. Speaker, perhaps I may point out that the motion requires two Ministers, not one Minister and one Parliamentary Secretary.

[*English*]

Mr. Speaker: It is normal, when there are two Ministers in the House, that a Minister moves and a Minister seconds. There is no other requirement that I know of in the Standing Orders. When a Bill is being moved, a Minister must move it, that is true; but there is no limitation I know of on who can be the seconder. I can seek another seconder. If the Hon. Member is worried about the Parliamentary Secretary being the seconder, then some other Hon. Member may second it, if that is the issue.

Mr. Gauthier: Mr. Speaker, I have only been here for 12 years but I have seen an occasion when it takes at least two Ministers to propose and second a Bill which entails expenditures. I believe they can do it with unanimous consent and we would not withhold consent as long as there was unanimous consent to do it. In other words, I would not want to create a precedent.

Mr. Speaker: My problem is that I know of no rule which prevents it, so I do not see a need to do it by unanimous consent. However, if it suits the House to do it that way, we will do it that way.

[*Translation*]

Mr. Masse: Mr. Speaker, by providing a veritable framework for this country's economic, intellectual and cultural pursuits, our national telecommunications and broadcasting system is undoubtedly one of the strongest ties that bind Canadians together.

This system, which is unequalled in the whole world, is one of our most brilliant achievements and embodies the prophetic vision of men like Sir John A. Macdonald and R. B. Bennett. It is also the result of active co-operation between the private and public sectors, which together have taken advantage of new technologies and have harmonized their efforts with those of our regulatory agencies.

The Bill to amend the Canadian Radio-Television and Telecommunications Commission Act, Bill C-20, marks an important phase in the development of telecommunications in Canada. The purpose of this Bill is, basically, to clarify and regulate the sharing of powers and to seek a proper balance between the Government's objectives and those of the regulatory agency and our telecommunications system.

Before going into the details of this Bill, I would like to touch briefly on the history and present situation of telecommunications, legislation and regulatory measures in this country.

Canada's broadcasting policy has been evolving ever since the first radio broadcast in 1919. In the twenties, radio broadcasting was developing so fast that there was utter confusion on the airwaves, and it became clear that a set of regulations would be needed. In 1928, the first Canadian Royal Commission on Radio Broadcasting was formed.

The Royal Commission, chaired by Sir John Aird, recommended setting up a national broadcasting system. A report was submitted in 1929 under the Liberal Prime Minister Mackenzie King, who was unable to act on the recommendations before the end of his term. It was therefore up to the Progressive Conservative Government under Prime Minister Bennett to act, which it did by tabling the first Canadian legislation on radio broadcasting in the House of Commons.

Here is what the Prime Minister said when he tabled the broadcasting Bill:

This country must have absolute control over Canadian broadcasting, without interference or influence from foreigners. Without such control, broadcasting cannot be the vehicle to convey national aspirations and unity. Only state ownership of the system will guarantee the people of this country, without reference to class or locality, equal benefits from broadacsting.

He went on to say:

It may be that in the future, when science is even further adanced, it will be desirable to make other arrangements.

It was therefore the Progressive Conservative Government of R.B. Bennett which established the predecessor of the CBC, then the Canadian Broadcasting Commission.

When the Conservatives took office in 1957, they came to the conclusion that the Broadcasting Act, dating back to the former Bennett Conservative administration, was already 22 years old and no longer met current needs. The private sector had expanded considerably and was anxious to play a larger role in the growing broadcasting system. The public sector, acting as both regulatory agency and broadcaster, was in a position to regulate its own competitors. Such blatant conflicts of interests could not be perpetuated.

● (1110)

The Diefenbaker Government therefore took steps to steer a new course in the broadcasting field. It introduced a piece a legislation which, for the first time, made a clear-cut distinction between regulatory and broadcasting operations. It established the Board of Broadcast Governors, which was eventually replaced by today's Canadian Radio-television and Telecommunications Commission, the CRTC.

As to the CRTC, it was set up in two stages: First, the Canadian Radio-television Commission was created by Parliament in 1968 under the Broadcasting Act, replacing the Board of Broadcast Governors. Second, the responsibility for regulating telecommunications was transferred from the Canadian Transport Commission to the Canadian Radio-television Commission in 1976, under the Radio-television and Telecommunications Commission Act.

The Commission's major responsibility is to regulate and supervise all aspects of the Canadian broadcasting system for the purpose of implementing the broadcasting policy stated in Section 3 of the Act. Section 3 states, among other things, and I quote:

—the objectives of the broadcasting policy for Canada . . . can best be achieved by providing for the regulation and supervision of the Canadian broadcasting system by a single independent public authority.

Following the Second World War, the technology of telecommunication has undergone constant and important changes in all aspects. By reason more especially of recent achievements in computer technology, digitalization and interconnection have brought far-reaching changes in our telephone networks, at a time when the telephone, telegraph and computer industries were opening up to competition. Technological progress has been such that the traditional differences between those services have been virtually overshadowed. In the meantime, Canadians, foreseeing the new prospects of novel technologies have been requesting increased services, at affordable prices, of course.

If the array of new computer technologies can on the one hand help us reach our goals with respect to telecommunications, whether for the assertion of our Canadian identity and cultural traits, for this country's unification, for a greater opening to the world, or for achieving closer links with our remote communities, it does on the other hand present legislators and regulating agencies, among others, with a major challenge, because this is actually the responsibility of the Canadian Radio-television and Telecommunications Commission.

Our legislative and regulatory mechanism, the essential part of which was implemented more than 17 years ago, could not foresee the current technological upheavals. Clearly it is outdated as to the cultural, economic and social potential of high technologies. If it is not to become a barrier against economic growth, technological innovation, and cultural development, we must at all costs bring it in line with today's realities, whether it is deregulation in the United States and its impact on Canada, or the spectacular developments in satellite services. In the area of telecommunications and broadcasting, the time for a change has come.

● (1115)

As my colleague, the Minister of Finance (Mr. Wilson), stated in his economic statement last November 8, and I quote:

There is a clear need for a national telecommunications policy to take advantage of the opportunities presented by rapidly advancing technology and the growing demand by Canadians for new telecommunications services.

Why is this? Because, as the Minister of Finance explained, the telecommunications sector, perhaps more than any other in Canada at the present time, offers opportunities for important market-driven innovation, if governments' regulatory interventions are kept to an essential minimum. Through regulatory reform, government can spur innovation and provide a major stimulus to the Canadian economy.

Indeed, for us deregulation will not mean unfair competition, because we firmly intend to proceed gradually and responsibly. Is telephony not in fact a field where competition is now proving its usefulness? Since the 50's, Canadians have enjoyed the benefits of competitive development by CN-CP Telecommunications and telephone companies of ultrahigh frequency facilities.

As far as terminals are concerned, consumers and businesses have had the option since 1980 to choose to purchase their equipment from a great number of suppliers or to rent it from their local telephone company. For subscribers, this competition means a much greater choice of sets, lower prices and a multitude of new ideas in phone design. As for switched services, CNCP Telecommunications obtained the right in

1979 to set up an interconnection with Bell telephone system, thus allowing them to provide this type of service as well for data transmission for instance. In 1981, this interconnection right was extended to British Columbia Telephone. The CRTC has just concluded a series of public hearings and is considering a request of CNCP for an interconnection with Bell and BC Telephone to provide long distance telephone services to the public. Faced with these increasing pressures and to allow more competition in a sector which has traditionally been very strictly regulated, the government has undertaken to review its telecommunications policy in 1985 and is now looking at the state of competition in this field.

Another example of a regulated sector is that of satellite signals. Since 1983, individuals no longer require a radio permit to use a dish antenna to receive programs which are not retransmitted. Provided they do not redistribute the signals, taverns and hotel bars can also use a dish antenna without applying for a radio or television broadcasting permit.

On December 20, 1984, I announced a revamping of the regulatory policy for satellite signals to benefit small television broadcasting systems and help badly served communities to gain access to a greater variety of programs. In addition to helping the television broadcasting industry and interested consumers, this initiative will make the Canadian television broadcasting system more flexible and stronger.

As for our commitment to continue to regulate where necessary, a good example of this can be found in the measures I will introduce to provide the CRTC with the necessary power to control abusive programming. I shall speak further on this question in a few moments.

There will be two underlying guidelines to our telecommunications policy:

First, everyone involved will automatically be consulted. In doing so, we shall certainly be breaking ground with regard to the development of our country's telecommunications policy. These consultations are necessary because, to paraphrase Montesquieu, "the intent of laws depends on whether you live before or beyond the mountains".

• (1120)

Secondly, in all cases where deregulation will not be prejudicial to the interests of Canadian consumers, we will deregulate.

The bill which we have submitted for your consideration is therefore the first stage of a basic review of the legislative and regulatory framework of our telecommunications system. Its passage is of the highest importance if the government is to have the powers it needs to make our regulations more flexible or even repeal them in the case of services that can be left open to free competition although some form of regulated competition could also be considered. The bill is in effect a general framework which will allow us to implement the necessary reforms and carry out the reshaping of our telecommunication policy.

Let us consider now the main provisions of the bill.

Part I of the bill amends the CRTC Act to enable the Governor in Council to give binding policy directions. Those directions would be laid before Parliament and it would have the opportunity to take them under advisement before they are formally put into effect.

Although the 1968 legislation setting up the CRTC did not generally grant that power to the government, I think it is necessary today to specify that the government and not the CRTC should develop the broadcasting and telecommunication policies. That position is supported by the provinces, the industry and the Commission itself. Moreover, it was ratified by the Lambert Commission and one of its specific recommendations was as follows:

> The constituent acts of Independent Deciding and Advisory Bodies contain provisions allowing for policy directives from the Governor in Council.

This principle was also supported in 1980 by a special parliamentary committee of the House of Commons on Regulatory Reform as follows:

> —that Cabinet can issue binding policy directives . . . to the Canadian Radio-television and Telecommunications Commission.

The relation between the government and the Commission has been under review for many years. If there is an aspect that the review and public debate have brought out, it is that the government should be responsible for the drawing up of policy and that the CRTC should be in charge of its implementation within the legislative framework set up by Parliament. The division of powers between the government and the Canadian Radio-television and Telecommunications Commission reflects the democratic principle that the government alone is entitled to develop the main policies of the country because of its accountability to the electorate through Parliament.

Some Hon. Members: Hear, hear!

Mr. Masse: The government having the power to give formal directions to the CRTC, will implement its policy in the telecommunication and broadcasting areas. If it did not have that power, it could have no influence on the development of policy and consequently could not be called to account. As in the present legislation, it could only react after the fact and ask for reconsideration of specific decisions made by the CRTC.

But, as Cardinal de Richelieu so aptly said, and I quote:

> Thus, Ministers of State must often remind themselves that it is more important to consider the future than the present, and that it is easier to anticipate problems than after one is faced with them.

I strongly believe that by making the government accountable for the policy to Parliament, we will eliminate a number of ambiguities such as the parabolic antennas, ambiguities

which create major obstacles to the dynamic development of this industry.

● (1125)

In my opinion, the government must implement measures designed to encourage and help Canadians to take risks and compete in making telecommunications equipment, producing television programs and developing the many products that will be required by the new communication environment. The responsibility of the government to provide such a favourable framework goes hand in hand with its accountability to Parliament.

Part I of this bill also adds to the Canadian Radio-television and Telecommunications Commission Act Subsection 14.6, which enables the Governor in Council to direct the Commission to deregulate the telecommunication services which can be provided on a competitive basis. Invested with this authority, the government will be able to decide whether it is in the public interest not to regulate a number of telecommunications services within a monopolistic structure because of the competitive character of the market. I have in mind for instance the cellular mobile radio telephones. The nature of this technology is such that these services could be provided by competitive organizations. It would be therefore illogical to regulate, under monopolistic principles, services such as these which allow for a more competitive system.

Part I provides also that the Governor in Council may order a deregulation if he is of the opinion that a service is subject to a degree of competition sufficient to ensure just and reasonable tolls, rates or charges.

Mr. Speaker, I could not overemphasize the fact that, in our mind, the deregulation powers should always be used with a good measure of judgment. The government would have first to convince itself that such a measure is justified before ordering the CRTC to implement it.

Mr. Speaker, I should like to indicate to all Hon. Members that while introducing a power to give instructions and a power to order deregulation, the government remains aware of the need to prevent any abuse. I should like to remind them that this bill contains four safeguards in this end: First, under the Canadian Charter of Rights and Freedoms, the Government will not be able to issue directions limiting freedom of speech; second, the Bill specifically prohibits the Government from issuing directions in respect of the issuance of a broadcasting licence to a particular person or the amendment or renewal of a licence; third, the Minister of Communications shall consult with the CRTC before directions are issued by the Government to the Commission; fourth, to allow for parliamentary and public consideration of the directions, it is provided that such directions must be laid before Parliament and referred to the appropriate committee, and that they will not become effective until thirty days after Parliament was notified thereof. This measure will enable Parliament and the Canadian public to consider carefully all directions before they are implemented.

Parliament has a major role to play in ensuring that the Government accounts for its policies and facilitates the public's participating in the debate. I think parliamentary committees are the key to the Government's accountability. Committees can summon witnesses, including Ministers of the Crown, and ask for any clarification, explanations and guarantees deemed necessary. They provide an excellent forum for Canadians who wish to make their views on official policy known to their representatives. I am convinced that the guarantees provided by the Bill and applying to the power to issue directions and the power to order deregulation ensure the Government will remain accountable and promote healthy and active involvement by all Canadians.

Part II of the Bill provides for a new policy objective that will become part of Section 3 of the Broadcasting Act. This objective concerns programming of an abusive nature, and its purpose is to define the CRTC's responsibility in this respect. It will be an incentive to broadcasters to be increasingly aware of the problem, and here is the wording:

● (1130)

"(*c*.1) the programming provided by the Canadian broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;"

I should think it is imperative to pass legislation to make absolutely sure that there is no room for abusive programs within the Canadian broadcasting system. The Speech from the Throne reaffirmed the Government's commitment to ensure that social justice in Canada would progress at the same pace as the needs of Canadians. It did contain an announcement concerning this measure which is aimed at eliminating those abusive programs.

In its June 1984 report, the parliamentary sub-committee on sexually abusive broadcasting recommended that we add to Broadcasting Act Section 3 a provision stating that programs must advocate the right of women to equality. I might point out that, besides guaranteeing the equality and dignity of women, this legislation is aimed at preventing all forms of vexations with respect to racial, national or ethnic origin, or else colour, religion, age or mental or physical disability.

Parts II and III of the Bill contain other amendments to the Broadcasting Act and the Radio Act whose purpose is to clarify and simplify the regulatory process. Since in some cases the legislative provisions of those two Acts are definitely outdated, they must be amended to take recent progress into account.

For instance, in the Lount case involving Winnipeg's Holiday Inn, the Federal Court ruled that the current wording of the Broadcasting Act and the Radio Act was deficient and must be amended so as to define the status of those systems

which redistribute satellite signals, particularly in the case of hotels and high-rise buildings. Clauses 2 and 7 of this Bill are intended to alleviate that anomaly. They are very technical precisely because they will eliminate that kind of discrepancy in the legislation.

Clause 2, for instance, which amends the Broadcasting Act, provides that any person who transmits or distributes by means of telecommunication, otherwise than solely as a telecommunication common carrier or whether or not for any consideration, any programming received by radiocommunication is deemed to be carrying on a broadcasting undertaking. This means that individuals who redistribute satellite signals will be subjected to the Broadcasting Act. Similarly, Clause 7 brings consequential changes to the Radio Act in compliance with this amendment to the Broadcasting Act. Under such provisions, the Government and the CRTC would be empowered to implement the satellite signals policy which I announced on December 20, 1984.

Part II of this Bill also provides amendments to the Broadcasting Act to eliminate factors preventing the regulatory system from being more effective and cost-efficient. To that end, it is proposed in Clause 5, and I quote:

> First, to extend from five to seven years the maximum term of a broadcasting licence. This will give broadcasters an incentive to improve on their performance, in return for longer licence terms, and this will help reduce the regulatory burden.
>
> Second, to increase the CRTC's power to exempt people from the requirement that they hold broadcasting licences. This will reduce the regulatory burden imposed by the Commission in cases where it is neither useful nor necessary to issue licences.

In closing, Mr. Speaker, I would like to recall the major challenge put forth by the Minister of Finance (Mr. Wilson) in his economic statement. He more or less invited us to redefine the Goverment's role which should be first and foremost to bring about a climate favourable to our growth which alone will enable us to create jobs, promote innovation and get ready to face the changes to come.

The legislation now being considered moves us in that direction by giving the Government the power to instruct the CRTC to order the deregulation of certain services if necessary. This Bill will stimulate and energize the telecommunications and broadcasting sector for the benefit of Canadians everywhere. No doubt also that broadcasters and telecommunicators will take this opportunity to use imagination and innovation in the provision of services that would benefit from deregulation. Clearly, the new directions we are proposing will help us reach our main goals for tomorrow in the areas of telecommunications and broadcasting.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am very pleased to be taking part in a debate that will undoubtedly be the first of many on telecommunications, an area for which the Minister of Communications (Mr. Masse) is responsible. I know he has quite a number of plans, and it will be very interesting to hear about these new developments concerning deregulation and the Government's new powers to issue directions.

I was listening carefully to the Minister, and I would like to start my comments by wishing him the very best in his new capacity as Minister over a vital sector of this country's economy. I think Canadians are not sufficiently aware of the importance of culture in Canada and of what we refer to as our cultural industries. The Minister himself is a man of considerable distinction and culture, and today again, he impressed the House with his wide-ranging historical knowledge, his quotes from Montesquieu and Cardinal Richelieu, and quite frankly, I think I would rather not try to follow him over the same terrain, because of the obvious political risk involved.

I must say the Minister was both reassuring and a little unsettling. What we see here . . . I am not going to provide a history of the CRTC, I think the Minister of Communications has already done so quite admirably. I am trying to be as politically objective as possible, so since I agree with what the Minister said, I do not see why I should repeat it. It was a more or less straightforward history of radio and television broadcasting in Canada and the power of the governors. It is only normal that the Minister should give his Party a front seat, since he told us in committee that he was a worthy son of the Progressive Conservative Party. I am indeed aware of his affiliation with this great Party which has done a great deal for Canada, but I also know that the Minister is a product of another political party we have known, and that is the Union Nationale. I will therefore try to steer a middle course between the two and maintain a federalist and prudent stance in my comments to the Minister of Communications.

Mr. Speaker, what struck me is that no mention was made of one of his predecessors, the Hon. Francis Fox to whom I can now refer by name because if we examine carefully the present text of Bill C-20 and compare it to the Bill tabled by Mr. Fox on February 8, 1984, we see that the work done by Mr. Fox is being continued by this Government today. In fact, the original Bill, tabled on February 8, 1984, was far broader in scope.

• (1140)

Again I say that I have no particular objection to the fact that the Minister of Communications (Mr. Masse) has asked that this very complex Bill be split. Indeed, Mr. Francis Fox had in fact introduced an omnibus Bill since it had to do with telecommunications, TV broadcasting, the Canadian Film Development Corporation Act and the Radio Act. I expect the Minister will eventually introduce other Bills concerning those Acts. In the same measure, Communications Minister Fox had also introduced on February 8, 1984—as it happened, it was also Bill C-20—another part concerning the reorganization of Bell Canada. I think the Minister is quite justified in including

that subject matter under a separate piece of legislation, Bill C-19.

We will not argue about that except to say that, as I am expected, and it is not always easy, I have made a comparative study of both measures, what I would call the Masse project and the Fox project, to find out where they differ. I will therefore make a few remarks on the differences I found after scrutinizing both Bills.

As I said, Part I of this Bill is roughly the same as Part II of Bill C-20 introduced by Mr. Francis Fox and which relates to the Canadian Radio-television and Telecommunications Commission Act. In his press release dated February 8, 1984, he explained that this part of Bill C-20—let us call it the Fox project—would amend the Canadian Radio-television and Telecommunications Commission Act. For Hon. Members who might be interested, I have here this piece of legislation which was given Royal Assent on June 19, 1975. Since the Minister saw fit to refer to the good deeds of the Conservative Government, I might say that it was given Royal Assent on June 19, 1975, under a Liberal Government. I simply had to point that out to the Minister.

That Act amends, and I quote: "So as to enable the Governor in Council to issue general directions to the Commission, subject to certain limitations and considerations by Parliament. It also enables the Governor in Council to give executory directions to the CRTC concerning any question within its jurisdiction, except the issuance of a broadcasting licence to a particular person, or the amendment or renewal of a particular broadcasting licence".

I was going to say that the more things change, the more they remain the same. The bill would also require that the guidelines be tabled in Parliament and referred to a parliamentary committee for consideration. These guidelines would come into effect only 30 days after being tabled.

In this regard, I must tell the Minister that when the bill goes to the committee, and I have always said that I prefer the in-depth work done by parliamentary commissions, I shall have very specific questions to ask to find out what this means, because, as those who know parliamentary commissions in Ottawa will be aware—I prefer the term "parliamentary commission" used in Quebec to "parliamentary committee"—this bill will be examined thoroughly, and I shall insist on knowing exactly what the authors of the bill mean when they say that these guidelines will not come into effect until 30 days after they have been laid before Parliament.

What will happen if, when this bill is passed, as it will certainly be, the Minister takes advantage of an emergency, acting in good faith of course, to table guidelines in Parliament at a time when Parliament is not sitting, which can very often be the case? We have to know how this period of 30 days will apply. Will it be 30 days after the tabling of the guidelines or 30 days after parliamentarians have begun their examination? We shall look at this in detail in committee.

On the other hand, Bill C-20 as introduced by the Hon. Minister of Communications creates a new authority, which is described as follows in the press release of the Department of Communications dated December 20, 1984: " . . . authorizing the Governor in Council to order the CRTC to deregulate competitively provided telecommunication services, and even to direct the Commission to refrain from exercizing its powers and performing its duties and functions."

All this will be accomplished under Section 14.6 to which the Minister has referred and which was not included in the legislation introduced by the Hon. Mr. Fox. Until we obtain some explanation in committee, we can only wonder whether the new Minister of Communications and his government want greater power than their predecessors had planned, because those who remember Mr. Fox, and I shall say something positive about him, which does not necessarily mean that I want to be critical of the new Minister, will know that Mr. Fox had the reputation of consulting and of taking action only after a genuine consensus had been reached.

I listened to the debate today. The Minister said that he would have extensive consultations which would be taken into account. I certainly hope so because many people have written to my leader, the Hon. Leader of the Opposition (Mr. Turner) and to the Hon. Minister of Communications (Mr. Masse) with copies to myself, and I have to reply to all of them. It is not easy. I have to write to Mr. Bureau, to Mr. Juneau and to the Right Hon. Prime Minister, without mentioning all the letters which came to me directly in my capacity as critic for my party. These people wonder why there were cutbacks without prior consultation. I have to take the word of the Minister. Politically, it is dangerous to pay compliments because you have to live with them later. I can see my whip over there, but I shall pay the Minister a compliment anyway. I trust that the Minister believes in consultations. I am confident of this. Until I am proven wrong, I always give people the benefit of the doubt.

However, we have to look at what happened since November 8. I was in Halifax last Sunday, and I must say that, addressing more than a 1,000 people there, was not an easy task for the Hon. Member for Halifax. I congratulate him. I think that he might appreciate it. The Hon. Member for Halifax (Mr. McInnes) did very well under very difficult circumstances. He was obviously embarrassed—because his audience was not really warm nor very sympathetic to the cause he had to defend—to tell them. Yes, we have to make cutbacks and we shall have to make more.

But all those people from the Nova Scotia Coalition on Federal Policy also told me . . . I will spare you the list of names. I have them all, and the program is in English because when things get somewhat involved, sometimes everything is in English. There are authors, writers, performers, visual arts

crafts, art educators, Museum Galleries Heritage Societies, film makers, musicians, National Film Board, Canadian Broadcasting Corporation, and that extraordinary, that remarkable man, that author from D'Escousse, Cape Breton, Silver Donald Cameron, and Mr. Curtis Barlow, the President of the Canadian Conference of the Arts, who, by the way, is most anxious to have an elaborate meeting with the Minister. He told me how difficult it was, but he is an important man in Canada. He represents a whole group of Canadians who are interested in our great cultural industry. And I must tell you, Mr. Minister, that he is still waiting for an interview and that he would very much appreciate being consulted. I hope such consultation promised by the Minister will actually take place.

As I said earlier, the Hon. Francis Fox was very successful in getting closer to those "milieus" which are not easy ones. The Minister knows it now, because the creativity milieu is a very sensitive one. It is a milieu that creates so many things but often it is under the impression that it is getting little in return, because it is ignored in many Canadian environments. I would like to be their spokesman, their advocate, and I know the Minister will do it. I know it is also the case with my hon. friends, my hon. friend who was also in Halifax. The NDP critic, he was in Halifax also. Those people feel they are giving much to Canadian society, and they also feel, rightly I assume, that they receive much less in return.

Therefore, considering this ever-increasing control exercised by this Government over the CRTC by way of its new powers to regulate, we have a right to be somewhat doubtful. So I will stick to that for the moment.

● (1150)

No doubt this is why I noticed the Hon. Mr. Crombie, who had given very good support, along with the Speaker and Mr. Geoff Scott, and I mention their names because I remember what they said and then their names were used. Yes, this came from the Progressive Conservative Party, with respect to the independance of federal-cultural agencies, as stated in the Canadian Arts Conference Bulletin, September-October 1984 edition. This is not from me, it is from the Hon. Crombie, the Hon. Bosley, our distinguished Speaker, and Mr. Geoff Scott. They said, and I quote:

> We are convinced that the agencies and councils must be protected from changes in political outlooks, bureaucratic theories and expenditure priorities. We are now ready to translate into facts the efforts we made while we were in the Opposition—

—at the time. That is a statement which was made by my hon. friend opposite or at least signed by him.

> —by implementing five year plans and formal mechanisms of consultation—

I repeat that we have indeed been promised this consultation process. I am going to tell in a non partisan way to all those hundreds of people who have written to me that I have received their testimony and that I now speak on their behalf in the House.

Well, we are told on page 6 that there will be consultations. I will follow up on this. The Minister has made this commitment today and, knowing me, he knows that I am not the type to cause useless trouble, but I submit most respectfully that we have every right to remind the House that we have been promised consultations, as we intend to do in all civility, and I will be here to do so.

I should like to say that Part II of Bill C-20 corresponds to Part III of Bill C-20 which had been introduced by Hon. Mr. Fox and which dealt with the Broadcasting Act. I always return to Hon. Mr. Fox who, in his press release dated February 8, 1984, explained his proposed amendments to the Broadcasting Act. Because I know that some Hon. Members are interested, having asked me for it, I have brought to the House the Broadcasting Act which was adopted in 1967. For the information of the Minister who stated that three good things came out under a Conservative administration, I think that was under that great Prime Minister, the Right Hon. Lester Person, who I had the honour to know, having been elected twice to the House of Commons during his term, and to whom I am most grateful for having given to us this extraordinary Canadian flag which will be twenty years old on February 15, I hope that we will then unanimously pay tribute to our flag, for believe me, we were hardly unanimous in supporting this initiative in 1965!

The explanation given by Mr. Fox was as follows:

> (A) Redefine broadcasting and take into account recent technological developments to allow the CRTC to regulate the distribution of satellite signals;
>
> (B) Allow the CRTC to issue licenses for the operation of broadcasting companies; and
>
> (C) Redefine the role of society . . . etc.—

I note that section 3 of the Broadcasting Act has been considerably altered. We need to know why, but that question will be asked on some later occasion.

The question dealt with in section 17 of Bill C-20 introduced by the Hon. Mr. Fox is similar to sections 3 and 4 in the bill tabled by the Minister of Communications (Mr. Masse). Moreover, section of Bill C-20 reflects the comments made by the Hon. Mr. Fox on May 24, 1984 when he gave this very important explanation:

> The responsibility, as far as the contents of programming is concerned, rests with the broadcaster in accordance with the regulations of the CRTC . . . This amendment will indeed make explicit the Government's commitment to the principle that all Canadians have the right to programming which respects the dignity and equality of individuals and groups.
>
> This is how I understand programming which, in a given context, does not discriminate against the individual on the basis of race, national or ethnic origin, religion, sex, age, physical or mental disability

So, there is nothing new under the sun. I was under the impression a while ago . . . a colleague who just arrived told me: "But it is a new dynamic legislation." I had to reply: "Well, no, the minister has divided the bill. It is almost the same provisions and the same wording". We are not offended but it should be acknowledged that our bill was excellent since

the new government which was democratically elected with a large majority—and I accept this decision—has decided to reintroduce it. But the minister has announced nothing new.

Mr. Speaker, I am pleased to note that those are exactly the same words used in paragraph C1.1 of the text now introduced by the Minister of Communications. Moreover, that amendment had been supported by the Minister responsible for the Status of Women, the Hon. Judy Erola. And, still according to Mr. Fox, the amendment, and I quote: "would provide a more clearly defined basis for the regulatory measures to be taken by the CRTC, to ensure that the broadcasting system contributes toward providing women and other groups with positive representation . . ." I realize my New Democratic Party colleague will want to elaborate on this issue and I will let her do so, because I know how boring it is for Hon. Members to listen to the debate and then have to repeat what was said. To continue my quote: "without however impinging on the freedom of speech provided under the Broadcasting Act or the provisions of the Canadian Charter of Rights and Freedoms introduced by the previous Liberal Government."

The Hon. Francis Fox . . . I feel he is still with us here in the House, and when I see his distinguished successor here today, I still have the impression that Mr. Fox is there because I am hearing more or less what he said when I read at the end of the Minister's press release: The Government hereby intends to respond to the concerns formulated by Canadians with respect to the impact of pornography and content with abusive tendencies, by giving the regulatory agency the power to act if necessary. I see that I wrote "careful" in my text at this point. Which means: do not exaggerate, but the fact is, there are people in Canada who tend to exaggerate. I would not want anyone to conclude that the Merchant of Venice is pornography. There is always the matter of balance, and I am sure that when the Minister issues his directions—when the Act will allow him to do certain things it does not allow him to do right now—he will keep that in mind.

Mr. Fox's comments, of course, preceded the press release by the Minister of Communications, who explains his legislation as follows:

> In the recent Throne Speech, the Government of Canada reiterated that dealing with the problem of sexually abusive broadcasting remained one of its priorities. The purpose of the proposed amendment to the Broadcasting Act which concerns this kind of programming is to allay public concern and follow up the recommendations in the report of the Parliamentary Sub-committee on Sexually Abusive Broadcasting, published in June 1984.

I have the distinct impression that the Minister and I . . . have been consulting each other. He said as much, so we agree.

We shall therefore be able to discuss in committee the extent of our agreement on the proposal in Clause 5 which is aimed at easing some of the regulatory burden and the provisions imposed by Clause 6. The Minister will therefore know my position when we get to the committee stage.

I think that at this point I will forego some of the further comments I was going to make, but I would like to add that Mr. Fox's plan also included changes in the Canadian Broadcasting Corporation. However, I suppose the Minister will get back to us on that in another Bill, and we will be ready to tackle that aspect when he does. The House will also recall that the Minister said there would be consultations and new regulations. So for the benefit of us senior Parliamentarians and for the benefit of the Minister of Communications who is listening attentively and—I want to thank him for staying in the House—I would advise him to be careful, because in the press release it says that the Department of Communications, under the co-ordination—that is what it says—of three consultants will probably, that is what I say, be working in close co-operation with the task force chaired by the Deputy Prime Minister, the Hon. Eric Nielsen, to determine any other regulatory changes that are to be submitted.

Well, you can imagine that we senior Parliamentarians are going to be very careful, now we know that the Deputy Prime Minister as well can start issuing directions on the matter of regulations and have them adopted by his Minister of Communications. I want to point out that this was said at the meeting of the Committee chaired by Mr. Gabriel Fontaine on December 4, 1984. We shall therefore be very cautious in examining these new regulations, especially if the Hon. Deputy Prime Minister has anything to say about them.

• (1200)

Part III of Bill C-20 corresponds to Part V of the Bill introduced by the Hon. Mr. Fox and concerns the Radio Act. This is therefore a repetition of the legislation introduced by the predecessor of the Minister, the Hon. Mr. Fox. For those who want to take notes, I have the Radio Act before me. This new legislation could, and I say this to the Parliamentary Secretary as the Minister is temporarily absent—but I can see that he is trying to tell me something.

Mr. Speaker, as you know, many of us have introduced Private Members' Bills. I would like to mention a few of them in the hope that the Minister might want to examine these bills introduced by individual Members who then sat on the side of the opposition and who are now Government Members, and some introduced by the then critic for cultural affairs. The Minister might decide eventually to examine these bills introduced by his own colleagues to determine what should be done with them. Here are a few of them: Bill C-301, in the name of the Hon. Member for St. John's East (Mr. McGrath), Bill C-461, in the name of the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), the new chairman of the International Parliamentary Union who, on this very day, is receiving the visit of the General Secretary of the Parliamentary Union to sign the contract which will allow us to host the world convention next September. This has happened before under a liberal administration and I was the chairman of that conference. I was the one to send the invitation, but it is my

friend the new chairman, the Hon. Member for Surrey-White Rock-North Delta, who will open the world conference of parliamentarians in September 1985. I will attend as an observer rather than a participant, with some regret. But such is life in politics.

I also want to point out to the Minister that these bills reflect the need to protect young people against overly agressive publicity during childrens' programming. Since 1980, Members of Parliament have also made representations provincially to the CRTC. I refer to Bill C-595 introduced by the Hon. Member for Fraser Valley West (Mr. Wenman). If Hon. Members want to look at these bills, I have found all of those introduced from 1980 to 1984.

There is also Bill C-413, introduced by the Hon. Member for Winnipeg North (M. Orlikow), who is the NDP critic for communications, I believe, which deals with equal broadcasting time for opposition political parties. Believe it or not, there is also legislation on the educational use of programming, which was introduced by your distinguished colleague from Winnipeg-Assiniboine (Mr. McKenzie), namely Bills C-236 and C-224. Of course, there is also Bill C-675 introduced by the Hon. Member for Broadview-Greenwood (Ms. McDonald), to forbid any discriminatory comment based on sex, which the Hon. Mr. Fox had already approved in a second statement made on May 24, 1984, amending his statement of February 8, 1984. If anyone wants to examine all these bills, I have them and I have also found the debates held about them.

I could go on. I do not want to waste the time of the House, but I believe I have a few minutes left. Bill C-20 will therefore be referred to the Standing Committee on Communications and Culture which the Minister said was his intention when he appeared before the Committee on December 4, 1984. Mr. Speaker, at that time, the Standing Committee will have the opportunity to examine this issue. As a matter of fact, I believe that the Chairman of the Committee is here now.

So I am giving advance notice. I do not see why I should not give him a week's notice. I am not anxious to take my witness by surprise, something lawyers like to do. So the kind of witnesses we might . . . of course the Government will have its own witnesses, and the New Democratic Party, but I would like to mention their names, and I think the Minister may be surprised. These are not surprise witnesses, but they are very well known, and probably the best known of the ones on my first list is Prof. John Meisel of Queen's University, who might be invited to appear before the committee. I have a lengthy biography here, but I will spare the House the details. We may be able to get the committee to agree to invite Mr. Alan Borovoy of the General Council of the Canadian Civil Liberties Association of Toronto, whose reputation is certainly well-established, as the *Toronto Star* of November 8, 1983 said in a full-page article on Mr. Borovoy, the wellknown champion and defender of civil rights. So if anyone wants to know who the witness is . . . Mr. Speaker, perhaps we could also invite Mr. Fox, since today's Bill is so similar to the one he tabled in the House. There is a possibility. I am not saying we must, but he will certainly be on my list. Of course, there will be CRTC representatives. And I think it would be very unfortunate if we were deprived of the presence of the Minister himself. I am not going to put him on my list since it is obvious he will be the principal witness. We could also agree to invite representatives of the Canadian Association of Broadcasters, the Communications Workers of Canada, the FTQ, the Canadian Cable Television Association and experts in various fields, and listen to their representations. I have received submissions from people who would like to appear, but that will have to keep for some other time, because the submissions do not directly relate to this Bill. However, perhaps we will have the Alliance of Canadian Cinema, Television and Radio Artists, the Association of Canadian Film Craftspeople, the Association of Canadian Film and Television Producers—I will spare you the rest of the list.

The Minister tells us there will be new directions. We will have to ensure that these directions do not stifle the powers of the CRTC. I know the Minister of Justice has decided to listen to those people who advised him not to prosecute in cases that had been taken up by the CRTC. The House may remember a statement published in *The Globe and Mail* on November 24, 1984, in which the Minister of Justice actually boasted he was prosecuting some of the people who were finally being prosecuted by the CRTC. However, I understand that since then, the Minister has been conducting exhaustive inquiries across the country, and considering this fact, I admit that the arguments I intended to put forward today will therefore have to be toned down somewhat. I also want to congratulate the Minister for having a staff that is able to provide objective information. Thanks to the Minister's staff, I do not have to be as fierce as I intended on this particular issue. In fact, I think the Minister ought to know I found out about these consultations through his staff. However, the fact remains that these cases are not being prosecuted and that they should be. My colleague, the Justice critic and Member for York Centre (Mr. Kaplan) referred to this matter, and for those who are interested, I may refer them to page 681 of *Hansard*, November 28, 1984, when there was a fairly lively exchange of views.

I have been informed that at the last federal-provincial conference, the provincial ministers wanted the Government of Canada to have more authority over the CRTC, and that is probably why Bill C-20 and its predecessor deal with this problem. The Minister is aware that it is a problem, because we want the CRTC to operate without undue political interference, the provincial authorities want to express their views at the political level and we must also respect the rights guaranteed under our Constitution.

• (1210)

I realize that the Minister has to perform a balancing act, probably because his Department is among those that are

directly involved in this issue. He is expected to remain at arm's length, yet he is being asked to intervene. We will see in the next few years just how the Minister will manage to keep his balance. In any event, I can tell him as kindly as I can that we will be there to help him.

As you may understand, Mr. Speaker, people are deeply concerned. There were so many cut backs without prior consultation, but here they are today telling us that consultations there will be. As official critic responsible for doing that job honourably and honestly, I am in a dilemma which I might make even worse if I were to insist by pouring salt on wounds which the Minister finds very difficult to dress these days. He is under attack from every quarter because of those cut backs about which he probably did not have much to say.

I have no idea whether the Minister made the necessary representations to the Minister of Finance and told him: No, you can cut . . . but you cannot cut people who give so much and receive so little. Those people give much to our country, they make us proud and they give us our Canadian identity. That is what we must understand. There are two major survival movements in Canada. God knows that francophones are aware of the word "survival" and of the French fact. Yet the Minister must also realize that English Canada has a morbid fear of americanization. That is why the Minister should not and will not be surprised to find such a reaction in English Canada.

I know, and we are going to do our best to make people understand why it is that English-speaking Canadians are deeply concerned about americanization. That is why deregulation is a good thing, but it must not be carried to extremes either. We do need some protection. If we want our own Canadian culture—English or French—we must have safeguards, Mr. Speaker, for our neighbours can be intrusive indeed.

I want to assure the Minister that he can count on my cooperation in committee where this Bill will soon be under consideration. I cannot tell him for sure how many speakers we will have today, but when the distinguished chairman of the parliamentary committee—I know his name, Mr. Fontaine, but perhaps the whip might tell me his riding—

An Hon. Member: Lévis.

M. Prud'homme: —the Hon. Member for Lévis. I know that we will all get along in the parliamentary committee, first concerning the number of witnesses we will want to hear, then the number of sittings we will need to make an in-depth study of the Bill and make sure that we get what we want, namely safeguards for Canadians. We want to be sure that the CRTC has a watchdog so that people who might not be overly concerned about Canada's culture will be called to order—in an altogether civilized manner, of course.

Well, Mr. Speaker, I have said enough this morning and I will let my colleagues have their say. Again I say to the Minister that he can count on our cooperation during committee consideration of this Bill and other pieces of legislation he might want to introduce in the House.

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am rising to address the Bill before us, Bill C-20. It is a very modest Bill in its size but that is not to say the matters it deals with are not important. There are principles at stake in this Bill, a small number of them, which for the most part are not going to be partisan or controversial. Most of the measures before us today we have seen before in the legislation which appeared last year but was not passed.

While they have their importance, given the recent cutbacks of and interference in the operations of the CBC, I must express some concern and frustration that we are not dealing with the more important matters facing us in the area of broadcasting. It is perhaps not fiddling while Rome burns, but I am a bit concerned that we are fiddling while Rome is closing down its stations and firing creative staff.

Those of us who are committed to a strong and vital broadcasting system in Canada know that it can be achieved only with a very strong public component in the CBC. Of course, that public component has to be adequately funded so it can do its job in both languages in television, and AM and FM radio. These are matters which we will have to address, so I look forward to the next discussion the Minister will bring forward perhaps even more so than discussing the matters before us in this Bill. We have to get into broadcasting policy and adequate funding if the system we are now amending is going to function in the way we want it to.

As to the specific provisions of Bill C-20, Mr. Speaker, I would like to begin with Clause 14.1. We certainly support these proposals. This will allow the Minister to issue policy directives to the CRTC. It is important that the Minister not have the power to intervene regarding particular applications before the CRTC, and there are safeguards in the Bill to ensure that.

I have had some concerns raised with me that these safeguards are not strong enough and perhaps the wording will have to be looked at in committee, but as to the principle, it is a sound one. The Minister is responsible to Parliament for broadcasting policy and he then responds to Parliament, comes before the Standing Committee on Communications and Culture and answers for those policy directives. That is all part of our parliamentary system.

I now want to get on to the deregulation provisions proposed in Clause 14(6). These are provisions which we do not approve of in the Bill. We oppose those measures. Incidentally, they were not part of the old Bill which was before the House last year. This provision would give very broad powers to the Minister, expand them in an unacceptable way, to say that there would be no regulation in a certain area. This supposedly

on the grounds that competition is adequate to look after the matter.

I just do not have enough confidence that the public interest will be well served with this very broad power of deregulation, which has been the trend in the United States. We have certainly already seen some very bad repercussions from that. We have a rather difficult situation here and it is quite different from the U.S. We have to be very careful of the public interest. Certainly the economics go against the Canadian broadcasting system, but we are already overwhelmingly foreign influenced in this area where monopolies operate and competition is severely limited. That means all the more power must be retained by the CRTC to ensure that the public interest is kept at the forefront.

To get on to some of the other measures, Clause 2 in Part II and Clause 7 in Part III are measures which would clarify the definition of a broadcasting undertaking in television and radio respectively. Clearly these will assert regulatory control for master antenna satellite dishes in areas such as hotels, condominiums and large apartments. We are concerned that individual households and small apartments be able to operate without regulation, but we certainly approve of the changes in order to bring regulatory control to this area and close a loophole in the law. This would simply serve to clarify a situation which should have been dealt with earlier, so we support these measures.

• (1220)

Another part of Part II refers to a matter being dealt with by a CRTC task force, which will be reporting early in February on the difficulties experienced by small and isolated communities in receiving broadcasting signals. This is a matter dealt with in the legislation. If the recommendations from this task force are adequate and suitable, perhaps they could be introduced at committee stage and incorporated in the legislation. My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow) will be addressing this matter in more detail later.

I have some reservations about another measure contained in Part II, Clause 5(1). This is a new measure to increase the period of licence from five years to seven years. This is somewhat in the spirit of deregulation. It makes regulation less effective by giving stations and networks licences for a longer period. They are, in effect, less accountable to the regulatory authority. This is not just an idle or academic matter. I think of the time when the CRTC licensed pornographic programming in pay television. It said that it did it by mistake. It had certainly been warned about the problem, but in effect it did give licences and discovered later what was involved in that. When it was criticized for this and the problem was brought to its attention, its response was that there was nothing it could do about it for five years because that was the period of licence and the time to address the problem was when the licence expired. Five years is a very long period of time for a licence. I would have reservations about increasing that period of time to seven years.

Let us be clear on the process of intervention at the CRTC. Intervention at the CRTC is one of the more popular sports in Canada. There is a very enjoyable atmosphere and an opportunity for individuals and groups to appear. In short, the democratic process is alive. The CRTC, in its ivory tower and all its distance, majesty and wealth, actually comes before the public and asks what it has to say about policy and what it wants to see in broadcasting. The public—individuals, specialists and groups—come with their concerns. This is a very healthy part of our regulatory process. Women's groups have used this process to protest sex stereotyping in the media and the pornography issue. The hearings have been very important in regard to religious broadcasting, children's broadcasting, and other areas in which the public has a vital interest and a great deal of knowledge. This very healthy process would be weakened by extending the length of time of licences. Rather than treating the public cynically and avoiding talking and listening to it for seven years, this intervention should be welcomed. The Canadian public, for which the broadcasting system exists, does have a positive contribution to make. It does this very effectively through interventions to the CRTC.

I would like to move on to the issue of the amedments in clause 3 of the Bill. These amendments were brought in as result of my Private Member's Bill C-675. That Bill was debated last year and referred to committee. There was unanimous agreement from the sub-committee which studied the Bill to making an amendment, which unfortunately could not be legislated before the House finished its work in June of last year. It is before us today in wording which is not exactly to my liking, but which is acceptable and will accomplish what is necessary. This is to add to Section 3, the purpose section of the Broadcasting Act, a new Section 3. (c.1). It reads:

> The programming provided by the Canadian broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;

This is a very general proviso. It is stated in very general terms. It says "should" not "must". It gives a purpose which is consistent with the purpose section of the Broadcasting Act. It refers only to programming in general. It does not stipulate every program. It is not a very specific measure, but it does set out a purpose of some importance to us.

For this purpose to have effect there must be more detailed regulation on the matter. The CRTC has in fact introduced a regulation to that effect. The CRTC was very slow in responding to the problem of violent and severely degrading pornography. However, it did finally act and bring in a regulation. Once the CRTC was convinced we discovered that it was the Department of Justice that was holding back and causing problems. The CRTC was prepared to move faster. Therefore, it can be convinced. This regulation is in place which obviously must be if the purpose section of the Act is to have any effect.

I would like to bring the attention of the House to the omission of something which I think should be included. In my Private Member's Bill there was a clause which said that notwithstanding the provisions of Section 3, being the freedom

of expression provisions, this more specific prohibition of abusive broadcasting would hold. The existence of a similar "notwithstanding" clause in the legislation would make it clear that we as legislators are perfectly well aware of the freedom of expression objective, and that we are qualifying it to ensure that another fundamental principle, that is, the dignity and equality of all people, is also respected. It would be clear that this is a qualification. It is not that we are disregarding freedom of expression, but that we admit that another principle is of considerable importance.

This section will undoubtedly be a matter of appeal to the courts. There will be people who will go to the courts and use the freedom of expression provisions of the Charter of Rights as their defence. I think it is important to give the courts guidance on this. I have a very specific reason for recommending that. Canadian courts have been notoriously bad on equality issues. They have been even worse when the equality was claimed by women rather than by any other group. There has been a long history from the Persons case to Laval and Bedard and Murdoch. These cases have shown that the courts have been insensitive to equality rights for women. It would be prudent to give very clear guidance to the courts that the equality and dignity of all people must be respected. There is a good reason for including this in the Bill.

[*Translation*]

The Réseau d'action et d'information sur les femmes had this to say before the sub-committee on sexually abusive broadcasting, which studied the subject matter of my bill, and I quote:

> Since our organization now has a charter that not only clearly asserts equality between the sexes but also provides for means to correct the harm done to women, it follows logically that broadcasting must conform to that new justice and that all abuse against sexual equality must be eliminated.

Therefore, this amendment to the Act contained in the legislation now before the House is a logical consequence of the Canadian Charter of Rights and Freedoms.

I would like to thank all the Canadian men and women who supported me in requesting such an amendment to the Act. A very large number of Canadian men and women from all parts of Canada and from all parties in Canada have fought for better protection against violent and degrading pornography. They have fought as individuals and as groups, as feminists and as mothers and fathers. I would like especially to mention the participation of the Quebec Federation of Women, Media Watch, the National Action Committee on the Status of Women, the Réseau d'action et d'information sur la femme, the Front commun contre la pornographie, the Churches, the Catholic Women's League, specialists from the universities and the professions of Canada who helped us during the sub-committee meetings.

We have realized that the attacks against women and children by means of violent and degrading pornography are attacks against the equality and dignity of all human beings. The Canadian Charter of Rights and Freedoms guarantees equality for all Canadian men and women. Any kind of programming that infringes upon the dignity and equality of any part of humanity is an aggression against the value and dignity of all of humanity.

• (1230)

[*English*]

I am pleased to support this Bill in principle. Although we do want to see some changes in committee, we agree with the majority of its contents. The changes we would like can be made in committee. We will offer our support for this Bill as well as our co-operation during its study in committee.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the House that the length of speeches will now be 20 minutes with a ten-minute question and answer period, according to Standing Order 35(2).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, there is one particular aspect of this Bill to which I want to refer. It is the amendments to the Radio Act and the Broadcasting Act relating to regulating broadcasting in this country. The change to extend licences from five to seven years is quite interesting. The Minister explained that change in his opening statement.

The Bill gives the Government and thereby the people of Canada additional power to regulate or control the CRTC and the operations of radio broadcasting in this country. I wonder what powers the Minister or the CRTC have under the present legislation to prevent the closure of radio stations.

In the decisions which were made solely by the Canadian Broadcasting Corporation, it closed one radio station in all of its cuts across the country. My concern is that there appears to be no recourse unless the Minister were to include in his recommendations to the House for regulatory control that the CBC or any radio network must appear before the CRTC for a public hearing. I have two reasons for that opinion. When licences are granted by the CRTC to establish radio stations in small communities, that licence is granted upon the intent of the operator to provide full service. Occasionally, for obvious economic reasons, the operator finds it more reasonable to reduce that station to just a transmitter. Throughout the country we have seen the CBC do this and consolidate in certain areas and simply carry a signal on what is called low-power relay transmitters.

In other words, if the CBC or other private broadcasters are permitted, there will eventually be a network of stations operating from one central area while claiming that they are providing the same service as if there were local news and communications people in the community. In other words, what you would hear on the CBC is: "You are listening to a network of CBC stations".

That certainly is not acceptable today and will not be acceptable in the future.

In order to illustrate exactly what I am talking about in reference to the Radio Act and the Broadcasting Act, let me

point out that there is a delegation in Ottawa who came all the way from Gander, Newfoundland. They are here to meet with the CBC. As well, I believe the Minister of Communications (Mr. Masse) was good enough to meet with them as well. They are protesting the closure of the CBC radio station in their community. Since its personnel are being moved to another location, the saving to the corporation in real dollars is a measly $75,000 a year in operational costs for that particular building.

When one ask the CBC why it made that decision, it has some interesting explanations. I had a three-hour meeting with the President of the CBC and the director of radio for the country. They gave me this second option which I referred to earlier. That option is consolidation, which appears to be acceptable to private broadcasters and the CBC. They tried to prove to me that there would be a better service in a community if the radio station was 100 miles away.

During that briefing they produced the ratings. Those ratings show that the particular station the CBC was closing had the best ratings from 6 a.m. until 9 a.m. of the three regional stations. It had the best listening audience from noon until 2 p.m. and the best listening audience from 4 p.m. to 6.30 p.m. In other words, the CBC, which does not sell commercials on radio, was beating the two private networks in that area.

I suggested to the CBC representatives during the meetings that they should look at those ratings to determine if location was not the reason why the ratings are so high, and to suggest that if it followed the same course of action that it has taken in Vancouver and other parts of the country, perhaps the ratings would drop. The fact is that this CBC station which is to be closed has higher ratings than other networks. Where else in Canada does such a rating structure exist? I repeat that the CBC is doing this to save a mingy $75,000, with the excuse that the federal Government has cut back its budget. It says that it has a cut-back of $75 million and that it must close a station to save $75,000. What kind of logic is that?

The point of the matter is that this particular station covers an enormous geographic area; not only Gander but all of the northeast coast of Newfoundland and the central portion. If that station and its personnel is moved to another location, say 60 miles or 100 miles away, there will not be that community identification or the identification that the corporation had with the arts community, music community or with local events. Right now that station is able to report the last town council meeting at Badger's Quay or Joe Batt's Arm. Obviously if they were located in a centralized area, they could not do it. That is why the ratings are so high.

● (1240)

There is another consideration which I brought up in the House. I am sure each Member remembers CBG Gander. I brought up on one occasion that the terms of union with Canada were being violated by the decision to close down CBG. The Canadian Broadcasting Corporation took over the radio stations that were in existence at the time of union in Newfoundland. It just so happens that CBG was in existence at Confederation. After looking at all of that, we still have no recourse. The people in that community have no recourse right now for a hearing before the CRTC. They have no recourse because the Minister says that he really does not want to interfere. I respect the Minister for that statement, Mr. Speaker. The Corporation obviously has to settle its own problems. I have difficulty—and you can go back over the records, Mr. Speaker—when I read what the Minister himself said in the House. As reported on page 1007 of *Hansard* for December 7, 1984, he said:

> Since there was a risk that this administrative obligation would affect the CBC's general strategy and its long-term operations, I decided, in agreement with the President of the Canadian Broadcasting Corporation, that a consultation process was necessary.

Then he quoted a letter from Mr. Juneau which said that he agreed with this consultation process and that it was necessary. Then the Minister appointed three very able people and said that the senior officials worked together with "my special consultants". That is found on page 1007. Certainly that consultative committee had to examine the options for the cuts obviously. They had to in order to get the agreement with the corporation and the agreement of the Minister.

Then I must tell you what else bothers me, Mr. Speaker. I do not object to this in normal circumstances, but the Minister of Communications has announced unilaterally that he is going to expand French radio broadcasting in the Province of Quebec. The CBC did not announce it, nor the President of the CBC. I heard the Minister of Communications, I read his statements saying that is what he was going to do, using the same logic I am talking about now as it relates to CBC Gander. He says this is necessary. Why is it necessary, asks the Minister? The Minister said it is because not enough people are listening to the French CBC. He says: "We need more coverage in the Province of Quebec; therefore there will be some expansion in Quebec".

Getting back to the original question, what power do they have, what power do the people have whom I represent? What power does the Gander Town Council have in Ottawa today? What are they seeking? What can they do? They came all the way from Gander, Newfoundland, to Ottawa at the taxpayers' expense to do something about the closure of CBG which will save the CBC, I repeat, $75,000 a year. What recourse do they have? It is very fitting today that the Minister would say in the introduction of this Bill that the Bill gives the Government and himself the power to give instructions—to use his exact words, "power over broadcasting by the people through their elected representatives, power to govern, to give instructions to the CRTC".

I believe there should be power somewhere for the Minister of Communications to order the CRTC, in cases of station closures, in cases where it is private networks, or if it is the CBC where it closes down the station but still maintains a transmitter over the location, to hold an open hearing. It should be mandatory that there be an open hearing by the CRTC to allow interest groups in this country to communicate their case. If that were done in the case of CBG Gander and in

several other cases across this country with the private broadcasters as well, the decision would be made by the CRTC that you cannot just stick up a transmitter under the licence that you have. In the case of CBG Gander we would be open the next day. It would not take a morning and an afternoon at all. It would take a morning, and the CRTC would order the CBC to maintain the service for which it is responsible in that particular community.

You will note, Mr. Speaker, that I have not criticized the Minister of Communications today. I have in the past in the House but I have not today.

Mr. Prud'homme: Why?

Mr. Baker: My hon. friend asks me why. I am hoping that the Minister of Communications and his Parliamentary Secretary will intervene with Mr. Juneau with a request from the Gander Town Council, who brought petitions from all over the north east coast of Newfoundland, and tell the CBC not to close CBG Gander. Seventy-five thousand dollars saving is not an excuse to cancel an operation that serves the people of Newfoundland and serves them in a better manner, as the ratings show, than even the private broadcasters do. I am hoping from this intervention and my relatively mild tones today that the Minister of Communications and his Parliamentary Secretary are listening. If they take action to intervene, I will be the first one in this Chamber to stand up the next day and congratulate them.

Mr. Hopkins: That is the Liberal way.

The Acting Speaker (Mr. Paproski): Questions or comments? As there are no questions or comments, I shall recognize the Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Mr. Speaker, after having spent 29 years in the broadcasting industry, both in the private and the public sector, it is a privilege for me to speak to Bill C-20. I share with the Hon. Member for Gander-Twillingate (Mr. Baker) his concern about the lack of logic and the attendant confusion which seems to attend every move or lack thereof of the Canadian Broadcasting Corporation. Having visited New World Island and various other parts of that wonderful riding of Gander-Twillingate, I am well aware of the service that CBG has provided. I can assure the Hon. Member that his plea did not fall on deaf ears.

Some Hon. Members: Hear, hear!

Mr. Edwards: The broadcasting industry is one of words, thoughts, aspirations and of Canadian definition. I think it is passing strange that the very delegation which travelled to Ottawa on Monday to plead about the public sector cultural cuts happens to do very handsomely indeed in the private sector. I think it fitting to remark that Mr. Berton, one of the leaders of that delegation, will be launching on February 1, tomorrow, a magnificent new private radio series called *The Canadian Achievers*. As an Albertan, I hesitate to say that the series is sponsored by Petro-Canada. It will focus on Canadian heroes and achievers from all walks of life. This is private radio, Mr. Speaker, and it is an industry in which Mr. Berton and many of his allies do very well indeed. In a sense I think they are setting up *un faux spectre*, a straw man, a bogeyman, in trying to cry wolf in advance that there will be more cuts in the cultural and public communications sector.

It is time for a review of the entire Canadian broadcasting system. There have been many such reviews. I think it most fitting that the current review be taking place where it belongs and that is in the Parliament of Canada. I say that because we are the proper conduit of the will of the Canadian people toward the Canadian broadcasting system. The review is overdue because of the developments of technology and the rampant growth of the regulatory system in a legislative vacuum.

• (1250)

I should like to trace briefly the history of broadcast regulation in the country. Initially, regulation was deemed necessary in order to control frequency allocation in communication with ships and fishing boats at sea. Therefore, initially the regulation came under the ambit of the Department of Marine and Fisheries. Later it passed to the Canadian Radio Broadcasting Commission, the precursor of the CBC, which took the regulation of private broadcasting under its wing. The same principle obtained when the CBC came forward as a creation of the Bennett Government of the 1930s.

In 1958, in response to the demands of equitable treatment on the part of the private broadcasting industry which up to that point had been regulated by its commercial competitor, the CBC, the government of the day, under the leadership of the late Right Hon. John Diefenbaker, formed the Board of Broadcast Governors. It was the first independent regulatory authority to govern both the CBC and private industry. In turn, it was succeeded in 1968 by the current regulatory body which was then called the Canadian Radio-Television Commission and now embraces telecommunications as well.

A few moments ago I mentioned the vacuum which has existed for a number of years in the whole area of giving direction to the growth of the Canadian broadcasting system. This vacuum in which the CRTC has ben operating has resulted in some grotesque rulings and some questionable decisions. I cite just one or two of them. The decision to license various pay television enterprises, which was taken less than two years ago, is well known to Hon. Members of the House and to the Canadian public. It was a decision which had no basis in economics or in actual reality. We have seen the shepherded shrinking of that system to the point where we now have in essence in the English language just one system across the country.

In addition, there has been a rather disturbing trend toward the wholesale licensing of frequencies in various communities across Canada. I say that is unfortunate. I may be challenged by my NDP friends opposite in that I may be accused of not speaking for free enterprise and looking for a cushy environment. That is not the case at all. The fact of the matter is that in the United States, which is a terribly over-licensed country,

many stations do not have the resources to offer the kind and quality of public service for which the Canadian broadcasting system, both public and private, is justly famous.

As well, we have had a proliferation of questionable regulations in this legislative vacuum. That proliferation of regulations has led to quixotic and rather disturbing regulations being imposed and statements of policy being made by regulatory fiat, to the extent that third level interpreters of those regulations are dictating to Canadians what they will hear or see. In fact, they are determining in some cases what individual pieces of music are properly played by individual stations. That verges on an impingement on freedom of speech.

I should like to spend a moment outlining the provisions of Clause 1 of this Bill. The directive power which is proposed here would be used to ensure that the Government rather than the CRTC is responsible for setting telecommunications and broadcasting policy in the country. It could be used to establish general criteria by which the Commission could decide individual matters coming before it. In other cases it could be used to ensure that broad national policies on matters such as the economy are applied in broadcasting and telecommunications. Perhaps the pay television situation to which I referred earlier could be embraced within that.

One might ask what safeguards exist to prevent the Government from abusing the power of direction and from interfering with the rights of broadcasters to freedom of speech. The Charter of Rights and Freedoms would prohibit directions from impinging upon freedom of speech. As well, the Bill contains a clear limitation in that no policy directions may be issued in respect of the issue, amendment or renewal of a particular broadcasting licence. Further, the Bill provides for parliamentary scrutiny of directions before they take effect.

Mindful of the clock, I should like to make one or two further comments about Clause 5(1) and Clause 5(2) which deal with the extension of maximum licence terms. We have heard an Hon. Member opposite question the extension of the maximum term of licence from five years to seven years. The hon. lady suggested that perhaps five years was too long a term of licence. We are talking about a pretty sizeable industry. Just as our nation is looking forward to having some consistency and predictability of policy, which the Government is now providing, so are the broadcasting industry and the cable industry looking for some kind of predictability whereby they can plan their affairs over a longer period of time.

We are talking about an industry which in the radio and television sector generates something over $1 billion of revenue per year, with $492 million in radio and $833 million in television. Of course, much of that is advertising revenue, virtually all of it. We are talking about a large number of employees—in the private radio sector of the industry alone, 9,666 and in the television sector, 6,905. We are talking about salaries well up into the hundreds of millions of dollars. We are talking about fixed assets in the broadcasting sector alone of $637 million. In the cable sector, gross revenues in the most recent year of reporting were $535 million. The net profit after tax was $34.2 million, which represented a 5.9 per cent return on fixed assets of $579 million. The payroll of the cable industry is about $149 million, which represents 6,484 full-time employees.

Predictability is absolutely essential. To add two years to the maximum licence term of five years is a measure which I am sure the industry and indeed the public will welcome. With predictability comes the potential of profitability. It is only from profitability in the private broadcasting industry that creative programming can come about, that jobs can be created, that the Canadian identity can be reinforced and that indeed public service can be enhanced.

The Acting Speaker (Mr. Paproski): The Hon. Member should be aware that he still has seven minutes after three o'clock remaining as far as his speech is concerned. He may also have the 10-minute question and comment period, if he wishes.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SPACE WEAPONRY

SUPER POWERS ASKED TO PREVENT ARMS RACE IN SPACE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on Monday in New Delhi, the leaders of six middle powers from five continents called once again for the United States and the Soviet Union to prevent an arms race in space and to halt the testing, production, and deployment of all nuclear weapons.

This initiative of the Parliamentarians for World Order was led by the Prime Ministers and Presidents of India, Sweden, Greece, Mexico, Argentina, and Tanzania. It is a follow-up on a declaration they made May 22 last calling on the world's five nuclear powers to freeze production and deployment of nuclear weapons, and to use the money saved to help ailing Third World countries.

This action by six prominent middle powers is evidence that mankind is not willing to stand by silently while the United States and the Soviet Union, locked in a power struggle, alone decide the fate of this planet. I urge the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) to reconsider their recent decision to support the United States star wars escalation, and to join this important initiative by their middle power friends and allies. In Canada

this initiative is supported by the Canadian Council for International Co-Operation, the Canadian Union of Public Employees, the National Union of Provincial Government Employees, the World Federalists of Canada, Operation Dismantle, Project Plowshares, and Physicians for Social Responsibility.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

PAN-AMERICAN GAMES

LONDON, ONT., ADVOCATED AS HOST CITY

Mr. Tom Hockin (London West): Mr. Speaker, I want to make a statement about an historic decision made last week, a decision which I believe has the potential to bring great economic and social benefit to Canada. The Canadian Olympic Association has chosen London, Ontario, to be the Canadian city to host the Pan-American Games six years from now. It only remains for Canada to be chosen instead of the one other Pan-American country applying.

The economic benefit to London, to southwestern Ontario, and in a broader sense to Canada, of hosting these games has been conservatively estimated at $500 million. The Games will provide at least 150,000 days of work for construction workers, and an estimated 400 jobs for the period before, during, and after the games. I ask, therefore, that this House and the Government of Canada work to ensure that Canada is chosen to host these games so that this great tourist opportunity and all the other prodigious economic and social benefits will in fact flow to our country.

* * *

NORTH AMERICAN AIR DEFENCE

UNITED STATES PLANS FOR CHANGE

Mr. Derek Blackburn (Brant): Mr. Speaker, we should have sensed something was wrong when the Minister of National Defence (Mr. Coates) flew to Washington right after taking office. One result of this trip was that a team of Pentagon officials came to explain the benefits of dealing in death, while the Minister of National Defence looked on and joked about throwing peaceloving Canadians in jail.

Next the Government showed it lacked the guts to take a moral stand on Cruise missile testing. Members opposite could not afford to offend Mr. Reagan when his Government was offering Canadian business all those defence contracts. Neither could the Government afford to speak for its people and vote for the nuclear feeeze at the United Nations, like the NATO Governments of Greece and Denmark. Then we found out the U.S. had not bothered to tell us they would be sending us a few nuclear death bombs or depth bombs during a crisis. The Tory Government's only reply was that we should trust our good friends to tell us when we needed to know their plans for our country.

Canada could not even oppose arms in space because our allies might lose their heads at Geneva and sell the farm to the Soviets. However, the real reason leaked out from—guess where—Washington, a few days later. Pentagon officials tell us they want NORAD to handle both star wars and the anti-satellite program. The Minister of National Defence reads us his reply from cue cards he borrowed from the Leader of the Opposition (Mr. Turner). He insists that we are only discussing radar systems with the Americans. I am sure the Americans will tell us about the rest of their plans when they are sure we need to know.

* * *

[*Translation*]

FORESTRY

UPPER-GATINEAU REGION

Mr. Barry Moore (Pontiac-Gatineau-Labelle): Mr. Speaker, I should like to make a statement of great importance for my constituency of Pontiac-Gatineau-Labelle and more especially for the Upper-Gatineau region.

Recently, a spokesman for Maniwaki said to the medias that the road construction project between Maniwaki and Témiscamingue had been dropped by the governments involved. He also said that research centre project would never be implemented in the Upper-Gatineau.

On September 4, 1984, Mr. Speaker, my constituents elected a representative who would protect their interests better than they were in the past. On Monday, January 28 last, I therefore met with the Minister of State (Forestry), the Hon. Gerald S. Merrithew and with his officials to to tell him about the demands of my fellow citizens. The meeting was positive and while there are no funds available under the forestry agreement now being negotiated, there are other possibilities which I will explore with some of my colleagues.

I am also hopeful as to the possibility of setting up a forestry centre in the Upper-Gatineau. The Hon. Mr. Merrithew has promised to include such a project in the negotiations under way with the Quebec government. For my part, I will announce any new development.

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[*English*]

TRADE

UNITED STATES TARIFF ON CANADIAN SALTFISH

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Prime Minister (Mr. Mulroney) and I have one thing in common. Both of our constituencies export saltfish to the United States. The United States Department of Commerce

has imposed a tariff of 26.6 per cent on saltfish exported to the United States by the Canadian Saltfish Corporation in the riding of the Prime Minister and in my riding. The other tariffs range from 13 to 34 per cent for private companies exporting into the United States.

Our Government has an open door policy. We are presently debating the Bill whereby we will receive United States business people with open arms. The Minister of Energy, Mines and Resources (Miss Carney) is now making an agreement to export Canadian oil to the United States cheaper than it is being sold to Canadian refiners. I am sure that the Prime Minister is as outraged as I am at this action of the United States Government. It takes two to tango, and this Government is clearly out of step.

* * *

SOCIAL SECURITY

GOVERNMENT CONSULTATION PAPER WELCOMED

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, it is particularly gratifying to see the initial reaction to the *Consultation Paper on Child and Elderly Benefits* released this week by the Minister of National Health and Welfare (Mr. Epp).

In sharp contrast to the ill-informed and negative comments of the opposition Parties, representatives of labour, business, and social policy organizations have all applauded the options contained in the paper. They are responding in the spirit of co-operation and constructive dialogue that the Government hoped would result from the consultation process.

Members opposite should be aware that the Social Policy Reform Group is very concerned that the scare tactics being used by the Opposition will destroy much needed social reform. As Chaviva Hosek, President of the National Action Committee on the Status of Women, said yesterday:

> We don't agree that the proposed changes are just tinkering, and we don't agree that the reforms proposed are an attack on the middle class. On the contrary, with minor changes the first option presented by the Government would achieve a very important reform that we and many other social policy groups have been advocating for a long time. The opposition is throwing out the baby with the bathwater.

The two opposition Parties are so intent on upstaging each other in their fight to the death that they cannot recognize thoughtful social policy options and honest consultation.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

YOUTH NETWORK LICENCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to draw to the attention of the House the high levels of public concern about the state of Canadian broadcasting. Increasingly the public wants to know if there will be effective Canadian programming in the face of ever increasing amounts of U.S. television into Canada.

Today we should be especially concerned about the likelihood that U.S. programming will dominate, or take over exclusively, a children's channel that will be licensed by the CRTC. The only alternative that has guaranteed 70 per cent Canadian content is the National Film Board application that the CRTC disqualified. They now have the opportunity to reconsider the Film Board application, with the delay which they have ordered in the hearings. The Minister has the power to direct the CRTC to consider this issue again, under the provisions of Bill C-20. We say that he should be prepared to act now. Many concerned Canadians want the CRTC to live up to its responsibilities under the Broadcast Act, to ensure a Canadian presence in this vital area of broadcasting.

* * *

• (1410)

AGRICULTURE

GOVERNMENT ACTIONS TO AID FARMERS

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, agriculture can and does play a vital role in the rebuilding of our economy, but the Government wants to do it through consultation. Today, 160 farmers from Ontario are meeting with their MPs as part of this consultation process. This Government welcomes their advice, but it has already shown that it cares about agriculture. The Minister of Agriculture (Mr. Wise) has already taken several initiatives to help alleviate the financial problems facing many farmers.

Thousands of FCC loans have been, or will be, re-written down to 12.75 per cent. Niagara grape growers have been made a part of a buy-up scheme. The 4.8 cent tax on gasoline and diesel fuel has been removed. The offshore labour program is in effect for 1985. Capital gain rollovers are now eligible for contributions to RRSPs.

While these programs indicate that agriculture has received top priority from the Government in only a few months, it does not intend to stop or sit still. The Government is working with the provinces to establish a tripartite stabilization program for red meat. Section 31 of the Income Tax Act is being examined, and agri-bonds will receive further study. The Government is prepared to move on these items.

No longer can the Government pay lip-service to agriculture, or let it take a back seat to other sectors of our economy. This Government is not prepared to sit by and let farmers suffer for another decade or two of neglect and despair. Agriculture is the backbone of our economy, and it is this Government's intention to stengthen that backbone even further, within its financial resources.

S.O. 21

UNEMPLOYMENT INSURANCE

EFFECT OF CHANGES ON PERSONNEL RETIRING FROM ARMED FORCES

Mr. George Henderson (Egmont): Mr. Speaker, over the past few weeks I have received scores of telephone calls from Armed Forces personnel who are concerned about the effect that the UI changes to earnings will have on them when they retire. Members of the Armed Forces are required to retire by the age of 55, or after 25 years of service.

One of the recognized and very much deserved benefits of serving with the Armed Forces is the accumulation of severance benefits. The Conservative Government has announced that, as of March 31, 1985, those payments will be considered as income for unemployment insurance purposes. I understand from the Minister's office that the rollover provisions that allow severance benefits to be placed into an RRSP, so that they will not be considered as income for income tax purposes, will not apply for UI purposes. This essentially wipes out the value of those severance payments that were formerly considered a working benefit.

Many of those who retire from the Armed Forces continue to work until the usual retirement age of 65, and continue to make UI contributions during those working years. The Government has announced that pension income will be considered income for UI purposes, essentially making those retirees ineligible for UI benefits. Due to the early retirement age of Armed Forces personnel, they have been placed in the very unique situation of being required to pay into an insurance program, the Unemployment Insurance Program, without being eligible to collect benefits from that program. I suggest to the Minister of Employment and Immigration (Miss MacDonald) that these discriminatory aspects of UI changes should be reconsidered.

* * *

AGRICULTURE

REMOVAL OF CAPITAL GAINS TAX FROM FARM LAND SALES URGED

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, for many years the farming community suffered under the heavy-handed regime of the former Liberal administration, supported by its NDP allies.

The issue of capital gains has hung over the farming community and has created economic chaos and disunity among regions of Canada.

I commend our Government for a reduction in interest rates, which have declined 19 times in the past 19 weeks; a fuel tax rebate; a moratorium on Farm Credit Corporation foreclosures, and more recently a reduction to 12.75 per cent interest rates on over 5,600 FCC loans. As well, the Government has returned choice in the use of the metric system. I urge my Government to go one step further and remove the capital gains tax from farm land sales in order to remove this dark cloud of uncertainty from the farm community.

Since this is a tax on the savings of a retiring farmer, a tax on the production of food, and adds greatly to the cost of land for a beginning farmer, I urge all Members of the House to support its immediate removal.

* * *

ADMINISTRATION OF JUSTICE

TRIAL OF PREMIER

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is a basic and fundamental principle of our criminal justice system that all persons be treated equally before the law and that one is presumed innocent until proven guilty. Tuesday's acquittal of Premier Richard Hatfield on a charge of possession of marijuana leads me to conclude that these basic principles have been breached.

The investigation leading to the charge and the subsequent prosecution raises a number of very disturbing questions. Why did the RCMP wait a month before charging Premier Hatfield? Was there political interference? When were the Solicitor General (Mr. MacKay) and the Minister of Justice (Mr. Crosbie) consulted? What instruction, if any, did they give to the RCMP? Is there any substance to the allegations that there was a cover-up attempt by the RCMP? Was it fair for the presiding judge unjustly and improperly to accuse a reporte of illegally planting the marijuana? Was Premier Hatfield given preferential treatment? Is there one law for the rich and powerful and another for the average citizen? More important, would a similar case involving a teenager from the other side of the tracks be dealt with in a similar fashion? I suspect not.

I call on the Solicitor General to conduct a complete and independent investigation into the investigation and prosecution of the matter, to clear the air, to ensure that the public continues to have confidence in the fairness of our criminal justice system, and to ensure that innocent persons are not harmed by a judge's irresponsible statements.

In my view, the case of the *Queen versus Richard Hatfield* was a grave miscarriage of justice.

ORAL QUESTION PERIOD

[*English*]

NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I was told that the Minister of National Defence

would be in his place today. However, in his absence I will direct my question to the Prime Minister.

On January 25 the Minister said in the House:

> Mr. Speaker, there is no current or projected Canadian plan regarding replacement of the DEW Line or any other matter involving Canada in any aspect of United States strategic defence initiatives.

The Minister has just arrived, Mr. Speaker. May I repeat the first part of my question?

Mr. Speaker: Yes.

Mr. Turner (Vancouver Quadra): On January 25 the Minister of National Defence said in the House:

> Mr. Speaker, there is no current or projected Canadian plan regarding replacement of the DEW Line or any other matter involving Canada in any aspect of United States strategic defence initiatives.

Later on, he added:

> It has nothing to do with weapons.

Yesterday the *Washington Post* reported on its front page that the U.S. army will be testing a land-based missile defence system in Alaska. Last night, Craig Oliver on CTC, out of Washington, said:

> To most defence analysts here in Washington, it's taken for granted that Canada and star wars are inseparable, and they say if Canadian officials are unaware of that they are not asking the right questions to the right people.

Will the Minister comment on these unnerving reports from Washington? Will he tell us whether or not he is negotiating a defence treaty, or an amendment to it, with the United States, which the Prime Minister will be prepared to sign with the President of the United States in Quebec City?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I thank the Leader of the Opposition for that question. First, he is talking about press speculation. I have indicated to the House that what we are negotiating is a warning system and not a weapons system. That continues to be the fact.

What is in the *Washington Post*, or any other U.S. publication, is not something for which this Government can take responsibility. What we can take responsibility for is to say to the Hon. Member that it is not part of SDI. It is a warning system. It is not a weapons system, and that will continue to be the case.

CANADA-UNITED STATES NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I say to the House that it is an insult that Canadians have to go to Washington to find out what is happening with respect to North American defence negotiations. Either there are discussions about anti-missile systems in Canda going on between the United States and Canada, and Canadians are being kept in the dark, or the Minister is not on top of his dossier and what the United States is doing. I ask the Minister—which is it? Does he know what is going on but is not telling us, or does he not know what is going on? Are the Americans developing a North American defence system, anticipating our co-operation and involvement?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I get a little offended by the Leader of the Opposition. After all, he was Prime Minister for a very short period of time, and he should know what we are talking about when we are negotiating with the United States. I have told him what we are negotiating. He should accept that, because that is the fact. Instead of that, he is trying to mix up and frighten Canadian people. Well, I say to the Hon. Member that we are negotiating a warning system, not a weapons system, and I stand by that.

• (1420)

Some Hon. Members: Hear, hear!

SUBJECT OF NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I don't know what the Canadian people are going to say, but I am not frightened by that answer.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I spoke of this yesterday. We had a fishing treaty signed between the United States and Canada on Monday, before any member of the Standing Committee on Fisheries and Forestry ever saw the treaty. We are concerned that we are going to have an amendment to the NORAD treaty without ever having an opportunity to examine it in this House. That is the reason for the question. Is the Minister really telling us that if we are ever going to find out what is going on in these negotiations, we have to go to Washington to do so?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, what I would like to say to the Right Hon. Leader of the Opposition is that he was wrong the first time, he was wrong the second time, and the last time he just struck out.

Some Hon. Members: Oh, oh!

PINE TREE LINE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence.

An Hon. Member: Here is a heavy hitter.

Mr. Hopkins: Because the Minister gets very upset when asked any questions about defence systems, I will just go a little easier on him. I don't want him to get upset. Would the Minister answer one simple question about the Cadin-Pine Tree Radar Line? If, as reported, the Government is ready to make an announcement on the North Warning System negotiations, would the Minister of National Defence indicate

whether the future of the Cadin-Pine Tree Line will be part of that announcement? And if not, why not?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, the Hon. Member realizes that the Cadin-Pine Tree Line is one of the radar systems in Canada which is outdated and outmoded because the Party he happens to be associated with, which was the Government of Canada for a long time, paid no attention to the sovereignty of Canada and the fact that we should have been upgrading our radar systems. Naturally, if we are negotiating the North Warning System, the Cadin-Pine Tree Line has to be worked into that system, and we will deal with that situation as we deal with the negotiations associated with the North Warning System.

Mr. Hopkins: That is another doughy answer, Mr. Speaker.

Mr. Clark (Yellowhead): Doughy?

Mr. Hopkins: No clear cut reply on the Cadin-Pine Tree Line.

CANADIAN CONTENT IN WARNING SYSTEM

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): What effort has the Minister made—and we don't want to hear about American tours across Canada—to ensure a maximum Canadian content in the North Warning System line of surveillance? Can he absolutely and unequivocally assure this House, and Canadians, that he is not hastening an announcement simply to accommodate President Reagan's timetable and, hence, excluding, or even neglecting, better Canadian industrial benefits for Canadian industry?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I want to say that the Hon. Member really is pushing his luck when he starts talking—on behalf of that Party—about anything "doughy" associated with national defence. What we are trying to do as a Government is catch up with the 16 years of neglect of the Hon. Member's Party with respect to national defence.

Some Hon. Members: Hear, hear!

Mr. Coates: It is not very easy, Mr. Speaker, when we know of the economic mess divulged by the Minister of Finance to the Canadian people last November. What we will do is our utmost to get the very best for Canadians in Canada's participation in anything new that happens in this country associated with defence.

Some Hon. Members: Hear, hear!

REQUEST FOR REVIEW OF NORAD AGREEMENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is also directed to the Minister of National Defence. Since we are reliably informed that northern Canada and Alaska are included in the plans for the Pentagon's star wars, and for the components of star wars, such as our becoming the first line of an ABM defence—

Mr. Clark (Yellowhead): Reliable information by Craig Oliver.

Ms. Jewett: —and since the Minister will not agree that this has taken place, will he not only confirm that we are included in these plans and preparations, but will he pledge right now that he will send to the Standing Committee on External Affairs and National Defence a reference on the NORAD agreement—since it was in 1981 that the Trudeau Government secretly took out the ABM reference—and allow the Standing Committee of the House—

Some Hon. Members: Question.

Ms. Jewett: —to review the NORAD agreement now? Will the Minister not wait until May when he will be obliged to send it to the committee?

Hon. Robert C. Coates (Minister of National Defence): First of all, Mr. Speaker, I say to the Hon. Member that it pleases me very much to see where she and her Party are going. It is nice to know at this late date that that Party now believes that maybe Canada should be a partner in NATO.

Some Hon. Members: Hear, hear!

Mr. Coates: I believe what the Hon. Member should understand is that if Canada should be a partner in NATO, the United States will be one of our partners in NATO and, therefore, when we do our negotiating with our partners, we have to do it together, treating them all the same. From the point of view of the NORAD agreement, let me say to the Hon. Member that early in March we will be presenting a green paper to a committee of Parliament.

Mr. Blackburn (Brant): Can we depend on that?

Mr. Coates: As a result of that there will be a white paper discussion, and all of the concerns which the Hon. Member and her Party have in relation to defence matters can be placed before that committee on the white paper.

REQUEST FOR COMMITTEE REFERRAL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister once again is entirely avoiding the question I asked him explicitly. Since the Trudeau Government in 1981 secretly took out the ABM reference from the NORAD agreement, will the Minister commit himself now to give a reference to the Standing Committee on External Affairs and National Defence on NORAD, and not wait until May when he will be obliged to give that reference to the committee?

Hon. Robert C. Coates (Minister of National Defence): What I have said, Mr. Speaker, to the Hon. Member, if she can hear, is that we are going to submit a green paper to either

the Standing Committee on External Affairs and National Defence—

Mr. Blackburn (Brant): Fait accompli by any colour.

Mr. Coates: —or a special committee of Parliament where that subject, and all other subjects associated with defence, could be discussed.

Ms. Jewett: No, we are talking about the NORAD agreement.

* * *

HOUSING

GOVERNMENT CONSULTATION PAPER

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Labour responsible for housing. The Minister has issued his consultation paper on housing in which he acknowledges that half a million tenant households cannot afford physically adequate and uncrowded housing, but he declares that the Government has no more money for housing and must redirect funds allocated to existing expenditure. Why does the Minister's report choose explicitly to ignore the billions of dollars paid out in tax expenditures to the large builders of rental accommodation when he calls for money to help those still in need?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I welcome the contribution I hope will be made by the Hon. Member to the consultation process which will go forward within the next two months. His specific question as to expenditures through rental accommodation for housing-providers is addressed by us. This Government, the previous administration, and Governments represented by the Hon. Member's Party—and I speak in particular of the Province of Manitoba—have the same process, the same assistance applied to provide rental accommodation for Canadian citizens. I know the Hon. Member is aware that in some of those accommodations there is a mixing of income groups, and a rent subsidy is offered to those who are in need.

• (1430)

SHELTER ALLOWANCE STUDIES

Mr. Dan Heap (Spadina): Mr. Speaker, while the Minister did not answer my question about tax expenditures at all, I would like to ask him whether he has done studies on the shelter allowance proposals such as were put forward by the Canadian Homebuilders' Association? If so, will he make those studies available to Members of Parliament and the public?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I have not made studies of the shelter allowance concept. I am aware that studies have been done and are available through CMHC. I have studied parts of the shelter allowance concept. I have addressed the question in other areas, as has the Hon. Member, in looking at social benefits available to Canadians. I agree that shelter allowance should be considered one of those social benefits. Hopefully we will be discussing the issue further in the next two months during the consultation process.

RENT CONTROLS

Mr. Dan Heap (Spadina): Mr. Speaker, has the Minister consulted with his counterparts in the provincial Governments on the proposal by the Canadian Homebuilders' Association that rent controls should be removed in three years?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member is aware, it is the autonomous provincial Governments which impose rent controls. I draw to his attention that rent controls have been removed in some provinces, but they continue in some eight jurisdictions. I suggest to the Hon. Member that such controls would be the prerogative of the provincial Governments, and that any impact they may have on the provision of housing to Canadians would have to be taken into consideration when the federal Government consults with its provincial colleagues.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR DECISION CONCERNING NEGOTIATIONS IN WASHINGTON

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Chrétien: I should like to direct a question to the Secretary of State for External Affairs. Given that major long term commitments are currently being discussed in Washington which could infringe upon our territorial sovereignty and, moreover, which could eventually demonstrate that Canada can no longer set its own policy in the area of foreign affairs, is it true that External Affairs officials are altogether excluded from the current negotiations being held in Washington, and that only National Defence officials are involved in these negotiations?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the negotiations referred to by members of the Official Opposition have not been participated in by officials of the Departments of External Affairs or National Defence because those negotiations do not exist. They are entirely a figment of the imagination of Craig Oliver and the members of the Opposition.

Mr. Deans: You mean of the other members of the Opposition.

Mr. Clark (Yellowhead): Excuse me, I do not want to associate the New Democratic Party with trouble they have not got into themselves.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): In so far as the negotiations to renew the radar warning systems in the North are concerned, as the Hon. Member should know, those have been in progress since the mid-1970s, and representatives of both Departments have been involved in those negotiations, including the time when the Hon. Member was Minister.

[*Translation*]

REQUEST FOR DECISION CONCERNING NORAD

Hon. Jean Chrétien (Saint-Maurice): I have a supplementary question, Mr. Speaker.

I should like to ask the Minister whether he can assure the House that no change will be made either to NORAD or NATO with the U.S. government, for there are apparently discussions being held at the present time to amend NORAD, as the previous questions have indicated, whereby the U.S. government could take a new initiative and present us, within a very short time, with a fait accompli which would deprive the Canadian people of their sovereignty in the North?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are no such negotiations. Those which are now being held had started under the previous government. The difference is that there is now a possibility to bring the negotiations to a conclusion with a view to protect the Canadian sovereignty.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY GENERAL OF THE INTER-PARLIAMENTARY UNION

Mr. Speaker: May I interrupt the proceedings to advise Members of the presence in our gallery today of Mr. Pio-Carlo Terenzio, Secretary General of the Inter-Parliamentary Union.

Some Hon. Members: Hear, hear!

* * *

NORTH AMERICAN AIR DEFENCE

UNITED STATES PLANS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I, too, would like to address my questions to the Minister of National Defence and follow up on the somewhat curious logic of his argument when he says we are only negotiating a warning system, as confirmed by the Secretary of State for External Affairs. The logic there is that once the warning system is in place and we see an incoming Cruise missile or bomber, we will wave at it as it goes by, because they are not talking about the other component, which is how to respond.

Obviously the Americans are planning a new North American defence system and we want to know what the Government is doing to respond to that major change in U.S. strategy relating to North America? According to their official spokesman, they are planning a new defence program in the northern part of North America, including Canada. What in God's name are you doing about it? Are you thinking about it? Are you discussing it with them, or are you going to do something about it so that Canadians will know what the implications are?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, what my hon. friend is suggesting is that his Party, and the Government with which he was associated, allowed Canada to be placed in a situation where we did not even have a warning system to tell us if weapons were going to be coming into Canada from the U.S.S.R. At least we are going to put North America in a position where we will have a warning system to know that those weapons are coming in, if that should happen. The guarantee for Canadians is that if we have the warning system there is less likelihood that any weapons will be sent into our air space.

Mr. Axworthy: Mr. Speaker, the Minister of Defence said it all. He just does not know what is going on.

WARNING SYSTEM AGREEMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I think it is very important that we get a commitment from the Government that the Prime Minister will not be signing any agreement with the President on a new warning system until the implications are clearly spelled out for our country in terms of major new expenditures on some form of defence program in North America. As well, we would need to know what the commitment would be regarding the placement of interceptor aircraft, or ground to air missiles, or any form of surveillance. We would also like a commitment that the Minister of Defence try to find out what is going on in North America so that we can properly defend ourselves.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, certainly when they were in the Government there was no way we could properly defend ourselves. The one thing they did do was to enter into an agreement to buy CF-18 aircraft. But what is the value of having CF-18 aircraft if we do not have a warning system which tells us when things are moving into our air space?

INDIAN AFFAIRS

TITLE TO MEARES ISLAND, B.C.

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs who, I know, is aware of the dangerous and growing conflict on Meares Island in British Columbia. Would the Minister take this opportunity to assure the Clayoquot and Ahousaht bands that they, in fact, hold title on Meares Island and he will immediately initiate negotiations with the Government of B.C. to resolve this conflict?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is, I am sure, aware, the federal Government has accepted the land claim for negotiation. That is a fact. The Government of British Columbia and the two Indian bands concerned are aware of that, and I do not have to assert that. Let me also say that I am very aware of the difficulty on Meares Island and the possible explosiveness of the situation. I want to assure him that I will take whatever steps I can to be of assistance.

APPOINTMENT OF NEGOTIATOR

Mr. Jim Fulton (Skeena): Mr. Speaker, Louis Riel was hanged 100 years ago for standing up for the rights of Indian people, particularly in relation to land title. Will the Minister take this opportunity to assure the Nuu-chah-nulth tribal Council that he will immediately appoint a negotiator so that there is at least a process in place to resolve this conflict which may bring about bloodshed and the return of a Duck Lake tragedy?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): As I indicated to the Hon. Member on a previous occasion, Mr. Speaker, since the matter has been accepted for negotiation the bands know where the federal Government stands on the matter. We will be proceeding to negotiation through a negotiator, at the appropriate time, in the normal way.

With respect to the problem on Meares Island, that is a matter which has to be dealt with, not only by the courts but, as I indicated to the Hon. Member, I am going to try to be of assistance in an informal way over the weekend.

* * *

● (1440)

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

AUXILIARY AGREEMENT WITH QUEBEC REGARDING MINES—DATE OF SIGNING

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I should like to direct a question to the Hon. Minister of Regional Industrial Expansion.

As a result of the framework agreement concluded last December with the Quebec government in the area of regional economic development, the Minister signed with that government subsidiary agreements in the area of tourism on January 16 and industrial development on January 23.

My riding of Témiscamingue being an area where mining plays a major role in our economy, could the Minister indicate when he expects to sign a subsidiary agreement with Quebec in the area of mining?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to tell the Hon. Member for Témiscamingue that I understand that my colleague, the Minister of State for Mines, has been having discussions with the appropriate people in Quebec with a view to signing such a mining agreement. We have already signed an industrial development agreement and a tourism sub-agreement with the Province of Quebec. This Friday we will be signing a communications agreement. I trust that in due course we will be signing the mining agreement to which the Member has referred.

* * *

UNEMPLOYMENT INSURANCE

MATERNITY BENEFITS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Finance. The Government has launched another attack on the family through its proposals on family allowance and the child tax exemption. The Minister is now suggesting that maternity benefits be removed from the unemployment insurance program. Does the Minister think it is fair to women, who have paid in for these benefits, for him even to think of tampering with this earned benefit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear again to the Hon. Member that there is no intention of removing that benefit. We are talking about how that benefit should be financed. As she knows, the benefit is now financed through the unemployment insurance scheme. We are suggesting that we should consider whether that financing should be done through the general tax system in order to allow for a lower payroll tax on small businesses to allow them to create more jobs.

[*Translation*]

MATERNITY LEAVE

Mrs. Sheila Finestone (Mount Royal): I have a supplementary question, Mr. Speaker.

Again, financial security is of paramount importance for Canadians who want to raise a family. How can the minister justify modifying the unemployment insurance program by abolishing maternity benefits without any consultation? Why

has he not tabled a White Paper on the issue instead of spreading fear among women? Is that equality, Mr. Minister?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it perfectly clear that what I have suggested is something which was put forward in the agenda paper last November. There has been lots of opportunity for people to discuss this. There will be opportunity in the future as we proceed with the consultations.

* * *

THE CONSTITUTION

ABORIGINAL RIGHTS—GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Justice. Last year the former Prime Minister, Mr. Trudeau, was justifiably criticized for not releasing his position on aboriginal rights in the Constitution until one day prior to the actual commencement of that conference. Can the Minister of Justice tell us when the new Conservative Government will make public its position on aboriginal rights in the Constitution?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman could not have been noticing that before Christmas we had a conference of Ministers of Justice. My colleague, the Minister of Indian Affairs and Northern Development, was at the conference with the provinces and representatives of the aboriginal peoples. I think we made our position on the issues pretty clear to them. They were satisfied with the progress that was made.

When the constitutional conference takes place on April 2 and 3 the Prime Minister will have a well articulated well thought out position which we think will please the aboriginal peoples, Members of the House, and the people of Canada. There is much work being done. Just because we are not out in public every day discussing it or yelling about it, does not mean it is not being done. In addition—I don't want to be long. Mr. Speaker. In addition—

Mr. Speaker: Good. The Hon. Member for Churchill on a supplementary question.

Mr. Murphy: Mr. Speaker, I am not worried about the length of the answer. I am worried about the fact that he will not give us that information before the conference.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Rod Murphy (Churchill): Can the Minister assure us that we are not going to have a repeat of last year's conference when the provincial Governments could quite rightfully say that they did not have the information early enough? Is the information going to be made public well in advance of the commencement of the conference?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad to be able to reassure the hon. gentleman on that point. Last year the then Government tried a game of one-upmanship and was not telling anyone what it was doing. Neither the provinces nor the aboriginal peoples knew what it would place on the table at any moment. We have committed ourselves to keep the provinces and the aboriginal peoples well informed ahead of time of what our proposals will be. They have promised to do the same with us. They are well satisfied with the way they are now being treated. There is no complaint that I am aware of, except in the enfeebled mind of the hon. gentleman.

* * *

MARINE TRANSPORTATION

PRINCE EDWARD ISLAND FERRY SERVICE

Mr. Pat Binns (Cardigan): Mr. Speaker, my question is for the Minister of Transport. Prince Edward Island is dependent on ferry service in order to move people, goods, and services. The Island and Nova Scotia are served well by Northumberland Ferries Ltd., although growing concern exists due to long waits, current hours of service, and high rates. Will the Minister assure the House that his Department will negotiate with the provincial Government and Northumberland Ferries in order to provide adequate numbers of crossings, reasonable rates, and a replacement program for existing vessels?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the matter of adequate ferry service is described by the Hon. Member. The acquisition of new vessels is the subject of a study that has been commissioned by Transport Canada. The study will undertake to look at the various options and the vessel and service requirements that would be necessary to meet needs until the year 2000. I am expecting the report of those recommendations sometime in February. I certainly invite the Hon. Member to provide me with his advice and suggestions on how we might better improve the service.

* * *

[*Translation*]

ADVISORY COUNCIL ON THE STATUS OF WOMEN

APPOINTMENT OF PRESIDENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a question for the Secretary of State for Canada, who is responsible for the Status of Women. Since July last, the Advisory Council on the Status of Women has been without a President. It is run by a Vice-President who sits in Ottawa only part-time and whose term expires March 1st, 1985. Can the Minister tell the House when his Government intends to appoint a President to that agency, which has now been leaderless for the past six months?

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, I would like to assure my colleague, the former chairman, that the matter is within a matter of weeks of being resolved. Before too long the Government will make public the appointment of a chairman, as well as additional appointments for the vacancies which have occurred. As I indicated in the House previously, we have been reviewing the operation and seeking provincial and other input and observations on how the Advisory Council on the Status of Women can be the most effective instrument representing the concerns of women across the country.

[*Translation*]

PRESENT PRESIDING HEAD OF COUNCIL

Mrs. Lucie Pépin (Outremont): I have a supplementary, Mr. Speaker.

Since the vice-president is living in Vancouver, since the director of research is on maternity leave, and since the executive director has left the Council last December, could the Hon. Minister tell us who is making routine decisions involving the staff? Who runs the Council? Is it the Hon. Minister?

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, I would like to assure the honourable former chair-person of the Council that, as she knows, the acting president, the former vice-president, has had full authority during this interim period. I have been in regular consultation with her. We have had an acting executive director within the Council. There is no question of either Government interference or lack of direction within the Council.

Some Hon. Members: Hear, hear!

* * *

TRADE

POLICY DISCUSSIONS—CANADIAN CONTENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister for International Trade. Why is it, in the ongoing discussions of trade policy, that the Government has rejected the option of Canadian content requirements which, if properly negotiated, would require the creation of employment and the development of new technology in Canada, and the reinvestment in Canada of profits generated in Canada for the benefit of Canada?

• (1450)

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that to my knowledge Canada has not, at this point, rejected any options with respect to our trade, either import or export. As he well knows, what we are presently doing in the discussion paper is examining all options and asking for all points of view. Following that, we will consider whether or not that suggestion would be viable for our trade.

GOVERNMENT DISCUSSION PAPER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, recognizing that other countries in the world have in fact adopted such programs, Japan being the best example, why did the Government not include such an option in its option paper? Why was it specifically excluded from the discussion paper tabled by the Minister two days ago?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would remind the Hon. Member that in the discussion paper itself we said that the paper was not inclusive or exclusive, that all options were open, and because that one was not specifically included does not mean that it was excluded.

* * *

UNEMPLOYMENT INSURANCE

MATERNITY LEAVE BENEFITS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Canada's five million working women are alarmed by the Finance Minister's proposal that paid maternity leave be removed from the Unemployment Insurance Program. Will the Minister say exactly how he propose to do this? Will expectant mothers have to apply for provincial welfare, even if they are working? What happens to the contributions they have made to the Unemployment Insurance Program?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is absolutely no reason for Canada's five million working women to be alarmed, as the Hon. Member would suggest. All that we are talking about here is the possibility of some shifting in the financing.

I would caution her, before she embarks too strenuously on the politics of fear that she is working on—

Mr. Axworthy: Here we go again. You are the one who said it.

Mr. Wilson (Etobicoke Centre): Let me say that, by removing this obstacle that will inhibit small business from creating more jobs, we will be able to create jobs for many, many more working women.

Miss Nicholson (Trinity): I regret that the Minister dismisses this matter because there is a very important symbolic question about how maternity benefits are to be paid.

Oral Questions

WORKPLACE EQUALITY

Miss Aideen Nicholson (Trinity): Mr. Speaker, I ask the Minister to try to understand, if he does not understand already, the implications of making the statement and not developing it. There are serious implications about equality in the workplace, and I trust that he will address himself to them.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know if there was a question in that last statement by the Member. I can only refer to what I said in my first response, that there is no reason for there to be any concern on the part of working women.

* * *

TOURISM

FEDERAL-ONTARIO AGREEMENT

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of State for Tourism. I am sorry that the Attorney General of the Province of Ontario, the Hon. Roy McMurtry, is not here to hear this. In a recent visit to my riding he expressed concern over the fanfare which surrounded an agreement signed by the Province and the federal Government to provide $44 million of subsidy for the tourist industry over five years. He referred to that as "peanuts" and a "leaky roof" approach. Does the five-year agreement signed between the federal Government and the provinces represent the sum total of the Government's commitment to tourism?

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I am surprised to hear the Hon. Member refer to the amount of the agreement as peanuts because it was, in fact, a $44 million agreement. It was the most generous of all the agreements signed with any of the provinces, save one. On a per capita basis I think it was, by any standard, a lot of largess from the federal treasury.

Indeed, in the 16 or 17 weeks during which I have been Minister of Tourism, I have signed more agreements with more provinces, worth more money, than the previous Government did in the entire term it was in office.

Some Hon. Members: Hear, hear!

[*Translation*]

POSITION OF GOVERNMENT

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have a supplementary. I am sorry I stunned the Hon. Minister, but the word I used was borrowed from one of his provincial colleagues in the Conservative Party.

In view of the importance of tourism and of the hospitality industry for our overall economy, why would the Government not put forward a discussion paper on tourist policy?

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, the truth is that a paper will be released, I hope in a few weeks. It will be a consultative document and a tool for collaboration with the provinces, the industry, and other parts of the federal Government. I think that even the Hon. Member will be pleased with the contents of that paper. It does not reflect consultation so much as it initiates a long process of consultation which we expect to embark upon by mid February, and which will lead to a major national conference involving the provinces, labour, business, and the industry, sometime next fall.

* * *

HOUSING

GOVERNMENT CONSULTATION PAPER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister responsible for housing. We have heard the kind of "Trust me, dear," attitude that comes from the Minister of Finance. I hope we don't get the same kind of response from the Minister responsible for housing.

The Minister will be aware of the document that he released yesterday which outlined a half million Canadians in housing difficulties. He is suggesting a funding cut-back instead of legislation to meet this pressing need. Can the Minister tell us what specific action he is prepared to take to address the half million Canadians who are desperately in need of housing but are not being addressed in this particular consultation document?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would tremble in fear at the words that the Hon. Member suggested I might use in replying to her question. Her point is well taken. It is not the intention, through the consultation papers or the discussions I will be having with those in the non governmental areas, to seek ways of reducing the present cost. It is intended to seek ways of delivering housing more effectively to Canadians, and particularly to those Canadians who are most in need.

Ms. Copps: I must say that the Government's musings on housing policy are as frightening as your musings on pregnancy leave.

RENT CONTROLS—PROVINCIAL JURISDICTION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the report suggests that rent controls are to be blamed for rental market problems across Canada.

Some Hon. Members: Oh, oh!

An Hon. Member: Wherever you got her, send her back.

Ms. Copps: I realize that the tone may be high, but the intent is very sincere.

Does the Minister believe the statement in his own document that "If the problems arise from matters under provincial jurisdiction such as rent controls, then the appropriateness of federal assistance must be questioned"? This is a clear threat to the eight provincial Governments across the country that have rent control. Does the Minister believe that this kind of threat will assist the housing market across Canada, especially those half million Canadians, primarily women, who are living in rental accommodation and who need assistance from the Government?

• (1500)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, if you will allow me the time, I will be pleased to answer the several questions the Hon. Member put forth. If I could direct her mind to the exact quote contained in the document, it is in the form of an observation; it is certainly not in the form of a threat.

In reply to the Hon. Member for Spadina, I suggested that part of the consultation process would involve discussion with those eight out of the twelve jurisdictions in Canada that have rent controls to see if there is a way of providing housing without having what is considered by some people to be a disincentive. Also in the same vein, I would advise the Hon. Member that such measures are within the prerogative of the provinces, not of the federal Government.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, January 30, 1985, meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, could we allow the House to revert to Question Period, at least to the extent that I can ask the Government House Leader what he proposes for the business of the House for the coming week?

Mr. Speaker: I take the point seriously. I take it the Hon. Member is rising on the business question at this point?

Mr. Gray (Windsor West): Yes, Mr. Speaker.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I would like to report to the House Leader for the Official Opposition, and to Members of the House generally, that the business for tomorrow will be Bill C-20, which we are considering today, if we have not concluded our deliberations today. That will be followed by Bill C-23, a Bill relating to the Small Businesses Loans Act amendments. If both of these Bills are passed at second reading, the back-up Bill will be Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto.

On Monday, the first order of business—

Mr. Speaker: I do not mean to interrupt the Hon. Member, but I am sure there are Members in the House who are really trying to follow this answer. I suspect other Members of the House might allow us to do that, please.

Mr. Hnatyshyn: Mr. Speaker, I think the whole nation is listening in rapt attention to what I have to say concerning my answer to the Hon. Opposition House Leader.

In any event, if debate on Bill C-26 is completed I propose to call—

Mr. Deans: Sorry, I did not hear that.

Mr. Hnatyshyn: —the Bill relating to an Act to amend the Old Age Security Act, the far-sighted and wonderful legislation we are bringing forward to help the seniors of this country which will be well known to the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: You don't have to be snarky. I did not hear you say it.

Mr. Hnatyshyn: Then listen. Put your ear plug in.

Mr. Deans: The microphone was turned off.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: After this Bill I propose to call—

Mr. Beatty: Ian, stick it in your ear!

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —the Bill amending certain Acts having regard to the Canadian Charter of Rights and Freedoms which the Minister of Justice (Mr. Crosbie) proposes to introduce later this day.

Tuesday will be the third allotted day in the current period of supply. On Wednesday and Thursday the order of business will be the same as I have just announced for Monday.

We will monitor, of course, the progress that has been made with respect to this legislation. If circumstances change, there may be changes in the order of business and I will try to reserve the right to stand at some future time to change that. I hope we will make progress and be able to carry on with the legislative package that I have proposed for next week.

Mr. Deans: Mr. Speaker, I just want to suggest to the Government House Leader, lest others should misinterpret our exchange which was more acrimonious than usual, that the reason I asked the question is that his microphone had been turned off when you rose, Sir. Though I did have my ear-piece

in place and though I was listening attentively, I did not happen to pick up his reference to Bill C-26.

Mr. Gauthier: Speak to the nation.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Since God gave us all the same number of hormones and the Hon. Member decided to blow his on facial hair, obviously it has affected his hearing.

Some Hon. Members: Oh, oh!

Mr. Speaker: Does the Government House Leader want to try his other foot?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour today to present the second report of the Standing Committee on Fisheries and Forestry in both official languages, and hairless.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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

* * *

[*Translation*]

DEPARTMENT OF COMMUNICATIONS

TABLING OF ANNUAL REPORT, 1983-84

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Standing Order 46(2), I would like to table in both official languages copies of the Annual Report of the Department of Communications for 1983-84. This report must be referred to the Standing Committee on Communications and Culture, pursuant to Standing Order 46(4).

[*English*]

EQUALITY RIGHTS

TABLING OF DISCUSSION PAPER

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 46(2), I take pleasure in tabling in both official languages a discussion paper entitled *Equality Issues in Federal Law*, which I hope the House will decide later to send to a special committee so that representations can be accepted from the public and recommendations made.

* * *

PETITIONS

LOCATION OF POST OFFICE

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I, too, have used all my hormones on facial hair and I, too, take exception to the statement of the Hon. House Leader. Next, someone will be picking on our glasses, Sir!

Some Hon. Members: Oh, oh!

Mr. Schellenberg: Moving on to business, I have the honour of presenting to the House a petition from 499 residents from the Town of Parksville, B.C., concerning the location of a new post office in that town.

INCREASES IN NATIONAL PARK FEES

Mr. George Henderson (Egmont): Mr. Speaker, I have the honour to present to the House a petition on behalf of the Prince Edward Island Crafts Council and citizens concerned over the increases to National Park fees announced in the Finance Minister's (Mr. Wilson) statement. Craftspeople on Prince Edward Island are concerned that increases to National Park user fees will discourage tourists from visiting Prince Edward Island, so endangering their livelihood.

* * *

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN SECOND REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I move:

That the second report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Tuesday, January 29, 1985, be concurred in.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 59 and 158.

[*Text*]

MEDICAL RESEARCH COUNCIL

Question No. 59—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Medical Research Council and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Jake Epp (Minister of National Health and Welfare): The Medical Research Council is a federal agency consisting of a President and not more than 21 other members all appointed by Governor in Council. The Executive Committee consists of the President and seven other members of the Council.

(a) and (b)

Dr. Pierre Bois, President*
Dr. H. B. Dinsdale, Vice President*
Dr. J. H. Dirks*
Dr. G. J. Mogenson*
Dr. M. W. Spence*
Dr. R. L. Cruess*
Dr. D. Gagnon*
Dr. S. Carrière*
Dr. N. Bégin-Heick
Dr. H. G. Friesen
Dr. C. Kay
Dr. B. Schnell

Order Paper Questions

Dr. J. G. Levy
Hon. Mr. Justice D. Marshall
Dr. K. Dorrington
Professor M. Gent
Dr. K. Lederis

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* Executive Committee Members

With the exception of the President, all other members of the Council and Executive Committee serve without remuneration but are entitled to receive reasonable travelling and other expenses incurred while absent from their residence in the course of their duties.

The President, Dr. Pierre Bois, is remunerated at the DM-1 level ($79,120 to $93,040). His salary is paid by the University of Montreal and reimbursement is made to the University for salary and benefits paid in accordance with a contract between the Medical Research Council and the University of Montreal.

MEDICAL RESEARCH COUNCIL PROJECTS

Question No. 158—**Mr. Orlikow:**

Has the Medical Research Council cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. Jake Epp (Minister of National Health and Welfare): In so far as the Medical Research Council is concerned: No.

[*English*]

Mr. Dick: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. Question No. 88 is a very simple one. It concerns proposed regulations for camping permits on Parliament Hill. It could be answered by the Government by a simple yes or no. When can we expect an answer? The question has been on the Order Paper since November 15.

Mr. Dick: Mr. Speaker, soon.

Mr. Dingwall: Mr. Speaker, I agree with the Hon. Member for Mississauga South that question No. 88 could be answered very easily with a yes or no. I hope the Parliamentary Secretary will take that into consideration and give us an answer forthwith.

Mr. Speaker: I am sure the Hon. Parliamentary Secretary will take note that there is a non-partisan agreement on getting an answer to that question.

The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Masse that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Jim Edwards (Edmonton South): Mr. Speaker, before one o'clock I was addressing the objectives of Bill C-20 which relate to offering a power of policy direction over the CRTC in broadcasting and in telecommunications matters, to be exercised by Governor in Council, as well as a power to allow Cabinet explicitly to order the CRTC to deregulate telecommunications services that can be provided on a competitive basis.

This power of policy direction in Section 14.1 was recommended by the Lambert Royal Commission as well as by the Special Parliamentary Committee on Regulatory Reform. As part of the March, 1983 broadcasting strategy, the previous Government announced that it would introduce the power in legislation. The power in necessary if the Government is to ensure that its policies are carried out by the CRTC in the areas of telecommunications and broadcasting. Without this power, the Government cannot control the direction of policy development, placing it in an essentially reactive position *vis-à-vis* the Commission. Interested parties, including the provinces, are generally supportive of the power of policy direction. It allows parties to lobby the Government to establish certain policies as part of the regulatory framework.

I draw to the attention of the House a recent example of the CRTC reacting to public opinion. In fact, it was its first reaction to public opinion in many years. It is noteworthy that that reaction took place in the shadow of this pending Bill. The example relates to the refusal of the CRTC to renew the licence provisions of cable operators *vis-à-vis* the carriage of a certain FM station, KMBI-FM from Spokane, on cable systems in Calgary and Edmonton, Alberta. Apparently this station was offensive in some way to the CRTC because it purported to carry a Christian message. There was such a flood of public opinion against the heavy-handedness of the CRTC that in fact a reversal of the decision took place and happily the station was restored to those particular cable systems.

The power of policy direction is also a necessary instrument to implement federal-provincial agreements on policy matters. The second power, which is referred to as the power to deregulate, is complementary to the power of direction. Generally speaking, this power is intended to increase competition and decrease regulation in telecommunications services. This power is necessary because under present law the CRTC has no option but to regulate the activities of companies which fall within the Railway Act definition of a telephone company, even though the companies are planning to offer telecommunications services on a competitive basis, thereby removing any need for CRTC regulation of rates.

The second power would allow the Government to order the CRTC to deregulate telecommunications services which the Government felt should not be regulated because they are offered on a competitive basis. For example, the previous Government announced that it intended to license cellular mobile telephone services under the Radio Act on a competitive basis with two companies competing in each market. However, the Commission felt itself legally bound to regulate the companies, albeit in a relatively light fashion. The power to deregulate would allow the Government to order the CRTC to deregulate these services altogether.

As an alternative to the power to forbear, the CRTC argues that questions of deregulation should be decided by the Commission in the first instance using a new power under the Railway Act. If the Government was not satisfied with the CRTC's decision, it could either vary the decision under Section 64 of the National Transportation Act or repeal the decision, issue a policy direction and require the Commission to hold a second hearing. This approach involves considerable delays. Moreover, it undermines the principle that the Government should be responsible for establishing basic aspects of telecommunications policy.

In summary, it is clear that Clause 1 provides some vitally needed direction for the whole broadcasting industry which has many cultural and technological ramifications today.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, I should like to ask the Hon. Member for Edmonton South (Mr. Edwards) a question relating to his comments about the cellular mobile telephone decision. I do not question the idea that the Minister and therefore the Government should lay down policy. However, would the Hon. Member agree that there was one advantage to the system under which the CRTC dealt with the question, that CRTC procedures required and made possible open hearings at which interested parties could ask questions, obtain information and challenge recommendations?

Mr. Edwards: Mr. Speaker, I appreciate the Hon. Member's question. In fact, he can be reassured that where matters of contentious public policy are involved, the hearing process will undoubtedly continue.

Mr. Orlikow: I hope the Hon. Member is right, that hearings will be held. If the Minister and his Department can lay down policy, it could very well be that the decision would be made only after discussions within the very narrow circle of the Department, the Minister and his senior officials.

I should like to return to some of the comments of the Hon. Member before the luncheon break. He talked about the vitality and success of private radio and television stations. A

good part of the success of television stations and the new pay television systems is due to the commitments they made when they applied for licences. They made commitments to have Canadian content, to produce Canadian plays and to broadcast music, ballet and such. Most of those promises were ignored and forgotten. Except for the CBC, we virtually have no Canadian production with the use of Canadian writers, artists, actors, musicians, dancers and so on. Would the Hon. Member agree with those comments?

Mr. Edwards: I believe the Hon. Member has a little research to do. I would be pleased to assist him in that regard. I do not have all the facts and figures at my command today.

However, I stress that the figures I cited related to the significance of the private industry, both transmitting undertakings and broadcast receiving undertakings. I would challenge the Hon. Member's contention, though, that private broadcasters have not lived up to their promises of performance. In fact, to my knowledge there is not one private broadcaster in this country nor one private broadcasting network which has not lived up to its promise of performance and its commitments made during the licensing process.

• (1520)

Mr. Orlikow: Mr. Speaker, as the Hon. Member knows, when the CRTC was considering its policy with regard to pay-TV, there were a large number of applications. The CRTC agreed to a number of regional systems. They all made commitments that they would produce and show Canadian programs. The assumption of the CRTC that a number of regional systems could operate viably financially has proven wrong. As the Hon. Member said earlier, in English Canada today we really only have one system. Is the Hon. Member aware that that system is doing very little in the way of producing Canadian programming?

Mr. Edwards: Mr. Speaker, I am delighted that the Hon. Member has narrowed the focus of his question to the matter of pay-TV. In that regard, he is quite correct, with reference to the CRTC having somehow been misled, in believing that the number of pay-TV licences granted could survive in this country. In that they were sadly mistaken. I believe that is one good reason why we should have the powers under Clause 1 to give some economic direction to the commission since they do not seem to have any economic sense. I would stress that because of those accidents of licensing and also because of the economic recession, the commission in the relicensing and the adjustment of licensing of pay-TV services has given considerable concessions. I concede that to the Hon. Member with regard to the present and remaining licensees.

Mr. Orlikow: Mr. Speaker, I invite the Hon. Member to look at the records of some 20 or more years ago, not the applications of the pay-TV system but of the commercial TV stations and networks. He will see the promises they made when making applications, that there would be a great deal of Canadian programming, music, dance and variety. Compare those promises with the realities. I recognize the difficulties. I recognize that the revenue to do those kinds of things is not there because the advertising dollars are not there. That is the only way they operate. I urge the Member to look at that so that he will realize that what we have said is actually fact.

Mr. Edwards: Mr. Speaker, I am just delighted to be taken back 20 years. I remember the regime of the Board of Broadcast Governors which, to be kind, was a gentle regime. More recently we have had the CRTC, which has some teeth. Further to that we have had a rebirth in a sense of Canadian identity which was not the product of regulation but rather was a spontaneous outpouring dating back to 1967, the year of our glorious Centenary. I should point out the great contributions made to this country by the Canadian broadcasting system. The private sector since that time, at no cost to the Canadian taxpayer, has contributed to the building of the finest broadcasting system in the world.

The Acting Speaker (Mr. Paproski): Order, please. Is there unanimous consent to revert to the Tabling of Documents so that the Minister of Finance (Mr. Wilson) might table a document?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

TAXATION

TABLING OF DISCUSSION PAPER

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thank my colleagues for giving unanimous consent to revert to Tabling of Documents. Pursuant to Standing Order 46(2), I would like to table a discussion paper on tax issues and agricultural matters.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed consideration of the motion that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, Bill C-20 to amend legislation governing the CRTC, broadcasting and radio was introduced on December 20, 1984, and it is the outcome of the major reform announced nearly a year ago by Communications Minister Francis Fox.

Two major aspects of this Bill must be mentioned. First, the power of the Governor in Council to issue executory directions to the CRTC on any matter within its jurisdiction. Second, it explains clearly the Canadian Government commitment towards the principle whereby all Canadian men and women are entitled to programs which fully respect the dignity and equality of all individuals. That is in keeping with Section 15 of the Canadian Charter of Rights and Freedoms.

That last statement deserves every consideration, but it is so closely linked with the new powers given to the Minister that we will have to remain ever vigilant, and we must warn against any attempt at such manipulation as might detract from the primary objective and lead to failure to give priority to important issues related to human respect and dignity. The best way to explain this is to refer to my previous experience as president of the Advisory Council on the Status of Women.

The issues of dignity, respect and equality which we were talking about concern women particularly, and they are too often related to the problem of violence.

During my term with the Council, that outlook did mobilize our efforts over a number of years. Since 1975, the Council has voiced specific recommendations for major reforms to our statutes and to the administration of justice. Our assumption had been that our statutes should be one of the mirrors of our society. But it has been our experience that such a mirror too often has distorted to a very high degree the actual facts, and it had become urgent to change the glass.

The Council was therefore pleased to see the new direction taken by legislators in amending that part of the Criminal Code which deals with sexual offences, first by deleting and second by reviewing obsolete offences, and stressing the values and mentalities that more truly reflect present day perception of sexual offences.

I would ask you to become aware of and to be heedful of violence against women, and also of violence in general, especially violence against children. Acts of violence against children also point out a frightening reality. All this leads us to ponder over the roots of that evil.

In that respect, the broadcasting of any violence, by whatever means but especially by means of television, which comes under the jurisdiction of the CRTC, disseminates and legitimizes in some way those forms of violence, and their repetition generates senseless and brutish acts of pointless violence.

It is essential that this House should pay attention to and monitor that area, and hopefully the new power given to the Minister in this area will be used with judgment, responsibility and respect for the individuals and groups concerned with those parameters, and not used to other less honourable purposes, but true to our expectancies. These new provisions and attitudes have become absolutely essential because of the growing pattern of violence. It is also because of women's new open approach to their sexuality that the absolute need for such amendments has been identified. That approach is in turn conditioned by the over-all feminist process. Women's reaction in the face of the kind of violence they are too often still subjected to is not a phenomenon separate from the over-all status of women.

In that context, the Criminal Code's new philosophy with respect to sexual offences answered the legitimate expectations that were based on the concept of violence and put the emphasis on the effects rather than on the nature of the act.

Notwithstanding the principles of equality and respect, the mere fact that in our society thousands upon thousands of women are abused justifies such an intrusion into the privacy of families by means of a better monitoring of the media, those privileged intruders into the life of the private individual and family. Their exemption was no longer justified. In that respect, the Minister is to be commended for recognizing the importance of such reform undertaken by the Liberal Government under the leadership of the then Minister of Communications, Mr. Francis Fox.

A word of caution is needed however. That lofty intention which fulfills specific needs in certain areas as I illustrated earlier, should not open the door to high-handed attempts at promoting specific values that would prejudice the effects of a positive representation of women and other groups. This without infringing upon the freedom of expression provided for in the Broadcasting Act, but always keeping in mind the provisions of the Canadian Charter of Rights and Freedoms, especially as far as Section 15 is concerned.

Furthermore, the new powers given to the Minister must be implemented with a true political will to safeguard dignity and justice, and not remain pious wishes without direct effective action.

This Government, Mr. Speaker, too often has delighted in utopic promises, aimed only at appeasing certain interests, but where safeguards and action are still forthcoming.

My party, Mr. Speaker, is very much concerned with this reform. We intend to give it constant attention during consideration in committee.

This Government must show its political will but within the spirit of the legislation, which is to prevent and not to serve as a springboard for directed action that would bypass the actual problems with which we are confronted, and important features of which have been described in my speech.

• (1530)

[*English*]

The Acting Speaker (Mr. Paproski): In view of the fact that there are no questions or comments, I will recognize the Hon. Member for Winnipeg North (Mr. Orlikow) on debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Bill C-20 is a modified version of a Bill which was introduced in the last Parliament by the then Minister of Communications. The major difference is that the part of that Bill which dealt with the reorganization of Bell Canada has been separated and the House will deal with that part when Bill C-19 is debated.

Bill C-20 deals with the power of the Minister of Communications (Mr. Masse) to give broad policy directions to the CRTC on matters of important public concern. This Bill also gives the Governor in Council the power to exclude a service or activity from regulation by the CRTC. We support the idea that the Minister should have the power to lay down broad principles. However, we are somewhat concerned about the greater power which the Minister wants. The Minister of Communications has long been able to pass the buck on contentious issues by arguing that they were being considered by the CRTC. At the same time, the Minister has said that he will bring forward a policy on the broad question of telecommunications. We agree that the Minister and the Government should have the power to lay down broad policy guidelines. But, because the Minister has not yet enunciated his policy on telecommunications, and because the CRTC—as it is legally entitled—is still dealing with the question, we have the very strange situation in which the CRTC is now looking into the question of the deregulation of the telephone system. The CRTC is now considering the application of the CNCP Telecommunications system to enter the long-distance telephone service.

It has been argued by Bell Canada—a company for which I have no great love—by consumer organizations, and by the telephone companies of Alberta, Saskatchewan and Manitoba—all of which are publicly-owned systems—that to permit CNCP Telecommunications to enter the long-distance telephone business in competition with the existing system, would have a tremendously adverse effect on their systems. It would have a disastrous effect on local subscribers. We have a great telephone system in Canada. It has been estimated that 97 per cent of the people in Canada have telephones. The telephones are modern and efficient, and the rates which Canadians pay for the service are relatively low. Certainly they are low in comparison to the rates which are paid in other countries. A large part of the reason for the telephone rates being so low is that the systems have charged rates for long-distance telephoning which have provided substantial profits. Those profits have been used to subsidize the rates which are paid by home owners, farmers and small business people.

The United States deregulated their telephone system some years ago, and there is evidence that deregulation and the permitting of competition for long-distance rates has driven them down, but has meant very substantial increases, sometimes in the neighbourhood of 100 per cent to 200 per cent, for local telephone subscribers. That will happen in Canada if the CNCP application or any other application is permitted. That view has been expressed by telephone systems, provincial Governments and consumers groups.

The Minister has said that he will bring forward a policy paper on telecommunications. If that is not done, before we know it the CRTC may indeed make a very fateful decision and give CNCP the right to compete with the existing telephone systems. The losers will be home owners, farmers and small business people. The winners, the people who will get the benefits of competition, will be the large corporations, which have a tremendous volume of long-distance business. So we say to the Minister that if he wants the power to lay down broad policy guidelines, we will support him, but we want him to exercise that power now not later.

• (1540)

There is a section of the Bill which we oppose, and that is Part I, Section 14.6, which gives the Minister the power to exclude services or activities from regulatory control on the basis of competition that is sufficient to ensure just and reasonable rates. This constitutes a broad and unnecessary expansion of the powers of the Minister to deregulate broadcast or telecommunication activities. I understand that the Ontario Government opposed the deregulation of telephone systems before the Government had established the policy.

Part II of the Bill deals with revisions to the Broadcasting Act. First, it clarifies the definition of a broadcasting undertaking to include any person who distributes or transmits a signal other than a telecommunication common carrier whether or not for remuneration. This clarification arises out of the failure of the federal Government in prosecuting unlicensed broadcasters. In 1978 the Government prosecuted the Holiday Inn in Winnipeg and it lost the case. In Part II, clause 3, a new provision, is added to broadcasting policy to prohibit discrimination on the basis of sex. Other changes are consequential to the changes in Part II and Part III.

My colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), has already indicated the position of our Party with regard to the section dealing with sex. We believe that the addition of this provision is to provide for the promotion of equality and dignity under the Broadcasting Act which arises out of the findings of the special subcommittee on sexually abusive broadcasting. This provision will bring the Act into conformity with the Charter. Therefore, we support the amendment.

We have some concerns, Mr. Speaker, about Part III. We believe it is consistent with Part II which revises the Broadcasting Act and clarifies what constitutes a broadcasting undertaking in the Radio Act. The effect of this, however, will be to require rooftop master antennae on hotels, condominiums and apartment blocks to be considered as TV receiving businesses. Individual households, taverns and small apartment blocks will continue to be exempt. We do not oppose the extension of regulatory control to satellite receiving and

rebroadcasting operations, but we advocate that special consideration be given to small community-based, non-profit satellite rebroadcasting operations by the CRTC. This is a very contentious problem.

I believe Hon. Members on both sides of the House who represent the isolated communities in most of northern Canada know how difficult it has been for those communities to receive adequate television broadcasting. Some of them have been able to get improvement to their service with the extension of the CANCOM system to their areas. But, Mr. Speaker, CANCOM is not everywhere, and in any case in a number of communities small groups acting on their own have already established non-profit systems with the use of a satellite dish. If the Government proceeds under the law as it has been doing—and I understand it will continue to do so—and implements the law in a very narrow and legalistic way, it is going to create real difficulties for many of these small communities.

We understand that a special CRTC task force has been set up to look into these questions and is to report sometime in the next month. We hope that the Minister and the Government will pay careful attention to the recommendations of the task force and, if possible, will integrate into the Bill, while it is in committee, any of the recommendations which might be made by that special task force.

Some Hon. Members who represent areas which are much more involved in these kinds of problems than in my own will undoubtedly expand on these problems. I hope that the Minister and the Government will pay attention to their concerns.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I listened with great care to the wide-ranging remarks made by the Hon. Member for Winnipeg North (Mr. Orlikow). First of all, by way of comment and without pre-empting any remarks I might like to make later in this debate, I would like to point out to the Hon. Member for Winnipeg North that the Minister of Communications (Mr. Masse) and the CRTC were indeed looking at the question of rural and isolated communities and the problems involved there. The Hon. Member will find that outlined in the press release dated December 20, 1984.

I will elaborate at somewhat greater length when it is my turn to speak in this debate on Bill C-20, Mr. Speaker, but I would like to put a question to the Hon. Member. We understand the urgency and need for the Minister to be able to exercise certain powers under Bill C-20 right now, but would the Hon. Member not agree that the very reason this Bill is now before the House is to receive second reading so that we can get it into the Standing Committee on Communications and Culture as quickly as possible in order to receive the widest possible consultation from all Members of Parliament? We can then get it back here for third reading, so that it can become law. Then we will have that power of direction over the CRTC. That is why we want to deal with this Bill as expeditiously as possible.

Mr. Orlikow: Mr. Speaker, nothing that I have said, and nothing said by members of my Party, is intended to hinder the rapid passage of this Bill. Certainly, we agree that the passage of this Bill will clear up the log-jams which seem to happen, and I am now thinking back to what has happened with former Governments. Whenever any public organizations or individuals would raise questions or objections to decisions which were made, they would be told, "We understand what you are asking and the point you are making, but we don't have the authority because the authority is vested with the CRTC".

As an illustration of what I mean, Mr. Speaker, I will come back to what I said a little earlier. The Minister wants the right to lay down policy, and we think he should have that right. At least, that can be discussed and debated. But right now the Minister says he has not the right and he has not even wanted to indicate to the CRTC that it should not reach a decision before he has this right and before he has adopted a policy on the principles of telecommunications. Right now the CRTC is dealing with the application of the CNCP, and it could make a decision to give the CNCP the right to enter into competition with existing telephone systems for long-distance telephone business. Much more important than the fact that I have said it is the fact that the telephone companies, the consumers' association, and a number of provincial Governments have said, "We don't want CNCP to be in the business because that is going to affect our citizens very adversely and it is going to affect the telephone rates very adversely". So what we are saying, Mr. Speaker, is that, yes, we want the Minister to have the authority, and we want the Minister to exercise that authority, but if he does not have the authority, he can certainly suggest to the CRTC that if it really has to have its hearings, it should not make a decision before the Minister has had the authority to lay down a policy.

• (1550)

The Acting Speaker (Mr. Paproski): Are there no further questions or comments? I would like to recognize now the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley).

Mrs. Finestone: Mr. Speaker—

The Acting Speaker (Mr. Paproski): Is the Hon. Member rising on a question?

Mrs. Finestone: I stood up before him.

The Acting Speaker (Mr. Paproski): I wish the Hon. Member were present in the House instead of being behind the curtain. I will recognize the Hon. Member for Mount Royal (Mrs. Finestone) for a question.

Mrs. Finestone: Mr. Speaker, I would like to ask the Hon. Member if, in the delaying of the consultation to accord the children's channel, he perceives a sense of real concern for Canadian content if the supposed need for, let us say, a Disney-world channel from a financial perspective remains the only reality because of the fiscal constraints which would otherwise be found in producing Canadian content TV? How would he react then, with respect to according permission to Disneyland, Disneyworld or whatever, to enabling us to have

Canadian content in our own channels that would be indigenous to the Canadian people?

I would also like to know how the Hon. Member feels about *The Friendly Giant* being cancelled?

Mr. Orlikow: Mr. Speaker, of course I agree with all other Members who have expressed their regret that *The Friendly Giant* program was cancelled.

With respect to the children's pay TV channel, we have had representations, as I am sure the Hon. Member for Mount Royal (Mrs. Finestone) and the Conservative Members have, from a large number of organizations involved in working to improve the lot of children. They are very concerned about the distinct possibility that if permission is given to some private company for children's pay TV, we will get, as we see on other pay TV channels, almost entirely American programming such as Disney or someone else. The only proposal which the CRTC had, which would have guaranteed a substantial Canadian content in its programming, was the proposal made by the National Film Board which proposed to work together with other organizations to set up a non-profit organization. We are happy that, although the CRTC rejected that preliminary application, it has now put back any final decision and is prepared to hold hearings across the country. I hope it will take another serious look at the proposal made by the National Film Board.

Mrs. Finestone: A supplementary?

The Acting Speaker (Mr. Paproski): Yes, I will allow the Hon. Member a very short supplementary because there is only about half a minute left.

Mrs. Finestone: My supplementary deals with the Hon. Member's knowledge of the original proposals put forward by TV Ontario which were extraordinarily creative. Is there a chance that that particular project might come back?

Mr. Orlikow: Mr. Speaker, I am certainly not qualified to answer that question. However, having seen some of the things that TV Ontario does, I would be very happy if organizations like the Film Board and TV Ontario, or any other non-profit organization, would co-operate in setting up a real Canadian pay TV children's channel.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to speak today in favour of Bill C-20, an Act to amend the Canadian Radio-Television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act. There are two significant factors to which I would like to address my comments, the first being the amendment to allow Government direction in matters of policy concerning the CRTC, and the second being the Broadcasting Act as it pertains to abusive programming.

First of all, dealing with Section 14.1, in the minds of many Canadians, and I speak both as a former broadcaster and as one who has an interest in communications, this provision is long overdue. As we watch the work of the CRTC, we must distinguish in a more clear and forthright fashion the difference between the establishment of policy and the parameters of regulation. Historically, the CRTC, through its regulatory powers under the present Act and through convention, has established what amounts to policy. This particular clause empowers the Governor in Council to issue directions to the commission concerning areas of general policy, for example, the matter of telephone deregulation which has been debated by others today. As one who believes that the policy-maker, the Government of Canada, should be the one to establish the general policy regarding telephone competition—and I think I echo the views of many people—I would like to see the matter of telephone competition under the direction of the Governor in Council. This would include the matter of committee study and the process of consultation.

As a Member of Parliament from Saskatchewan I have risen in this Parliament before to voice my concerns about the proposed deregulation as it would affect Saskatchewan. This is why I prefer the process of consultation with the Minister in the political process to determine what exact policy we as the Government should take in this particular area. It has been well documented in a Saskatchewan study, both by the provincial Government, consumers' organizations and many other people, that the impact of opening up long-distance telephone communications in Saskatchewan would be very debilitating. This is particularly true in rural Saskatchewan where the high cost of installing even basic phone service is offset by SaskTel, the government-owned telephone company, which does so by charging the rates it does for long distance. It is in the interests of the people of Saskatchewan, as it is of people everywhere, for all people to be able to afford a telephone service. I have spoken in this House before on this matter and I welcome the opportunity to be part of that consultative process, so that when the Government gives direction to the CRTC it is done with the national interest in mind. It should acknowledge our differences in the many diverse areas of our province.

Concerning the power of direction, I think it should be stated strongly for the record to those who are concerned about the Government getting directly involved in regulation, or perhaps being seen to be too politically involved, that the amendments clearly spell out under Section 14.1(2) that:

> No direction shall be issued . . . in respect of the issuance of a broadcasting licence . . . the amendment or renewal of a licence . . .

The regulatory aspect of broadcast licencing, which should be a matter of the closest regulatory scrutiny, remains under the purview of the CRTC. Further, there is the specific caveat, as we have mentioned, respecting the reference of this matter to committee and opening it to consultation, so it is not and does not appear to be the case of the Government issuing a policy recommendation and thereby being seen to be arbitrary, unilateral or heavy-handed. The approach here is open, conciliatory and consultative.

In looking at the ability of the Government to advise the CRTC on policy, I do have concerns even about the day to day

workings of the CRTC. I acknowledge that this particular proposal deals with national interest and policy. I would like to recount for Members a story of a difficulty that some people in my constituency are having with the day to day functioning of the CRTC. I hope that in the interest of Canadian unity the CRTC will see fit to tighten up its day to day operations. A small cable television company, Battlefords Community Cablevision, is assessed an increase on line rental by the telephone company from time to time. To use the different telephone company lines to carry the cable service, increases are levied as rates go up. Under the regulatory aspects of the CRTC, this company must go to the CRTC and ask permission to pass that increase a long to consumers. It is not a rate increase but merely what is known as a pass through.

● (1600)

The cable company experienced a difficulty some time ago. This year it knew six months in advance when the increase would be effected. It made the appropriate petition to the CRTC to be allowed to pass the increase on to the consumer. The appeal was made in August of 1984. After months of assuring this small cable company that the matter was being addressed, it was only last week that the CRTC got around to putting it into the Canada *Gazette*. Following the gazetting it will take another month before this proposal can be implemented. For six full months a small cable company has been asking for a very routine procedure.

It is points of day to day operation such as this that concern many Canadians about the CRTC's method of operating. Its bureaucratic method of operating makes small operators and individuals in Canada feel that they cannot deal with this regulatory agency. I hope the CRTC will take upon itself the responsibility to deal in a more understanding and directly responsive way with small cable television operators and small broadcasters in the country.

I would like to discuss the area of abusive broadcasting and the effect of Bill C-20 on Clause 3 of the Broadcasting Act. The provisions in the Bill with respect to abusive broadcasting are welcomed by many Canadians. As one of the members of the Opposition said earlier, this conforms with Section 15 of the Charter of Rights. It is not only a feminine issue per se. The particular amendment reads:

> The programming provided by the Canadian broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;

That provision goes beyond the issues of feminism and deals with the common decency of all Canadians who watch or listen to established broadcasting systems. These people have been demanding a clear-cut standard of what is considered public decency. This is not to undermine in any way the important measures being undertaken by the Minister of Justice (Mr. Crosbie) regarding pornography in the Criminal Code. This is a matter of taste for many people. Over the years they have seen the standards degenerate to the point of gratuitous violence, sexist stereotyping and very unhealthy role models in terms of derogation of the family on popular television broadcasting. We will now have specifically outlined provisions with regards to abusive programming within the Broadcasting Act.

I found the remarks made in the House this afternoon, particularly by members of the Opposition, to be very interesting. It has been said that this is an old Bill which is simply bringing in something that the past Government brought in. It is significant that in the first six months of the Government's mandate it is acting to effect policy within broadcasting. We are dealing with abusive programming. The last Government took considerably more than six months to listen finally to what Canadians have been saying about the CRTC and to deal with what we have been asking for for a long time with regard to broadcasting in Canada.

It has been said that we should be elucidating a clear-cut policy on telecommunications and deregulation before going ahead with this particular amendment. It is noteworthy that this amendment will go much further than affecting the very important issue of telecommunications and telephone deregulation. It will deal with many other issues related to the wide purview of CRTC in radio, television, telecommunications and other areas. For the sake of the public interest we should move as expeditiously as possible to implement this provision. As we debate specific issues before committee we will have an opportunity to examine further the individual policy initiatives which the Government plans to take.

In conclusion I would like to say that the steps taken in Bill C-20 are only a beginning. Bill C-20 deals with matters other than the specific ones we have addressed such as abusive broadcasting. It deals with matters such as satellite dish rebroadcasting. It lifts a burden off many private broadcasters by extending the maximum license length to seven years from five years. What this Bill endeavours to do could almost be called housekeeping. As we undertake broader policy initiatives and examine further the operation of the CRTC as well as the Broadcasting Act and related Acts and statutes, the Government will be able to embark on a system which more clearly represents the legitimate interests of private broadcasters, cable television operators, small locally owned co-operatives, and distant areas that rely to a greater extent on satellite television. These matters will open up further as we examine the Broadcasting Act and the laws that govern the CRTC.

I would like to indicate my support for this Bill and ask other Members of the House to give it their support. We can study this Bill further in committee. We can now move to the very important job of representing the legitimate interests of Canadians who want a clear-cut policy in the hands of the Government and leave the CRTC to regulate rather than to be the policy-setting agency which in fact it has been.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Algoma (Mr. Foster)—Agriculture—Amount of farm debt. (b) United States program; the Hon. Member for Eglinton-Lawrence (Mr. de Corneille)—Education—Funding of student loans program. (b) Tuition fees query; the Hon. Member for York East (Mr. Redway)—VIA Rail—Age of locomotives—Government plans.

GOVERNMENT ORDERS

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Masse that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, this is my first opportunity to rise in the House. If I may be permitted to bootleg a little, I would like to thank the people of Essex-Kent for sending me here.

Some Hon. Members: Hear, hear!

Mr. Caldwell: Essex-Kent is the most southerly riding in Canada. It is the home of Point Pelee Park and Jack Miner's Bird Sanctuary. Wheatley, my town, has the biggest inland freshwater fishery in the world. Furthermore, my riding also includes one of the major communications areas in North America. Those who are familiar with our geography will know that Detroit, Michigan, is located half a mile from the City of Windsor and has been a leading communications centre for many years. However, like many other areas of Canada, it has been affected by CRTC rulings. Station CKLW Windsor, which is a 50,000 watt station, was once the leading radio station in North America. However, as a result of CRTC regulations, it has now dropped to a much lower level. It is an example of how the CRTC does not bend the rules to suit Canadian businessmen.

• (1610)

In our area it is possible to receive 32 AM stations and 40 FM stations. We can use only rabbit ears to receive 10 to 15 stations. Windsor is one of the last cities in Canada to be cabled. This is being done at the present time.

I spent some 18 months in the broadcasting business, like some of my colleagues. I have seen great changes take place in those 18 years in both private and public broadcasting. I remember when there were only one or two stations available in my rural area of eastern Ontario. Today, television basically runs our lives. It has become the principal disseminator of news, and the principal vehicle for entertainment in the country. It has become the national performance stage and the national forum of information and debate.

It is time for us to decide how we will use these new communications and how they will affect our lives in the future. Canadians now spend half of their leisure time watching television, an average of 23 hours of television per person per week. That is 3.5 hours per day for every man, woman and child in Canada. The combined time that Canadians spend reading books, newspapers and magazines, going to movies, watching VCRs, going to the ballet or symphony, attending a sporting event, playing with the home computer or even doing nothing, does not total the time spent watching television.

I believe it is very appropriate that our Government is introducing new legislation concerning our future and future generations. Our children are spending more and more time watching television and being influenced by television. It is also appropriate that our Conservative Government is changing the Broadcasting Act, because it was during the depression year, in 1932 that the Conservative Party, under the Right Hon. R. B. Bennett, established the principle of the national sovereignty of the airwaves and created a national network.

The Canadian Radio Broadcasting Act passed the House with only one dissenting vote. There were only a few radio stations at that time that were low in power and were being overpowered by the United States.

Just 50 years later, communications have changed, but in many ways we still face the same old problem of being inundated by U.S. programming. The numbers of hours of television watched by our children will certainly have an effect on our future generations. What R. B. Bennett said in 1932 still holds true today, that this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or influence.

This is the purpose of Bill C-20. It will set out some overdue rules and regulations. I would not say they are long overdue because the communications industry is moving so rapidly that I do not believe even the Government can make changes fast enough to keep up with the industry. This Bill is an attempt to make changes as quickly as possible. It is important to act now before the industry is completely out of control.

We live in an era when consumers can, by the flick of a switch, receive as many as 100 channels to get as varied information as they desire. While I am sure that everyone

would like to have a satellite dish on their roof, I have a personal belief about their effects on the communications industry. I support the fact that this Bill will establish rules and regulations with respect to the distribution of those dishes. I am pleased that it recognizes that programs from pay-TV channels cannot be distributed through dishes on the roofs of hotels and other establishments.

If consumers believe that everything is free, I suggest that no more programs will be produced because those programs that are now on pay-TV channels are paid for by the cable operators. They buy those films from the producers who, in turn, pay the artists. Consumers must realize that programs that are transmitted through the air are not necessarily free. If these programs are pirated, there will simply be no more programs. Who will pay the artists if no one pays to watch the programs?

I also support the provisions that prevent the owners of apartment buildings from distributing programs to their tenants. If they were allowed to do so it would cause further hardship to cable companies that are already experiencing financial difficulty.

With respect to the control of our broadcasting system, I would be the first to object to the Government dictating what goes on the air. I am sure that if the Government had found it possible, it would have changed some of its policies with respect to cut-backs to the CBC. Some Hon. Members are aware that I had worked for the CBC for 18 years, and some people may also say that I took a roundabout way to avoid being laid off. However, it should be noted that the Government does have an arm's length agreement with the CBC not to interfere with its daily programming. The Government can no more interfere with the CBC's decisions about lay-offs than it can with what Mike Duffy says on the air each evening.

I am pleased to have taken part in this debate. In closing I will say that, I have had experience working in private radio for some time and I believe that a licence period of five years is too short. I support the extension of that period to seven years because it will give radio programmers an opportunity to put their programs into effect.

Mr. Schellenberg: Mr. Speaker, I wish to compliment the Hon. Member for Essex-Kent (Mr. Caldwell) on his speech. As a former broadcaster, I also support the Bill. One concern with respect to Canadian television is with the reason why Canadians do not watch as much Canadian content as we would like. Is it possible for this Bill to address that problem?

I am reminded of an editorial cartoon that I saw some years ago. General Motors was having difficulty selling its product because too many cars were being bought from Japanese manufacturers. The planners were studying their vehicles, trying to find why they could not sell enough cars. The sign, in block letters behind them, read, "Build a Better Product". How can we build a better product so that more Canadians will watch more Canadian programs? Could the Hon. Member comment on that?

Mr. Caldwell: Mr. Speaker, I thank the Hon. Member for his question. He has addressed a difficult question. Yogi Berra once said, "If they won't come out to the ballpark, we can't stop them". I think that the same thinking applies here. We can put the programs on television, but we cannot make people watch them.

● (1620)

I feel we cannot simply sell out to the Americans completely. I have a great fear—if I might diverge from this matter a little—regarding the way the telecommunications industry is going. Again, one cannot legislate morality, in my opinion. But when a person can go to the corner store, buy a movie, go home and watch the movie, and do this continually every night, it bothers me. Are we going to have a generation of people who watch only western movies, if that happens to be their favourite, and what about those who watch a Playboy cassette, or whatever? It bothers me. Is this what we intend to do for our entertainment each night? I feel that as long as we have the commercial networks and the public networks, at least on some occasions some people might tune in to *The Journal*, an opera on CTV or CBC, or watch *The Nature of Things* and those types of programs. What happens if we simply throw up our hands and say, "It is wide open, folks. Do whatever you like". I realize that we cannot stop somebody from going home and watching a VCR, if that is his choice. If everybody is watching VCRs, who is going to produce the programs for the CTV, the CBC, Global or other channels? That is a problem and I do not know how we should address it. It certainly will be a problem.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, may I, first of all, on behalf of all our Members here congratulate the Hon. Member for Essex-Kent (Mr. Caldwell) on his maiden address, and a very fine one at that.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): He is not going to get off that easily. I want to ask him, as a 17-year veteran with the Canadian Broadcasting Corporation, one who knows well the operations of the Canadian broadcasting system and who comes from an area as inundated with American signals as is the Windsor market, does he have sufficient faith in the Canadian broadcasting system to believe that it can withstand such a heavy inundation of American signals?

Mr. Caldwell: Mr. Speaker, I thank the Parliamentary Secretary for the Minister of Communications (Mr. Scott) for that question. As I said, I did work there for 17 years. The situation has always been difficult. We are not going to be able to compete fully and have the ratings of a "Dallas" or shows of that type on opposite channels in the area. The CBC in Windsor was continually rated fourth in all its broadcast market as far as the area around Windsor is concerned and in my particular riding, other than for news and information. I wonder whether some of the programs we were doing within the CBC should have been done. I still think we heed to have a heavy concentration of news and information in that area. I

am very happy to see that during the past that was one area left alone by CBC management, and so the 90 minutes of news and information are on each night. I believe it is the only station in Canada doing that. It has been doing it for about a year or a year and half.

To answer the Hon. Member's question about whether we can compete, I do not think we will ever be on an equal basis. We will be on an equal basis on certain shows, those that are very popular and comparable to some of the American-type programs. On the other hand, the CBC has a complex, and we have all heard it, that people think the CBC is "arty", or it is this or that. People do not tend to watch art all the time or want to be convinced that they are watching art. CBC does some very fine programming, but it is a matter of how one sandwiches that in between shows to get the ratings and to get the people to start watching it.

It is a very difficult situation. I always felt that the CBC in Windsor could be a showcase for the United States. There are four million viewers within the area served by CBET, and the station could very well have become a show window. I was very disappointed that the CBC chose to make cuts as heavy as it did in that area. There were 65 cuts out of about 211. It was very unfortunate that some programs were cut. I do feel, however, that the CBC has to pull up its socks and get on with the job of programming and what it is supposed to be doing. It bothers me somewhat that there are still too many management people left within the CBC and that the programming people are the ones who are getting cut.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is over.

[*English*]

Mr. Prud'homme: Are there ten minutes for questions?

The Acting Speaker (Mr. Paproski): If there is still time, I will allow the Hon. Member for Saint-Denis (Mr. Prud'homme) a question.

Mr. Prud'homme: I do count the minutes, Mr. Speaker. I made my maiden speech 21 years ago. I would like to congratulate the Hon. Member on the excellent delivery of his speech. If he can deliver a speech so easily today, I wonder what he will do if he stays here for 20 years.

Would he comment on one of the great concerns in English Canada? I am speaking of the fear of Americanization. This is a fear, as the Hon. Member knows, which francophones share much less because they have other problems of survival. Having been a witness to a thousand of the best of what the Maritimes can produce, I can assure the Hon. Member that among the coalition of the people of Nova Scotia where I was last Sunday there was immense concern about Americanization. Would the Hon. Member care to comment briefly about the danger of deregulation concerning the cultural survival, especially of English Canada?

Mr. Caldwell: Mr. Speaker, I do not know whether the Hon. Member was in the House when someone asked me a question very similar to his. I have great respect for the Hon. Member sitting across from me. I thank him for his comments. I know he is very well respected in the arts and communications community.

We do have a problem in trying to get Canadians to watch Canadian programming. It is also very difficult to compete against the Americans. We all know very well that the "King of Kensington", for example, cost $60,000 an episode, whereas "Dallas" costs a couple of million. How does one compete against that, even if the artists are as good? You are going to fall down somewhere. You are not going to be able to produce those programs. Rather than the CBC trying to be all things to all people, let us do some things really well and sell them on the North American and international markets.

Some Hon. Members: Hear, hear!

Mr. Caldwell: This is what I think we should be doing. I think it makes very little sense for each region in Canada to be doing its own variety and jazz shows and so on. Why not do one bang-up jazz show, sell it, co-sponsor it, whatever one has to do in order to have a good production, so that we can stand up and say "this was produced in Canada" and it is a darn good production".

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are now over. Debate. The Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it gives me great pleasure to take part today in the debate on this Bill, especially since the offices of the CBC are located right in my constituency of Saint-Jacques and many of my constituents will probably expect me to speak on this legislation today.

I wish to take this opportunity to join those who have congratulated the Hon. Member for Essex-Kent (Mr. Caldwell) on his maiden speech in this House. Listening to him, one could tell that he had a lot of experience in the field of communications, and I was not surprised to hear him say at one point that he had worked in this field for nearly 17 years.

Mr. Speaker, on this side of the House, we are sincerely happy that Bill C-20 has been introduced. Basically, it is similar to the Bill introduced by the previous Government.

The former Member for Blainville-Deux Montagnes, the Hon. Francis Fox, who still has many friends in this place, had been the first to introduce this legislation. However, upon consideration of this Bill which has now been introduced by the new Minister of Communications (Mr. Masse), we realize that it will have less impact than the previous Bill which included many sections which have been omitted in this one. Any mention of control over telecommunication, of Bell Canada, and so on, has been removed. However, I realize that

the Government has decided to include these matters in another piece of legislation, namely Bill C-19. I am therefore not concerned about the omission of telecommunications in this Bill. My major concern, and what I consider to be an important omission is the fact that this Bill says nothing about the CBC and virtually nothing about the development of the movie industry in Canada, two issues which were amply covered by the previous bill sponsored in this House by the Hon. Francis Fox.

I shall come back to these omissions later, but as I begin my comments, I want to say that this is a matter of some concern for me. One thing that I like however about this bill is the fact that, in what remains of the previous legislation, at least part of the philosophy of the previous Liberal Government has remained. The Government wants to have more power over the CRTC in areas which I believe to be compatible with the arm's length relationship that the government must have with the whole broadcasting system in Canada. What we find objectionable is the interference of the Government in the granting of licences to broadcasters. At the time, the Liberal members of Parliament did not want the Liberal Government to get into this for fear of control over the granting of broadcasting permits. Indeed, this was not one of the changes contained in the previous legislation. In this regard, we note that the Conservative Government is quite right, in not wanting to interfere in the granting of permits, even though I would have no objection if the new powers which the Minister will have and which will allow him to have some influence over certain of the policies of the CRTC, went as far as to enable him to examine the criteria governing the granting of permits, without, however, the Minister or the Governor in Council being able to decide which broadcasting company will obtain a permit. On the other hand, as for the Government having its say in the matter of the criteria impartial selection, it seems to me that it might be a field in which the Government could intervene, on the condition that it will do so with good judgment.

By agreeing to Bill C-20, we shall be giving additional powers to the Governor in Council, and therefore to the Minister of Communications and the Government. I must admit that it is not without some concern that I shall finally give my agreement to this bill. We trusted the former Minister who had always, as did his predecessors, maintained a very clear boundary between the Government and the Broadcasting system in Canada. However, the new Minister of Communications seems to have a tendency to intervene a bit more than his predecessors.

First of all, CBC is completely removed from the jurisdiction of the CRTC. However, it seems that the Minister wants to become himself more involved in the affairs of the CBC. Before introducing Bill C-20, he approved cuts of $75 million in the operating budget of the CBC and of $10 million in the capital budget of that corporation. We are also concerned when we see the Minister requesting new powers on the broadcasting system in Canada. The Minister has made cuts in the budgets of the NFB and of the National Arts Centre. And today, he is asking for more power to influence the Canadian Radio-television and Telecommunications Commission. But before he made that request, he slashed $1.5 million in the budget of the CRTC. In addition, the Minister will in some way penalize the broadcasters when the rates set for the applicants of broadcasting licenses will be drastically increased. Indeed, a review of the estimates tabled in the House shows that as a result of those new rates, the CRTC will increase its revenues by a hefty $22 million. The Minister did all that before he even began to consider how he could exert some influence on the CRTC.

• (1630)

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Calgary West (Mr. Hawkes) on a point of order.

Mr. Hawkes: Mr. Speaker, I understand that relevance is one of the criteria for an address. I see nothing in the Bill that deals with cuts to the CBC. I am just wondering where we are going, whether or not this is the wrong forum or something inappropriate is happening.

The Acting Speaker (Mr. Paproski): That is debate. I think the Hon. Member will become very relevant in a very short time.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, as a matter of fact, if the Hon. Member had been listening to what I was saying instead of reading his newspaper, he would have found that I was relating my remarks to the Bill. What worries me in terms of the cuts, in particular the cuts to the CRTC, is that before bringing enabling legislation into the House like Bill C-20, which would afford the Minister of Communications (Mr. Masse) extra power to deal with the CRTC, he is starting first by chopping off money. If that is not relevant to what we are talking about, I am at a loss to determine what is relevant in this debate.

[*Translation*]

In order to control and supervise the cuts made in the budget of the most important Canadian broadcaster—$75 million in the operating budget and $10 million in the capital budget as I mentioned earlier, the Minister has lost no time in appointing a troika of communications experts who will scrutinize every move by the officials of the Corporation . . .

Evidently, my friends opposite are obviously not pleased to hear me remind to Canadians and to the House that the troika controlling the expenditures made by the most important broadcaster in Canada is led by a communications expert who was the main adviser of the Prime Minister (Mr. Mulroney) during his last election campaign.

There is also something else that concerns me. When the cuts were made and some Canadians were anxious about the effect of those cuts on the quality of programming at the CBC, he eagerly rose and indulged in heroics as he suggested that CBC was not cutting its programming but rather its administration costs. He tried to act as the saviour of programming. The fact was flatly denied by the president of the CBC, Mr. Juneau.

I submit that the arm's length relationship between the government and the broadcasting system in Canada should be maintained. That is why we will keep an eye on the use the government is about to make of the new powers that are being granted by Bill C-20 over the CRTC.

I think that whoever reads Bill C-20 cannot help but notice that there is no mention at all of the first and foremost Canadian broadcaster, namely, the CBC.

We are left to wonder who now is the real boss of the CBC? If the CRTC can no longer issue directions to the CBC, it is therefore the Minister who does! And given the unfortunate way in which the Minister has dealt up to now with the CBC, we have every right to worry and ask questions of this government.

Let us return to the objectives which should determine the government when it gives instructions from now on to the CRTC, since this is what this bill is all about.

In this connection, I submit that the Department of Communications and the Government should aim first and foremost at quality programming.

One of the most deplorable aspects which one can observe in the whole area of broadcasting in Canada is that the goal of quality programming is unfortunately not always compatible with the financial concerns of the producers and broadcasters.

While channel-hopping every night in the quietness of our homes, we realize the wide chasm which exists in the quality of the various broadcasts. There is no mistake that the CBC or Société Radio-Canada, as it is called in French, is the leader in the area of quality programming in Canada. It is also the leader as far as protecting the Canadian identity. The problem, however, is that the CBC is very expensive and is funded with taxpayers' money. That is something which several Hon. Members have already mentioned and which has resulted in the budgetary cuts which I have indicated earlier. We must realize just the same that quality programming often results in decreased revenues for broadcasters. It brings about lower benefits for shareholders. That is why I suggest that it was wrong to divert the CBC from the influence of the CRTC. And I am anxious to see what sort of relationship the CBC and the Minister of Communications will entertain.

Quality programming must be the first consideration, something which is eagerly sought after throughout our broadcasting system, and the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) who is a newcomer in this House, was absolutely right when he compared the quality of American cars to the quality of Japanese cars. We have the same problem with respect to the quality of programming. And that is, for the most part, at the root of our problem of Canadian content.

This is the problem that threatens English-speaking Canada which has the feeling that it is continuously being invaded by American programming. There is first of all the sheer quantity of programs from south of the border. There is also another phenomenon, namely the quality of programs. In larger cities like Toronto and Winnipeg, when looking at the reports compiled by the BBM, the agency that gathers statistics on TV audiences, it is a pitiable sight to see that fairly often the seven or eight favorite programs watched by the local people are American-made. We too have this problem in French Canada, but to a much lesser degree. First of all, French Canada is protected by the language barrier. Yet it is striking to look at the BBM reports and see what the most popular programs are in Montreal, for example. We are also sadly surprised to see that among the four or five most popular programs there are two or three that are American.

So, probably the most important problem facing the CRTC, if they really want to protect Canadian culture and particularly the Canadian culture in English Canada, unprotected by the language barrier, will be that of dealing with the Canadian contents problem and, in the end, the problem of quality. And this is the point where some of the deregulation objectives proposed by the Minister of Communications are beginning to worry us. I think the danger that threatens us with respect to deregulation is most of all one of anarchy in the broadcasting system. Usually coming next is the problem of low revenue, the problem of ensuring a fair sharing of revenue between the broadcasters, which eventually always end up affecting quality.

Mr. Speaker, my remarks will simply make you aware that on this side of the House, while we agree over the broad objective of Bill C-20, we will have to think it over for some time before giving it our approval. I would even go so far as to ask the Minister to rise in the House during the debate on Bill C-20, and make a statement on the way he intends or expects to meet some of the objectives I have mentioned, particularly with regard to the quality of programming and the protection of Canadian culture against the invasion of American programs. I am officially extending that invitation on behalf of my party. We would greatly appreciate it if the Minister, before being granted the nonetheless significant powers he is requesting through Bill C-20, powers enabling him to interfere in the policies of the agency monitoring radio and television in Canada, could make a statement in the House on these objectives and answer questions asked by Opposition members and even by members of his own party anxious to know more about the objectives the Minister will want to pursue when in the future he will have the possibility to influence the CRTC.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Parliamentary Secretary to the Minister of Communications.

Mr. Scott (Hamilton-Wentworth): Very well, Mr. Speaker.

• (1640)

[*English*]

Mr. Speaker, naturally I would not want to put the Hon. Member for Saint-Jacques (Mr. Guilbault) or any member of the Liberal Party on the spot. However, he spent most of his speech saying that the Minister of Communications (Mr. Masse) should keep his hands off the CBC. Just about every second day Liberal Member after Liberal Member asks the Minister of Communications to order the CBC not to cut a certain program. I realize that we have a philosophical dilemma here. This is a matter on which I would like the views of the Hon. Member. He cannot have it both ways. Where would he draw the line as to where the Government should tell the CBC what to do in terms of its programming, what cuts to make, when and how?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, does the Member have difficulty in understanding what this Party stands for with regard to the CBC? We have never said "hands off the CBC". We said, leave the knife or the axe aside. We are not happy with the way the CBC has been treated. Its budget has been chopped by $75 million. That does not mean we do not want the Government to look at what the CBC is doing. We have never suggested the Government should get involved in the programming of the CBC. That is the arm's length relationship. We never asked the Government to do that with any broadcaster.

I said earlier in French that the CBC has a very special role. It is funded by the public. Its first goal should be quality, not making a buck, as it is that of the private broadcaster. It is certainly no help to the CBC to have its budget chopped to the tune of $85 million.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, is the Member for Saint-Jacques telling this House that there are no savings to be made in the CBC, that no cuts can and should be made in such a huge corporation as the CBC when in the interest of bringing down this massive deficit cuts are being made across the board? Is he saying the CBC should be left alone? I understand his sympathy is with the CBC, but is he saying that no savings can be made and no cuts should be made?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, if the Hon. Member heard me say that, my memory must be awfully short. I did not refer to that. That is not what I said. If money can be saved in the administration and transferred to improve programming, I would be in favour of that, but that is not what we have seen. We have seen chopping by degree, $75 million on November 8 and then $10 million. What burns me even more is that the Minister is playing the hero who is saving programming. The rumor went across the country, and we saw the Minister say over television, that he is coming to the rescue of programming. That was contradicted the next day by Mr. Juneau. What is the joke? You do not chop off $75 million and then play the hero coming to the rescue of the CBC.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I agree with some of the comments of the Hon. Member for Saint-Jacques (Mr. Guilbault) concerning the quality and content of Canadiana in the CBC. I think the CBC has a national responsibility to maintain that. We are inundated with propaganda from the United States in the printed form and in the visual form.

The Hon. Member may recall that I spoke last week about an indigenous Canadian children's program that was cut by the CBC. That program was *The Friendly Giant*. Many Canadians have written and telephoned me to express their tremendous concern that this indigenous piece of Canadian culture has been removed from the CBC. What would the Hon. Member and his Party do to maintain that kind of integrity and Canadian content in CBC programming?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Hon. Member cannot ask me what my Party and I will do tomorrow and the day after. We are no longer at the helm. Let him examine the record of the last ten or fifteen years when my party was in power to realize to what extent CBC programs have increased in number and in quality. Indeed, it is obvious. All I ask the Government now in office is to have the courage to tackle the problem of Canadian programming, to take the bull by the horns, as the previous government did. Surely it is not by cutting the CBC budget that the wishes expressed by the Hon. Member will be answered. Yet, I heard his bleatings in support of such cutbacks. Here he is now complaining about the way the programming is cut.

The Acting Speaker (Mr. Paproski): Further questions and comments? The Hon. Member for Saint-Denis.

[*English*]

Mr. Prud'homme: Mr. Speaker, I have a very short comment in reply to the interjection of the Hon. Minister of Energy, Mines and Resources (Miss Carney). Indeed, she has a very good question. She asked, "Where would you cut?"

We believe that in society a choice must be made. Some believe that we should cut across the board and make everybody equally unhappy. However, in our opinion—and I do not expect everyone to share it, as the Hon. Minister I am sure does not expect everyone to share her opinion—the choice should be considered. We look at where survival is more important than cost.

If I were an English Canadian, I would not touch the CBC. Why? Because in English Canada, CBC is an important institution as it relates to the cultural survival of Canada. I am not talking about the Francophones; I am talking about the survival of English-Canadian culture. It is in great danger because of the Americanization which faces it. Recently that

view was expressed by authors and artists in Halifax. It will continue to be expressed across Canada. That is one of my worries, and it should be of some concern to the Government.

● (1650)

Where do we cut? In my evaluation, we should not cut across the board and penalize everyone equally, but we should choose where those cuts will be made. We would not have chosen the same cuts, but I think it is a fair point to debate. The Government has chosen to cut across the board. I will not challenge that. That is my reply to the Hon. Minister's question put to the Hon. Member for Saint-Jacques (Mr. Guilbault).

Miss Carney: Mr. Speaker, I would like to direct a question to the Hon. Member for Saint-Jacques (Mr. Guilbault). In light of the comments which were made by the Hon. Member for Saint-Denis (Mr. Prud'homme), does the Hon. Member for Saint-Jacques concur with the idea that in a corporation such as the CBC, which costs taxpayers close to $1 billion a year, there is no room and scope for expenditure cuts, particularly at the overhead and management level? Is he suggesting that taxpayers should commit a certain amount of money to any institution with absolutely no overview of the way in which the money is spent by the institution? Does he feel that $75 million cannot be cut out of a corporation which was established by a Conservative Government and which has goals which are supported by the Conservative Government? Is he saying that in an operation of nearly $1 billion, $75 million cannot be saved in day to day overhead and management operations?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I think I answered that question. It was posed a moment ago by the Parliamentary Secretary. I expressed very clearly that I was against the way in which the cuts were made. First, they were made without warning—

Miss Carney: Do you agree?

Mr. Guilbault (Saint-Jacques): I am answering her question. She does not have to provide the answer.

Without notice, overnight, on November 8, the cuts were made. We on this side disliked it when the Minister of Communications posed as a hero and said that he was saving programming. The next day the President of the CBC denied that completely. I am not—

The Acting Speaker (Mr. Paproski): I am sorry, but the Hon. Member's time has expired. I will recognize the Hon. Member for Kenora-Rainy River (Mr. Parry) on debate.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in view of the considerable—

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

The Acting Speaker (Mr. Paproski): The Hon. Minister of Labour (Mr. McKnight) rises on a point of order.

Louis David Riel

Mr. McKnight: Mr. Speaker, I believe the Hon. Member for Calgary West (Mr. Hawkes) was seeking the eye of the Chair. We have just heard from an Hon. Member on the opposition benches. I wonder if the Speaker might have missed the Hon. Member for Calgary West?

The Acting Speaker (Mr. Paproski): I have recognized speakers in the order in which I feel they should be recognized. Therefore, I recognize the Hon. Member for Kenora-Rainy River (Mr. Parry) on debate.

Mr. Parry: Thank you, Mr. Speaker. In view of the obvious anxiety of the Minister of Labour (Mr. McKnight), I would be more than happy to defer to my hon. colleague who, I am sure, has remarks of great substance to make.

The Acting Speaker (Mr. Paproski): If the House is going to be so reasonable, on the Hon. Member's behalf I will recognize the Hon. Member for Calgary West (Mr. Hawkes) for debate.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to thank my hon. colleague—

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) rises on a point of order.

Mr. Gauthier: Mr. Speaker, I think that your judgment was very good and that we can deal with this matter by asking for unanimous consent. Therefore, I would request that you put the question to the House to ensure that it is unanimously agreed that the Hon. Member you recognized first will be superseded by the gentleman on the government side, so that his position to speak will be protected.

The Acting Speaker (Mr. Paproski): I recognized the Hon. Member for Kenora-Rainy River, however, he gave his position to the Hon. Member for Calgary West. I have then recognized the Hon. Member for Calgary West. He has the floor. Now I will call it five o'clock.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Shall order No. 2 stand by unanimous consent?

Some Hon. Members: Agreed.

Louis David Riel

LOUIS DAVID RIEL

MEASURE TO REVOKE CONVICTION

Mr. Les Benjamin (Regina West) moved that Bill C-217, an Act to revoke the conviction of Louis David Riel, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I rise today to discuss this Bill in order that a wrong of long ago can be righted. I will be brief in order to give my colleagues in the other two Parties time either to confirm their election promises that they support this measure, or to deny yet another promise to the Métis people by not allowing this Bill to pass.

• (1700)

I do not seek a pardon for Louis Riel which would, of course, be the purview of Her Majesty and the right of the Crown and, as such, would require a motion seeking permission to receive royal consent as opposed to assent. Instead, Sir, I seek a revocation of the conviction of Louis David Riel. I seek the expression of Parliament's will that this conviction was wrong, that Louis Riel was never guilty of the offence of high treason, and that Parliament now wishes to take the action it should have taken at the time, 100 years ago, to recognize the Métis and other native people's right to self-determination and the right to negotiate the terms of their entry into the Canadian confederation.

Louis David Riel, his role in Canadian history, and the long-standing controversy over his execution for treason, have long aroused in many Canadians a profound sense that errors of both commission and omission remain to be addressed and rectified. There is a great sympathy in the public mind for action in the reclamation of Riel's stature as the father of the Confederation we now enjoy and as the founder of the Province of Manitoba, in recognition of the cause Riel fought and died for, a cause with which the people of Canada are only now grappling through the aegis of constitutional discussions on aboriginal rights.

Parliament has a special interest in the Riel legacy because of the dual, often Janus-like, role that this House has played in the events leading up to the execution of Riel and the destiny of Diaspora left to the Métis people in 1870 and again in 1885. This destiny has been further reinforced by federal action again and again ever since. Riel served as the first duly elected Member of this House for the constituency of Provencher. Yet, for reasons intimately tied to his subsequent persecution, he was denied the right to take a seat here and instead was forced into exile. Later, 100 years ago this November, Riel was hanged, not the least of the motives being the unseemly revenge against his actions in 1870. This was the error of commission undertaken by the Government of the day and, until rectified in this House, it is an error shared by every Member of this House.

The fundamental terms of the union, struck by Riel's provisional Government with the Dominion of Canada, as it was then known, despite their legitimate constitutional stature, have yet to be met. This is a continuing error of omission. Parliament, therefore, has a privileged interest in ensuring that the errors of commission committed against one of its former members, who was so shabbily treated in the early 1870s, so unjustly tried, convicted and hanged in 1885, be redressed.

We cannot revive Riel or compensate for the damage done to his family and to his people, but we can take action to ensure that Canada and Canadians accept that an error was made and that justice, however delayed, is nevertheless done. Parliament has a special obligation to respect the earnestness of the Métis people in their opposition to any measure, such as a pardon, which would merely legitimize the errors of commission and perpetuate the errors of omission.

Today's climate of federal and provincial reticence seriously to respect the need for entrenchment of aboriginal and Métis rights in the Constitution means that we must act to remove barriers to change. We can start by having Parliament say that Louis Riel was innocent of the charges brought against him. This small action in the centennial year of Riel's death is not intended to close the book on this issue but is only the first chapter of our fundamental, and ultimately more pressing, obligation to the Métis people as a whole. That obligation to settle the grievances of land claims and constitutional rights has been waiting 100 years to be settled. If Parliament acts now, we can start down the road to justice, knowing that we have removed some of the unjust actions of our predecessors.

Just as Japanese Canadians seek redress for actions taken by this Parliament in wartime, so too do I seek redress for wrongs done in the aftermath of another war in which Canada extended its sovereignty into another nation's territory, the Métis and Indian lands to the west, and then prosecuted their leaders as being treasonable to the country, a country of which they had never actually agreed to be part. Until all of the treaty rights which were negotiated for and never received and the rights which were taken away without treaty are returned, this issue and the good name of Louis Riel will not be resolved.

I ask this House at a most appropriate time, 100 years since Louis Riel's death, to do something about which we will all be happy, that is, to correct the wrong which was committed 100 years ago.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I am pleased to have the opportunity to speak to the House today on the motion of the Hon. Member for a number of reasons. First, I want to applaud the Hon. Member for Regina West (Mr. Benjamin) for bringing this motion before the House. In doing so, he is perhaps making more Canadians aware that this is in fact the one hundred-year anniversary of the rebellion to which he refers. I hope that the results of his motion and the anniversary celebrations which are occurring this year will be more than just a reawakening in the public's mind of the fact that 100 years ago there was a rebellion—in fact, a second rebellion. I hope that Canadians will take the opportunity during the course of this summer to learn more than they now know about the role of the Métis in Canadian history.

I am pleased to participate in this debate for personal reasons. I was born and raised in the Province of Saskatchewan in a place not far from Batoche, which will be the scene this summer of the one hundredth anniversary of that final struggle. As you know, Mr. Speaker, I now live in the Province of Manitoba, and Louis Riel was very much the father of Manitoba. There is no debate in history about that particular point. As you may also know, Mr. Speaker, in my previous endeavours I was an historian of western Canada, so that the subject of Louis Riel has been, and continues to be, a subject of great interest to me. In addition to that, I have had the privilege over the years of teaching a number of Métis students at university. I know the importance to them of the subject which is before us.

This is a very timely debate, Mr. Speaker, for two or three reasons. It is timely because this year in fact is the one hundredth anniversary of that rebellion of 1885. The Province of Saskatchewan, from which the Hon. Member comes, has named this Heritage Year in part as an opportunity to commemorate the role of the Métis in the history of that particular province. I might note in passing that I understand that a number of the events which are related to the International Year of Youth will also be directed toward Métis youth in particular.

I believe it is exceedingly important to understand, in my opinion, at least, as an historian and as a politician, that Louis Riel should be remembered for his life rather than his death. The part I regret most about the Hon. Member's motion is that it directs attention primarily to his death and the way in which that event was subsequently handled by historians. Louis Riel should be commemorated for his contribution to Canadian history. He was a distinguished western Canadian in that he was the father of Manitoba. Unfortunately, even as I listened to the Hon. Member, it seemed to me there was some confusion of events between the rebellion of 1869-70, which led my province into Confederation, and the rebellion of 1885, which was an unsuccessful military event and the people whom Riel led were the principal losers in many senses of the word.

• (1710)

The young Riel, the Riel of 1869-70, was a remarkable young man. He had recently returned from his studies for the priesthood in Quebec, studies which he unfortunately never completed because of the untimely death of his father. That had a tremendous impact on him personally. He returned to the Prairies an unemployed person, not unlike many of the young people today who have talent and no opportunity to utilize their talent. He came back to a very agitated society. By 1869 the Red River was undergoing a dramatic socio-economic change. Those of you who are familiar with the history of the West may well remember that Fort Garry in the early part of the 19th century was a fur trading post. It also became a retirement home, if you will, for fur traders who were unemployed after the union of the two principal fur trading companies in 1821. Many people, some from the Orkney Islands and others from eastern Canada, particularly those who were the byproducts of marriages which had taken place according to the country style between fur traders—both of French and Scottish descent—

Mr. Benjamin: Order! What has that got to do with the Bill?

Mr. Clark (Brandon-Souris): It has a great deal to do with the Bill.

Mr. Benjamin: It has nothing to do with it.

Mr. Clark (Brandon-Souris): The purpose of the Bill is to recognize the role of Louis Riel in history.

Mr. Benjamin: No, the purpose is to revoke his conviction, you idiot? Read the Bill!

Mr. Clark (Brandon-Souris): I am suggesting to the Hon. Member, and I think he was not listening, that it is important to recognize and commemorate the life of Louis Riel rather than the death of Louis Riel. There was a very unique culture developing in the Red River area to which Louis Riel came back at age 23 in 1868. He then became a very distinguished leader of the new and growing Red River society.

As a result of the troubles, Mr. Speaker, the people of the River River, not just the Métis but the collective community, united together for the most part in opposition to what they perceived to be the encroachment of central Canada. They were of course acting very much in the tradition of western Canadian history.

As a result of deliberations which took place over several months, the very small postage stamp Province of Manitoba entered into Confederation in 1870. It was very clear that one person more than any other was responsible for that, and that individual was Louis Riel.

As a result of his success he was elected to the House of Commons twice. Regretfully, because of the conflict which existed in Canada in the 1870s—

Mr. Benjamin: Called bigotry.

Mr. Clark (Brandon-Souris): He was barred from taking his seat. The tragedy of Riel in 1870 was that he and many others in that community became a part of a struggle with which they were not in any way involved. This struggle was between the English and the French, the Catholics and the Prostestants. I have talked about this on other occasions at regional meetings of the Métis Federation, and what matters to them is that Louis Riel and his role in Canadian history should be and must be recognized to a much greater degree than it has been up to this point in time. I would hope that our intention during the course of this year will be to commemorate the accomplishments of the entire Métis nation—

Mr. Benjamin: Yes, by passing this Bill.

Mr. Clark (Brandon-Souris): —not to focus simply on one individual. Riel was only a small part of a group of people whose accomplishments in Canadian history were very substantial.

As I said before, the Métis people were unique in that they were a byproduct of two particular cultures, and they themselves, perhaps more than any other group of people, were responsible for the peaceful settlement of the West. Contrasting Canadian history with American history, we note that our history was much more peaceful, and thankfully so. One of the reasons for that is that the Métis people were a liaison, a vital and continuing link. We have not had in the history of the Canadian West a clash between two cultures which had had no previous contact with or understanding of each other. Riel and the Métis were an integral part of that relationship.

It is extremely important, Mr. Speaker, that Canadians attempt to understand in this centennial year how the history of the Métis is divided into two separate areas, that is, the Métis in Manitoba and the Métis in Saskatchewan. In my mind, the Métis were the victims of technological change.

Mr. Benjamin: Like the CPR and the Gatling gun.

Mr. Clark (Brandon-Souris): Certainly the problems which developed in Manitoba in 1869 were, to a very large degree, a byproduct of the coming of the railway. Unfortunately, after 1870 and the arrival of settlers from southeastern Ontario, many of the Métis left the Red River and went into the North Saskatchewan-South Saskatchewan River area where Batoche is located. Many went into what is now Alberta, your home province, Mr. Speaker. Here they remained, while Riel was out of the country, for 10 or 12 years until the arrival again of the CPR. In the meantime, a tremendous tragedy took place in the Indian community because of the failure of the policies of the Canadian Government to negotiate with respect to reserves. This, the coming of the railways and the coming of the settlers, leads us directly to the crisis of 1884 and the return from Montana of this now not-quite-so-young Louis Riel.

When I look at the events of 1884-85 in the Northwest Territories, I think it is a mistake to think only in terms of one individual. In doing that we are probably doing a disservice to the individual because we are placing too much stress upon the events of 1885 and the results of that particular trial.

Mr. Benjamin: It is a service to the Métis people.

Mr. Clark (Brandon-Souris): In addition to that, we place too much stress on the role of one individual in the history of an entire culture.

Mr. Benjamin: Nonsense!

Mr. Clark (Brandon-Souris): Mr. Speaker, my hon. friend is entitled to his opinion. He has had his few moments, and I think I am entitled to mine.

Mr. Benjamin: You have had your few moments.

Mr. Clark (Brandon-Souris): In 1884-85, the Canadian Government was guilty, as it has been so often throughout our history, of neglect. There was a breakdown in communications. Every western Canadian knows the story of letters being sent to Ottawa and answers coming back weeks and months later. Unfortunately, that is a problem which does not always seem to be restricted to the 19th century. There was a recession on the Prairies and cut-backs in the Department of Indian Affairs. By 1884, the climate on the Prairies was explosive. The Canadian Government must accept responsibility for that, at least in the sense that this lack of communication had led to its creation.

When Louis Riel returned to Batoche, then deemed to be the headquarters of the Métis community, he returned to a situation to which in part the Canadian Government had contributed. What happened thereafter is a tragedy in that it was a clash between two totally unequal technological forces. On the one hand, you had the so-called modern army from eastern Canada armed with the Gatling gun which had been sent here by the Americans as an experiment. On the other hand, there was an aging and weaker society in the Métis culture trying to defend itself against new methods of warfare. In my opinion, the Métis people would have been better off had the second rebellion not occurred. The rebellion occurred, and I think that in many ways the Métis people were the victims of that for the reason that their history had been tied almost exclusively to one individual, the figure of Louis Riel.

• (1720)

In this particular case it is important to look back and recognize that the history of a people is more than the history of one individual. It is also important to realize that one can be heroic and still have controversial characteristics. As an example I think of John A. MacDonald, the first Prime Minister of Canada. Teachers of Canadian history were embarrassed for many decades to admit that the man had certain problems with alcohol consumption. Later on we became mature enough to realize that the man was heroic despite his weaknesses.

I am saying that the Métis people can and should be proud of their accomplishments regardless of the controversial question of how Louis Riel was treated in the judicial courts in 1885. The Métis people should honour Louis Riel for his accomplishments, as should all Canadians, regardless of how the courts dealt with him in 1885.

I read the transcripts of 1885. I dare say there are not many people among the 282 Members who can say that. I do not pretend to be a lawyer; I am only a historian. Having read virtually all of the material that has been published, I can say that the debate on the validity of the trial of 1885 will go on for time immemorial. The fact remains that Louis Riel was an exceptional politician. He was a man of substantial stature who led the people of Manitoba into Confederation. He was very sincere in his attempts in 1885 to get a better deal for the people of the Northwest Territories. It is also evident, and must not be forgotten, that he was part of a people who have every right to be proud of their history and their accomplishments.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am pleased to be taking part in the debate this afternoon. It is a rather emotional subject, because to us, Louis Riel is a hero. I therefore wish to start by congratulating the Member for Regina West (Mr. Benjamin) for proposing Bill C-217, an Act to revoke the conviction of Louis David Riel.

The explanatory note, Mr. Speaker, reads as follows:

The purpose of this Bill is to revoke the conviction of Louis David Riel for high treason, as opposed to merely granting him a posthumous pardon.

Mr. Speaker, the Member for Brandon-Souris (Mr. Clark) spoke as a historian. He made the point that the history of Canada, at least where it concerns the development of this country, is a controversial one and always will be, I imagine, according to the historian himself, a subject of debate. I agree that when we read all the documents on the historic trial and hanging of Louis Riel, there are diverging views on both sides. The fact remains that to many of us, this controversial figure in the history of our country is a hero, a man who managed to unite his people in a common cause and who left his mark on our history, not only as far as his own people were concerned but also, and I think the historian who spoke before me, the Member for Brandon-Souris, will agree, as the founder of the Province of Manitoba.

Mr. Speaker, I do not want to take up too much of the House's time, and I just want to make a few brief comments and invite my Quebec colleagues, as French-speaking Canadians, to take part in this debate and express their views. In every new session, over the last twelve years, we have had occasion to discuss this matter.

The same Bill has been proposed many times before by Members of the New Democratic Party. I heard Mr. Yurko, the former Member for Edmonton East, make the same proposal. There have been many statements under S.O. 43. However, I must admit I have rarely heard any statements or views on the subject by Members from Quebec. I speak today as an Ontarian by birth, with a solid Irish, Scotch and French background, and I would ask those Members in this House who are from Quebec to take part in the debate so that we will finally know where they stand and what their position is on an issue that has been a very important one in this country. The House will remember that Ontario was the bad guy and that Quebec was "deeply offended" by what happened, which gave rise to some serious problems with respect to Canadian unity.

I think this will be an opportunity for our Quebec Members . . . I see the Member for Gatineau (Mrs. Mailly) who often speaks during the hour for private Members, and I wonder whether she would be willing to state her views on this important matter. I am sure she is well up on the subject and would be able to give us some clarification regarding the views of those Quebec Members who all too often remain silent on such important issues.

Mr. Speaker, to avoid prolonging the debate, to give these Members a chance to express their views, and to show that this House is interested in making some progress in clearing up controversial matters, I would like to make a proposal I consider important. I want to suggest to the Hon. Member who presented the Bill that he withdraw it so it can be referred to committee for consideration. Perhaps the Member for Regina West (Mr. Benjamin) will agree that the proposed legislation deserves more thorough consideration than can be given in one hour here in the House. I therefore move, seconded by the Member for Hamilton East (Ms. Copps) that the motion be amended by deleting all the words following the word "That" and substituting the following therefor:

Bill C-217, an Act to revoke the conviction of Louis David Riel, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter there referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker, that is my proposal!

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I have looked at the amendment and I accept it as proposed by the Hon. Member. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Lethbridge-Foothills (Mr. Thacker) on debate.

Ms. Copps: Mr. Speaker, is there no vote?

The Acting Speaker (Mr. Paproski): I am sorry, there is no vote. Debate continues until six o'clock. The Hon. Member for Lethbridge-Foothills.

• (1730)

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise to speak to Private Members' Bill C-217. First I want to express some regret about the speech made by the Member for Ottawa-Vanier (Mr. Gauthier) who, as did the Liberal Party even before 1900, attempted to frame the issue on the basis of whether one is French or English. He tried to put it into a French-English ratio basis. That was incorrect then and it is incorrect today. It is typical of the Liberal Party that it is prepared to play on the deepest emotions that people have had historically in this and other countries for the benefit of his Party.

Having said that, I believe that he does have the correct approach in that this subject matter should be put before a committee. The Bill, as reflected in the scholarship of the Member for Regina West (Mr. Benjamin), shows the typical simplistic approach taken by the NDP which is lacking in any true appreciation of what the reality was then or what it is now. If there is anybody who is in left field, it is clearly the NDP, ideologically and in reality.

This topic needs time. With every passing year and with the excellent scholarship by our historians, more is being revealed about the true reality of the situation in Canada at the time. Therefore, I submit that it would be quite improper for the House to act precipitously on this issue by passing this Bill. The amendment by the Member for Ottawa-Vanier is closer to addressing the issue. That may be the proper approach once proper discussions are held and the background set up. Indeed, there are many of us who would be prepared to see that happen in the future.

There is enough scholarship today to allow a committee to get to the bottom of the whole question. In fact, the real issue was a religious issue, which we find very hard to believe today. However, in those days to be a Roman Catholic or Protestant was similar to the situation in Northern Ireland today.

Members of Parliament hold the great privilege of having immunity in this place. I suggest that Members do a disservice to the people of their riding and of the country by trying to take advantage of those deep emotions of people.

The historic truths are jsut now coming to light. The most recent book entitled *Prairie Fires* written by Professors Bob Beal and Rod MacLeod sets out the context as best as has been done. I do not believe there are any more documents coming to light. Therefore, I believe this would be an appropriate time for the topic to be considered. I hope all Members will read that book because it will give a sense of the background and the reality from which western Members come. When we stand to present our western grievances in the House, as our colleagues from other provinces present their grievances, we must learn more about our historical development.

Members who study this issue will have a deep sense of outrage about what occurred to the Métis people and to Louis Riel. It is true that the actual legal events that occurred were very likely correct and clearly appreciated by Louis Riel himself. He was defended by the leading defence counsel of the nation. There is no doubt that he understood the legal position he was in and the stand taken by the defence counsel on his behalf. They knew in terms of the law that there was only one defence that would prevail for him, but he rejected that defence, quite properly.

The life of Louis Riel shows and the book reveals that by 1869 the Métis people were a totally self-contained racial group in this country. They were not Indians, even though they could live like the Indians in many respects. They were not like Anglophone Canadians, even though they could operate in that world. Indeed there were many English-speaking Métis, although their definition correctly applies only to a French-Indian combination. They were not French Canadians in the tradition of the French habitants and the people who spent their lives in Quebec.

It is not possible to become a separate nation overnight. The Métis had 200 years' experience of being their own people on their own land with their own culture. They lived along the rivers in Manitoba on lots that were surveyed in long lines, as was done in Quebec. Naturally, they objected when surveyors came in 1869 and rejected those property rights in favour of the square toroid system in which the western country was surveyed. In fact, that is why Louis Riel is a hero to anyone who knows his western Canadian history. Louis Riel was the first man to stand up to the oppressive, unilateral and dictatorial actions of the central Government, and others have subsequently and paid a bitter price for it.

That is what the National Energy Program involved. It reflected an insensitive, uncaring central Government foisting its view upon a region of this country. The National Energy Program was a western Canadian issue, but there could be other measures affecting other provinces. Indeed, Parliament responded in many ways to the pressures that came from Quebec to allow Quebecers who wanted to participate in this country with their language as Canadians. That is what the official language is about. That is why I can defend the Official languages Act in my riding with no problem at all. Its purpose is to allow people who live in a region of our country to feel that they are a part of Canada and can contribute to the greatness of this country.

By the same token, Quebec Members—especially Progressive Conservative Members from Quebec—went to Quebec and argued against the National Energy Program that was so vicious and wrong for western Canadians.

The Provisional Government of Louis Riel was legal. In 1869 and 1870 there was a gap between the time when the central Government got Rupert's Land and the time when the Northwest Territories and its government was legally installed. Therefore, the Provincial Government of Louis Riel was quite correct in terms of law. However, it made a political mistake when it executed Thomas Scott. That inflamed the religious passions, which we find hard to appreciate today but which were very real at that time. That enraged Ontario, just as Quebec was enraged after the execution of Louis Riel. These events were framed in terms of race and religion and they set off an uncontrollable reaction. It inevitably led to the events of 1885.

Again, the Hon. Member for Regina West has made no distinction in terms of his scholarship and understanding of the problem that it is necessary to isolate the events of 1885, which led to the treason charge, conviction and hanging, from the events of 1869. In 1885, Mr. Speaker, it was much the same. Again, the Métis had resettled along the south branch of the Saskatchewan River. They had been there for many years; their children had been born and raised there. They had grandparents and parents who were on the land. That gave them a validity that only farm people perhaps can appreciate, having ancestors who have worked the land and are part of the land. Again, the surveyors came. You would have thought that the central Government by then would have appreciated that one should give respect to some of the rights of the Métis, but the surveyors did not. They simply came and started to trample over their land once more. The Métis did not know what to do. They did not have any natural-born leaders in terms of politics. Gabriel Dumont, the greatest buffalo hunter and organizer they had sent to Montana for Louis Riel. A delegation was sent. Riel came back reluctantly. By that time

he was an American citizen and was proud to be an American. He said he really wanted to remain an American and planned to go back, but the Métis needed his advice. Riel came. They had all sorts of meetings all over the Métis territory. They sent petitions. They wrote out their grievances very carefully, sent them to Ottawa, but Ottawa did not respond. It so happens that the Government was a Progressive Conservative Government. We all express regret that the Government in Ottawa at that time was no better than subsequent Governments have been, the last example being the Liberal Government and the National Energy Program.

• (1740)

The Métis became desperate. At the same time the research shows that in two areas Louis Riel was unable to keep his common sense, as we would say today. One was in politics. He was incensed about what had happened in 1869. He created Manitoba. He got no reward nor acknowledgement. In 1885, he came back. After weeks and weeks they sent petitions and letters, but got no response. Suddenly, troops were sent out. In the area of politics Riel was so frustrated that, again, he took politics into his own hands and declared a separate Government. That was all right in 1869 because in terms of the law there was a gap, and so it was quite acceptable. In 1885, there was a properly, duly constituted law in the Northwest Territories. What Riel did was simply illegal. It was treason to declare it. Then things got out of control, Mr. Speaker. If I recall, 29 or 30 people were killed. These were proper, law-abiding residents who were living in the Northwest Territories and who were killed by the Métis and the Indians. It was out of that that the charge of treason arose.

When it came time for the trial, there was no doubt in terms of the law, with 30 people having been killed, that there was going to be a conviction. Riel's lawyers raised a defence of insanity. Louis Riel himself would not accept that defence of insanity, even though subsequent scholarly studies show that in the area of politics and in the area of religion Louis Riel lost his common sense. In terms of religion, Louis Riel by that time had come to see himself as a prophet. In fact, the leadership of the church at that time was very upset with the position he was taking and developing. Riel wanted to make one of the bishops Pope of the new world and he was going to be the prophet. That is the historic reality of it. The leaders of the church were not happy with him then.

Mr. Prud'homme: He was hanged.

Mr. Thacker: I say read the letters of Father André. Get in and actually do the research. If you want to look at it, it is there in black and white. Therefore, the church leaders, we have to accept, were not all that unhappy. They did not want him to be killed. The irony, I suppose, is that once he was killed and no longer a threat to the leadership, they took Riel to their hearts.

Mr. Prud'homme: What an explanation!

Mr. Thacker: That is the reality, my friend, and I say to you to take a look at it.

This is why this Bill has to go to a committee at some point. If the Hon. Member for Ottawa-Vanier had done his research, he may have come up with that.

Mr. Gauthier: With what?

Mr. Thacker: I would be interested in what the Hon. Member has to say. He scoffs. Has he read the book?

Mr. Gauthier: I rise on a point of order, Mr. Speaker. I spoke in this debate. I moved a motion. I do not think I ever implied that the Member speaking was ignorant. He was present when I spoke. I think he should withdraw his comments with regard to my remarks. He did not understand—

The Acting Speaker (Mr. Paproski): Order, please. I regret that the Hon. Member does not have a point of order. He has a point of debate. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) has the floor.

Mr. Thacker: Mr. Speaker, I am surprised the Hon. Member for Ottawa-Vanier (Mr. Gauthier) rose. I was praising him for his strategy. I was wishing that we had had time to think about it before. I was directing my comments to the Hon. Member for Saint-Denis (Mr. Prud'homme) who has not read his history and was not even here for most of the speech. He would not appreciate the background at all.

Mr. Prud'homme: But we have a good television system. It is much better that I was not here.

Ms. Copps: He could not believe his ears. That is why he came in.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Benjamin: Hey guys, what are you doing to my Bill?

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): The Hon. Member for Lethbridge-Foothills (Mr. Thacker) has the floor.

Mr. Thacker: Mr. Speaker, we have the Liberal-NDP coalition working again. They are trying to set us up so we cannot discuss the facts and the reality. The Liberals and the NDP have to start the catcalls.

Mr. Prud'homme: Don't talk about the National Energy Program then.

Mr. Thacker: The Hon. Member for Regina West stands alone in the House again. There is no one in his Party to support him. There are three or four Liberals in the House trying to raise a ruckus so that the House will be misled and the issues not dealt with properly.

That is my view, Mr. Speaker. I wish we had more time because I would have liked to lend support to the Hon.

Member for Ottawa-Vanier. It is a subject that could be looked at, although I believe it will be found that the conviction of Louis Riel was correct in terms of the common law at that time. In terms of the politics, it was wrong and insensitive. But that has been the history of this government in Ottawa.

Mr. Prud'homme: But he was hanged.

Mr. Thacker: We should take it as a lesson that we as Members of Parliament should be very sensitive in the use of power. We should not be standing using our immunity, as the Member for Ottawa-Vanier did, trying to frame it in terms of ethnic and racial differences, because that was not the true basis of Louis Riel and his conviction.

• (1750)

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I am pleased as a Quebecer to rise today and speak on such an important and interesting chapter of our Canadian history. I would like to join my colleagues from Brandon-Souris (Mr. Clark) and Lethbridge (Mr. Thacker) in paying tribute to a hero of our Canadian history. I consider it important that in this House, occasionally, we should have an opportunity to pay our respects to those men who paid so dearly to have their mark left on our history. I hope that my colleague from Saint-Denis (Mr. Prud'homme) will take part in the debate today. I want to point out to the House that we have among us a Métis, and I hope he will contribute to this debate.

Mr. Speaker, it is interesting that such a subject should have been introduced in this House because in this year 1985 the Métis resistance will be commemorated in Saskatchewan and Manitoba. I think it is with much pride that the Canadian Government is now discussing with representatives of the National Council of Métis this matter of grants for the celebration of the 100th anniversary of Batoche, which will take place in Saskatchewan in July of 1985. I must also stress the active participation of the Saskatchewan Government in those activities. The many events that will take place next summer, that is in July 1985, will have the scope of a truly national celebration, with many social and cultural activities, and we are proud as the federal Government to be associated with that event. This goes to prove, Mr. Speaker, that this Government wants to encourage cultural Métis activities in Canada.

We all know here, in this House, that Louis Riel has played a very important role in our Canadian history. We may even think that Louis Riel is one of the founders of Manitoba, even though there has been a lengthy controversy on that subject. We recognize today the important contribution of all the Métis of the area in the building of our Canadian society. The Government of Canada is negotiating with the representatives of the National Council of Métis and other native groups to better define their constitutional role. Besides, I would like to point out to the House that there will be an important conference of First Ministers on April 2 and 3, 1985 on the subject of natives.

Finally, Mr. Speaker, in order not to take up too much of the time of the House, I would like to conclude by expressing my feeling of fraternity with those people who want to be identified in Canada's great mosaic.

Ms. Copps: Mr. Speaker, I will be very brief, because I know that everyone would welcome the opportunity to vote on the subject. If the Hon. Member who has just spoken truly believes in and wants to make all Canadians aware of the history of the Métis people, I think a first step would be to revoke the verdict of guilty as his Government is empowered to do. I would therefore urge all other members to support us in the Liberal Party with our amendment, to support our friend from the New Democratic Party on his Bill, and stop talking nonsense if you are not ready to vote.

[*English*]

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rise in the House today to speak on this Bill with great emotion because I stand here with a heritage which goes back to the Métis in the Province of Manitoba. In my grandfather's living-room there was a picture of Riel, but it was not the Riel who is being projected here today through this Private Member's Bill. It was the Riel who accomplished something for his people, my relatives.

As I stand here today I look at the Hon. Member for Saint-Denis (Mr. Prud'homme) and the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I have seen them before speaking on issues, presenting Private Members' Bills and trying to create divisiveness within the House.

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege. This is not the first time the Hon. Member has tried to do that to me. I ask him to tell me when I have ever tried to do such a thing. I have been a Member of this House for 21 years.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Prud'homme: I have worked all my life for the creation of friendship among all of us. Unless he does so, he should put up or shut up.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member knows that that is a point of debate. He will have an opportunity at another time—

Mr. Prud'homme: I know what I am dealing with. That is the only question that will make me lose my temper.

The Acting Speaker (Mr. Paproski): Order, please. It is a point of debate.

Mr. Prud'homme: No, Sir.

Mr. St. Germain: Mr. Speaker, obviously I have hit a sensitive nerve in the Opposition.

Mr. Prud'homme: Put up or shut up. When have I done that?

Mr. St. Germain: Obviously, Mr. Speaker—

Mr. Prud'homme: It is a negation of what I came here for, what you are trying to do.

Mr. St. Germain: —if the shoe fits, wear it. I think the intent of the Hon. Member for Regina West (Mr. Benjamin) is honourable. I do not question that. However, I think it is slightly misguided, and I hope that it is not for political reasons that he has brought this Bill forward.

Mr. Benjamin: Tell that to the Métis people.

Mr. St. Germain: You are talking to one of them.

Mr. Benjamin: This is on their advice, not yours.

Mr. St. Germain: Let us look at the Métis accomplishments rather than the eventual problems and outcome which Riel had to face. Let us speak of the accomplishments and contributions they made to the Canadian culture and to the Canadian mosaic. The Hon. Member for Brandon-Souris (Mr. Clark) said: "Let's not talk of the death of Riel, but let's talk of his accomplishments, accomplishments which shaped and moulded the lives of many of us Manitobans as we grew up".

From 1869 to 1870, as history proves, Manitoba went through considerable turmoil. There were problems. I say in retrospect that if we had to face those problems today, we would not necessarily have handled them as they were handled then. However, it is part of our history and it is something from which we should learn rather than cause division on.

Riel, in 1869 and 1870, was working and trying to establish a better life for the people he represented. Those people supported him to the point where Mr. Riel had to leave the Province of Manitoba. The Métis did not leave; there are still an awful lot of them there. Some of us have moved on to different areas of this great country, but we contributed and Riel contributed.

I want to tell the House something about growing up in the Province of Manitoba in the era in which I grew up. There were still injustices being done to us. However, we do not look back on them with anger. We have learned. We have learned to be tolerant and to understand. Hopefully, we can pass this on to future generations so that as Canadians we can live and develop a country with understanding for all cultures; not only native Indians and Métis but all cultures which came from all parts of the world to this great country. They knew that there was understanding and that possibly life had to be given to create this great country of ours. Let us look at it positively. Let us not try to divide.

Mr. Prud'homme: Let's vote now, then.

Ms. Copps: Let's vote on it.

Mr. St. Germain: Let us work toward the future of Canada instead of looking backward.

There is no way in this world that we can make up for the mistakes and wrongdoings of the past. We must seek and continually work toward doing justice within our own time. I have no time for those who would promote divisiveness by the use of this House or by the use of any means or methods within the country.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

[*English*]

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

The Acting Speaker (Mr. Paproski): Order, please. I should have cut off debate two minutes ago as we started two minutes early. I have given the House an extra two minutes because I know how important it is to Private Members to extend their debate in this House. It being six o'clock, the hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

AGRICULTURE—AMOUNT OF FARM DEBT. (B) UNITED STATES PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have the opportunity to speak on the adjournment motion this afternoon because in the gallery today are representatives of the Ontario Federation of Agriculture. Over 150 visited Parliament Hill today and presented a brief to many Members of Parliament, I believe to almost every Member from the Province of Ontario. I welcome them to the Hill today.

Yesterday I directed a question to the Minister of Agriculture (Mr. Wise) concerning the farm debt crisis, the most important problem presented to us today by the Ontario Federation of Agriculture. They pointed out that almost 39,000 out of 228,000 farmers in Canada face very serious debt problems. This is due to the fact that commodity prices have been very low, interests rates for the past three or four years have been very high and in many cases land values have dropped by at least 50 per cent in the last three or four years. This has resulted in excellent farmers suddenly having no equity in their farm property.

An OFA representative who visited my office today described how he had purchased a farm for $320,000 about 10 years ago. He took out a $240,000 mortgage with the Farm Credit Corporation. When he had the farm appraised last summer, the value of his hog farm had dropped to $165,000. He has totally lost his equity in the property due to falling land values.

I asked the Minister what he was going to do about the serious financial difficulties of the thousands of farmers on the verge of bankcruptcy or default. The Farm Credit Corporation estimates that defaults on farm properties in the next couple of years will amount to $2 billion, the largest default since the 1930s. It will be in the realm of Dome Petroleum and other massive defaults in this country. Instead of involving a big oil corporation, it will affect hundreds of thousands of small farmers. What is sad is that these are our youngest and most productive farmers. They are technologically advanced farmers who produce half of all the food produced in this country.

The Minister stated that they had reduced interest rates to 12¾ per cent. The Farmers Union and the Canadian Cattlemen's Association are asking that the interest rate be reduced to 8 per cent. The Minister said they can appeal to the Farm Credit Corporation in the event of a foreclosure. He said they are running a pilot project to consider ways to assist these farmers.

That policy of the Mulroney Tory Government is a policy of abandonment. They are saying to the 39,000 farmers in serious financial trouble, and the Farm Credit Corporation estimates that the number has grown to 45,000 in the last two months, that they are abandoning them.

Compare that with the policy in the United States. Approximately four weeks ago a number of parliamentarians went to the United States and met the Secretary of Agriculture John Block. He told us that theirs is a policy of continuing to spread the loans over a longer period of time. Two of us had the opportunity to meet and talk with the Farmers Home Administration. We were told that their policy was a policy of continuation and that they wanted to continue to have young, productive and technologically-advanced farmers on the land. They told us that if those farmers were put off the land, the land values would fall on surrounding farms and the situation would be exacerbated.

● (1805)

Let us consider the abandonment policy of the Minister of Agriculture and compare it with the policy of the United States Government. The U.S. is prepared to write down interest rates of from 11 per cent or 12 per cent to 5 per cent or 7 per cent. The U.S. Government is willing to set aside 25 per cent of Farmer's Home Administration loans for a five-year period and is willing to pay the interest on the loans during that period of time. If a private-sector loan is involved, and the bank is willing to forgive more than 10 per cent of that loan, then the Farmer's Home Administration in Washington will provide a loan guarantee for 90 per cent of the balance.

To this date, that administration has had 109 applications. It has processed 3,000 set-aside applications. It has written down 8,000 loans to 5 per cent or 7 per cent. That is the policy which keeps young people on the farms. That is the policy of continuation which strengthens, encourages and supports the rural area.

That is exactly what the Ontario Federation of Agriculture wants this Government to do. However, instead we have the Tory policy of abandonment. The Government has said to the 45,000 young farmers across Canada, "We are abandoning you and the devil take the hindmost. We are not going to support you. We are not going to assist you in any way". It is a callous, uncaring, short-sighted and inhuman way to treat the young farmers who are the life-blood of the rural area and the agricultural economy for the years ahead.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am always somewhat surprised that the Hon. Member for Algoma should constantly raise these questions, which makes us wonder what was the former Government doing when the interest rates were around 16 and 17 per cent. It was this Government which authorized such loans to farmers by the Federation, Mr. Speaker. What we are doing now is to try to minimize the effects of a policy which caused serious problems and was hardly acceptable to Canadian farm producers.

Mr. Speaker, the Member opposite would like to know what action the Government intends to take to prevent farm bankruptcies in Canada. This is what he asked in his question yesterday and today and this is what he spoke about in his comments. I would like to point out that, since it came into power, the Progressive Conservative Government has done a lot to prevent these bankruptcies.

During the last few weeks, we have taken several initiatives which will be of great assistance to Canadian farmers. Something over two weeks ago, on January 15, the Minister of Agriculture (Mr. Wise) announced that 5,600 farmers would be eligible for a reduction in the interest rate on their loan. Many farmers on the verge to bankruptcy now have better hope to overcome their difficulties. Thanks to the action taken by our Government, eligible farmers will be able to save about $16 million a year during the next five years.

To help those who find themselves in a dire straits or against whom legal proceedings have been or will soon be taken, the Government has extended the terms of reference of the appeals commissions of the Farm Credit Corporation. This means that, when a farmer who has borrowed from the Corporation finds himself in dire straits, he will be able to go before these appeals commissions and ask for a review of his case.

He can appear alone or accompanied by his other creditors so that those concerned can look for valid solutions. It is not always easy, Mr. Speaker, but I believe that, as parliamentarians, we must try to find solutions with farm producers instead

of simply saying that our policy, is to give up which is certainly not the case. The facts are very clear and I think that the action taken by the Canadian Government since September 4 show a real desire to help farm producers.

Hon. Members have also asked about a debt forgiveness program. We are now considering many options which could help to prevent farm bankruptcies, and I must say that these include such a program.

We have the duty to examine carefully all possible options. A program of debt forgiveness may seem interesting and simple, but we have to consider all its consequences. Subsidizing interest rates could have about the same net effect for the farmer, but it might be simpler to apply. The Government can no longer afford to spend or to reduce its revenue without the assurance that the results will be worthwhile. You can be certain, Mr. Speaker, that the Government will discharge its responsibilities.

• (1810)

[*English*]

EDUCATION—FUNDING OF STUDENT LOANS PROGRAM. (B) TUITION FEES QUERY

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, in December I asked the Hon. Secretary of State (Mr. McLean) a very important question regarding his Government's approach to the young people of this country and the availability, access and opportunity for them to have a college or university education, a post-secondary education. I asked this question because of the cuts made by the Minister of Finance (Mr. Wilson) in his economic statement in the fall, and because of my grave concern for the future of the young people of this country. I am sorry to say that I did not receive a clear answer, or even an understandable one, from the Minister.

The future of Canada and the future of our young people are inextricably tied. If our youth are properly trained and educated to face the future, Canada will be the beneficiary. If our young people gain the required education, if they are given the opportunity to get an education, they will then, through their imagination and intelligence, be stimulated to think, invent, research, produce and to make Canada's economy much healthier. Not only will our economy be healthier, Mr. Speaker, but also our entire civilization. Its culture, values and quality of life will be enhanced by exposing our youth to a post-secondary education. Therefore, much of our future is in the hands of our youth. If we are to be competitive in the future, we must have a well educated population. We must give access to a post-secondary education to as many young people as possible.

In addition, Mr. Speaker, at this time of high youth unemployment, many of our young people who cannot get jobs are staying in school because they know that statistics prove that the higher the education, the better the chance to get a job. For example, approximately 96 per cent of the people with university degrees obtained jobs last year while nearly 14 per cent of high school drop-outs were not able to obtain employment.

Professor David Foot, professor of economics at the University of Toronto, who is an expert renowned in his field, has made extensive labour-market studies and has given us ample evidence that education is fundamental to providing a worthwhile future, a future with decent and relevant employment for our young people, and is also vital to the future of our great country and its economy.

With all of the evidence of the importance of post-secondary education to our young people, to our economy and to our healthy future, what does the Tory Government do? It puts a freeze on student loans, holding them to present levels. It takes away the indexed adjustment for the cost of living which was earmarked for students by the former Liberal Government. This it does while hypocritically talking about its concern for those in greatest need. The Tory Government socks it to the student who can no longer afford to stay in school because of the freeze it has put on the level of student loans. The Tories say one thing and do another.

Even in the January, 1985 consultation paper just released this week, the Minister of National Health and Welfare (Mr. Epp), said, "Social responsibility dictates that wherever possible, and to a greater extent than is the case today, scarce resources should be diverted to those in the greatest need". Is this how the Government diverts resources to those in need? The Tories are quite willing to hurt the poorest kids in our society by removing their ability to borrow important dollars which could make the difference as to whether or not they can attend school. Actions speak louder than words.

It is the student from a family living in poverty, with its limited income, where every dollar counts, who is the one who needs to borrow this money. Not every student needs to borrow the entire limited amount available under the Student Loans Program. They can manage with a partial loan and, fortunately, many can get on without any loan at all. But a ceiling on student loans does hurt the poorest students, those with the greatest need. How could the Conservative Government so cruelly remove the $5 million cost of living increase and hit the students who are weakest and least able to cope, all the while crying crocodile tears about its concern for the poor?

• (1815)

The present Conservative Secretary of State has been given by Parliament the authority to enlarge student loans. He could have increased the loan limits. As a matter of fact, he did not even have to do that. The former Liberal Government had already taken steps to include the increase in its Budget. So why did the Secretary of State freeze them? Why did he sock it to the poor kids in this way?

Maybe the Minister of Finance kept the Secretary of State from doing what I am sure his own conscience told him he should have done. Or did he really want to disenfranchise a whole segment of the student population, the poorest, from their right to a post-secondary education. The students of Canada and the people of Canada are entitled to a clear

answer to this question. Is this Government going to help the poor or just talk about it? How can he possibly justify a freeze on student loans?

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, in light of the remarks made by the Hon. Member for Eglinton-Lawrence concerning the Government's decision not to raise the weekly loan limit under the Student Loan Program in 1985-86, perhaps I should begin by explaining how this program works.

From the outset, may I point out to the Hon. Member that we are talking about the Canadian Student Loans Program which is administered by the provinces under the appropriate legislation. Student assistance offices in the various provinces analyse the financial needs of applicants, and any loan made under the program take into account expenses incurred by the student for personal needs, his resources and real tuition fees. Therefore, should a province decide to raise tuition fees, as Ontario is about to do, according to the Hon. Member, that factor will be included in figuring out loans. The Hon. Member must know that real tuition fees have always been and will always be taken into account in figuring out loans under the Canadian Student Loans Program. The Hon. Member probably knows as well that in most provinces this program is only one aspect of student assistance; they can also apply for grants or special assistance, or resort to loan programs for additional financial assistance. Taken as a whole, those programs offer generous help.

As to the loan limit at current levels and the reduced outlays for 1985-86, I should tell the Hon. Member that, contrary to what he seems to imply, next year's budget for the Canada Student Loans Program will be increased, from $229 to $270 million. I am sorry to say that we had to cut expenses under this program by some $5 million in 1985-86, but the fact remains that the increase for next year amounts to 17.9 per cent. I am sure the Hon. Member will agree with me that nobody gets any less than what he or she can rightfully expect.

Most students will not be unduly alarmed if the loan limit is frozen at current levels, that is $105 a week. Mr. Speaker, I must point out that a student entitled to the maximum amount can receive $3,360 over a 32-week school year, not to mention any help he might get from the province. The average loan under the program is $2,300, so that the current $105 limit does appear reasonable, but the freeze on the weekly limit might adversely affect the odd student who is otherwise eligible for the full loan. Still, that is $160 a year at most and, keeping in mind the low inflation rate, we do not expect dire consequences.

As to graduate students without jobs, Mr. Speaker, the Hon. Member knows very well that, in June 1983, Parliament increased financial assistance to post-secondary students and set up a program under which jobless borrowers do not pay interest. This has been a very successful program, and that is just another way for the—

• (1820)

[*English*]

VIA RAIL—AGE OF LOCOMOTIVES—GOVERNMENT PLANS

Mr. Alan Redway (York East): Mr. Speaker, on November 19, 1984, which seems like a long time ago now, I addressed a two-part question on VIA Rail to the Minister of State for Transport (Mr. Bouchard). The first part had to do with whether VIA Rail had any plans for improving and expanding its service. The second part had to do with what plans VIA Rail had for getting its horrendous deficit under control.

The first part of my question came about as a result of the fact that just prior to the date of my question the Canadian Transport Commission had released a report indicating that of all of the passenger railroads in the industrialized world, VIA Rail had the most obsolete, oldest and worst equipment. That report also indicated that VIA Rail had lost something like one million potential passengers between 1982 and 1983.

The second part of my question dealing with the deficit of VIA Rail was prompted by the fact that in spite of the $93 million reduction in the budget of VIA Rail that the Minister of Finance (Mr. Wilson) called for at the beginning of November, VIA was left with a $600 million deficit for the current year. This of course will have to be subsidized by the taxpayers and will be part of that over-all $37 billion deficit which the country is facing right now. If the figures are correct, in 1983 the Government and the taxpayers of the country were forced to subsidize every single passenger on VIA Rail to the extent of $70.

Since November 19 the Government made two announcements; the first was actually made that same evening. On November 19 the Minister of Transport (Mr. Mazankowski), speaking in Edmonton, appointed a three-member rail passenger action force. He indicated that the Government had plans to improve and renew the locomotives and equipment of VIA Rail and that the Government was also considering expanding and bringing back some of the passenger lines that had been discontinued by the previous Government. On January 15 of this year the Government announced that it was bringing back six of those discontinued passenger rail lines and reinstating them.

Those are excellent moves, Mr. Speaker, which I think that we all applaud, as far as they go. Unfortunately, I do not think they really address the key question of the $600 million deficit of VIA Rail which is hanging over the heads of the taxpayers of the country. Something must be done about that. One answer is to reduce costs. I am sure we would all applaud that solution. However, that alone is not going to solve a $600 million deficit. The only thing which will overcome that will be to increase the revenue of VIA Rail, and the only way to increase the revenue is to increase the number of passengers who are using the VIA Rail system.

How are we going to increase the ridership on VIA Rail? First, we are going to have to provide faster and more comfortable trains. We must also ensure that those trains leave and arrive on time. The speed and comfort of the trains should be addressed through the new equipment. The question of punctuality is an entirely different matter.

I recently went to meet my daughter at the Union Station in Toronto. She was travelling on a VIA Rail Rapido train coming from Montreal, supposedly arriving at 10.20 p.m. In fact, it did not arrive until 11:15 p.m., almost an hour later than scheduled and after four different announcements of time delays and postponements. One can imagine the feeling of my daughter and the other passengers on the train, and the feelings of myself and those waiting to greet the passengers on that train.

● (1825)

How do we overcome this problem? In my opinion it can be solved in the same way the Americans solved their problem; with an agreement similar to the Amtrac agreement. It is an exclusive right-of-way agreement that provides penalties for the railways over which Amtrac trains travel. We need something similar to that in this country. We must ensure that VIA can provide on-time service.

I would ask the Minister's representatives what plans the Government has to either reach an agreement with CN and CP or to legislate an agreement which will compel an exclusive right-of-way for VIA and ensure that penalties are imposed for interferences and delays with VIA Rail on-time service.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, in the absence of the Parliamentary Secretary to the Minister of Transport, I am pleased to answer the question of my colleague from York East.

[*English*]

The Minister of Transport (Mr. Mazankowski) had made renewal of VIAs fleet one of his top priorities. The majority of VIAs fleet is 30 years old. The equipment is expensive to operate and maintain, prone to breakdowns in severe weather conditions, and it does not offer a level of comfort and reliability which the travelling public demands from rail passenger transportation.

The Minister of Transport has asked the rail passenger action force, headed by Dr. Hugh Horner of Alberta, to make recommendations on equipment renewal as part of the mandate of the action force. The task force is to look at ways and means of bringing rail passenger services up to modern, cost-efficient standards. Specifically in terms of equipment renewal, the main option being considered is the replacement of existing rolling stock with modern, state of the art, high capacity, proven technology cars and locomotives manufactured to the highest degree possible with labour, components and engineering obtained from across Canada.

The Minister of Transport considers that new equipment is essential to the future viability of rail passenger services in Canada and, as he has previously stated, a substantial capital program of approximately $200 million exists within VIAs budget for this purpose.

Steps have already been taken to improve VIAs performance *vis-à-vis* service to the public, as is evidenced by a more successful Christmas season this year. Of course the essence of the Minister's objective is to strive for continued improvement in VIA Rail's performance, both financially and in the provision of rail service to the Canadian people.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 6.29 p.m., the House adjourned.

HOUSE OF COMMONS

Friday, February 1, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

STEEL EXPORTS—EFFECT OF UNITED STATES LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on behalf of the people of Hamilton and all those concerned with the Canadian steel industry, to express my regret over the Government's inaction with respect to the United States Trade and Tariff Act (1984). If this law goes into effect, steel products entering the United States will be required to have their country of origin stamped on them. This new, non-tariff barrier will cost the Canadian industry millions of dollars to comply with, and risk those markets where unmarked steel is required. This will end up costing Canadians steel jobs.

There was a presentation made last week at the Canadian Embassy to U.S. Customs officials about the implications of these new regulations. The Minister of International Trade (Mr. Kelleher) was visibly absent from this presentation. If the Government is at all concerned about this issue, then the very least it could do is to have the Minister personally lead the lobby to protect Canadian jobs. I might add that in the document presented this week discussing international trade, the whole steel question was left completely untouched, another indication of the Government's disinterest and lack of commitment on this issue.

The Prime Minister (Mr. Mulroney) claims the Government is approaching the issue with vigour, but its actions fall far short. I believe the Canadian Government should start to take a tougher stand with the U.S. Government on this issue and stop the smoke and mirrors approach which has been taken to date, before thousands of steel jobs in Hamilton, Sault Ste. Marie, Nova Scotia, and across the country are lost.

[*Translation*]

METRIC CONVERSION

GOVERNMENT DECISION—POSITION OF SMALL RETAILERS

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, today I would like to congratulate the Minister of Consumer and Corporate Affairs on his decision regarding metric conversion.

As a defender of consumer interests and as someone who, as former President of the Association des services de l'automobile du Québec, has been involved for many years in these issues, I think this is a real victory for the small retailer. It is the first time any Minister has shown so much consideration for the interests of small retail businesses. I therefore wish to thank the Minister on behalf of all small retailers in Quebec and across Canada.

The Minister, in his wisdom, has been careful to consider the interests and wishes of the majority of intervenors in this controversial issue. This will be an opportunity for small retailers to better identify with consumer needs without having to ask the permission of the multinationals first. From now on, they will be free of this obligation.

* * *

[*English*]

THE LATE FRANK SCOTT

TRIBUTE TO LIFE'S WORK

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, yesterday our country lost a truly magnificent human being. Frank Scott, poet, professor of constitutional law, champion of civil rights, and a social democrat, died at his home in Westmount.

This "rebel without a pause" took on and defeated Maurice Duplessis in a historic civil rights battle that we now know as the Padlock case.

In the words of Tommy Douglas, he was the Canadian intellectual stimulus of the 1930s and 1940s.

His friend and associate, Charles Taylor, describes Frank Scott in these words: "He was this very strange and wonderful mixture of very high social and political aspiration with this streak of clear eyed perception of human failings, all with a sense of humour."

He was the two-time winner of the Governor General's award for literature, and by his actions and deeds he influenced the course of history. As fellow poet Louis Dudek said: "I feel he is going to rise to mythical greatness."

S.O. 21

In Frank Scott's own words:

From those condemned to labour
For profit of another
We take our new endeavour.

For sect and class and pattern
Through whom the strata harden
We sharpen now the weapon.

Till power is brought to pooling
And outcasts share in ruling
There will not be an ending
Nor any peace for spending.

On behalf of my colleagues, and I hope on behalf of the House of Commons and the people of Canada, we express to his wife Marian, and his son Peter, our condolences, and a grateful thanks for the inspiration that he was.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

NEED TO RECEIVE TELEVISED NEWSCASTS FROM ALL REGIONS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, on behalf of my colleagues I would like to express our appreciation for the excellent television facilities available to each Member of Parliament on the Hill. However, I think the service should be expanded. As it is now, we can view the news on television stations from Ottawa, Hull, Kingston, Toronto, and Montreal. This kind of coverage is adequate when you want to know what is happening in central Canada, but what are the news and views in the West, the Maritimes or on the Prairies?

I am sure the technology is available to make the information available, at minimal cost to the Canadian taxpayer. In fact it is a simple and practical way for Canadians to keep their Members of Parliament informed on local opinion.

Canada stretches from sea to sea.

[*Translation*]

This House represents Canadians "A mari usque ad mare".

[*English*]

We came to Ottawa to represent our ridings, Mr. Speaker, not to be excommunicated from them.

Some Hon. Members: Hear, hear!

* * *

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, very soon the Government of Canada will reach an agreement with Newfoundland on the offshore. We expect the agreement will be signed this month. We know that the companies will require a deal which stands up for the long term and cannot be changed, before they will be prepared to invest. But still we have many unanswered questions.

Will there be, as we hear, a fund of $500 million in new money for Newfoundland from the Government of Canada, which will be used for infrastructure, for example, to build highways such as the TransLabrador Highway? Will that fund be there, and how much will it cover? Who will set the royalties, and what will they be? Will there be a special component for the training of young people in Newfoundland so they can take jobs in the offshore?

The Minister should now instruct Mobil Oil to release its environmental impact study, which she has received, so we can begin that debate with full knowledge of what the future holds for us in my province, because this will affect our lives so greatly.

• (1110)

The Minister should give assurance that when this deal is concluded, and before it is signed, we will have an opportunity to judge, on the contents of that deal, whether or not it is good for us. At this point in time, Mr. Speaker, never have so many known so little about a matter that affects them so greatly.

* * *

EXTERNAL AFFAIRS

FORTIETH ANNIVERSARY OF YALTA AGREEMENT

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, Monday, February 4 will begin the fortieth anniversary of the Yalta Conference. In 1945, at that Crimean centre, President Roosevelt, Prime Minister Churchill, and Marshal Stalin met for eight days to plan what would follow victory. Yalta was one of the most significant summit meetings in the 20th century. It led to the bifurcation of Europe by that iron curtain which still shuts eastern Europe off from the West.

I speak of it in the House of Commons because of all the Canadians who trace their heritage back to those countries still dominated by the Red Army. Many of these Canadians are to be found in Scarborough, as they are in most of our communities. In the past 17 years many people have wondered where the Canadian Government stood on the Soviet threat to their homelands. In 1985, the fortieth anniversary of Yalta, let there be no doubt that Canada still looks for that time when the Red Star will not fill the sky over eastern Europe.

* * *

FINANCE

CORPORATE TAX BREAKS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, one of the main themes of last summer's election was the issue of fair taxation. Specifically at issue was the level of tax loopholes and opportunities for tax deferrals which were allowed for large corporations in the mistaken belief that they would

trickle down to provide jobs for ordinary Canadians. In response to this agenda, which was set by the New Democratic Party, the then Minister of Finance was quoted as saying that a thorough review of tax breaks for private industry was needed "to determine where the system is being abused". To my knowledge this report has yet to be released.

An example I could draw to the Minister's attention would be that of the iron ore mine in the community of Ear Falls, owned by Stelco, which recently announced large lay-offs, to be followed by a complete closure of the mine in April, 1986. The statements of this company show $390 million in accumulated deferred taxes. The Minister of Finance should send a clear message to the corporate taxpayers of the country that the Government of Canada will no longer allow tax breaks for corporations that cut back significantly on the number of workers they employ. This message must be reflected in the Budget this spring.

* * *

ADMINISTRATION OF JUSTICE

PUBLICATION OF NAMES OF PERSONS CHARGED WITH SEXUAL OFFENCES

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I rise on an issue of importance to the people of my riding of Niagara Falls, and to the people of this country, that is, the practice of publishing the names of individuals who are charged with Criminal Code offences. We are all aware of the devastating effects this can have, not only on the individual, but on the friends and relatives of the accused as well. In the public's eye the presumption of innocence may be lost. It is little comfort that the accused may establish his innocence at some point in the future. The damage has been done.

Recently in the city of St. Catharines, 32 individuals were charged with the commission of sexual offences. Their names were immediately made public. The loss of reputation and the anguish are a high price to pay. I would suggest it is too high a price without a conviction.

It is pointed out that there may be a restriction of the public's right to know, or of the freedom of the press. Those are important rights that should never be treated lightly. However, there is the right of the individual, and his protection should be paramount. Therefore, I would urge the Minister of Justice (Mr. Crosbie), my colleagues on the Justice Committee, and other Members of the House to consider amendments to the Criminal Code that would prohibit the publication of an accused's name unless there is a conviction.

S.O. 21

[*Translation*]

METRIC CONVERSION

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Conservative Government continues to keep Canadians confused by allowing a return to the old system of imperial measures. Quite obviously, the Government will always have double standards, yet most Canadians had already accepted the metric system, which happens to be the most widely used worldwide. This return to the past is one of the few election promises honoured by the Progressive Conservative Party. Mr. Speaker, one might wonder whether this change has been made to bail out the gas station operated by 37 Conservative Members who seemed to have trouble competing against metric service stations.

[*English*]

It is becoming increasingly obvious, Mr. Speaker, that returning to the imperial system is a pretty "Domm" idea.

* * *

RELIGIOUS PERSECUTION

PLIGHT OF BAHA'I BELIEVERS IN IRAN

Mr. John Oostrom (Willowdale): Mr. Speaker, I would like to express my concern with respect to the future of the Baha'i faith in Iran. The 300,000 members of the Baha'i faith have been denied recognition under the Iranian constitution, and are now being persecuted as an entire community.

Unless their problem receives recognition, the Baha'is could eventually cease to exist as a distinct entity and face the same fate which the Falasha Jews almost encountered in Ethiopia.

• (1115)

The Toronto Star reported on January 30 that Iran has become the first country to denounce the 1948 Universal Declaration of Human Rights, effectively shutting off current United Nations investigations into any claims.

The Baha'is are expressly forbidden by their religion to take part in politics, and are commanded to obey civilian authorities, thus posing no threat to Iran.

On behalf of the Baha'i community in Toronto, Canada, and the rest of the world, I urge the Government of Canada to take initiatives in the international community to ensure that the Baha'is are not discriminated against in Iran.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

CHARTER OF RIGHTS

ELIMINATION OF ABUSES IN LEGISLATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday was a sad day. The Canadian Charter of Rights and Freedoms was enacted to protect all Canadians, however humble, weak, and unpopular, from abusive legislation and from oppressive, unfair Government policies.

Yesterday, with a phony consultation proposal, the Government dealt a blow to fairness and justice in Canada. A normally courageous Minister of Justice (Mr. Crosbie)—I say that kindly—is guilty of a cynical and cowardly act, using consultation to avoid the responsibility of Government. He has championed the cause—

Mr. Speaker: Order. We have finished the period for statements. I must ask the Hon. Member to come to a question.

Mr. Kaplan: Will he reconsider the decision he made yesterday to champion popular causes but to abandon the weak to consultation? Will he reconsider that, and bring forward legislation required by the Charter to eliminate the abuses in existing legislation and policies of this Parliament and of the Government?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, one can hardly take the hon. gentleman seriously. His Government had two years and a number of months to do something on this issue. Since the time the Charter of Rights was adopted and when they left office last September, where were they? What had been done? What was the state of preparation? The Hon. Member should be on his knees thanking me for having made so much progress in five months, compared to the wasted two years.

Some Hon. Members: Hear, hear!

INTRODUCTION OF AMENDING LEGISLATION

Hon. Bob Kaplan (York Centre): The Minister knows that the former Government had directed officials to prepare legislation to review and correct all of the statutes that needed correction. There was no suggestion that in dealing with the unpopular, the weak, and oppressed, there would be a consultation paper. Will the Minister look at these causes, take the legal advice which he has been given and bring the legislation forward?

What is the point of having consultation when the Charter is already established as the law of the land? What is achieved by forcing the weak and the oppressed to come forward to Parliament once again, and also to go to court, to plead for a justice that the Minister is denying them?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman reminds one of the weak and the oppressed by the mean spirited way that he is approaching this whole situation. The legislation was introduced to the House yesterday in order to amend over 50 statutes. A discussion paper has been tabled in the House so that the public will have a chance to express their views on how certain very important issues that are not clear can be determined.

Public policy choices must be made. We want the Canadian people to be involved in this process, not just some little secret coterie of Liberals, scuttling around in a dark basement somewhere, deciding our destiny. We want the Canadian people, through a committee of the House, and we want Members of the House, to help us in this process, rather than a secret group in some subterranean basement, such as the hon. gentleman would prefer.

Some Hon. Members: Hear, hear!

Mr. Kaplan: The Minister knows that he is violating the spirit of the Charter. He is subjecting these groups to the very fate from which the Charter was meant to protect them, from the whims of public opinion, and the possible tyranny of the majority.

LEGAL OPINIONS

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister has legal opinions telling him what he is required to do and what changes are required to be made. Will he table those legal opinions so that the Canadian people can see the very things he is refusing to take the courage to do?

• (1120)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is hard to answer a question that does not have any specificity.

Some Hon. Members: Oh, Oh;

Mr. Crosbie: I do not know to which legal opinions the hon. gentleman is referring. I have tabled in this House an interesting document entitled *Equality Issues in Federal Law* that raises serious questions. On our side of the House there are 211 Members who want to discuss them and want to consult with the public, and involve the public in the process. On that side of the House there are 70 scared people who do not want to discuss this with the public and make recommendations. The Hon. Member ought to put himself on the line, if he is on the committee, and let us know what he thinks of these issues. Do not be afraid of the job. Get on with it, and report as soon as possible to the House.

Some Hon. Members: Hear, hear!

MINORITY LANGUAGE RIGHTS IN QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Prime Minister. Earlier this week Pierre Marc Johnson, the Quebec Minister for Intergovernmental Affairs, stated that Article 23 of the Charter of Rights would be part of the negotiations between Quebec and Ottawa. As the Prime Minister knows, Article 23 deals with minority language rights, and last July the Supreme Court of Canada ruled that the Canada Clause in Article 23 would take precedence over the Quebec Clause in Bill 101.

Will the Prime Minister tell the House whether in fact minority language rights, the Canada Clause, will be part of those negotiations between Quebec and Ottawa? If so, will he assure this House that nothing will be done to weaken the application of the Canada Clause in Quebec?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have received no request from the Government of Quebec and certainly not the specific kind of request mentioned today by the Hon. Member. I assume he spoke in good faith, and while I am prepared to listen to his claims and views, I think I should refrain from commenting on speculation by the media. However, I think I can inform the Hon. Member that my personal position and that of my colleagues has always been clearly in favour of protecting our language minorities, wherever they may be.

[*English*]

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a supplementary question for the Prime Minister. The Prime Minister has stated that he is in favour of minority language rights but he has failed to give the House the assurance that nothing will be done to weaken the application of the full Canada Clause in Quebec. I want that assurance.

May I ask, if language rights are part of negotiations between Quebec and Ottawa, will the Prime Minister raise two other matters in those discussions? First, will he try to have Quebec apply the full rights under Article 23 in accordance with Article 59 of the Charter, all those minority language rights in education which apply in the other provinces, so that they will also apply in Quebec? Will the Prime Minister do that?

Second, will the Prime Minister request the Quebec Government to stop its appeal against the McKenna judgment, the judgment of Judge Boudreault in the Superior Court of Quebec ruled that bilingual signs should be legal in Quebec? Will the Prime Minister try to get the Quebec Government to agree to the good sense in the Boudreault judgment as well as the full application of Article 23?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know that my hon. friend would seriously want me to try to insinuate myself in the process involving provincial Governments and their rights to go to court, and our right either to oppose or approve such issues.

I want to tell my hon. friend that as Leader of the Progressive Conservative Party I campaigned across the country, and in particular in the Province of Quebec, as someone who stood at all times for a united Canada where all minorities would be treated fairly. This Government will do nothing to diminish the rights of any Canadian with regard to his or her citizenship, and his or her right to be heard, to express himself or herself at all times.

Some Hon. Members: Hear, hear!

FUNDING OF LITIGATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I found it passing strange to hear the Liberal spokesperson talking about the weak, the unpopular, and the oppressed, given the failure of his Government to take any action whatsoever on that important question.

Some Hon. Members: Hear, hear!

• (1125)

Mr. Robinson: My question is directed to the Minister of Justice. Yesterday, Canadian women and minorities—

Ms. Copps: Did you get that from the CIA, Svend?

Mr. Chrétien: You voted against it; you voted no.

Mr. Speaker: Order.

Mr. Penner: This man is against the Charter.

Mr. Speaker: Order. The Hon. Member for Burnaby on a question.

Mr. Robinson: Yesterday, Canadian women and minorities, including the elderly, homosexuals, lesbians, and the disabled, were told that they must keep waiting for full equality before the law, equality they thought was guaranteed to them by the Charter of Rights. Since the Government's failure to amend federal legislation will force these groups into the courts to fight for full equality, is the Government prepared to establish a significant fund to assist these litigants in establishing their rights to full equality, or will these rights only be available to those who can afford a lawyer to advocate on their behalf?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we just had an example of the obnoxious shouting down of the weak and the oppressed.

Some Hon. Members: Hear, hear!

Mr. Crosbie: With rspect to the hon. gentleman's question, no one is going to be forced into the courts, as he puts it. On April 17 the equality provisions of the Charter of Rights and Freedoms will come into effect. At that time, whatever rights

that establishes will be in full force and effect in Canada. The question will be: what is the meaning of the equality provisions of the Charter?

For the next 100 years Canadians will be discovering the full meaning of the Charter, just as in the United States of America they are still exploring what the Bill of Rights means. In the meantime we have a discussion paper which deals with very serious policy questions, where there are arguments on both sides. It is not clear that some of these particular matters at issue are contrary to the Charter. We will not know that, perhaps until the courts deal with the matters.

In the meantime, Members of the House, through the committee, will be able to take representations from the public, from women's groups and from the handicapped, as to their views on how these issues should be dealt with. The public of Canada will become involved and educated on these issues. The committee will report back to the House, and the Government will bring in further legislation later this year. What better, more democratic, fairer process could we properly use?

DEPARTMENTAL STUDIES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, perhaps the Minister might answer the question with respect to a fund to assist litigants to establish their rights.

Given the fact that the Minister has indicated that his Department has conducted extensive studies into the implications of the Charter for a whole range of federal statutes, will he undertake that the special committee, which will be established to review the issues raised in the discussion paper, will have available to it all studies and background information prepared by his Department on the important question of the implications of Section 15 for Canadians?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect to the question of funding, as the hon. gentleman knows, the only funding Government has provided to litigants has concerned the question of bilingualism, language questions. Whether or not there should be any extension of that beyond that particular issue will have to be decided. The Secretary of State, a man of broad, humanitarian principles, is also responsible for the status of women. He is a mighty volcano in Cabinet on that question, ready to explode at any moment. He is considering that issue together with the Department of Justice. When a decision is made it will be announced.

As to back-up material and assistance from the Department of Justice, there is a nine-person unit which has dealt with the issue of the Charter. They will certainly be available. Other Ministers and Departments involved will be available as well. We will assist the committee all we can. I hope the hon. gentleman will be on it because, with his indefatigable energy, I am sure he will make a very valuable contribution.

Mr. Speaker: Order.

OVERRIDE PROVISION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my final supplementary question is directed to the Prime Minister. The previous Prime Minister undertook that his Government, under no circumstances, would resort to the override provision of the Charter of Rights, the provision which effectively allows Governments to override fundamental rights and freedoms and equality rights. Will the Prime Minister give the same assurance to Canadians that his Government will not, under any circumstances, use the override provision of the Charter of Rights to subvert decisions made by the judiciary of the country?

• (1130)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Prime Minister has given me the nod to answer. The position is that this Government has not and does not contemplate using the override Clause with respect to the Charter of Human Rights and Freedoms. I believe it would be most unwise to say that under no circumstances and no conditions would it ever be used. Certainly there is none in contemplation at the moment. We are intervening in matters that are before the courts to argue that the present use of that override Clause by the Province of Quebec is a misuse of that Clause. As the Hon. Member knows, they include it in all their legislation. I can give a commitment that it is not in contemplation, but no one can look into the future and say under no possible circumstance might it be used. Certainly they would have to be extraordinary beyond belief.

* * *

THE ECONOMY

EFFECT OF BUDGETARY CUTS ON ONTARIO

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Prime Minister. Last fall the Minister of Finance tabled a financial statement in the House making cuts in federal government expenditures across Canada. The study we have just completed shows that, even after backtracking on some of these cuts, they will take $877 million out of the Ontario economy in 1985-86 alone, adversely affecting at least 26,000 jobs. Will the Prime Minister, or his Minister of Finance, meet immediately with Premier-designate Miller of Ontario to discuss these cuts and what the Government will do to compensate Ontario for the damage these cuts are now doing, and will be doing, to the Ontario economy and some tens of thousands, at least 26,000 jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was quite alarmed at the numbers until I found out that they had been prepared by the Hon. Member. In point of fact, any objective observer would acknowledge that the document put out by my hon. friend is misleading and self serving.

The economic indicators for Ontario and elsewhere are moving ahead very substantially since this Government came in. Interest rates have gone down, in the neighbourhood of 100,000 jobs have been created, inflation is down to its lowest rate since 1971, and investment intentions have increased dramatically. I acknowledge that the situation is far from perfect, but there are major improvements thus far in the economy. I hope my hon. friend will look upon these with favour and say to the Government and the people of Ontario: "Improvement has been made. We will work with the Government to improve the lot of Canadians," rather than indulge in this criticism that constantly comes from the Liberals.

I will be meeting on Monday with the new Premier of the Province of Ontario. I can assure the Hon. Member that I will co-operate as closely with him as I did with his predecessor, with equally successful results.

REQUEST FOR COMPARISON OF STUDIES

Hon. Herb Gray (Windsor West): Mr. Speaker, I am sure the House and the Canadian people will be pleased to see the endorsement that the Prime Minister has given to the benevolent effects of the policies of the previous Liberal Government on the Canadian and Ontario economies. What will the Prime Minister do to offset the adverse effects of his Government's policies on the Ontario economy? If he disagrees with the study that we have made, then I challenge him to present his studies and those of his Department of Finance so that they can be compared by the people of Canada. I challenge him to do that. So far, he and his Minister of Finance have not had the courage to do that.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not want to be unduly argumentative, but I hope my hon. friend will look at the results for the last quarter of 1984. There were 100,000 new full-time jobs created. Interest rates have declined almost 3 per cent. This has a tremendously positive effect on small business, farmers, fishermen, and others across the country. Investment intentions are up very dramatically. I suppose my hon. friend could quite properly say that the results have not been overwhelming, but I believe he will acknowledge they have been very impressive in three short months. We plan to continue to work based on re-igniting the entrepreneurial spirit, freeing up the private sector, living within our means, and getting Canadians back to work. That is what we are going to do.

* * *

CHARTER OF RIGHTS

WOMEN'S EQUALITY—ABELLA REPORT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I too have a question for the Minister of Justice on the question of equality. The Minister does not seem to realize that for the most part women cannot afford, nor should they have to, to take complaint cases on a case by case basis. How much longer do Canadian have to wait for full equality? The Minister knows they fought very hard to have that included in the Charter of Rights. Specifically, why will the Minister not act on the Abella report recommendations to legislate mandatory affirmative action and contract compliance, when his Government has had these recommendations for close to three months?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, Canadian women do not have to wait to achieve equality. The Charter of Rights has been adopted. We all have to wait until April 17 of this year for it to come into full force and effect.

The women of Canada, and organized associations of women across Canada, received considerable assistance from the Department of Justice in their activities, and they will continue to do so in the future. They also received it from the Department of the Secretary of State, and will in the future. Because of some of the difficult issues involved, it cannot be decided overnight. It should allow involving the Canadian people. They will be able to come before a House of Commons committee and make their views known on how they believe these difficult policy issues should be decided. They will not have to go to court. This year further legislation will be introduced. You cannot change overnight these difficult problems that we are now grappling with for the first time in Canada.

With respect to the question of affirmative action and Judge Abella's report, I was talking to the Judge last night. Her report is now under active consideration by Cabinet. The matter is being moved forward by one of the great women of Canada, the Minister of Employment and Immigration, and in the next couple of weeks an announcement will be made.

Mr. Speaker: With respect, the subjects are very interesting, but the answers are long.

AFFIRMATIVE ACTION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, will the Minister respond to the appeal of the Abella commission and the Canadian Human Rights Commission, and legislate mandatory affirmative action before April 17, 1985? Will he do this?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, before April 17, 1985, the Prime Minister or other members of the Government will make clear the Government's position on the Abella report. I think it will be a position that will recommend itself to men and women, to everyone who lives in Canada.

Oral Questions

AGRICULTURE

UNITED STATES IMPORT QUOTAS ON SUGAR PRODUCTS

Mr. Bob Horner (Mississauga North): Mr. Speaker, my question is for the Minister of Agriculture. As the Minister undoubtedly knows, the Government of the United States has recently imposed import quotas on certain sugar containing products. I have in my riding of Mississauga North a new firm which will be put out of business if these quota restrictions stand. There are many firms across the country which will also be affected. What can the Canadian Government do to assist our Canadian sugar-based retail packagers in countering the non tariff protectionist barrier put up by the United States on January 28?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest in the subject and I share his concern. I believe it was last Monday the President of the United States signed a proclamation that put these restrictive measures into effect. They will have some serious consequences on the industry. Although I do not have the exact figure, I believe the quota does provide for a significant decrease in the amount of product that can be shipped from Canadian sources to U.S. markets. I would hope that our officials would be able to work out some solution that would help ease this problem.

I have been in conversation with my colleague, the Minister for International Trade, and I can assure the Hon. Member that my Department's officials and the departmental officials of my colleague, the Minister for International Trade, will do everything possible to provide assistance and information to the Canadian industry.

* * *

● (1140)

THE ECONOMY

IMPACT OF BUDGETARY CUTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, in the absence of the Minister of Finance my question is addressed to the Right Hon. Prime Minister and concerns the projected loss of over 26,000 jobs in Ontario in the years 1985-86, as a result of cuts announced in the November economic statement. We now have 1,300,000 Canadians out of work, and 56 per cent of Canadians say that unemployment is the most important problem facing Canada today. Under those circumstances, how can the Prime Minister justify going ahead with those cuts and threatening the economic stability of Canadian families?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I assume that the Hon. Member, in mentioning that figure, was perhaps invoking it from the document that was released by the Hon. Member from Windsor. If that is the case, I simply want to state for the record that, of course, any reasonable analysis would cause that figure to be dismissed.

Because my hon. friend raises a very important matter, may I just say that unemployment is indeed our number one problem and concern. We inherited a very dismal record in this regard. I hope that my hon. friend takes pride and pleasure in the fact that of the 100,000 new full-time jobs created since the swearing in of this government, a very substantial proportion have been in the Province of Ontario. What we are trying to do is create these kinds of jobs across the country.

CONFIDENCE LEVEL

Miss Aideen Nicholson (Trinity): Mr. Speaker, people are becoming increasingly worried, and the more recent surveys have shown that 66 per cent of Canadians fear that they, or their family breadwinners will lose their jobs in the foreseeable future. The Government talks of increasing confidence and of a consumer led recovery. How can that exist when people are so frightened that they are going to lose their jobs, and when the Government is constantly cutting jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to confidence, it is a very fragile commodity. It was badly damaged over the last number of years by a succession of events, and I point to two such events—the Budget introduced in the House in 1981 by the previous government, and the very damaging implications of the National Energy Program which inflicted so much harm on our national economy, and which inflicted so much damage to our reliability as a nation in which to invest.

According to the Conference Board survey, according to the analysis in this week's edition of *The Financial Post*, and according to all objective surveys, confidence is coming back to Canada, and that is vital to job creation, to lower interest rates, and to the creation, as my hon. friend quite properly points out, of new jobs, a matter which I share with her as our number one priority. We remain fully committed to that, and we will work closely with her to create those jobs for all Canadians.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN ALBERTA CONSTRUCTION INDUSTRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is also directed to the Prime Minister. Our action group on jobs has heard some fairly frightening stories this past week. I would like to ask the Prime Minister specifically about the problems of construction workers in the Province of Alberta who report a 70 per cent unemployment rate for themselves in that province. Did the Prime Minister meet, as these people have suggested to us, with representatives of the Alberta Building and Construction Trades Council in the period of time before the last election? Did he promise to them, as they say he did, that federally-funded building

projects in Alberta would use union labour under his Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know about that to which the Hon. Member refers. Perhaps I can tell him this. I come from a unionized family. My father was not only unionized but was a union officer. I can tell the Hon. Member that, as far as we are concerned, trade unionism is a vital and indispensable part of our national economic development. We will do nothing inconsistent with that statement.

CANADA PLACE PROJECT IN EDMONTON

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the Council involved indicated very specifically that it met with the Prime Minister before he was Prime Minister, and was given a specific promise that union labour would be used. Specifically with reference to Canada Place, the $200-million project planned for Edmonton, will the Prime Minister make a commitment that union labour will indeed be used on that project?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I greatly appreciate the interest shown by the Hon. Member for the problems besetting the construction industry. I am also very happy to inform the Hon. Member from Ontario that three weeks ago, in response to representations by Edmonton city authorities, I had the pleasure of signing the recommendation for the Canada Place project in Edmonton, which, I think, answers the Hon. Member's questions.

* * *

[*English*]

DISASTERS

GLACE BAY, N.S.—REQUEST FOR INCREASED FUNDING OF CANADA WORKS PROGRAM

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Minister of Employment and Immigration I direct my question to the Right Hon. Prime Minister, and I ask this question very sincerely. In view of the disastrous situation in Glace Bay-Cape Breton, would the Prime Minister not think it only fair and reasonable, notwithstanding the discussions and consultations that are going on with the Premier of that province, to direct the Minister of Employment and Immigration to provide additional moneys under the Canada Works Program, a program for which there are many unapproved applications, and also to lift the moratorium that he has placed on Special Initiatives Programs such as the Glace Bay recreation centre?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I, like my hon. friend, am deeply troubled by events that have occurred in Cape Breton, and most recently in Glace Bay. My hon. friend, the Minister of Employment and Immigration, spoke with the mayor and other officers there. I think all Canadians would recognize that among the areas of our country that have not necessarily had a fair opportunity or a fair shake is, of course, industrial Cape Breton. I am very sensitive to and concerned about that. We hope to be making a statement within a few days that we believe and hope will be helpful to the longer-term economic development and renewal in Cape Breton Island.

COAL INDUSTRY DEVELOPMENT

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. I appreciate his concern, but I would tell him that there is a great urgency within that part of Canada. I would ask the Prime Minister to expedite the Cabinet process by directing the Minister of Regional Industrial Expansion to make good decisions with regard to coal development and a pre-retirement plan for older miners in Glace Bay. Would the Prime Minister undertake to do that forthwith, because of the urgency of the situation within that area?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can assure my hon. friend that that degree of action has already been initiated by the Minister of Employment and Immigration, as well as by the Minister of Regional Industrial Expansion. I give the Hon. Member the assurance that it will not be paperwork, red tape, or administrative obstacles that will stand in the way of bringing forward what we hope will be helpful and constructive plans for Cape Breton.

* * *

UNEMPLOYMENT INSURANCE

QUOTA SYSTEM INQUIRY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister as well, in the absence of the Minister of Employment and Immigration. I believe the Prime Minister recalls that, way back in 1976, the Liberal Government brought in a very Draconian move to impose a quota system designed to cut off unemployment insurance claimants. Can the Prime Minister say whether or not any officers at Canada Employment Centres are currently working under a quota system? The purpose of the quota system would be to cut off unemployment insurance claimants, a very similar system to that which was imposed by the former Trudeau Government back in 1976.

• (1150)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in 1976 I was very young, so I am not acquainted with the problem that was there at the time—

Ms. Copps: You were concentrating on Clark in 1976.

Mr. Mulroney: There is that melodious voice again.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Had I not heard it, I would have been sad all weekend. I want to thank my hon. friend, the Hon. Member for Hamilton East. It makes our day, it really does.

My hon. friend raises a very important matter. I regret to tell him that I do not have a specific answer but I will communicate immediately with the Minister of Employment and Immigration and make sure that the answer is provided to the Hon. Member.

Mr. Nystrom: Perhaps the Prime Minister was very young in 1976. I just hope he doesn't become a very old Tory and become too conservative on this issue.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Can the Prime Minister, as the leader of the Government, categorically assure us that he has no intention of imposing a quota system on unemployment claimants as a way and means of saving money in the UI fund, at the expense of poor people? Can he give us his categorical assurance this morning that that will not be done?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of any such program or intention. I would be happy to meet with the Minister of Employment and Immigration, which I shall at the earliest possible moment, and I will be in touch with my hon. friend.

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EXTERNAL AID

ETHIOPIA—REPORTED TREATMENT OF DANISH RELIEF VESSEL

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister for External Relations. Has the Minister, or the Government, protested to the Ethiopian Government that, according to a report in the Boston *Globe* yesterday, a Danish ship carrying Canadian and Australian food relief to Ethiopia has been forced to wait for unloading facilities since January 18 while a Soviet ship carrying military equipment has been unloaded?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to reassure the House and inform Hon. Members that our main collaborators are non-governmental organizations, and they have given us the assurance that food aid is being distributed. Nevertheless, our ambassador is trying to arrange a meeting with members of the food aid relief committee who are responsible for distribution, and as soon as we receive a reply which, I hope, will reassure Canadians and urge them to continue their assistance to this program, we shall certainly keep you informed.

[*English*]

ENERGY

NEGOTIATION OF AGREEMENT WITH NEWFOUNDLAND

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. She is presently negotiating an offshore agreement with Newfoundland. She knows how important that agreement is to the province and the fact that, once it is concluded, it will not be changed for a long, long time. Can the Minister tell us when she expects that agreement to be reached?

Can she tell us as well if, after it has been agreed to, but before the agreement is signed, she will lay out the elements of that deal so that we can know that indeed it is a good deal for Newfoundland?

Specifically, will the Minister now say to Mobil that it should release the environmental impact study which it has presented, so that we can begin to examine what our future might be?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have been asked so many questions in that one question from the Hon. Member that I hardly know where to start. I can assure him that negotiations are going very well on the agreement with Newfoundland. The negotiating teams met again this week. I expect to meet with the Minister responsible for energy in Newfoundland, Mr. Marshall, next week, and we hope to have an early conclusion to the agreement.

With respect to the Mobil agreement to which the Hon. Member has referred, I have consistently told this House that until such time as we agree on the mode of development—and those studies are taking place—it would not be appropriate to ask Newfoundland to change its position.

HIGHWAY CONSTRUCTION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my supplementary question is directed to the Prime Minister. I am told that part of the agreement with Newfoundland will be a fund in the order of possibly half a billion dollars. Some of that fund may be used for infrastructure, such as highway construction, for example, the highway across Labrador from Goose Bay to Baie Comeau. Would the Prime Minister give an undertaking that, if that idea comes up, he will support it? And would he now agree to join me in the first vehicle which leaves Baie Comeau on its way to Goose Bay?

Mr. Gray (Windsor West): Or vice versa.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am not sure that we can accept that invitation at this time, but we can say that we are negotiating an agreement which escaped the former administration for 15 years, and that the underlying thrust of the

whole agreement is that Newfoundland and Labrador have to be the principal beneficiaries of the agreement, consistent with a strong and united Canada. That is what we are working towards.

Some Hon. Members: Hear, hear!

WEST COAST EXPLORATION REVIEW

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources and it is in regard to the West Coast exploration review. I am sure the Minister is fully aware that, of the eight existing leaseholders off the British Columbia coast, there is not a single one any longer which is co-operating or participating in the panel review. Only Chevron Canada Limited, which is farmed in on some of Shell Canada Limited's acreage, is actually co-operating with the panel. How does the Minister determine what the impact of a development is going to be if we don't know what the companies plan to do?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I believe this question should be more properly addressed to the Minister of the Environment under whose Ministry this review process falls. I can only assure the Hon. Member that the reason the companies are not participating is because they plan to do nothing at this time. Part of the area is under a moratorium for oil and gas exploration, and there is no point in trying to review nothing.

REVIEW COSTS

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to follow up on what the Minister has just said, that there is no point in reviewing something when nothing is going on and nothing is planned. Perhaps the Minister would explain to the people of Canada why her Government is spending hundreds of thousands of dollars in going on with a panel review of projects which are not planned?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already pointed out that this review process is not within my Ministry, so I cannot address that issue. I can also point out that it is being carried out in conjunction with the provinces. Perhaps the provinces know something we don't. Thank you.

* * *

NATIVE ECONOMIC DEVELOPMENT PROGRAM

APPROVAL OF PROJECT APPLICATIONS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I will have to give him a moment to return to his place.

Mr. Beatty: He knows his place.

Mr. Penner: On Monday of this week the Minister issued a press release announcing a $75,000 contribution to the Canadian Council for Native Business. Attached to the press release was a list of 20 other projects under the Native Economic Development Program, totalling $11.5 million drawn from that $345 million program. The Minister, I am sure, knows he was being a bit foxy, because all of the projects in this document were approved by the previous Liberal administration—every one of them.

There are 34 applications now under the Native Economic Development Program which are sitting on the Minister's desk, or perhaps on the desk of his junior Minister, and I would like to know when these applications are going to be approved? While the Minister of Regional Industrial Expansion is on his feet, would he tell the House what the future of the Native Economic Development Program is? Or does it have any future at all under this Government?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as the Minister responsible for the Native Economic Development Program, I am very happy to answer the Hon. Member's question. This morning, I read and signed about thirty projects that were submitted by the committee. Many have been accepted, while a few others are still being considered because a number of details are missing.

About the project's future and the $345 million in funding, as far as I am concerned there is no problem, and the Advisory Committee will continue its work in all regions in this country and continue submitting projects which will be considered and approved as they are now.

[*English*]

NATIVE ECONOMIC DEVELOPMENT BANK PROPOSAL

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Minister who answered may be responsible for the Native Economic Development Program, but it is the Minister of Regional Industrial Expansion who issued the press release. I want to come back to him again and ask him if he is aware that the Special Committee on Indian Self-government recommended that a native economic development bank be established? The advisory committee of the Native Economic Development Program was asked to look into that recommendation. It has done so, and it has prepared a report. Has the Minister read the report? What are his views on it? And will he undertake to refer that report to the Standing Committee on Indian Affairs and Northern Development so that we can do an in-depth analysis of it?

• (1200)

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I am familiar with the report mentioned by the Hon. Member. I will have to discuss the matter with other Ministers, because this development project would

involve several million dollars, and at this stage, I am not ready to sign a commitment. However, within the next few weeks, after consultation with the other Ministers involved, the group will be receiving a reply.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, January 31, 1985, meet the requirements of the Standing Orders as to form.

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HOUSE OF COMMONS

PRACTICE RESPECTING COMMENT ON ABSENCE OF MEMBERS

Mr. Speaker: May I take this opportunity to remind Members of the citation in Beauchesne which requires us not to comment on the presence or absence of any other Member. We are creeping into a new tradition of commenting regularly on the presence or absence of another Member or Minister. It is clear from our practices and traditions that we should not do that. I thought it was appropriate now, since during today's Question Period several references were made to the presence or otherwise of Members, to bring that to the attention of Hon. Members because it is contrary to our practice. That is the only reason I raise it.

Mr. Dingwall: Mr. Speaker, just to clarify your ruling, are you suggesting that it is not appropriate when asking questions to say: "In the absence of the Minister of . . ."?

Mr. Speaker: It has been raised several times in several Parliaments by several Speakers. The practice has been that when it starts to happen Members perhaps need to be reminded that questions are in fact to the Ministry. The Ministry responds as the Ministry sees fit. Therefore it is not entirely within one's control whether a particular Minister responds or not.

There is a citation in Beauchesne which is very clear, for a very good reason, that one should not mention in the House the presence or absence of a particular Member. I raise that now only because I can see our moving towards a new practice. The same point was made in the last Parliament by the previous Speaker on this same issue.

With great respect, I am fully prepared to implement whatever rules the House wants implemented. If the Members want that rule changed, as has been said before, they have a way to deal with that.

Mr. Prud'homme: Can I ask a question?

Mr. Speaker: On a separate point of order?

Mr. Prud'homme: On the same question. Would it be better to say: "In the absence of the Ministry . . ."?

Mr. Dingwall: On a point of order, Mr. Speaker, I am just trying to get it clear from you that you do not wish us to say—

Mr. Speaker: What I have tried to bring to the attention of Members is what Beauchesne says. That is all I have tried to do today. I am not sure what the Member is rising on. Is it a point of order? With respect, I am perfectly prepared to hear a point of order. Does the Hon. Member want to discuss with me what I think Beauchesne means?

Mr. Dingwall: Yes.

Mr. Speaker: I think Beauchesne means what Beauchesne says.

Some Hon. Members: Hear, hear!

Mr. Dingwall: The tradition of asking questions beginning "In the absence of" has been in effect since I have been in the House of Commons. It was used by the Deputy Prime Minister (Mr. Nielsen) when he was in opposition. Questions were phrased in that way. If the Speaker does not wish us to phrase our questions in that way, I will abide by the wishes of the Speaker. But the tradition of phrasing questions in that way was established by the Government when they were in opposition.

Mr. Speaker: With great respect to the Hon. Member, I sat roughly in the seat he is sitting in and was called to order on precisely this point by Mr. Speaker Francis. I appreciate the position the Hon. Member is in and I understand why it is done, but I am required to apply the rules as they exist. I am confronted with a Beauchesne citation and a tradition of this House to the effect that it is improper to comment on the presence or non-presence of an Hon. Member. I brought this up today because I see that we are moving closer to creating a tradition or right to say those things. If the House wishes to do that, the House has the right to do that; but the House must make that decision. It should not be a change by happenstance, in my view.

I do not think it is appropriate at this time for the Hon. Member and I to have a conversation which he may wish to have with me in chambers. I will be perfectly happy to discuss it with him. As well, I have not made a ruling; I have simply reminded Hon. Members of what Beauchesne says.

Mr. Dingwall: I would like to remind the Speaker that, notwithstanding the fact he was taken to task by the former Speaker on this issue, the practice was continued by the Government when they were in opposition.

Mr. Dick: That is wrong.

Ms. Copps: That is what the Government did yesterday in the House of Commons.

Mr. Dick: You had a bad Speaker, then.

Mr. Speaker: Oh, that is hardly helpful. The point I am trying to make to Members is that I find myself in some difficulty—

Mr. Rossi: He should apologize to the previous Speaker. No respect for the Chair.

Mr. Speaker: Order. I mentioned the citation from Beauchesne because six or seven Members today, whom I did not want to call to order during Question Period for obvious reasons, made reference to the presence or non-presence of another Member or Minister. Therefore I felt it was my obligation to remind Members of what Beauchesne says. I made no ruling, I simply reminded Members of what Beauchesne says. However, I am put in a difficult position because of what Beauchesne says and what the Members have been doing. Therefore I must advise Members that at some point I am going to have to reconcile those two facts. I am simply alerting Members to a problem that I see, given what has been happening. Does that answer the question of the Hon. Member?

Mr. de Corneille: On a point of order, Mr. Speaker, I wonder if there is a possible elucidation of the following point. I thought that Beauchesne might be referring to the possibility that you do not point out that someone else is not in the House for pejorative or other reasons but that as a courtesy, when you are trying to direct a question to a Minister, you have to give an explanation—

Mr. Speaker: With great respect, the Member may wish information on this point and I suggest he may want to seek it either from *Journals*, the Clerks, his House Leader or procedural experts. If I allow further discussion on a matter which I simply introduced by way of trying to be helpful, then I create a precedent in one of two ways: That the Speaker's suggestions or points of order are debatable, and I cannot allow that; or secondly, if Members are going to use something that I say in trying to be helpful as an opportunity to create debate on that point, then the Hon. Member is suggesting that I should never say anything that may be helpful.

I suggest that if the Hon. Member has any questions he wishes to raise regarding procedural matters, he has other routes to pursue.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

EXPORTATION OF ARMS

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, world peace is a matter of concern to many of our fellow citizens. Not so

long ago, young people in my constituency organized a week of activities designed to make their community aware of this problem which concerns everyone of us. At the time, they asked to sign a petition asking the Canadian Government to publicly announce arms export licences as soon as they are issued. They are also asking the Canadian Government to take the initiative in setting up an international arms register at the United Nations.

Mr. Speaker, it is this petition I have the honour of presenting on their behalf to this Honourable House.

* * *

• (1210)

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Mr. Fernand Jourdenais (La Prairie) moved for leave to introduce Bill C-221, an Act to amend the Unemployment Insurance Act, 1971.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Jourdenais: Mr. Speaker, it is a pleasure for me to introduce my first Bill in the House today.

Under this Bill, people enrolling in a course or training program of their choice, at their own expense, will be eligible to receive benefits as provided under the Unemployment Insurance Act, 1971, subject to approval by the Commission. Unlike those people who take a course at the Commission's expense, this group, under the present legislation, is denied the privilege of receiving unemployment insurance benefits because they are considered not available for employment.

Furthermore, the Bill provides that a person whose appeal to the board of referees is maintained may receive unemployment insurance benefits from the date of his initial application to the Commission. This means we will be able to eliminate the discrimination created by the previous Government against people who want to improve their situation.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Order Paper Questions

[*English*]

THE ECONOMY

EFFECT OF BUDGETARY CUTS ON ONTARIO

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I seek leave of the House to table, on behalf of my colleague the Hon. Member for Windsor West (Mr. Gray), the study to which he referred during Question Period, namely, the effect of the economy statement in Ontario. Would Your Honour ask the House whether there is unanimous consent to table the document?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, as a result of rulings handed down by previous Speakers, we are not allowed to table fiction.

Mr. Speaker: I take it unanimous consent has not been granted. I should point out to the Hon. Member that there have been a number of occasions when tablings by Private Members have been sought. The ruling has been consistent that there is no such provision available to the House. Other provisions are available to the Hon. Member for Windsor West for distributing the document.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Hon. House Leader introduced what I think is a new concept in the House of Commons rules. I wonder if you, Sir, would care to take this under advisement. If it be true that it is not proper to table fiction in the House of Commons, how then would the Government get its Throne Speech before the House?

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 179 and 196.

[*Text*]

BANKRUPTCIES

Question No. 179—**Mr. Stackhouse:**

In (a) 1982 (b) 1983 (c) 1984 to date, how many individuals did declare bankruptcy in (i) Canada (ii) each province (iii) Scarborough, Ontario?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs):

Consumer Bankruptcies[1]

		(a) 1982	(b) 1983	(c) 1984
				(At Nov. 30)
(i)	Canada	30,643	26,822	20,575
(ii)	Province			
	Newfoundland	339	371	259
	Nova Scotia	911	928	688
	Prince Edward Island	35	30	33
	New Brunswick	335	273	277
	Quebec	8,878	7,561	5,851
	Ontario	14,301	10,973	7,715
	Manitoba	1,114	1,027	613
	Saskatchewan	507	587	475
	Alberta	2,123	2,411	2,190
	British Columbia	2,085	2,652	2,466
	Northwest Territories	3	3	6
	Yukon	12	6	2
(iii)	Scarborough, Ont.[2]	601	503	356

[1] Bankruptcy statistics are maintained on the bases of "consumer" and "business" bankruptcies. A "consumer" bankruptcy is identified as one where an individual has not incurred liabilities as a result of a business venture, or where liabilities attributable to a business venture constitute less than 50 per cent of the total liabilities.

[2] In order to identify consumer bankruptcies filed in Scarborough, the first three characters of the bankrupts' postal code have been used, i.e., M1B to M1X.

SALES OF SEAL SKINS

Question No. 196—**Mr. Stackhouse:**

In (a) 1979 (b) 1980 (c) 1981 (d) 1982 (e) 1983, what was the total sales of seal skin and its by-products to the European Community?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Statistics Canada reports:

Figures for exports of undressed seal skins for the years 1979 to 1983 are shown on the tables below. Data covering by-products (e.g. dressed seal skins, apparel and appareil accessories) are not captured separately in the export statistics program of Statistics Canada.

Domestic Exports of Seal Skins to the European Economic Community

	1979		1980		1981		1982		1983	
Country	No.	Value $000's	No.	Value $000's	No.	Value $000's	No.	Value $000's	No.	Value $000's
United Kingdom	16,473	226	22,748	722	19,565	500	15,817	471	1,025	22
Denmark	1,241	33	—	—	—	—	—	—	192	5
France	1,593	78	3,649	192	3,252	157	612	31	—	—
West Germany	11,064	387	13,294	304	9,725	213	563	18	—	—
Italy	6	1	—	—	121	4	140	6	—	—
Total Economic European Community	30,377	725	39,691	1,218	32,663	874	17,132	526	1,217	27

[*Translation*]

Mr. Dick: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed from Thursday, January 31, consideration of the motion of Mr. Masse that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to speak in the House today on this Bill which deals with the Broadcasting Act and the Canadian Radio-television and Telecommunications Commission.

Thanks to the electors in my riding, I represent the constituency of Calgary West in the House. That riding disappeared for many years through the process of redistribution and came back into being in 1979. I have had the pleasure of representing it since that time. A previous incumbent of that riding was the Hon. Prime Minister R. B. Bennett. It was a Conservative Government and that particular Prime Minister who in 1932 brought forward the concept that the Canadian air waves should be regulated. That was an important feature of the Canadian identity. Through the regulation of those air waves we had an opportunity to develop something distinctly Canadian. It is certainly important to those of us who are fortunate enough to live in this country.

I want to pay tribute to that event of 52 years ago. In 1984 the riding of Calgary West is as concerned about the development of a Canadian identity and culture as it was in 1932 when R. B. Bennett had the honour of representing the people of that region.

As I sat here yesterday, Mr. Speaker, I become more and more distraught about the consistency with which Members of both opposition Parties used the debate on this Bill to discuss the issue of budgetary cuts and specifically those applying to the CBC. Anyone who has taken the trouble to read the Bill

knows that it has nothing to do with those cuts. Yet the House was abused by those who chose to drag that red herring into this debate.

The piece of legislation before us is important and should be moved forward with dispatch. Unfortunately, Members of the Opposition left this Chamber, and perhaps some people in the country, with a false impression about the cuts.

I would like to take a minute or two to remind Members of the Opposition and Canadians that the Government was changed on September 4, 1984 partly because the New Democratic Party and the Liberal Party refused to deal with the financial reality of this country. They refused to recognize that if you take in $400 every couple of weeks and spend $600, you are running a deficit. The Canadian deficit is in that ratio. We are taking in two-thirds of what we spend. We are spending one-third more than we take in. If a family took in $400 a week and spent $600 a week, in four weeks' time it would be $800 in debt. Every four weeks it would be $800 more in debt and would have to pay the interest on that debt.

When I was elected in 1979, Mr. Speaker, 83 cents of every tax dollar collected could be spent for good purpose and 17 cents was spent on interest. After five and one-half years of bad economic management only 65 cents of every tax dollar collected can be spent for useful purposes. The difference is the interest payments.

Who suffers because of that massive deficit which no one seems to have the political will to control? The unemployed who have no income are prejudiced by the deficit. The senior citizens and others on fixed incomes are prejudiced by the deficit. When a government borrows to the extent that the Liberals were borrowing, interest rates go up, the cost of living goes up, inflation runs away and people on fixed income are hurt. Furthermore, our children are the ones who will have to pay for that borrowing. Our children are having their future income cut because this debt is passed on to them.

• (1220)

I hope the opposition Parties have heard the message that the Canadian voters have given to them. Canadians understand that there is no free lunch and that all of the activities of the Government must be reviewed in order to determine what services are essential and where cuts could be applied. I will stand in the Chamber as often as necessary to urge the Government to make those cuts where necessary, but to do so with sensitivity and compassion in order to bring the fiscal affairs of this country back to a reasonable state. We can no longer spend more than we receive.

The CBC is a specific example of such overspending. It is wrong to believe that that corporation is not wasteful in its operations. While I do not believe anyone knows how much waste there is, a reasonable government would require the corporation to find that waste and eliminate it. That is what this Government is doing.

I also suggest that the CBC cuts have been in the Government subsidy. The Government cuts the subsidy, not the CBC's budget. I suggest that the CBC has additional income

opportunities which it can find if it is aggressive. It can maintain its budget by increasing its current income. If the corporation can produce its own quality English or French programming it can penetrate other markets around the world and thereby generate its own revenue. Moreover, the programming will meet our cultural goals. Furthermore, the CBC should be aggressively looking for increased sponsorship. It cannot always depend on the will of the taxpayers of this country to meet all of its requests.

In effect, I am saying that I believe the cuts to the CBC are necessary and have been managed sensitively. I believe the corporation has alternative ways to meet its mandate and I want the record to be clear that I support the direction taken by the Government in regard to the cuts.

Let me move now to the legislation.

Mr. Boudria: I was going to ask about that.

[*Translation*]

An Hon. Member: In French!

Mr. Hawkes: French or English, it is the same thing.

[*English*]

This piece of legislation is a classical example that shows the difference between how the opposition parties operated and the way the Conservative Government said it would operate. Bill C-20 deals with the CRTC and broadcasting generally. It does not mention the Film Development Corporation, the CBC or Bell Canada. While new Members may not notice that difference, it is apparent to me because the former Liberal Government continually introduced legislation in the form of omnibus Bills. It brought forward a package of measures similar to what we are dealing with today which not only dealt with broadcasting but with the CBC, Bell Telephone and the Canadian Film Development Corporation. The Liberal Government would then ask Members of the House to cast a single vote on the principle of such a Bill.

I suggest that those are four separate topics for which there indeed may be four separate principles. It is not possible to cast a single vote for such omnibus legislation, and one of the reasons the Liberals are in opposition today is that they continually attempted to deny Parliament the basic principles of democracy. They introduced omnibus legislation that did not address a specific principle. The bells rang for 17 days and they were defeated in an election on the basic principle of whether or not democracy was being served.

When the debate on second reading of this Bill is finished, we will be able to vote on the principle of its benefit to broadcasting generally while not dealing with Bell Telephone, CBC or the Film Development Corporation. I congratulate the Government for fulfilling that commitment.

How does this legislation differ from the previous Act? I believe its most fundamental principle would provide Parliament with the ultimate authority to direct the policy of the Canadian Radio-television and Telecommunications Commission. Without such a principle the CRTC consists of a group of appointed people who can set national policy. Once they are appointed they are accountable to no one and cannot be recalled. I believe it was a mistake to establish such a principle originally and I want to commend the Government for so carefully enshrining in these changes the basic principle that those who are accountable to the voters of the country will be responsible for determining the policy. We, as the elected representatives of the people, will be able to advise that appointed body about how to proceed.

I believe this basic principle is even more important today, given the explosion of technology. It may be necessary in the next four years of this Parliament to use that principle as we move through the VCR revolution, the satellite dish revolution and so on. There may be continued need to update and amend the policy so that Canadian culture is enhanced and the Canadian identity is strengthened through proper utilization of new technology as it comes on stream. That is the first principle and the most important one.

● (1230)

There is a second principle which I commend to the Opposition. The Opposition may have a knee-jerk reaction to it, but I ask opposition Members to pause. The second important principle of this Bill is that it changes the legislation in a manner that will ensure the Commission does not have to regulate new situations where a competitive market exists. The CRTC can get out of the business of regulating.

Think for a moment, Mr. Speaker, about the costs that are always inherent in the regulatory process. For instance, appearing before hearings and the costs that are always inherent in meeting the conditions that come about through regulation. If there is a saving of 1 per cent, 2 per cent, 10 per cent or whatever that currently goes into paperwork, that can be eliminated, and the money saved used for programming, then this nation will be the better for it. I am really pleased to see that principle in this legislation. I anticipate seeing a similar principle in many pieces of legislation that will be brought before this Parliament.

We have been too long governed by a political philosophy and a political party that believed it knew best, that put in place increased numbers of regulatory bodies and increased numbers of regulations that have become a drain on the national economy and national will. They are too expensive in economic terms and too expensive in psychological terms because of the impact they have on the spirit of people. I am pleased to be able to stand in this place today and support that portion of the Bill that allows us not to regulate. It is a sad commentary that we have to have wording like that. It really speaks to the underlying philosophical persuasion which has governed our affairs in previous times, and it will be changed.

I am also pleased to see that those who become licensees will be granted a seven-year period rather than a five-year period. If I am critical at all, maybe it should be 10 years. Maybe it should be forever with a mechanism that allows it to be revoked when it is abused. Certainly seven years is better than five years. People can plan with confidence, they can be more

efficient and more effective. They will only have to use money to make application every seven years instead of five years. Even that saving can be put into programming. I hope the Government with the passage of time will consider going further.

There is another principle which is in accord with the Charter of Rights and the will of the people of this House. I think as a group we might have unanimity here. None of us wants to see the air waves used for abusive purposes, for purposes which degrade women, children, men, different racial groups, different religions and different ethnic groups. The air waves should not be used for abusive purposes and I am pleased to see that the Government is providing a mechanism to control the situation. I encourage the committee to study the wording of the Bill carefully. We want no denial of the freedom of speech; we simply want to be sure that the wording provides the mechanism necessary to stop that abuse.

Mr. Benjamin: That includes the commercials?

Mr. Hawkes: In short, I urge Members to support this Bill, to get it through the House, into committee and into law as quickly as possible.

The Acting Speaker (Mr. Charest): Are there any questions or comments?

Mr. Allmand: Mr. Speaker, I was intrigued by the comment of my good friend from Calgary when he said that a major difference between his Party in government and when we were in government is that his Party did not believe in omnibus Bills and we did. I found that rather strange. I wonder whether he read the Bill yesterday that was tabled by the Minister of Justice (Mr. Crosbie) which amends 50 statutes. Bill C-27 amends 50 Acts of Parliament.

Is the Hon. Member also not aware of the Bill that is now before the Justice Committee which deals with about 30 different issues? I could reel off a whole string of other Bills. I do not criticize the Government for that but when the Hon. Member stands up and says that the clear difference between my Party and the opposition Parties is that they do not believe in omnibus Bills he is just not correct.

Mr. Hawkes: Mr. Speaker, we are running into what I was disturbed about. Hon. Members over there do not understand what an omnibus Bill is.

Some Hon. Members: Oh, oh!

Mr. Hawkes: The basic principle of this House is that a second reading debate shall take place on the principle of the Bill. If the House approves the principle it goes to committee for detailed study. In the Bill brought forward by the Minister of Justice (Mr. Crosbie) there is one principle and one principle only. Do we want legislation in this country changed to accord with the Charter of Rights? That is the principle exactly.

Some Hon. Members: Hear, hear!

Mr. Hawkes: If we do, the Bill goes forward for detailed study. With one principle, it is not an omnibus Bill. When you try to deal with Bell Telephone on the one hand and the Film Development Corporation on the other, the use of the air waves and the CBC as a Crown corporation all in one piece of legislation, Mr. Speaker, you have no single principle. That is how you determine whether a Bill is an omnibus Bill.

Mr. Allmand: Mr. Speaker, the Hon. Member's definition of what is an omnibus Bill suits his own purpose. In fact, if you look at the Bill tabled yesterday by the Minister of Justice, while it deals with infringements in the Charter of Rights, it deals with very many different issues which may apply with respect to one statute and not to another. As I said, I support the approach taken yesterday by the Minister of Justice, but I reject the false dichotomy that he raises between his Party and other Parties on Bills.

Will the Hon. Member tell me what the common principle is in Bill C-24 which at the same time amends the Oil Substitution and Conservation Act, which is one thing, but also the home insulation program? They both deal with energy and saving it but the points in both of those programs are very different.

Mr. Hawkes: Mr. Speaker, if the Hon. Member would send over the pages that he has in his hands and which he feels are in dispute, I will take a look at them and it would not take me more than 30 seconds to find a common principle. I find myself in a bit of an awkward position in not having the words before me to see exactly what that principle is. Maybe the Hon. Member would like to stand up and read the clauses to us and we might all decide what the common principle is.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I would like to ask the Hon. Member whether, like several of his colleagues, he is in favour of deregulating the CRTC in particular and adopting a similar approach in many other fields. Is there not a danger?

[*English*]

Is there not a danger in his evaluation of pushing too far, especially in the matter of culture and regulation, concerning the availability of air waves in Canada? As I said yesterday, and I repeat again, there are two minds in Canada concerning culture. There are those of us of French background who are in much less danger of Americanization. Not that I have anything against the Americans; they produce extraordinarily good culture, but it is not our own.

The Hon. Member will realize that those of us who happen to be Francophone fear less of the Americanization of our cultural activities. When I was in Halifax last week, I listened very attentively to over 40 representatives who appeared before a thousand people. They fear a great deal for the survival of what they call the Canadian culture. When they said "Canadian culture", I understood it to mean English or Anglophone culture, if I may put it that way without shocking any Member of the House.

• (1240)

The Hon. Member seems to agree with pushing the deregulation process too far. Therefore, does he not see a danger for the Canadian culture, as I described it earlier?

[*Translation*]

Mr. Hawkes: Mr. Speaker, I thank the Hon. Member for his question. I think the French CBC network can have an impact on the French culture because of its high quality programs. In my opinion, the French CBC network is now better than anything TV viewers can watch in France.

[*English*]

It can work both ways. Canadian programmers, authors, actors and writers are of sufficient quality that it is time we began to look outwards and to be less afraid of others influencing us. It is time to begin to look at the opportunities for us to influence them. If we make that shift in our mind-set, say that we are a strong nation with talented people and realize that we have something to offer the world, then we can begin to look at whether or not a piece of legislation advances or retards that aim.

In terms of regulation, this piece of legislation does not remove the power to regulate. It removes the necessity to regulate so that each situation can be looked at as to whether or not regulation might enhance or retard the situation. It is that principle which I support not only here but everywhere. If there is one certitude which flows from regulation, it is the certitude that it uses up resources and costs money to go through the process and meet the conditions. If it is unnecessary in the first place, surely it frees up money for the creative process. I think we will find agreement in the Chamber that in this field we should do whatever we can to enhance and produce money for the creative process. If that is the case, we are moving in the right direction. If we can take money away from the administrative or paperwork side of it and put it into the creative side, we will have done something for the country. I believe this Bill moves in that direction. That is one of the reasons we should support it.

Mr. Prud'homme: Mr. Speaker, I have just one last comment to make. Since we can ask questions or make comments, I must say that I enjoyed very much listening to the Hon. Member's speech, especially since he seems to support this Bill so strongly. I have conducted some research for my colleagues since I am responsible for communications, for the time being anyway.

However, the Hon. Member—and it is good politics—did not mention that the Bill is similar to the one of the previous Government. This is why it is unlikely that we will have four or five days of debate on it before it goes to committee. The new Minister of Communications (Mr. Masse) has brought back before the House the Bill which was introduced by the Hon. Francis Fox. I am very happy that he supports good legislation introduced in the last Parliament. By the way, when the Hon. Francis Fox introduced the Bill in February, 1984 he saw fit in May, 1984, even though the Bill had not been put before the House for second reading, to amend it to conform with what the Hon. Member mentioned so well—that we should not use air waves for propagation against racism. In any event, I am pleased that he supports it and that he has put forward good ideas.

[*Translation*]

The Acting Speaker (Mr. Charest): I am sorry, but the question and comment period has expired.

[*English*]

I see the Hon. Member for Kenora-Rainy River (Mr. Parry) rising to speak on this Bill. I am informed that the Hon. Member rose yesterday for the same purpose and yielded his right to the Hon. Member for Calgary West (Mr. Hawkes). Technically this puts the Speaker in a dilemma, since the Hon. Member has already spoken on the Bill because of this situation. However, if he still wishes to address the House, it will require unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I also want to thank my colleagues for their courtesy in letting me take the floor again in the House. I am pleased to have this opportunity to say a few words and express a few ideas on Bill C-20 concerning the—

[*English*]

In examining any legislation which is put before the Chamber, we should not only look at what is laid down or projected in the legislation. We should also consider what is not specified in it and, therefore, what is assumed—that which might be changed but is not being changed.

The most significant characteristic of this legislation is that it envisages the continuation of the Canadian Radio-television and Telecommunications Commission. That is a decision about which I personally have a few minor reservations but not one with which I fundamentally disagree.

The CRTC is an example of what my friends in England would call a quango, a quasi-autonomous non-governmental organization.

[*Translation*]

I do not know whether there is a French translation for this word. It is quite popular over there.

[*English*]

Essentially quangos are established to accomplish for the Government what it deems to be too controversial, burdensome or inexpedient for it to tackle individually as a matter of the policy process. In the opinion of those who have observed and analysed them, they are a mechanism which is very much open to misuse and excessive use in terms of allowing them to undertake responsibilities which might properly be left with the Government.

Nevertheless, the CRTC, particularly over the earlier years of its life, did not attract a great deal of controversy. However,

I bring to the attention of Hon. Members of the House the degree of dissatisfaction which has existed about the CRTC in many rural and remote areas of Canada. Perhaps I will expand on that later in my discourse.

Like many similar organizations, the CRTC has been the target of or, shall we say, opportunity for the patronage process. We have seen appointments to that Commission which would be difficult to justify on any objective evaluation of the qualifications of the people so appointed. Nevertheless we acknowledge that there are many who have made a good start and have made good progress with that Commission. There is no pretence that under the present structure of the CRTC it can set policy for the Government. Because of the pace of technology and the way in which developments have proceeded, there have indeed been occasions on which policy laid down by the CRTC did effectively make policy for the Government. Decisions of the CRTC made policy for the Government whether they liked it or not.

● (1250)

I am reminded somewhat of the *Hound of the Baskervilles* and the classic exchange between Holmes and Watson when discussing what happened about the dog. Holmes said: "Remember, Watson, the curious incident of the dog in the night-time." To which Watson replied: "The dog did nothing in the night-time." "Ah," said Holmes, "that was the curious incident". There have been occasions when the CRTC did function much as the dog in the night-time and did not do what it might legitimately have been expected to undertake.

We in this Party support the introduction of the clause which gives the Government the right to direct the CRTC to take a certain question, issue or problem under its mandate. By judicious and responsible use of that clause, the Government can indeed prevent the CRTC from being further perceived as the dog in the night-time.

If this power is passed into law, we would certainly enjoin the Government to use it carefully, responsibly and, above all, sparingly. Like any other body in its meetings, the Commission members form an impression of what they should be doing. The introduction of items that were not previously on their agenda is something that can be disruptive to the ongoing functions. In taking the power unto itself, we hope the Government will use it with some responsibility and, as I have said, on a relatively infrequent basis.

I should like to turn to Section 14.6 which gives the Minister the power to exclude a service or activity from regulatory control on the basis that competition is sufficient to ensure just and reasonable rates. I take issue with the previous speaker, whether he be now present or absent, and say that that is a power that we in this Party feel is open to some question and potentially open to some abuse. It is not a power that we like to see in this Bill.

We believe that the regulatory process can be streamlined, such that a mandate of oversight, review, observation and supervision need not take a great deal of resources and need not overly tax the Commission. The power to exempt a particular activity, market or service from the Commission's supervision is one that might be open to abuse. It might in fact be used in such a way that it could create loopholes.

It is assured that there are many industries in which the competitive environment changes overnight. We remember the bank amalgamations of the 1920s and the 1930s which reduced effectively the number of chartered banks in Canada from something in the hundreds to a total of five. Because there is no mention of reinstatement or reversal of such an exemption, we would question the usefulness and the appropriateness of that clause.

I now turn to the matter of the proposed amendment to Section 3 of the Broadcasting Act requiring all programming to promote the equality and dignity of all persons. I personally and my Party are strongly in favour of such an amendment, but if it be inserted in there, it must have teeth. Under the present programming regime, and indeed present state protocol, we would find instant violations. We have a national anthem which states "true patriot love in all thy sons command". This should properly be changed if it were to conform with the proposed amendment to Section 3. Promoting the equality and dignity of all persons is a laudable objective; however, it must be supported by concrete stipulations in the amended Act. It is an objective that is too often the subject of too much lip service within this country and not enough action.

My own concern is specifically with the pornography of violence which I see as being an abuse and, in effect, an assault not only on women, although I affirm that they are the most frequently chosen victims, but also on children and indeed on men. I have no argument with the sincere depiction of the act of love. I have no argument with the depiction of naked forms, be they male or female. But I am concerned that under present programming regimes, particularly as regards some of the imported material from our neighbour to the south, we are allowing a depiction of violence, a depiction of hostility between persons that is in danger of creating in the generation that grows up with television, as I and many others did not do, the belief that violence, verbal and physical assault, hostility—sometimes even worse than we find in this Chamber—is the common currency of every day dealings between people.

The matter of satellite dishes is something that came very close to my heart during the election campaign and, of course, since. There was a situation in the community of Red Lake where over a thousand residents were joint members in an enterprise that set up a satellite dish. It was seized on the orders of the Canadian Radio-television and Telecommunications Commission. I am pleased by the task force that was established on the distribution in underserved communities of satellite-received broadcasting services. That task force is scheduled to report on February 11.

I look forward to a report that will satisfy the legitimate aspirations of Canadians in remote communities, the legitimate needs and expression of the desire for not only cultural programming, but also the full range of programming that is available to many southern, and urban communities.

I support the representations of the Satellite TV Associations of Canada, although in many ways I have to take issue with some of the tactics that were used. When the law does allow for the seizure of equipment without compensation, it is not surprising that people get upset.

[*Translation*]

Mr. Speaker, I see that the clock indicates exactly one o'clock. May I call it one o'clock?

The Acting Speaker (Mr. Charest): Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Charest): When the House rose at one o'clock, the Hon. Member for Kenora-Rainy River (Mr. Parry) had the floor. The Hon. Member for Kenora-Rainy River not being here, I recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am delighted with this opportunity to participate in the debate on Bill C-20 a very important piece of legislation to amend the Canadian Radio-television and Telecommunications Act, the Broadcasting Act and the Radio Act.

Mr. Speaker, as the House is aware, this Bill or at least a very similar one was introduced in the House by the Liberal Party during the last Parliament. I think it would be useful to provide a quick review of the Bill's history, and I am sure Hon. Members would be very upset if I did not take advantage of this opportunity.

On February 8, 1984, the previous Liberal Minister introduced legislation on telecommunications and broadcasting. Subsequently, a number of representations were made by various parties including women's groups and on May 24, 1984, amendments were made to the Bill. These amendments dealt with the principle of equality and personal dignity and were included in the Bill. On May 29, 1984, the same Minister announced a national film and video policy dealing with cultural as well as economic interests. And here ends my brief review.

Now, however, we see the Government introducing a similar Bill in the House. I was a little surprised, Mr. Speaker, that when the Minister introduced this Bill, he did not have the courtesy to mention the excellent work done by his predecessor. Only this morning, we heard the Member for Calgary West (Mr. Hawkes) saying how important this Bill was and that it was an excellent initiative and so on. I therefore wish to thank the Member for Calgary West for recognizing this Liberal initiative by the previous Government, and I am sure that when Mr. Fox reads his speech in *Hansard*, he will be very pleased with what the Hon. Member for Calgary West had to say about him. I think it is important to understand this.

Mr. Speaker, this morning, the Member for Calgary West spent quite some time informing the House that Hon. Members should not take advantage of the debate on this Bill to discuss budgetary cutbacks in telecommunications. He then went on to spend ten minutes explaining that the cutbacks were reasonable, after informing the House that the subject was not a suitable one. Mr. Speaker, since a precedent was created this morning, I am sure you will agree that I should be allowed to say a few words about this subject, in response to what was said by the Hon. Member for Calgary West. In fact, I think I would be remiss if I did not speak to this matter at least briefly, always, of course, in relation to the Bill before the House, because I would not want to infringe on the Standard Orders.

• (1410)

[*English*]

This morning when the Hon. Member for Calgary West (Mr. Hawkes) was discussing the fact that we need to have cut-backs in the area of the arts and telecommunications, he told us that the Government was not really cutting off programming, that it was not really cutting anything from the CBC but was only cutting off the money. The parallel I made at that time, Mr. Speaker, and I am sure you will remember it vividly, is that it was like saying it did not kill anyone, it just removed the head. But Government has removed the very vital resources which the CBC needs in order to fulfil its mandate, then, of course, some of the programs will be eliminated, will be killed by this action on the part of the Government.

The Government says that it wants to be accountable to the Canadian people, that it wants to respect Parliament. Quite a few promises were made during the election campaign by 338 Tories.

An Hon. Member: Who is counting?

Mr. Boudria: We are counting and the people of this country are counting.

Mr. Lewis: What do you do after ten?

Mr. Boudria: We are counting on this Government to deliver, which we know it will not do, Mr. Speaker. When it made its promises, I don't recall that the Government said that it was going to eliminate jobs. I don't recall that it advocated cut-backs in the arts, social programs and so forth. As a matter of fact, I am quite sure that the opposite was said. I know it seems unbelievable that a government would actually say one thing and do the opposite, but we must remember that

this is a Conservative Government and that has been known to happen in the past with that particular political Party.

This Government which is interested in being more accountable to the people has cut off funds to the CBC and we now see a threat to some of the programming of the deliberations of the House of Commons, that precious—I use the overworked word of the Prime Minister (Mr. Mulroney)—and "sacred" link with the Canadian people. There is a threat that the broadcasts of Mr. Warren and others who perform the vital role of televising the deliberations of this chamber for the Canadian people will perhaps be eliminated in the future. If that is not breaching the campaign promise to be accountable, to give more funding to the arts and to telecommunications, what is it? This Government is again breaking the very promises it made not so long ago.

The Hon. Member for Calgary West told us that the way for the CBC to succeed is to produce programming which will sell world-wide and create an economic market. I don't know about you, Mr. Speaker, but I don't want the CBC to make another *A Team* and another *Fall Guy* and others of those programs which supposedly "sell". As far as I am concerned, Mr. Speaker, we already have too much of that kind of programming on television.

On the other hand, Mr. Speaker, programs like *Radio News* which informs the farmers of this country and gives vital information is very much needed. Those are things which we need and which are beneficial to us, but will they sell on the world market? Not likely, Mr. Speaker. Nevertheless, the CBC has that specific mandate. We should recognize that it is not only in business in the competitive sense but the CBC and Radio-Canada have a very special mandate for the people of this country. I am sure that the Parliamentary Secretary to the Minister of Communications (Mr. Scott) will recognize that fact and will make our concerns known to the appropriate people since I cannot comment on attendance.

Mr. Scott (Hamilton-Wentworth): I worked with the CBC.

Mr. Boudria: Yes. I, of course, know that the Parliamentary Secretary worked for the CBC. As a matter of fact, Mr. Speaker, I was working on Parliament Hill at the time he was working for the CBC, so I do recall that vividly. I am sure that with his background the Parliamentary Secretary will take our side on this issue and will make that representation to the Minister. He is going to stand up to that Minister and tell him, "Mr. Minister, you are not going to make those cuts to the CBC", and the House of Commons proceedings will continue to be broadcast across this country so that Canadians can hear the deliberations of the House and will know that the Conservative Members on the back-benches seldom speak on those issues which are important. The people of this country want to know that, Mr. Speaker, and they have a right to know it. It is part of the mandate of the CBC to provide that vital link and it is part of the Conservative promise which was made to the people of this country. A promise was made to bring Parliament closer to the Canadian people and to make it more relevant. Now is the time for the Government to live up to the promises it made.

We had a long lecture on economics this morning from the Hon. Member for Calgary West. He told us about the deficit. I find it unusual that the particular discourse that we heard this morning on the deficit, and how we should cut things back, was not made during the election campaign. If the policy advocated by the Government is so good, why was it not good enough in July and August? The situation has not changed. It is still the same country and they are still the same voters out there. The only thing that is different is that the Government is now in a position to deliver on its promises, but it is not delivering on those promises, Mr. Speaker. That is the disappointment which the people of this country have to live with.

I am sure that the back-benchers and the bookends, the Conservative Members sitting on this side of the House, will know how important it is to deliver on those promises. When those back-benchers and bookends go back to their constituencies this weekend—assuming they do go back to their ridings on weekends—their constituents will say to them: "Listen, Mr. Bookend or Mrs. Bookend, we expect you to speak up on those CBC cut-backs. We expect you to stand up in the House on our behalf and say that we want to keep those important radio and television programs". Those constituents don't want more *A Teams* or *Fall Guys*, and all of those other programs which I try to forget but with which we are faced every day on the other television channels and even on the CBC on occasion.

We heard about the deficit this morning, Mr. Speaker, and about the ratio of our funds which are spent on the deficit. Last weekend I went to a number of different activities in my riding, as some of us do every weekend, and I listened to what my constituents had to say on various issues. Do you know how many talk to me about the deficit, Mr. Speaker? None.

Mr. Lewis: How many talk to you?

Mr. Boudria: No one talked about the deficit. I want to tell the Hon. Member opposite that if he wants to follow me for a weekend—as his Conservative friend tried to do during the election campaign—he is welcome to do so. He is welcome to run in my riding. I beat the last Tory candidate by 10,000 votes in the supposed Tory landslide. I still managed to scrape by with the largest Liberal majority in the country. So he is welcome to follow those Conservatives who attempted to do that at the time. He will know that I have seen many people circulating throughout my riding, as he has.

• (1420)

The Hon. Member knows perfectly well that the people of his constituency and the people of mine expect this Government to live up to its campaign commitments. The people of this country do not expect the Government to spend most of its time doing the exact reverse. That is not good enough because they elected the Conservatives in good faith. Could it be that what we are witnessing today on the part of this Government is just a little bit more of what the Prime Minister said at some point in the campaign when he was heard saying off the record

or what have you, or is purported to have said, that just maybe you tell the people of this country something a little bit different than you tell the Tories? Could it be that this Government, which said it was going to be thrifty and do things right, spends just a little bit more time on things that it should not?

Instead of putting money into the CBC and other valuable programs, what does it do? We heard this morning from the Hon. Member for Calgary West that there is no free lunch. I am glad to hear that, Mr. Speaker, but he forgot to say that there is a free ride. To be specific, $500,000 worth of free rides in only a couple of months for Conservative Cabinet Ministers flying across this country. Another example was not a free ride but it cost $24,000 to deliver the mail on November 8. This was to deliver copies of the mini-budget by messenger to the provinces, and two of those messengers were not even sworn to secrecy. It cost $24,000 in one afternoon to satisfy the Minister of Finance (Mr. Wilson) who wanted to soften up his buddy-buddy provincial counterparts. And the Hon. Member for Calgary West has the nerve to come into this House and say that there is no free lunch. Well, there may not be a free lunch for the people of this country or the people at CBC, but there should not be a free lunch for Members of Cabinet either. If we are to represent our fellow citizens in this great Chamber, we should remember that we are not their kings, we are their representatives.

This Government claims that our Party is stalling on legislation. I find that very interesting. Members opposite say that when they were in opposition and deliberated Bills at length, or should I say *ad nauseam*, that was not the same. They were deliberating on omnibus legislation and, of course, their legislation is not omnibus, according to them. Even when they are amending 50 different statutes with the same Bill, that is not omnibus. The difference is, Mr. Speaker, that now they are in power. Well, the Government cannot have it both ways. The Tories cannot on the one hand claim the Opposition is abusing Parliament when we express the very great concerns of the people of this country on very important topics such as communications, the CBC and others, and then claim they had a right to express their views for hundreds and hundreds of hours on individual Bills in the last Parliament. We have a right to speak on behalf of the people of this country on this very important legislation and the other Bills brought before Parliament.

I, for one, was elected on one promise to the people of my riding. That was that I would speak on their behalf in the Parliament of this country and would work as hard as I could to deliver the goods and ensure that they would be properly represented in this great and illustrious Chamber. I invite all Members of the House of Commons to take that attitude and say what their constituents think about the attitude this Government has towards the promises it made last September 4.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Lewis: Mr. Speaker, I enjoyed the Hon. Member's speech and I just wanted to ask him about communications in the CBC. In view of the articles rampant in the media about dissension in the Liberal caucus and the problems they are having, especially with the caucus communications director, and in view of the difficulty the Official Opposition is having in Question Period, would he suggest that the CBC discontinue televising Question Period in order to eliminate the embarrassment of the comic books between the bookends?

Mr. Boudria: Mr. Speaker, I am really pleased that the Hon. Member brought up the matter of communications. His Party took five months to tell us there were going to be two systems of measurement in this country. Then he says we have trouble communicating in this caucus. The schizophrenic policies of his Government are such that we have no reason to apologize for our communications. We in this Party speak with one united voice on the issues. We know where we stand.

The Hon. Member and his colleagues across the way may be at times confused on various issues. He may have difficulty in understanding what the issues are, and many of his colleagues have a hard time even remembering each other. One of them the other day managed to get out of this Chamber without being recognized. They say we have a hard time communicating but they do not have a hard time recognizing me when I leave the House, Mr. Speaker.

We have communicated to the people. They know who we are. If the Hon. Member wants to be recognized and wants the people to know who he is, well, it is he who needs better communications, not us.

The Acting Speaker (Mr. Charest): The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on a question, I presume.

Mr. Dingwall: Comment and question, Mr. Speaker. I know the Hon. Member shares my view on regional development policy, that the national Government ought to use every agency at its disposal to try and create economic development across the country. I want to know from my colleague whether or not he agrees with me that the decision by the CBC to single out the poorer areas of this country, particularly Atlantic Canada, regarding the cut-backs of the CBC, dispersing and dispensing with valued employees, flies in the face of what this Government promised in the election campaign. They were elected on the basis of creating jobs, not to decrease jobs. I want to know from my colleague if he agrees with the assertions and statements I have made that this Government, through the Minister of Communications (Mr. Masse) and the auspices of the Financial Administration Act, ought to give a directive to the President of the CBC to reverse those decisions on cut-backs so that individuals who have lost their jobs can be rehired forthwith.

Mr. Boudria: I think the one thing we should emphasize is that the Minister has continuously pleaded innocent to the charge of cut-backs in the CBC. In my view he is guilty on two counts. First, the cut-backs should never have been made to

start with. The Minister has to acknowledge responsibility for that. Secondly, he should be there to ensure that the regions of this country are properly protected, whether we are talking about possible abolishing of certain Francophone radio stations in remote communities or talking about Atlantic Canada losing services and so forth. The Minister's job is to be in charge of communications. If he does not do his job, perhaps he should let someone else do it for him.

• (1430)

During the campaign the Conservative Party made many promises. I will review only a few of them due to my limited time. The Canadian Conference on the Arts sent out a questionnaire to which the Conservatives responded that they were committed to maintaining federal funding for agencies and councils in line with inflation. I did not know inflation had gone down this year. Do we have negative inflation this year? Everyone seems to be losing this year. As far as I am concerned the cost of living is still going up.

In response to that questionnaire during the campaign the Conservatives said that they were committed to real growth in federal contributions to this sector. Since when does real growth have a negative number? Perhaps the Hon. Members who lectured us this morning on economics could explain to us how real growth has a negative number this year. The Tory Government has not maintained funding for agencies and councils, the arts or communication. Instead it has cut funding in these areas by $121.5 million.

Mr. Henderson: Mr. Speaker, I would like to congratulate the Member for Glengarry-Prescott-Russell (Mr. Boudria) on his excellent speech on a very timely subject. He brought up the problem of cuts within the CBC. I see some Members here in the Opposition from Newfoundland who understand what the outlying areas of this country are all about.

The basic industries of my riding in Prince Edward Island are agriculture and fisheries. Two of the most important informational programs for farmers and fishermen were *Radio Noon* and *Window on Resources*. *Window on Resources* supplied fishermen and farmers with an update on market conditions, catches, and other items which are extremely important to those two very important sectors. On December 1, *Window on Resources* was discontinued. *Radio Noon* provided quality local information. It contained weather forecasting, product prices and market conditions in the entire Maritimes region and in Toronto. Those pieces of information really helped farmers and fishermen plan their futures.

I see my good friend from Newfoundland who obviously knows the value of weather forecasting. He is a former sea captain. Fishermen rely on all of this information. I come from a farm, Mr. Speaker. For years when the farmers and fishermen were eating their lunches they listened to the forecast. The farmers wanted to know whether they would be baling hay the next day. Those were very important programs. Could the Member for Glengarry-Prescott-Russell comment once again on the extreme importance of those programs?

The Acting Speaker (Mr. Charest): I regret that the period for questions and comments is now over.

Mr. Rod Murphy (Churchill): Mr. Speaker, I welcome the opportunity to speak on Bill C-20. It was interesting to hear the last speaker for the Liberal Party remark that the Government Members, whether the bookends on either sides of us in the House or those across the way, are not speaking on this legislation. I find it ironic that we elect so many people to the Government side for them to sit here and not speak. When the Liberal Party was in government we used to say some rather nasty things about their back-benchers. I suspect that the Hon. Member who just spoke does not mean to reflect on his own colleagues who never did speak in the last four years.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. The Hon. Member is either inadvertently or intentionally being negligent in his comments. First and foremost, Members who are sitting here today played a very active role in the last Parliament. I think it is totally out of order for this Member to comment or make judgments on previous intentions, comments, or lack of comments by other Members in the previous Parliament.

The Acting Speaker (Mr. Charest): The Hon. Member for Churchill.

Mr. Murphy: Mr. Speaker, I can understand the nervousness which the Liberal Party may feel about this. Regardless of what legislature one talks about, it is a fact that if the Government wants to get legislation through it will tell its back-benchers not to get up. The Hon. Member who rose on the point of order is not new to the House and must recognize that on many occasions it was opposition Members who kept the debate going in the House. By and large government back-benchers do as they are doing today, which is to say nothing. Unfortunately that means that their constituents are not being represented in this debate. We do not know what people in various parts of the country think because their Members are not speaking on this legislation, which affects a number of them.

The Liberal Members spoke with regard to the abuse of Government jets and things of that nature. That is not a new thing. During a provincial election in Manitoba three federal Government jets were sitting at the airport in Winnipeg. Three Ministers discovered that they had to be in Winnipeg on a certain date and they could not fly together. I presume that the abuse by the present Government is nothing new; the old Government did it too. These things did not happen only after September 4.

I would like to speak about the Bill itself. I come from a riding that will be affected by this legislation. There are sections of the legislation which I must applaud. I do not agree with everything in the legislation, but there are some ideas which have been a long time coming. I agree that the Minister of Communications (Mr. Masse) should have the power to give policy direction to the CRTC. This is often necessary within the CRTC or the CTC. I see that the Minister of

Transport (Mr. Mazankowski) is in the House. There is often a Government commission which makes unpopular decisions. We ask questions in the House of the Minister of Transport or the Minister of Communications and are told that that was not done by them but by the CRTC, the CTC or some other body which happens to be filled with Government supporters. It is essential that the elected Ministers make the policy decisions and take responsibility for them. We support that particular change in the legislation.

● (1440)

However, as a caveat to my earlier remarks, I wish to say that it is important that there still be a forum through which those people affected by such measures have an opportunity to make their representations known. The CRTC has performed such a role over the years whereby people who were affected by certain applications would be able to appear at a hearing before the CRTC to make representations.

I hope that when the Government makes decisions about cutting back services or encouraging private enterprise to the exclusion of the CBC it will also provide a forum for those citizens affected by those decisions to make presentations. I must say that I do not believe that that is necessarily a job for the committees of the House of Commons because most of them do not travel. Commissions such as the CRTC and the Canadian Transport Commission are able to travel to the areas affected by applications. We hope that the CRTC will continue to play a role in hearing evidence from concerned groups affected by policy on the future of communications in this country.

There is another aspect of this legislation that concerns me. In areas where the Minister believes there is enough competition in the future, the CRTC would lose its power to make regulatory decisions. I am not convinced that there is much competition with regard to communications. Most communities across this country have only one or two stations serving them. Most people who subscribe to a cable network only receive one cable network. Therefore, we should realize that there is not a lot of competition in the communications business in this country and it is necessary to have a regulatory body which will retain the authority to hear submissions not only about price but the level of service being provided to the various communities. If this clause is put into law, I hope there will not be many exclusions from the regulatory process which has generally served us well in the past.

My riding covers the northern two-thirds of Manitoba. It covers 186,000 square miles and consists of 50 communities. One study which will affect my riding is that by the CRTC special task force on service to small, isolated communities. One of our difficulties in speaking to this legislation presently is that we do not have the findings of that task force at the present time. When we are speaking on a Bill which affects the future communications policy of the Government and the direction which communications will be taking, it is unfortunate that we do not have that information before us at the present time.

This has been a problem in the past because this aspect of communications is one for which rules that were set up for the CRTC were really meant for larger communities with greater numbers competing for licences and areas where inexpensive cable systems can be established. These are areas where Canadians live close to the American border and are already able to receive extra service.

The problem faced by northern and smaller communities was that they either received no television or radio or perhaps only received one network, which was the CBC in most cases. The CBC had a mandate to serve smaller towns while the private enterprise networks, by their own admission, did not see a profit in providing a television or radio service to communities such as those in my riding and those in the riding of my colleague, the Member for Skeena (Mr. Fulton).

The advent of the satellite dish provided the capability to pick signals out of the air. As a result, many of these communities became involved in what was called illegal broadcasting. For example, one of the first satellite dishes in Canada, certainly in northern Manitoba, was brought in by a reserve in my riding, Red Sucker Lake. That reserve did not even have CBC service, let alone any other service. The chief and council took $60,000 from funds that were raised from various sources such as bingo and sports and bought a satellite dish. It picked up signals for free and provided broadcasting to the residents of that reserve. Although it was illegal, it was the only way they could get any television service.

That system mushroomed throughout the North and the rest of the country. In reaction to the situation the Cancom satellite network was set up whereby legal service was provided which could be used by many of those northern communities. However, that is a very expensive service to provide. One of the inequities that exists at this time is that larger cities such as Winnipeg have fairly reasonable rates, such as $6.40 a month for cable service, while the poor, small communities in my riding must pay $19.20 a month or more to get the Cancom satellite service. Many of the people in those communities are unemployed and do not have a lot of money.

When the task force makes its recommendations it should find ways of providing good Canadian service, because we need a service which guarantees a minimum of Canadian content. Certainly there is enough Canadian content available, with Ontario educational TV, the CBC and some of the programs coming from the National Film Board. However, it should also consider the price of that service. I hope that report takes the provision of cheaper service into consideration for the eventual regulations.

We should also recognize that the people who live in smaller communities do not have the same entertainment options as those who live in Winnipeg, Regina, Toronto or Montreal. Quite often they are tempted to pick up illegal satellite reception of channels which cover sports or movies, such as the Home Box Office, because they do not have professional hockey in their communities, and many communities in my riding do not have movie theatres. The only way they can see

hockey or baseball or have access to a variety of entertainment is from channels received with a satellite dish.

I hope the task force considers that serious problem in its recommendations. It may be said that these communities can watch the CBC. I believe the CBC has done a good job in the past and Canadian content is important to keep the cultural identity of this nation. However, we must also recognize that these people live in communities where the entertainment options are very limited. They have a greater need for a variety of programming than people in some of the larger areas and cities of this country.

• (1450)

There is one other item on which I would like to speak before my time draws to a close, Mr. Speaker. It is a concern which has an underlying theme in this debate. We are not sure where the Government is going in its communications policy.

Some Hon. Members: Hear, hear!

Mr. Murphy: I think many of us in the Opposition and probably some Members on the Government side would feel more comfortable in this debate if we had a more comprehensive communications policy set forth before us at this time. When the Minister talks about reducing regulation where there is competitition, I would like to know what he means by competition. As I said earlier in this debate, we do not believe there is that much competition in television service in this nation. We know by the very nature of the physical arrangements that most people do not have an option regarding which cable company they contract with. They have a choice of maybe one or two cable companies. In most cases it is a system where they only have one. In most communities there are not that many cable companies. Perhaps in Toronto the situation is different, but in most communities across this country there are not that many television stations. There might be one, there might be two. In most of the communities in my constituency we have only the CBC and in a few other communities we have the CTV network. None of my communities has the Global network. None of my communities has the Ontario educational system. I do not see a lot of competition out there. I would prefer, when the Minister makes the suggestion that he has in this legislation, that he clarify what he means by adequate competition.

I would also be concerned that we are giving him the right to make policy decision and to give policy directions to the CRTC. We agree with that and I support him. I would like to know what policy directions the Minister is thinking about. I think we have a right to know. I note that the Minister's Parliamentary Secretary is here today. I hope there would be some clarification of what kind of process will be there for the public to have input when the Minister is making policy decisions. I hope the Member indicates that to this House when he has a chance to speak a few weeks from now. It is a major concern.

This week alone we have a group of people concerned about the future of the CBC. Pierre Berton, Farley Mowat, and others have been sitting in this House and expressing their deep concern about what is happening with the CBC in the future. I have received letters and I am sure other Members have received letters about what direction the new youth network will be taking. Will it be done, as some of our Members have suggested, by the National Film Board, or will it be done by an American-based company such as Walt Disney? Again, that is a policy matter, just as it is a matter of the CRTC. The Manitoba Teachers' Society, for example, has written to me about what they would like to see and how they can present some of the questions they have with regard to youth networks. How will that happen if the Government is making policy decisions? How can they have input? Certainly one or two of those kinds of organizations will be rich enough and have the means to talk to the Minister directly, but in many cases that is not possible. I would like to see some kind of forum for hearings by the CRTC or some other means by which the public can have input.

I think there are some very good clauses in this Bill generally we support the direction of the Bill. We certainly support the addition of sex as one of the areas that must be considered in controlling and regulating broadcasts so we can make sure sexually abusive broadcasting is not taking place in Canada. Certainly this need has been demonstrated in the last year or two.

There are improvements in this Bill to help make the broadcasting system better in Canada. There are some weaknesses also. I would hope some of the Government Members who are knowledgeable in this area will get up and take part in this debate and let us know what they are thinking, perhaps with the help of speaking notes from the Department.

I have one other concern which I have not had a chance to express and it is a good one on which to end my speech. There is an increasing level of violence in television programs coming into this country. For the most part they are not Canadian-based programs. They are brought in in most cases, by the very nature of our system, from the United States. I am concerned about this. Like many people, I have a chance to flip channels to see what is going on. There is much too much violence, much of it degrading. I do not believe this is necessary. I believe the CRTC or the Government itself should take some action and look at the amount of violence taking place, violence which most parents are not in a position to control. They do not know what channel their children are watching at a given time. They do not know what is on television. That is a personal concern of mine, and I hope that the Government or the CRTC would look into this.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I have a brief comment and then a question for clarification which I will address to the Hon. Member for Churchill (Mr. Murphy), whose very thoughtful remarks have been listened to carefully on this side and will be taken into consideration.

I am the designated clean-up speaker at the end of the second reading debate on Bill C-20 and at that time I will address directly the questions which the Hon. Member has raised.

I would like to point out to the Hon. Member that the Minister of Communications (Mr. Masse) and I had the honour to host a luncheon for Pierre Berton, Farley Mowat, Dinah Christie, Doris Anderson, the former Lieutenant-Governor of Ontario, the Hon. Pauline McGibbon, and Ray Hazzan, who is the spokesperson for the CBC producers. We are well aware of their concerns. We had a most useful exchange at that luncheon.

I listened with interest to the argument made by the Hon. Member for Churchill that the Government should have greater power of direction over the CRTC. Would the Hon. Member not agree that the CRTC, the Canadian Transport Commission and other such bodies are quasi-judicial in nature? They are and in my view must remain initially at an arm's length relationship from the Government. I agree with the Hon. Member that they should not be policy setters. The Government should set the regulations, then these Commissions should enforce them and carry them out. Is the Member making the point that the problem with the CRTC now is that it has wound up being both policy-maker and regulator?

Mr. Murphy: Mr. Speaker, I am glad to see the Hon. Member survived his luncheon with the various people who are concerned about the CBC and I hope the CBC survives this Government.

With regard to the substantive matter which the Parliamentary Secretary has brought up, whether the CRTC, the Canadian Transport Commission or others should have an independent policy-making role, I believe that will always be the case to some degree anyway. Just this last month, the month of January, there were decisions made by the Canadian Transport Commission which will have the effect of reducing service to a number of communities on the CN rail line in my riding. Two historic railway stations will be closed down and eight station agents will be cut, many of whom speak Cree. The population of my riding in many communities speak Cree. They will be in a situation of finding it very difficult to get service in the future. Some will say that is an administrative matter. I would say that when the Government cuts services affecting one language or cultural group in the country, in effect it is setting a policy or it is following an existing government policy. It is a bit more than administration.

• (1500)

I can speak with some experience as I used to be the vice-chairman of the Manitoba Police Commission. Even though the Government of Manitoba set a policy, the decisions of the Police Commission or any other commission in the decision-making process somehow established policy for the future. It is a balancing act. I hope the Government sets the general policy so that we in the House can rise and question the Minister as to policy directions and express our concerns to various Ministers, whether it be the Minister of Transport (Mr. Mazankowski), the Minister of Communications (Mr. Masse) or whoever. At the same time there are other citizens and interest groups out there who need something like the CRTC or the CTC which visits their communities and hears presentations from people affected by the ultimate decision.

Mr. Brisco: Mr. Speaker, I should like to comment on the address of the Hon. Member for Churchill (Mr. Murphy). I particularly appreciate his remarks in the latter part of his speech when he referred to the need of the community at large to hear and to feel the impact of the CRTC in a very local sense. Clearly, that is what has been missing in the past.

I should like to refer to some small communities in the Slocan Valley such as New Denver and Silverton, communities of that nature. They are a very isolated area where the geography is vertical instead of horizontal. When their permits expired for the rebroadcast of a Canadian channel—and at that time it was the CBC—they were told by the CRTC that they would not be relicensed. When CRTC officials came to me to describe the reason for that decision, they suggested that perhaps the little town of New Denver should put in a television studio to broadcast from the community at the base of the mountain where no signals were available, so that the people in that community could receive television. Those are the kinds of things which have been alluded to that make absolutely no sense. They demonstrate that the Government and the bureaucracy at the time were totally out of touch with the people. I am pleased that this Bill will open up that entire component and allow communities such as the little town of Burton with 300 people to have these services. Instead of the people in Burton watching the signal from the north and listening to a French language program when the people of that town are not bilingual—and I must say that they do not undersand Cree or Inuit—and instead of receiving two very poor signals, the circumstances have been revised and improved upon and they are now receiving CBC and CTV programming, programming which they need in order to be informed.

I should like to conclude with the following remark which deals with the inequities of communications and refer once again to that little town of Burton with 300 souls. There is a telephone line going right by its door. It carries the signal of CBC Radio. They cannot listen to it. These 300 people have radios which do not have sufficient strength to pick up CBC Radio, yet the CBC signal runs on the telephone line by its door. They cannot tap into it. I suppose they could do so if they were millionaires. However, the bottom line is that the rate which the B.C. Telephone Company wants for the service is so astronomical that there is no point in even considering it for a community of some 300 people.

Again I thank the Hon. Member for his comments regarding the need for the CRTC to relate to the circumstances of smaller communities and in isolated areas of Canada. I very much understand his comments in that regard.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I want to express my strong reservations about Bill C-20. They are not related to the original intentions of the Bill, for it is very similar to the one prepared by the previous Liberal Government and introduced by the previous Liberal Minister

of Communications, the Hon. Francis Fox, nor are my reservations about Bill C-20 to be found in its wording, although there are some important omissions in it and amendments are needed.

My reservations are more fundamental than that. When amendments were written under the Liberal administration, we assumed that there was an absolute understanding by all—and this was right and reasonable—that the Government would continue the arm's length policy of not interfering with the CRTC, the CBC or, for that matter, with cultural and arts councils. That was always Liberal Government policy, and it was written at the time. The Liberal Government at that time assumed that that relationship would continue. However, I now have strong reservations after only six months of rule by the Tory Government. All indications are that the Government and the Conservative Minister of Communications (Mr. Masse) have a different approach and a different agenda in mind.

On November 29, 1984 *The Globe and Mail* indicated that the Tory Minister of Communications said that he wanted to rethink the arm's length policy and that his Government was moving rapidly to apply a direct political hand into the affairs of the agency, the CBC. He hired three private consultants to advise him on the fate of the CBC. He interposed political agents into the CBC situation and asked them to monitor and, I imagine, to manipulate. This has already been brought to the attention of the House by my Liberal colleagues.

Another proof of flagrant government interference is by hands on manipulation—by putting its hands on the throat of the CBC to strangle it financially, to force it and to intimidate it, to make it tremble and conform to Tory Government objectives. Imagine the ramifications of Bill C-20, if it is put into force now, in the hands of this Minister and this Government.

How can we trust the Government with power of direction of the CRTC? How can we trust it in light of the facts? In the few short months the Government has been in power, it has created more havoc and chaos among the cultural and artistic community than any foreign invader could have done in as many years. By its massive and ill-considered budgetary cuts to the CBC and to numerous arts and cultural organizations in the country, the Government has created distrust, fear and consternation among broadcasters, writers, artists, musicians and communicators of all kind who give us a sense of our own identity. Our feeling of national identity is now being threatened. The cuts the Government has made to the CBC will result in a serious blow to Canadian programming. CBC management has virtually conceded this.

I ask the Government how it can go on reducing Canadian programming at a time when the cultural sovereignty of our air waves is being threatened as never before. I remind the Government that it was its own Party which originally founded the CBC with the following words:

> This country must be assured of complete Canadian control of broadcasting from Canadian sources . . . free from foreign interference or influence.

Why, then, is the Government actively behaving as if it wants our air waves to be filled with American programming? Does it know that two major documentaries have recently been aired in Europe devoted exclusively to discussing the pathetic and tragic situation that is occurring in the Canadian television situation?

• (1510)

Does this Government realize that on any evening of the week, only 23 per cent of the programs over television have any Canadian content whatever? Does it know that for every hour of Canadian drama seen in this country, 24 hours of American drama is broadcast? Finally, if it is aware of all this, why is it carrying out a policy that will make a bad situation even worse?

The record of this new Conservative Government in broadcasting is one that no true Canadian, no Canadian with any sense of feeling for this country and what it stands for, can support. By slashing the operating budgets of the CBC, the National Film Board, the Canada Council and all other institutions which we rely on to give us our sense of identity, the Government has thrown away any credibility it may have had as a defender of our national dreams.

It is this Party's forerunner that created the national dream by building a railroad across this country. We now see the sorry side of this very same Party destroying a national dream of another kind, a national dream of a Canadian identity expressed through the artists and their broadcasters.

This Government cannot be trusted to control broadcasting. It has shown that in a few short months. It slashed the central pillar of our broadcasting system, the CBC, so deeply and indiscriminately that it is in mortal danger. Given the record of this Government and its shameful betrayal of our national dream, our expression of our Canadian identity, given the record of betrayal of public broadcasting by this Government, we must not allow it to gain even more control over broadcasting by means of this Bill.

Let us look at the record of this Government in the few short months it has been in office with regard to its communications policy. There have been massive cuts to the Canadian Broadcasting Corporation which have been widely decried as hasty and ill-considered. The $85 million cut to the CBC has needlessly created 1,200 unemployed broadcasters at the CBC. In addition, hundreds of independent contributors to the Corporation are now without a source of income.

There has been a major reversal of the traditional arm's length relationship between the Government and the CBC. The behaviour of the Government has created an atmosphere of fear, distrust and unease amongst the artists and broadcasters of this country. Culture is a multimillion dollar industry in Canada. The cuts to the CBC were not eliminating frills. The CBC budget is spent to support scores of film laboratories, sound studios, small production companies and other associated industries.

The CBC appropriation spends over $15 million every year on musicians and composers in this country. No one else

supports our musicians to the same degree. Every year well over $20 million goes to the writers and performers who belong to ACTRA out of the CBC budget.

What will be the trickle-down effect from the CBC cuts on these talented Canadians? To the thousands of technicians, writers, artists, musicians and performers, the CBC is not a frill. It is the principal if not the only source of their income. The cuts to the CBC will mean that these people, who have never found it easy to survive, now face truly difficult times.

The Minister of Communications is reported to have admitted last December that, in retrospect, perhaps he ought to have looked at the mandate of the CBC before he made the cuts. That is small comfort to the thousands of CBC workers.

My riding is in Toronto. What I will say is not only because of letters I have received from people in the CBC, but from my understanding of the problems of those who report in my riding. The morale of the CBC is in tatters. With wholesale slashing of its operations, personnel and program budgets, the organization is bleeding. The rumours of further cuts and the hints of secret government reviews have engendered an atmosphere of bewilderment and terror at the Corporation, yet nowhere have we seen a rational agenda for the cuts to the arts.

Let the Minister of Communications understand one thing. The CBC cuts were not, as he seems to believe, simply efficiencies in a bloated bureaucracy. The cuts meant that hundreds of professional people are out of work with little likelihood of finding professional work elsewhere. The cuts have meant that the only program for native people, *Our Native Land*, will not be returning. Let the Minister of Communications tell our native people that the CBC cuts will not affect programming. The respected children's show—

The Acting Speaker (Mr. Charest): I would just like to point out that the Member's speech should be relevant to the subject, that is, the CRTC and modifications to the Act concerning the CRTC, and not the cuts to Radio Canada.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, on a point of order. I would like to point out that this morning, the Hon. Member for Calgary West (Mr. Hawkes) spent at least fifteen minutes talking about other things, and the Chair decided to allow this. He talked about the deficit, he talked about almost everything under the sun except the Bill. So I think the Hon. Member . . . I merely want to state this fact, and I know the Hon. Member is listening. The Hon. Member can certainly relate the cutbacks to the Bill, because there have been cutbacks at the CRTC.

The Acting Speaker (Mr. Charest): First of all, I shall if I may inform the Hon. Member for Saint-Denis (Mr. Prud'homme) that this morning, the Member for Calgary West (Mr. Hawkes) did not speak for a period of fifteen minutes about Government cutbacks or the deficit and that, as far as I know, he related the Government's cutbacks to the subject dealt with in Bill C-20. It is true that this morning, the Chair was rather broad-minded in its interpretation, except that in the case of the Member for Eglinton-Lawrence (Mr. de Corneille), I do not see how, up to now—

[*English*]

Mr. de Corneille: Mr. Speaker, I would be happy to defend the relevance of what I am saying on Bill C-20. It will be seen, if one reviews the text of what I have said, that I have been establishing a very simple principle. I said at the outset that Bill C-20 as written would have no problems within it if the Government operated on the basis of an arm's length relationship. That was the assumption when this Bill was first introduced. It was based on the assumption of an arm's length relationship.

I am establishing that in every area the Minister and the Government are not carrying out an arm's length relationship with the arts, the CBC and other cultural organizations for which the CRTC presumably is responsible. If this Bill passes and it defines for the CRTC its areas of responsibility on the basis of the Commission's record, this will threaten our freedom. Therefore, it is extremely relevant as to what has been done to the CBC by this Government. I hope, Mr. Speaker, you will give me the three minutes I lost because I would like to establish that it is an extremely relevant relationship that I have been trying to develop. Let the Minister of Communications understand that the CRTC cuts are not simply efficiencies to a bloated bureaucracy, as he seems to believe. I was pointing out that these cuts affect our native people. I stated that *Our Native Land* will not be returning as a program. I was saying that we should let the Minister of Communications tell our native people that this will not affect programming. The respected children's show, *The Friendly Giant*, will not be continued. Let the Minister of Communications tell Canadian children that CBC cuts will not affect programming.

• (1520)

The cuts have meant that the CBC cannot increase its participation in the Telefilm Fund. The Tories say: "Well, so what?". I will tell you what, Mr. Speaker, The CBC is the broadcast organization which has provided over 80 per cent of Telefilm projects with Canadian independent producers. If the CBC can no longer afford to co-fund with Telefilm, where will the independent sector find air time and dollars? Let the Government tell the Canadian independent film industry that the cuts will not affect programming.

There has been a major reversal of the traditional arm's length relationship between the Government and the CBC. It is no longer 1984, but it appears as if Big Brother is alive, well and living in Ottawa. The appointment of a troika of so-called consultants from outside to oversee the CBC and its cuts amounts to a major reversal of the traditional arm's length relationship between Parliament and cultural agencies such as the CBC. I am using the CBC as an illustration.

The Government cannot and should not tell newspapers what to print, nor should it tell the CBC what to do through the instrument of the CRTC. If the Government can tell the

CBC which dollars ought to be spent where or how, the Hon. Minister of Communications could in theory control the CBC. I suspect that few Canadians knew that the Conservative Government's communications policy was to undermine what has been one of the most respected information services in the world.

This Government maintains that the CBC is inefficient and over-funded. Yet the Minister is reported to have expressed surprise at the results of his budget slashing, which has been the loss of 1,200 jobs. It appears as if the Minister and his appointed overseers had not foreseen this disastrous effect on the CBC.

What objective proof did the Minister have to justify the cuts to the CBC? A major study of the CBC by the McKinsey Management Consultants concluded that, compared to any other broadcaster in the world including the BBC and Australian and American broadcasters, the CBC is substantially more productive. They found that the CBC produces twice as much programming per employee while the cost is much lower. What is more, the CBC does the costly programming that the private network in the country will not do because it is not profitable to do so. That is why the CBC does the only drama, religious and science programming in Canadian television. The private industry will not undertake to provide Canadian information.

One must ask oneself if the Canadian television industry must face this cut of $85 million and possibly more. Why are the Tories doing this? Is there a sinister purpose? Certainly given the Government's activities in the last few months, there is a growing mistrust of a government policy which has apparently been shaped behind closed doors. Many of our talented young people are gathering around the country to ask what this policy will do in terms of their futures and in terms of the future of the arts and the sciences. What about their roles as young people?

I suggest that we are facing a very critical time. I wish to say on behalf of our arts and communications industries that there are people in Toronto, for example, who are seeing the loss of jobs of those who are paid by the CBC as well as those in allied industries and realizing that the whole cultural framework that is centered in that metropolis is being gravely threatened. I am told by my colleagues, not only on this side of the House but also on the other side, that in Montreal there is a large community that is extremely anxious, suffering and very concerned about its future as well.

I would like to conclude by saying that I would feel much more comfortable if in fact the Tories had not put forth these other policies during the past six months. This Bill would have made sense in the context of an arm's length relationship. I feel I must express my reservations and I feel that, under these circumstances, I cannot give my support to this Bill when I know that the Government is not able at the present time to give us a policy for an attitude and relationship with the arts community that would ensure that it would stay at arm's length, allow the Canadian identity to be protected, and not allow a collapse of our entire identity as Canadians.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Henderson: Mr. Speaker, I have a very brief question to ask the Hon. Member for Eglinton-Lawrence (Mr. de Corneille). I must commend him on his very fine speech on this very important subject.

I know that I receive many letters from constituents dealing with the quality of the programming that is on the air waves. Most of this programming is coming via satellite and in some cases is probably not quite legal. However, we are seeing more and more violence on programs and more and more sexually explicit programs. This Bill, in some way at least, addresses the quality of programming, and I think that is certainly a step in the right direction.

I wonder if the Hon. Member for Eglinton-Lawrence would share his views on the kind of programming he would like to see. It is a very delicate situation. It is very difficult to get into the area of ccensorship. How does the Hon. Member see the role of the Government and of the CRTC in addressing this very delicate subject?

Mr. de Corneille: Mr. Speaker, it would certainly not be possible to lay out all of the possible ways in which the Government or the CRTC could in fact impose limits upon that kind of undesirable broadcasting. I certainly agree with the Hon. Member that the passage of such a Bill would do a great deal, if in the right hands, toward bringing about a proscription of those things which are obscene, violent and undesirable.

The conundrum is that if one supports a Bill like this, one hopes to put into the hands of a responsible Government the opportunity to deal with irresponsible kinds of broadcasting. That is why putting it into the hands of the Government, as was planned with this Bill originally under the Liberal Government, would have brought about the possibility for the Government to step in when such abhorrent things as promiscuity, attacks on women and attacks on children were taking place. That would have been the good side.

The down side, which I have tried to develop and which the Hon. Member probably understands and perhaps even shares with me, is that in light of the policies of the Government over the past six months during which it has been in power, the Government has been causing mayhem in the communications industry and particularly with that very organization which has been the keystone to presenting an option from the Canadian side. That is why it is a conundrum. If one votes against this Bill, then one is voting against the possibility of dealing with obscenity and other kinds of abuses. If one votes for this Bill, then one is voting for a Government that would strangle the CBC as it is strangling other arts organizations. That is the problem which I was developing.

Mr. Dick: Mr. Speaker, I would like to ask the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) a question. Is it not the height of arrogance to say that the Liberal administration, which was trounced so badly at the polls

because the people no longer wanted it, was a responsible Government and could have handled this Bill whereas the Government which was elected by a vast majority of the people is irresponsible? Is it not arrogance on the part of the Liberals when they tell the Canadian electorate that it did wrong?

• (1530)

Mr. de Corneille: Mr. Speaker, I believe the Hon. Member should try to remember the history of the situation because the Liberal Party and its Government were in power for some 40 years and had the support of the Canadian people in all of the developments on which I have spoken, such as the development of the Canadian identity, fighting for Canadian sovereignty, bringing back the Constitution to Canada, the development of our own energy policies and our own resources, and the evolution of our own national flag and anthem. These were all fought against by that Party opposite which, for a few short months now, has held power. I must point out that the Liberal Government had power for 14 years in a row. With the exception of about six months, the Liberal Government has had uninterrupted 14 years of large majorities. No, it is not arrogant at all for a Liberal to stand up and say that the Canadian people are behind a policy that supports a CBC which will protect and uphold a sense of Canadian identity. But this should not be a partisan argument.

Mr. Dick: You made it that.

Mr. de Corneille: What I am doing is simply pointing to the record of the Conservative Party during these past six months and what it has done to tear apart and tear down FIRA and now the CBC. Those are institutions which will protect and affirm our Canadian sovereignty and identity.

Mr. King: Mr. Speaker, I wonder if the Hon. Member, who has just provided us with a recitation of the wonderous things which liberalism has brought to Canada, would also identify that liberalism with the $190 billion deficit which it has brought to Canada and the $35 billion deficit which is facing the nation in this current year? I wonder if the Hon. Member would identify liberalism with the fact that one-third of the revenues of Canada now go to pay interest on the national debt which Liberal philosophies and practices have produced?

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: Mr. Speaker, earlier, the Chair spoke to the Member who had the floor about his comments which were not related to the Bill before the House. I think the Member who has the floor has strayed from the subject of Bill C-20.

The Acting Speaker (Mr. Charest): I must inform the Hon. Member for Bourassa, as I said earlier, that the Chair finds itself in a situation somewhat of its own making as a result of this morning's occurrence.

Comments were made earlier to the Hon. Member's colleague, the Member for Eglinton-Lawrence (Mr. de Corneille), about the relevance of his speech, and we must now deal with the consequences.

[*English*]

Mr. King: I would like to ask the Hon. Member if he also identifies Liberalism with the fact that one-third of the revenues of Canada now go to pay interest on the national debt?

Mr. Benjamin: Order.

Mr. King: If the Hon. Member does not wish the Government to restrain spending, at what point would he think it is important that the Minister of Finance (Mr. Wilson) and the Government of Canada take note of the increasing amount which is going simply to service the interest to the national debt? Would the Hon. Member allow it to go to 33.33 per cent, to 40 per cent, to 50 per cent or to 60 per cent before taking action? Where would the Hon. Member think would be an appropriate point at which to draw the line?

The Acting Speaker (Mr. Charest): Respectfully, the period for questions and comments is now over.

Mr. Dan Heap (Spadina): Mr. Speaker, I will keep my remarks brief and hope that one more speaker from the Liberal Opposition and perhaps my colleague, the Hon. Member for Regina West (Mr. Benjamin) will be permitted a few moments to make the points they have in mind.

This Bill is intended to change the regulations of TV and radio broadcasting. It is intended to give the Minister power to regulate the content of what is broadcast by any "undertaking", as it is called, and also to define the "undertaking" so as to include most of those which are not now clearly enough licensed. It also undertakes to give authority to the CRTC to regulate the content with regard to any attacks upon the equality and dignity of any group, and that specifically includes any attacks related to sex. It also undertakes to regulate only the larger outlets and not the very small ones, although those are not defined clearly.

I believe my constituents, from what I have been told, would agree with the main thrust of this Bill. The people of Spadina are patriotic people whether they were born here or came here from other countries. They want to see news of Canada. They want to see a variety of Canada represented on TV and on radio by the CBC and by other stations. They do not want to be fed exclusively with what comes from across the border or from overseas. They recognize, therefore, the need to have the Canadian state regulate what is otherwise capable of being monopolized by one private point of view. In that respect, they appreciate the state enterprise created by the Tories half a century ago. Some of my constituents recognize that as a very positive forerunner of socialism.

There are some defects in this program, however. This Bill does little to deal with the question of violence on TV. It gets closer to it but does not get very far. It also leaves the way open for total deregulation, which we know is in the philosophy

of Reaganomics, which philosophy is espoused by the Government at the present time. That is a worrisome matter and leaves undefined the question of services to small communities, although perhaps there is a task force report which will deal with that subject.

As has been pointed out, this Bill does nothing to offset the danger to Canadian content, the danger of losing the presentation of Canadian news, lifestyle, drama and music. There is the danger of destroying that opportunity through the budget cuts which have previously been referred to and which, as you have said, Mr. Speaker, have in fact become part of this debate. I agree with your ruling, Mr. Speaker, that they do belong to this debate, certainly from the point of view of the people in the constituency of Spadina.

There are many people in Spadina who earn their living, albeit a very small one, by producing programs not only for the CBC but for the private producers on radio and on TV. No amount of careful regulation under this new Bill will ensure that they can make their contribution as Chinese, Portuguese, British, Irish or native people, whoever they may be. No amount of regulation will make sure that they can make their contribution if the whole of the funding for the work they do is destroyed by the budget cuts of this Government. We will be hearing more from them in the next few weeks, Mr. Speaker, because they are organizing with others in this country to present their views publicly. I will therefore not take any more time to present their view today, but I will be back.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I have some concern about the Bill before us and I have discussed one or two of them with the Parliamentary Secretary, who was very forthcoming regarding the intent of this legislation. The amendments to the CRTC Act will give the Governor in Council the power to direct the Commission on policy matters. My concern lies with the procedural safeguards.

• (1540)

For those regarding the tabling of documentation, referral to committee and the time period, I commend the Government. I think it is important that Members of Parliament, regardless of political faith or ideology, have an opportunity to discuss in great detail the changes the Government might wish to bring forward. There is no better avenue than the floor of the House of Commons or the committee rooms.

Concerning the amendments to the Broadcasting Act and the Radio Act, I am happy to see that the CRTC will have a clear mandate for dealing with all types of abusive programming. I hope that, notwithstanding the statements regarding sexually abusive programming, this will cover violence as well. Notwithstanding the desire of the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) to make Canada the fifty-first state, we are quite different from the U.S. I think a lot of that has to do with our programming. As you know, Mr. Speaker, in the U.S. there is a very great and sophisticated lobby to maintain the public broadcasting system. I hope that in Canada we will continue with an enriched CBC in the future and with its quality programs. In this respect, I hope the Government will very clearly spell out to the CRTC its policy direction on abusive programming. Other Members have alluded to the violence we see on television, particularly in rock videos. A number of programs and videos are quite damaging. However, I am optimistic that the necessary and all-encompassing policy direction will be forthcoming.

The other amendments to the Broadcasting Act are designed to reduce the burden of broadcasting regulation on the private sector. I applaud that intention, but one thing did concern me and I raised it with the Parliamentary Secretary. I do not wish to misquote him so if I do it is not intentional and he will have a chance to clear the record. I am talking about unlicenced satellite master antenna TV systems. There seems to be a proliferation of such systems in Canada which gives those operators an unfair advantage over those who have gone to the CRTC to plead their case for a licence or a licence renewal. I was hoping this legislation would clearly spell that out, but I am told that is not the case. I have no doubt, in view of the majority on the other side, that these amendments will be passed, Mr. Speaker. However, I hope the Minister of Communications (Mr. Masse), shortly after passage of the Bill, will get up in the House and state his policy in this regard. We do not want these unlicenced systems proliferating in Canada. I think this is extremely important and I am confident that the Parliamentary Secretary will be cognizant of the suggestion I am trying to make and will take some action on it.

I have alluded to some positive aspects of the Bill, Mr. Speaker, but the part of the Bill which gives me the most difficulty is Section 14.5. It says in part that the Minister shall consult with the executive committee of the Commission with respect to the nature and subject matter of the direction or notice. Perhaps on some other opportunity, unless there is time to debate this matter into the wee hours of the morning, the Parliamentary Secretary could elaborate on this. Indeed, perhaps the Minister could do so. What do they mean by consultation? Is it a 30-minute meeting with members of the executive committee or is it passing on a statement to members of the committee? Is it meaningful consultation with members of the Commission who, I have no doubt, will be appointed to that body because of their objectivity and competence, not because of their political persuasion? I have no doubt that will happen now as it has in the appointments we made, Mr. Speaker. What of the consultation? It has to be meaningful, very meaningful.

I draw this to your attention, Mr. Speaker, because, as you know, cuts were applied to the CBC as well as to many other aspects of our cultural efforts, that is, to the Canada Council, the National Film Board and the Arts Council. Where was the consultation there? I am afraid that because of the loose language contained in the Bill, particularly in Section 14.5, what we may be authorizing here today is the opportunity for the Government to go forward in its direction to the CRTC, but that it will continue to slash arbitrarily, without meaning-

ful dialogue with those who regulate telecommunications here in Canada. I do not think the Parliamentary Secretary, in view of his distinguished career in the other place, would want that to happen. This ought to be amended to read "meaningful consultation". It has to be spelled out so I hope the Parliamentary Secretary will be cognizant of my concern in that regard and, hopefully, we will be able to raise that matter in committee.

The other aspect of my concern, and it is semi-related, concerns the direction which the Government of Canada can give to the CRTC on policy matters. One can applaud this because in essence what the Government is saying is, "We, the national Government, will decide and give direction to the CRTC". Another tool which it has is Section 99 of the Financial Administration Act which related to Crown corporations. Pursuant to that section it can give clear, unequivocal directions to Crown corporations on how it wants them to proceed. It is incumbent upon those who occupy positions of responsibility, whether in the CBC or other Crown corporations, to follow the directions contained therein. I refer again to Section 14.5 which relates to consultation. What does it mean? The Government has not elucidated what it means by that. We have seen what has happened with the cuts in the Canadian Broadcasting Corporation. Knowing your objectivity and background, Mr. Speaker, you can readily see my concern for those areas in Canada which, through no fault of their own but because of geography and the way in which people are dispersed throughout the country, are experiencing very serious effects as a result of the CBC cut-backs.

• (1550)

There is no consultation, Mr. Speaker. The Parliamentary Secretary and the Government cannot argue that there is. I hope that in the future the Government will be clear in its policy with regard to abusive programming. I hope that the directives will not be solely of a budgetary nature.

In my area there are some very devastating cut-backs which are very much related to this legislation. The program *Radio Noon* is an example. I know that there are Hon. Members here from urban areas of Canada who, perhaps because of restraints, have not travelled as extensively as they would wish. *Window on Resources* is another very important program to those individuals in Canada. It is very unfair to cut back on that. One could make the argument that it is in breach of the constitutional accord. There are programs which are akin to the more urban areas of the country. Surely the Canadian national Government would want to have programs which affect, assist and aid the rural areas of Canada as well as the urban areas. Fishing communities have been dependent upon those broadcasts for a considerable period of time. Due to lack of knowledge some Members may feel that that program cannot be that significant. It is significant when you live in an isolated community where that is your only communication resource. I urge government Members to attempt to effectuate a change in that type of policy.

There are other programs in my own riding that have been cancelled. *Talent Cape Breton—*

Mr. Brisco: What talent?

Mr. Dingwall: The Hon. Conservative Member says, "What talent". I know he did not make that statement intentionally. He does not want to cast aspersions intentionally on the artists employed by the CBC who participated in that program. I am sure he does not want to do that, Mr. Speaker. I hope not. I hope he is a big enough Canadian to appreciate that there are many areas in this country with a different background and culture than his. Surely he can appreciate that although it may mean nothing to him, it meant a great deal to the individuals associated with the programs *Island Echoes* and *Fresh Air*. In the Hon. Member's wisdom he may have a second thought about casting aspersions on the individuals associated with those programs.

The individuals who conceived and produced those programs and the artists who were retained to provide their services and talents met with a great deal of success and public recognition and acceptability. That ought to be fundamental to any national policy concerned with communications. I hope that members of the Government recognize that because of the geography of our country and the way in which people are dispersed throughout it, we need an improved CBC rather than cut-backs.

If the Government wants to change management, it should do so. That is its prerogative. The CBC provided a very important service to all the people of Canada. The Government is wrong in the direction in which it is trying to take us. I retract that, Mr. Speaker. I do not think the Government has a direction in mind. I was hoping that the Minister of Communications would give us a clear policy. He has not done that. That is the old Tory philosophy. When they do not know what to do, they just cut back. That is very harmful to the Canadian people. It is very harmful to the individuals who have lost their jobs. Many of these individuals have been with the Canadian Broadcasting Corporation for a considerable period of time and have prided themselves on the work they have done. They have done a good job and now, because of the cutbacks announced by the Minister of Finance (Mr. Wilson) on November 8, their jobs no longer exist.

That is a shameful way for a national Government to proceed against a constituency, the true intrinsic value of which all Canadians, regardless of philosophy, have learned to appreciate.

Mr. Brisco: Mr. Speaker, I rise on a point of order. I would like to draw the attention of the Chair to the comments made by the Hon. Member who has been speaking. I asked the rhetorical question, "What talent?", providing him with the opportunity to tell us of the talent of Cape Breton for the first time in his address. Why should he feel so negative toward this Party and toward the Member for Kootenay West when I have given him that opportunity? I clearly fail to understand. He

should be grateful for the fact that I have given him that opportunity.

• (1600)

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: I am sorry, Mr. Speaker, but with respect, I submit this is not a point of order. This is not Oral Question Period, and the Hon. Member did not raise a point of order. I submit this with due respect.

[*English*]

The Acting Speaker (Mr. Charest): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Charest): Shall Order No. 2 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Does the Hon. Member for Okanagan-Similkameen (Mr. King) wish to move this motion before the House, since the Member for Lethbridge-Foothills (Mr. Thacker) is not here?

Mr. King: I believe it has already been moved.

Mr. Nickerson: Mr. Speaker, I rise on a point or order. It is my understanding that the motion was introduced some time ago. We are resuming debate on it. Perhaps the record should show the original mover and seconder of the motion. I do not believe the seconder was the Hon. Member for Okanagan-Similkameen (Mr. King). Perhaps the record should be corrected to show the person who actually seconded the motion.

The Acting Speaker (Mr. Charest): I profoundly regret that the confusion may have come from the Chair. This is not the same motion. It is a different motion.

The problem that we are presently confronted with is the fact that I believe the Hon. Member for Lethbridge-Foothills is not in the House. The Chair would like to know if there is a mover to replace the Hon. Member.

It was my previous understanding when the Hon. Member for Okanagan-Similkameen rose that he would accept to be the mover of the motion. Am I correct in that assumption?

Mr. King: Yes.

Mr. Brisco: I second the motion.

Constitution Act, 1982

CONSTITUTION ACT, 1982

ADVISABILITY OF AMENDING ACT TO INCLUDE PROPERTY RIGHTS

Mr. Fred King (Okanagan-Similkameen) moved:

That, in the opinion of this House the government should amend the Constitution Act 1982, to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights so that it reads as follows:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

He said: Mr. Speaker, if the good people in Ottawa would drink more of that Similkameen wine they would soon be able to identify the region and associate the quality of debate that comes from this desk with the quality of that wine.

I wish to acknowledge the cogency of what the Hon. Member for Lethbridge-Foothills (Mr. Thacker) has said about the entrenchment of the right of enjoyment of property in previous remarks in the House. I have the greatest respect for him and I know that we share the concern for the protection of property rights. It is a concern that farmers in all of our constituencies have expressed to us in earnest terms. This has not only been expressed by farmers but, since I am a farmer, I refer to those good citizens of Canada.

Private Members' Hour provides an opportunity to discuss, in a general way, some of the issues arising out of the idea of entrenching property rights in the Constitution. However, I do not believe that Private Members' Hour is suitable for resolving a matter of such significance. This is so, even though it is my wish that the property rights should be entrenched in the Constitution. It must be recognized that there are many individuals and groups, as well as provinces, who have expressed reservations about the entrenchment of property rights. In that context, it does not seem to me that it is appropriate to make decisions about this matter during Private Members' Hour.

I emphasize my support and the support of my Party for the entrenchment of property rights. It bears repeating that it was the Right Hon. John G. Diefenbaker, the late former Prime Minister and Leader of the Progressive Conservative Party, who introduced the Canadian Bill of Rights in 1960. As a result, the right of enjoyment of property is protected at the federal level in Canada.

Since that time, the Progressive Conservative Party has supported the entrenchment of property rights in the Canadian Charter of Rights and Freedoms. As a matter of fact, we lobbied to have property rights included in the Charter when it was first established. We have continued to advocate its inclusion.

We in the Progressive Conservative Party believe that property and the right to enjoy it are essential features of our democratic society. These features, among others, distinguish our society from totalitarian countries. The well-being of our country is not dependent solely on government. In Canada,

government, business, individuals and others are economic partners. We want to retain that system.

At the basis of our ability as individuals to participate in this partnership and contribute to the well-being of our country, is the right to own and enjoy property and the right to employ our property in our business enterprises. Our business enterprises, whether large or small, are the backbone of our economy and they are owned by individual Canadians.

These individuals provide the resources and the capital upon which these enterprises depend. In this context, the comments of Professor Jack Knetsch of Simon Fraser University are particularly apt. I quote the following from page one of his book *Property Rights and Compensation:*

> In most societies a system of entitlements has evolved which, among other effects, largely assures that the rewards to productive effort are returned to those making the effort and are not gratuitously appropriated by others. This "sowing and reaping" rationale remains, in most communities, a major protection for investment and an important incentive for the efficient use of resources. Entitlements that encourage individuals to husband property, and individuals' efforts to obtain further advantage, provide gains for the community.

I suggest that it is appropriate to note that the socialist philosophy of state ownership which is espoused by the NDP provides the exact opposite, a disincentive to progress and economic development.

The right to own and enjoy property allows us to enjoy the fruits of our endeavours whether we are self-employed or wage earners. It enables us to own automobiles, homes and farms and to have the sort of things we need to carry on the good life that we enjoy in Canada. Our right to own and enjoy property gives us a stake in our country. It is important then that property rights should receive adequate protection, and that means entrenching them in the Canadian Charter of Rights and Freedoms.

● (1610)

Entrenching property rights would mean that they would not be dependent on the good-will of the government of the day. The Charter is now the supreme law of the land. The tradition of the supremacy of Parliament has been altered. The actions of government are now subject to the scrutiny of the courts which are charged with interpreting and enforcing the Charter. It is, however, precisely for this reason that the entrenchment of property rights requires careful consideration. The consequences of entrenching property rights are potentially far-reaching.

Many individuals and groups as well as provinces have expressed sincere concerns about the possible consequences of entrenching property rights. This concern must be recognized and dealt with. In this connection I would note that the federal Government cannot by itself entrench property rights in the Constitution. Amending the Canadian Charter of Rights and Freedoms to entrench property rights would require resolutions of the legislative assemblies of at least seven provinces with at least 50 per cent of the population. To date, however, only two provinces, British Columbia and New Brunswick, have passed resolutions supporting the entrenchment of property rights in the Charter of Rights and Freedoms. Other provinces have expressed some reluctance to support the entrenchment of property rights. That is why we say that perhaps a Private Members Motion is not the best way to ensure that full consideration and negotiation is established before this is entered into.

The provinces are concerned that by entrenching property rights we will enable the courts to interfere with laws which protect important societal interests. As examples of this the provinces cite land use planning and municipal laws, environmental laws, resource laws, real and personal property laws, building and health and safety laws, and other types of laws. They ask, for instance, whether an entrenched right to the enjoyment of property might affect their ability to control the use of privately-owned land in order to protect the environment or to protect communities. Their concerns are sincere and deserve consideration.

I believe that the provinces are open-minded on this matter. Because their support is necessary if we are to entrench property rights, we should be working together with them to see if we can resolve their concerns in a way that is acceptable to all interested parties. We should be attempting to build a consensus on this matter, adopting the co-operative and conciliatory approach to federalism which is the hallmark of the new Government of Canada.

There is another reason for taking this sort of approach. Subsection 38(2) of the new Constitution, that is, the Constitution Act, 1982, allows a province to opt out of a constitutional amendment which "derogates from the legislative powers, the proprietary rights or any other rights or privileges of the legislature or government of a province". It would appear that a property rights amendment would undoubtedly come within Subsection 38(2). It is possible then that acting in an untimely fashion might prompt a disaffected province to opt out of a property rights amendment, which would be its right. It is surely our responsibility to avoid the resulting inconsistent application of property rights protections across the country. Doing so requires us to endeavour to reach a consensus on this matter.

Not only the provinces are concerned about the effects of entrenching property rights. Women's groups are apprehensive that the entrenchment of property rights may jeopardize the interests of women as they have emerged in recent family law reform. These reforms were intended to recognize as equal the contributions of homemakers and breadwinners to the family. They do so by providing for a presumptive equal division of assets when a marriage breaks down. The courts may award assets to one spouse even where the other spouse has the apparent legal title. Women's groups are afraid that constitutional property rights guarantees might prevent a court from doing this, with a resulting adverse impact on women. Even if the courts were ultimately to uphold these matrimonial property laws, women's groups are concerned that women will have to bear the cost and hardship of fighting the cases which will inevitably arise under a constitutional property rights guarantee. The Canadian Advisory Council on the Status of Women

dealt with the matter of the entrenchment of property rights in a resolution dated September 27, 1983. It reads in part:

Whereas on March 29, 1983, an amendment to Article 7 of the Canadian Charter of Rights and Freedoms, concerning property rights, was introduced in the House of Commons and was defeated;

Whereas a second similar amendment may be introduced;

Whereas the aim of the amendment of March 29, 1983, was to protect property rights in the traditional sense of the word, meaning primarily real property;

Whereas Canadian women in general, are not owners of real property and, furthermore, own relatively little property of any kind;

Whereas the probable consequences of such an amendment have not been sufficiently studied and discussed;

Whereas such an amendment could have grave consequences on the rights which women have already obtained, such as the right to division of the matrimonial home;

Whereas any increased protection of property in the Canadian Constitution must also protect new types of property, which are often social rights and benefits such as rent control, pensions and labour standards;

The CACSW recommends to the federal government that no new amendment be introduced in the House of Commons before an in-depth study can be made to establish the consequences of such a measure on the lives of Canadian women. We also ask that any such measure be submitted to the general public so that Canadian women be given the chance to voice their opinion on the matter.

It seems to me that these are sincere concerns that have to be considered. Women's groups appear to be open-minded on these issues. We should make an effort to resolve their concerns. The opportunity to do so should not be forgone.

Even assuming that we can reach a consensus on the entrenchment of property rights, it remains for us to settle the form of the protection. Even the two provinces which have passed resolutions to entrench property rights have not agreed upon the form that such a constitutional amendment should take. The Legislature of that great Province of British Columbia has passed a resolution to entrench property rights in the Constitution—

Some Hon. Members: Hear, hear!

Mr. King: —by amending Section 7 of the Charter to include the right to enjoyment of property. B.C. has proposed that Section 7 should read as follows:

Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

• (1620)

On the other hand, New Brunswick, the only other province to pass a resolution regarding the entrenchment of property rights, proposed that everyone has the right to the enjoyment of property and the right not to be deprived thereof except by due process of law. This provision differs from the one proposed by British Columbia, by providing that a person may only be deprived of the right of the enjoyment of property by due process of law rather than in accordance with the principle of fundamental justice.

There has been much debate about the meaning of fundamental justice and due process of law, as well as about the differences between the two phrases. I do not propose to consider that debate now. Suffice it to say that these questions must be addressed in consultation with the provinces on the entrenchment of property rights.

We should also keep a sense of perspective about the immediacy of the need for action on the constitutional front. My concern and that of many constituents is the economy. We must work toward the restoration of a healthy, balanced economic framework as a first priority for the achievement of all-important social and political objectives.

With property rights protected at the federal level by the Canadian Bill of Rights and with the proprietory safeguards available in the provinces by common law and by statute, I do not see any overt risk to the property of our citizens which requires us to move as the first priority on the constitutional amendment.

I see Mr. Speaker signalling that my time is up. I know that there are people who are awaiting my final words. They will have to speak with me privately in order to obtain them.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is probably not often that you get the official response of the Government before you hear the motion by the Hon. Member who is backing it. Indeed I would like to speak privately with the Hon. Member for Okanagan-Similkameen (Mr. King) because I have a feeling that his private views are somewhat different from the official view which he presented—

Mr. Murphy: Oh, oh!

Mr. Thacker: —albeit there are some legitimate questions which could be discussed. In my view this is a critical subject and it is an important opportunity for the House. We, as individual Members of Parliament, once again are given the opportunity to rise and say to the Governments, the executive levels, federally and provincially, that we stand with the people, that we stand for the rights to property. Of the four fundamental freedoms for which our ancestors fought and died, there are only three entrenched in the new Canadian Charter of Rights. Of course they are life, liberty and security of the person. However, the fourth fundamental right for which our ancestors fought and died is not entrenched in Canada. It is true that it is part of our common law tradition and that it is part of our statute law, provincially and federally, namely the Canadian Bill of Rights, but it is not entrenched.

When we as Canadians through the House committed the nation to an entrenched system of rights, we should have included that ancient and historic right to property. The battles of 1215 for the Magna Carta, the battles of 1689 for the Petition of Rights, the battle of the French people in 1790, the French Revolution, and the American War of Independence, were fought for the four fundamental freedoms—life, liberty, security of the person and property.

Some Hon. Members: No!

Mr. Thacker: In the 1700s when people were given the right to property, we opened up the creation of wealth. This has

meant that even poor people in the western world are better off than the kings of old. In the 1700s when all wealth was concentrated in the kings, the kings had absolute jurisdiction, and ordinary people were serfs on the land; they had no future at all. However, when we tried this economic experiment of giving people their rights individually and to land, they worked hard and saved for subsequent generations. As a result, we are a wealthy people today.

We have more than just the ancient and historic reasons for entrenching property rights. This nation, Canada, is a signatory to the Universal Declaration of Human Rights in 1948. We as a nation are a signatory. Therefore, I believe none of us can stand in the House and oppose that. What does the Universal Declaration of Human Rights state? Article 17 reads:

(1) Everyone has the right to own property alone as well as in association with others.

(2) No one shall be arbitrarily deprived of his property.

We often see members of the New Democratic Party standing and quoting the Universal Declaration of Human Rights. I often wonder why they selectively skip over Article 17. It is because fundamentally they do not believe in property rights. We cannot have security of the person, liberty and freedom without property rights. When people have property rights, the chance to work and create, they create their own pension plans. They can then turn up their noses at power, bureaucrats and Governments because they can look after themselves. This is why it is critical. That is the difference between western and eastern democracies.

Another step in that ancient trail was the Canadian Bill of Rights. Everyone should read Article (1)(a). Several provinces have statutory Bills of Rights which talk about the right to property, but there is a major difference. A statute is a statute. It can be changed overnight. Once it is entrenched and becomes part of the fundamental law, it cannot then be arbitrarily taken away by Governments that might be responding to the immediate heat of the day rather than to the long-term good of the people. Therefore, having decided as a nation to go into an entrenched Charter with all it means in terms of the transfer of power to the courts, I say that we should have all of it.

Why was it not in the Constitution Act, 1982? It is a sad story, because for a few hours it was there. When the constitutional committee was sitting, I remember the Progressive Conservative Party put in an amendment on a Friday. It was debated and accepted by the Liberal majority. The Leader of the NDP stood up on Saturday and said that if the Liberal Government did not take it out, the NDP would withdraw its support. On Monday, to its perpetual shame, the Liberal Party removed that amendment, and we lost forever the right to property.

Mr. Benjamin: Hear, hear!

Mr. Thacker: I appreciate the fact that NDP Members are happy that we are over that step, but I do not think Canadians are.

Mr. Murphy: Where were the Tory Premiers? What did your Premier have to say about it? What is the official position of the Government of Alberta?

Mr. Thacker: Where are we now? It is interesting that NDP Members get fired up over this. The provinces have a position. At the constitutional committee level the provinces, quite properly, raised some legitimate perspectives. They said that under the Constitution Act, property and civil rights are provincial jurisdiction and therefore should be left with them to protect. That is a fair perspective. In response I say to them that we agree, but to be Canadian is to mean something, to have a Canadian citizenship means something. It means the right to life, the right to liberty, the right to security of the person and the right to property. It should be entrenched for those reasons.

If we put it out to the people, I am confident they would adopt our perspective rather than the provincial view that it should be left to their statutes. I am fair-minded. Let us put it out to the people. Let the people decide. In my own mind I know they will go for entrenched rights.

Certain other provinces, such as the Province of Prince Edward Island, were concerned. It is within two generations that Prince Edward Island was totally owned by foreigners. Because it is such a small island, it wanted to ensure that it would have the provincial right to control ownership. Prince Edward Island did not want to be owned by non-residents. Nova Scotia can express the same perspective because of its shoreline, which was being taken over by Americans.

• (1630)

There is protection in the entrenched Charter for Prince Edward Island and Nova Scotia. That is Article 33, the notwithstanding clause. They could legitimately pass a statute and say that notwithstanding the Canadian Charter of Rights, if you are non-resident, you cannot own property in Prince Edward Island. That would be upheld by the courts because it is a reasonable limitation on the rights of other Canadians because of the small size of Prince Edward Island. Likewise for Nova Scotia with respect to its shoreline.

I am convinced we could switch the view of provincial Governments because of Article 33, the notwithstanding clause. I hope this House will join with the Legislatures of British Columbia and New Brunswick and the Territorial Legislature of the Yukon, which have all passed resolutions on the entrenchment of property rights. All we need is for this Parliament to pass a resolution. We then just have to convince seven other provinces. We have three years in which to pass a similar resolution and it can become an amendment to our Constitution.

We are here to present the views of our people. I have no hesitation in asking my colleagues to support this resolution.

Mr. Rod Murphy (Churchill): Mr. Speaker, this is the third opportunity I have had to speak on a resolution put forward by a Conservative Member on property rights in the Constitution. As happened on other occasions when I spoke on this proposal,

I suspect it will be the Conservative Party that will ensure there is no vote and no resolution of this issue in the House.

The two previous speakers, the Member who moved the motion and the Member responding for the Government, tried to blame the New Democratic Party for the fact that this is not in the Constitution. The Member who spoke on behalf of the Government pointed out all the problems that might occur if this were in the Constitution. We have never had an official Conservative Government position on this. That is what is missing from this debate.

Members are probably quite sincere when they put forward motions and present their Private Members' Bills to this House of Commons, but they are part of the governing Party. I would like to know the official position of the federal Conservative Government. I have yet to hear it in this House of Commons. I have never heard it. It was not in the Throne Speech and it was never presented by a government back-bencher. Individuals have stood here and made a few political points and used the occasion to attack our Party.

I am the official spokesman for our caucus on the Constitution, including the issue of property rights, and I can speak with the authority that that position gives me. In the past I have introduced motions which say that we believe in property rights. I said that we can even accept the principle of property rights in the Constitution, but that we must do so only if we do it in a way that does not take away at the same time the rights of other Canadians. The motion is on the book. It was made as an amendment to a motion made by the Conservatives when they were in opposition. It is a motion which I as the official spokesman for our Party stand by at this time.

The Hon. Member for Okanagan-Similkameen (Mr. King), speaking on behalf of the Government, pointed out many of the same concerns that I have expressed, as have many other Canadians, about the inclusion of property rights in the Constitution. He said there are a number of women's groups which are concerned about the effect of property rights in the Constitution and what that would do for the hard won rights women have achieved over the last many years, especially as most women are not considered the owners of real property.

That is a very legitimate concern of women's groups and others in this country. Coming from a riding where there are many native groups, I find they are also worried about how property rights can affect their land claims and land entitlement. Those groups add their concern to the voice of women. Labour groups have expressed concerns about how the rights of workers will be affected versus those who own property.

When I spoke of this type of proposal on the previous occasion, I read from an article in the *Winnipeg Free Press* of July 1983. A representative of mortgage holders explained why he wanted property rights in the Constitution. He stated that because a mortgage is considered property, he would have more rights than a worker or others who may make claims on the assets of a company which had gone bankrupt. That is a legitimate concern. He was speaking for his industry and his special interest group. He said that, as a mortgage holder, someone who had lent money to a company, he had more rights than did the workers who had given their labour. There is somebody from the other side explaining why they want property rights in the Constitution.

Environmental groups have spoken about their concerns and what kinds of laws can be passed in this land if property rights are in the Constitution. More important, Conservative provincial Governments right across this nation have said that they do not want property rights in the Constitution. It is not 30 New Democrats in the House of Commons who are preventing or have prevented in the past property rights from being in the Constitution. It is the Premier of Alberta and the Premiers of other Conservative Governments across this land.

Members do not have to take my word. They can check the word of various Conservative provincial spokesmen. As the mover of the motion is from Alberta, I will use the example of his own provincial Government. Mr. Horseman, the Minister of Inter-Governmental Affairs of that Province, said:

> It is made clear that the Government of Alberta's position is that the Constitutional responsibility for property and civil rights is that of the provinces. It should properly remain there and not be entrenched in the Charter of Rights and thus become subject to any control by the federal Government.

I do not know Mr. Horseman personally. Perhaps the Hon. Member for Lethbridge-Foothills (Mr. Thacker) does. I presume they are friends and colleagues. I presume the Hon. Member was not calling his provincial colleague a socialist. I further presume it was that man's responsibility to speak for the Government of Alberta. The official position of that provincial Conservative Government is that it does not want it in the Constitution. Don't blame us, blame your colleagues. The Government of Alberta is not alone. I further quote Mr. Horseman:

> After a brief survey of other provinces by the Province of Alberta, it was clear that there was very little support given by other provinces for inclusion of the subject of property rights in the Charter.

● (1640)

The time period in which they spoke was very similar to the present time period. Almost every one of those provincial Governments is led by a Conservative administration. Let us not play politics. Let us be honest with each other. Let us tell the truth about who is really opposing property rights as an entrenched part of our Constitution. If we could resolve the other concerns which I expressed, the concerns about the environment, the concerns about the provinces' ability to regulate the use of land within their jurisdictions; if we could make sure that we could protect the ability of provincial Governments to make sure that farm land is owned by residents of the provinces, by people who are actually working the farms; if we could protect the rights of women, and if we could prove that the right to property is not a right that is more equal than the rights of the workers, then there is nothing wrong with property rights being entrenched in the Constitution. However, if property rights will be put in the Constitution as rights which would make one group of Canadians more powerful and will give one group of Canadians more rights and more privileges than others, then it is a problem.

I am not speaking strictly as a New Democrat, I am speaking also on behalf of provincial Governments and women's groups, just as one of the previous Conservative Members did in the past. I am speaking on behalf of labour, on behalf of people who are concerned about how they will get back wages if there is a property rights clause in the Constitution. Those are concerns that are expressed by many, many Canadians. Therefore, I cannot support this resolution and I will leave it up to other Conservative Members to make sure that it does not pass.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it gives me great pleasure to participate in this debate this afternoon. I listened very attentively to the comments made by the Hon. Member who proposed the motion as well as to those of the Hon. Member for Churchill (Mr. Murphy).

I think it is obvious that this is an issue with which various Members have very deep concerns on either side of the issue. It is not a clear-cut and easy issue to discuss. The people who have opinions on this issue have opinions which are very heartfelt indeed and they feel very strongly about their beliefs.

I think everyone is in favour of Canadians having their full rights to own and keep what is theirs. I do not think that that is really what we are discussing here today. I think we are discussing what the inclusion of property rights as such in the Constitution will do or could potentially do positively or negatively. That is somewhat different from the principle that everyone wants to retain his or her own property.

I would like to remind the Hon. Member, who presented this motion in a very partisan way by reminding us how the Tories were in favour of this motion and how in his opinion others were not, that in my opinion the largest expropriation that ever took place that I can remember was the expropriation of the shares of Crown, Seaway and Greymac Trust Companies in the Province of Ontario. Those shares were expropriated by a Conservative Cabinet Minister and his colleagues. To accuse others who are not of the same political persuasion of not being in favour of property rights is not quite correct. I would like to remind the Hon. Member who proposed this particular issue of that.

Mr. Brisco: Look at the record.

Mr. Boudria: Another Conservative Member says, "Look at the record". If we do look at the record, we will find that Governments of various political persuasions have in the past taken actions which affected the rights of individuals owning property. On the one hand, if we look back at the Crown Trust issue in Ontario, it was the public interest or the so-called public interest versus the rights of the individuals owning the shares, an issue which is still being debated in the Ontario Legislature and one to which I am not sure we will ever find the answer. It is a very, very complicated issue.

I do not think that there is anyone here who will say that he or she is in favour of having someone's rights violated or that he or she is in favour of someone's property being confiscated. Again, that is not what we are discussing.

Let us go back in history and look at what happened to the same issue in the United States. For a great many years, courts in the United States interpreted the inclusion of property rights as precluding legislators from enacting minimum wage laws. What would happen if that would be the effect here in Canada? It is fine to say that we are in favour of people retaining and holding what property they have, but on the other hand, the inclusion of property rights must never have that kind of adverse effect on people. I think we must assure ourselves that any amendment to include property rights, albeit many of us are in favour of its inclusion in principle, will not have side effects which are far worse than any benefits that we could potentially derive. I believe that we should always keep that in mind.

As well, the reason why some of the provinces are against the inclusion of property rights, apart from the reason to which I have already referred, is the fact that they are of the view, and rightfully so to a degree, that the property and civil rights issue under the Constitution as presently stated falls within the jurisdiction of provincial Governments anyway, and to put that in the constitutional document elsewhere under the Charter would, in their view, be taking something away from them. I can understand that reluctance on the part of certain provincial Governments. It is not simply an issue of Conservative Members being in favour of property rights and others being against them. Anyone who attempts to portray the issue in that way is over-simplifying it a great deal.

We had a similar debate—I would not say the same debate but a similar debate—not that long ago in this House. At that time, I expressed the view that I was in favour of the principle of our rights being protected, but felt somewhat worried about the potential side effects of such an inclusion. I received a letter from one of my constituents and I would like to quote a few sentences from it if you would permit me to, Mr. Speaker.

[*Translation*]

This is to express my objections to the proposal you received that the right to private property be enshrined in the Constitution.

After reading about this in the newspaper "Le Carillon", I got in touch with other members of my organization to call a special meeting and ask that the proposal be withdrawn. However, because of my workload, I was too busy to follow through with my plan. As you probably know, my work tends to spill over into my leisure time. In any event, I mentioned it to—

—to others . . . in the same organization, Mr. Speaker. This person is talking about a proposal by an organization to which he belongs, and I left out the name on purpose to avoid using this name here in the House. My quote continues:

—and he told me he was not there when the motion was adopted. He said, in fact, that he did not like the suggestion either.

As you know, the right to private property is directly related to the right to work.

That is another subject we could discuss this afternoon, Mr. Speaker.

Why ask for one without mentioning the other? Which is the most urgent of the two? The answer is obvious. I wonder

whether the people who drafted the motion even stopped to think for a few minutes—

And the author of this letter adds in brackets:

—(if they can think).

I am sure you have enough sense not to support this motion, at least until people have had a chance to talk about it. Personally, I do not think even an opinion pool would be an adequate way to deal with this. If you analyze it, this is a matter that goes beyond the right to own property constitutionally.

Finally, the author of the letter concludes by reiterating his concern that such a proposal would be enshrined in the Canadian Charter of Rights and Freedoms.

What it all boils down to, Mr. Speaker, is that many people would welcome some kind of formula whereby they would be personally assured that nobody would invade, take over or even remove their property, but at the time they emphasize that such a guarantee should not have a negative impact which might totally offset any positive aspect.

Mr. Speaker, I repeat what I said in the last debate on a similar subject: some of us are in favour of this principle, and we certainly do not question the good will of the Hon. Member who has raised this issue. Perhaps the best thing to do as parliamentarians would be to submit this file to a parliamentary committee and ask constitutional experts with wide-ranging experience in Canada and the United States, where they have been familiar with this kind of entrenchment for years, to give us their opinion and reassure all of us that such constitutionally guaranteed rights would not, as I said earlier, turn out to be a disaster rather than a blessing.

• (1650)

[*English*]

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I also wish to acknowledge the commitment the Hon. Member for Lethbridge-Foothills (Mr. Thacker) has shown to the entrenchment of property rights. It is a commitment that I too share. I am pleased that we have the opportunity today to deal with this matter and to discuss some of the issues. At the same time I must say that I agree that Private Members' Hour does not lend itself to a full examination of the issues. The entrenchment of property rights in the Constitution is a matter of no little significance and of some debate. We should be careful to accord this matter the consideration it warrants and not to foreclose public debate by all the interested parties.

I approach this matter with the basic premise that property rights should be entrenched in the Canadian Charter of Rights and Freedoms along with such other basic rights as the right to life, liberty and security of the person. The point of entrenching property rights in the Constitution, as I see it, is to ensure that the property rights which we now enjoy are not dependent simply on the good will of government. Governments do change, as we all know. Currently there is nothing to prevent a Government in Canada from passing laws which unfairly restrict property rights. By entrenching property rights in the Constitution, we would protect them from the arbitrary encroachments of government. Today we enjoy, by virtue of the common law, many property rights protections against the action of other citizens. We can, for instance, sue in the civil courts persons who trespass on our land or who create nuisances which affect our enjoyment of our land. We would, however, be, to a great extent, legally helpless if Government were to pass a law enabling it to affect arbitrarily and detrimentally our use end enjoyment of land. Entrenching property rights in the Constitution would provide protections against such arbitrary and ill-considered government action.

In entrenching property rights in the Constitution, we would be following the lead of several western nations. In the United States, for example, property rights are protected by the United States Bill of Rights. The United States federal Government has been subject to constitutional property rights guarantees for almost 200 years.

In 1791, the Fifth Amendment to the Constitution was passed. It provides that no persons shall be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation. Towards the end of the 19th century, but still more than 100 years ago, the United States Constitution was amended to apply property rights guarantees in respect of the state Governments. In 1868, the Fourteenth Amendment to the Constitution was passed. It provides that no state shall "deprive any person of life, liberty or property, without due process of law".

In the United States and other countries, property rights have received constitutional protection because they recognize, as we do, the fundamental importance of these rights to the preservation of democracy. In my view, the concept of property is inseparably linked with freedom. This link has been articulated by the American legal scholar, Charles Reich, from whom I would like to quote. At page 733 of Volume 73 of the *Yale Law Journal* he wrote:

The institution called property guards the troubled boundary between individual man and the state. It is not the only guardian; many other institutions, laws, and practices serve as well. But in a society that chiefly values material well-being, the power to control a particular portion of that well-being is the very foundation of individuality.

Professor Reich traced further the connection between property and liberty at page 771:

Property is a legal institution the essence of which is the creation and protection of certain private rights in wealth of any kind. The institution performs many different functions. One of these functions is to draw a boundary between public and private power. Property draws a circle around the activities of each private individual or organization. Within that circle, the owner has a greater degree of freedom than without. Outside, he must justify or explain his actions, and show his authority. Within, he is master, and the state must explain and justify any interference. It is as if property shifted the burden of proof; outside, the individual has the burden; inside, the burden is on Government to demonstrate that something the owner wishes to do should not be done.

Thus, property performs the function of maintaining independence, dignity and pluralism in society by creating zones within which the majority has to yield to the owner.

I think that Hon. Members will agree that Professor Reich very persuasively makes the case for the protection of property rights. On this understanding of the concept of property, the right to own and enjoy property is no less important than the

right to liberty, which is already protected in the Charter of Rights and Freedoms.

At the same time, I must say that there are other values and rights against which property rights must be balanced. My colleagues have noted that there are many laws created by all levels of Government in Canada which serve important societal interests but which in some way affect the use and ownership of property. Some of the provinces have been reluctant to support the entrenchment of property rights because they are afraid that the result of doing so may be to endanger these laws.

As my colleague, the Hon. Member for Okanagan-Similkameen (Mr. King), noted, women's groups are also concerned about the risk that recent family law reform may be invalidated by the courts on the basis of the right to enjoyment of property. Environmentalists are concerned that laws providing for the regulation and control of industrial wastes and emissions may be challenged on the basis that infringe on the industrial land owner's right to use their land. Environmentalists are also concerned that legislation providing for the safeguarding of prime agricultural land might also be at risk if property rights were to be entrenched.

None of these Governments, organizations and individuals are unalterably opposed to the entrenchment of property rights. Rather, they are concerned that we have not had the opportunity to study and consider fully the ramifications and consequences of entrenching property rights. It may be that by taking the time to deal with their apprehensions, we will be able to resolve them in a way which will produce a consensus on this matter and which will facilitate an amendment to the Constitution. In the meantime, there are a number of areas which deserve further consideration. As my colleagues have stressed, the process of constitutional reform takes time—

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The hour allotted for consideration of Private Members' Business has expired.

It being five o'clock, this House stands adjourned until 11 a.m. on Monday, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, February 4, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it is with a great deal of pride that I rise to speak on second reading of Bill C-26, an Act to amend the Old Age Security Act. This Bill will always have special significance for me in that it is the first piece of social policy legislation that I, as Minister of National Health and Welfare representing the Government of Canada, have the opportunity to present to the House. This Bill will correct a very serious social problem which has long concerned myself and almost all Members of the House of Commons.

The Bill before us today will extend the protection of the spouse's allowance program to all widows and widowers between the ages of 60 and 64 regardless of the age of their spouse at death. This proposal was a firm commitment made to the people of Canada during the last election campaign. It was formally enunciated in the Speech from the Throne in November. I am pleased that the Government of Canada is fulfilling another of its election promises this morning.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The group I am referring to today represents approximately 85,000 Canadians who are widowed and between the eligible ages which I have already announced. It is important to note as well that the vast majority, an estimated 72,000 of the 85,000 who are eligible, are widowed women. I do not think there is a more important cause to which the House of Commons can address itself than the financial situation which these people are now in. This legislation does not and cannot consider the separation, sense of loss or loneliness which these people experience. Those highly personal conditions can be addressed only by individuals interacting with those people. I believe that, within the economic restraints of the country, it is incumbent on us as legislators to address the economic realities these people face.

Since coming into office the Government has had to face up to the very sad fact that the state of finances of the Government of Canada were in even worse shape than we had been led to believe. As the Right Hon. Prime Minister (Mr. Mulroney) has told Canadians, tough measures will be required to reduce a deficit which has been allowed to skyrocket over the past decade.

However, we cannot and will not allow a very vulnerable segment of Canada's near elderly population to continue to suffer because of circumstances completely beyond their control. There is an urgent need which has been consistently identified by present and past Members of the House of Commons as well as other members of society. Low-income widowed persons aged 60 to 64 do not have many of the options available to most of us. For instance, the vast majority of the persons who will benefit from this Bill are women who have been financial dependants for most, if not all, of their lives. They did not question this financial dependence because society deemed it appropriate. Societal norms dictated that the husband would enter the labour force and earn the money while the wife stayed in the home and performed the unpaid role of mother, housekeeper, companion, nurse, guidance counsellor and community worker—the list is endless. If the wife did take a job it was most often as a secondary earner to supplement the family budget.

I believe that the Bill before us today recognizes that contribution in part. I know that one cannot quantify that contribution in financial terms. So often in our society we want to put a financial value on service or work. No matter what Members may feel about the Bill with regard to whether it goes far enough, I think they would agree that the contribution these people have made to our society goes beyond financial measure. All of us realize that today is but a small recognition of the contribution that they have made to each one of us.

• (1110)

While there will be men who benefit from this proposal, there is no denying that poverty is largely a woman's problem and that widows in particular are among the poorest. These women have held down numerous responsible jobs throughout their adult lives and are more experienced and capable than many people are after spending 40 years in the paid labour force.

Let's not kid ourselves: in most instances, the 60 to 64-year old widow is not the one the personnel manager will hire. Why hire someone who might have only a few years until retirement while there are other young and perhaps better educated people competing for job openings available today? Therefore society must show compassion for these near elderly widows.

Compassion is what Bill C-26 is all about. Widowed persons aged 60 to 64, effective September of this year, will be guaranteed a level of income with which to meet their basic living costs. They will not be well off by any means, but they will no longer be destitute.

I believe that the best way of explaining this proposal is first to look at the evolution of income-tested assistance for persons in the 60 to 64-year age group. In 1973 the federal and provincial Governments undertook a complete review of Canada's social security system. During this review various options for a program of income support and supplementation for all low-income Canadians was studied. The federal Government advanced a proposal to the provinces in early 1976, but due to a lack of clear response on the part of the provinces, the proposal was withdrawn in 1977.

In the meantime the federal Government had already introduced the income support concept for elderly couples by means of a spouse's allowance program. Under this program which began in 1975, an income-tested benefit became payable to the 60 to 64-year old spouse of a low-income old age security pensioner. This step was taken in recognition of the fact that many of these elderly couples had no income apart from one basic old age security pension and a single guaranteed income supplement. That was little enough for one person to live on and far too little for two.

Since the beginning of the spouse's allowance program, there has been continuous pressure for the federal Government to expand this benefit to include other needy persons in the near elderly category. To date there have been two extensions to the spouse's allowance program. Originally, the spouse's allowance ceased to be paid when the pensioner spouse had died. In 1978 the federal Government introduced a Bill which resulted in the allowance being paid for six months following the pensioner's death. The theory was that this would give the widowed spouse time to adjust to a changed situation before losing the benefit, but it really just prolonged the agony of a situation that was often inescapable. In truth, there was no good reason why 60 to 64-year old widows and widowers who had been relying on the spouse's allowance program to make ends meet should lose their allowances until they became eligible for the old age security pension at age 65.

For this reason, when the Progressive Conservative Government came to power in 1979 we further amended the spouse's allowance program. As a result of that legislation, a widowed spouse's allowance recipient in need can continue to receive the allowance until age 65. I am proud today, on behalf of the Government, to extend that commitment that we made in opposition and that step we took in government in 1979. Those objectives and commitments for those less fortunate than most Canadians are again being extended further today.

● (1115)

During the debate on the amendment, Members of the Government were the first to admit that many more elderly persons in need were still excluded from the spouse's allowance program. Nevertheless, we did not feel we could go further until such time as an extensive review of Canada's retirement income system was concluded. Such a review was conducted in 1983, by a special Parliamentary Task Force on Pension Reform which released its findings in December of that year. Among the Task Force's many proposals was the extension of spouse's allowance to all low-income widowed persons 60 to 64 years of age. I am pleased that the Task Force on Pension Reform made that proposal, and I am pleased that this Government is coming forward in a legislative forum to give life to that proposal.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I would be remiss at this point if I did not give recognition to Members in this House who are members of that Task Force. The Hon. Member for Sudbury (Mr. Frith) was the Chairman of that Task Force, and as Chairman he signed the report. I commend him for his foresight.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Hon. Minister for Employment and Immigration, the Member for Kingston and the Islands (Miss MacDonald), throughout the period of time she has been in this House of Commons, has given attention to the plight of these Canadians. I commend her today for another advance in the cause she has espoused.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): There are other members of the Task Force whom I cannot name at this time, but I know they represent members from all political parties and I thank them.

There are two people, possibly three, apart from the ones I have recognized today, whom I would like to mention, Mr. Speaker. One is the Hon. Member for Victoria (Mr. McKinnon) who, throughout the period of time he has been in the House, has kept before our caucus and the Government the recognition that Canadians of this age group have made a contribution and that in legislative form we must recognize that contribution. There have been two others. I know it is not the habit of Members to give away caucus confidences, but I will this morning. I want to speak of the Hon. Member for Parry Sound-Muskoka (Mr. Darling) and the Hon. Member for Bow River (Mr. Taylor).

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Time after time these two Members have spoken to various members of our caucus on this issue and I see the Hon. Member for Bow River in the House today.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): There is one aspect of this legislation, possibly two, that Members will want to identify as not going far enough. First is the matter of whether this Bill could extend the same benefits to Canadians who are separated, divorced and single. I do not have the ability to take each

individual case of people who would fall into those categories and say that they are not as much in need as the group to which this legislation addresses itself. I think Members would recognize that the most urgent as a group—and I am not arguing individual cases could not be raised to make the other point—to which this legislation addresses itself are those in greatest need.

The other point I raised for the consideration of the House is whether legislation of this type, with a Charter coming into effect on April 17, and other social policy legislation could be challenged under the terms of the Charter. When you look at our social policy legislation, Mr. Speaker, you will note obviously that it discerns on the basis of age. Those 65 and over get an old age pension and those who are younger do not. It discerns on the basis of people who are eligible for family allowance; for example, if they have dependent children. An argument might be put forward that the legislation discriminates on the basis of marital status.

• (1120)

If I could speak personally for a moment, I had some involvement with the discussions on the Constitution and the Charter of Rights. No matter what viewpoints were put forward, either for or against the Charter, when the discussions were completed I do not believe any Member of the House wanted the Charter to be interpreted in such a manner that legislation such as we have before us today, and principles upon which social policy legislation is founded, could be brought into question or jeopardized.

While some might want to raise it as a point of discussion, I suggest that if that argument is taken to its most logical conclusion, the only manner in which one could address social policy and benefits would possibly be by providing a guaranteed annual income for everyone. While I am not deprecating that viewpoint, I place that caution before the House. Before that position is taken too strongly, proponents of that view should look very seriously not only at present legislation but at collective agreements, for example, and how they could be affected.

I should like to make one further point; it is the real reason this legislation appeals to me. In the years I have had the honour to represent my constituency in the House since 1972—I think both Members who came into the House in this Parliament and those who have been here a longer period of time would agree—without question the most difficult cases with which I have had to deal were those of women who made the contribution of which we have spoken as mother, spouse and so forth. They had made that contribution but were unable to contribute to a pension plan because they were "not earning a regular income". They had lost their spouse and if he was a person of pensionable age, that pension was gone. Not only had they suffered a personal loss, they had limited financial resources. We went through the various steps of what the pension might be for which they might be eligible and came down to one quiet statement—and I am sure all of us have made it; "Well, Madam, there is always social assistance". That is not good enough for the contribution these women have made to Canada. It is not good enough to tell individuals that the best we can do for them is welfare.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): As I said, this proposal will extend important financial assistance to an estimated 85,000 widowed persons. These are low-income Canadians. I have already given the estimates of the number of people involved in terms of male and female. These widowed persons will be guaranteed the same minimum income as that already being provided to other widowed spousal allowance recipients. The monthly benefit, which is $536.26 currently and which will be somewhat higher by September due to quarterly cost of living increases, certainly will not put these low-income 62-to 64-year olds on Easy Street. Nevertheless, it will give them an income which is enough to live on and place them in a better situation than they are now. It is something many have gone without for much too long.

This proposal is not inexpensive. To provide this very necessary financial assistance will cost approximately $190 million in fiscal 1985-86 beginning in September, while in the first full year of implementation, 1985-87, the cost will be $350 million. As I have said, the cost is high, but I am sure Hon. Members will agree it is an expense that the country must afford.

• (1125)

Just to elaborate the point a little further for those who say the Bill does not go far enough, the cost estimate of including everyone is in the order of $1.5 billion. When we look at the financial resources of the country, there are two questions to answer. The first is, if we cannot include everyone, should we not do anything? The other question is whether we do what we can for those in greatest need. Obviously that is the approach we have taken. While this Bill proposes that the extended spouse's allowance benefit become effective in September, 1985, it is very important that this legislation be passed now. Given prompt passage, we will have ample time for potential beneficiaries to apply, for the advertising campaign, so that they can become eligible by September, 1985. I do not have to remind Hon. Members, I am sure, that a fair amount of personal paperwork as well as governmental organization has to take place before the program can be implemented.

There are 85,000 Canadians that this Government has to contact, 85,000 applications that have to be completed and sent in and 85,000 new payment files that have to be prepared. On top of this, it is imperative that we co-operate with the provinces to ensure that where a provincial program is affected by this SPA program, the transition be made as smoothly as possible.

This Government is the first to acknowledge that there are other near-elderly persons in need who remain excluded from the important financial protection provided by the spouse's allowance program. However, as was recognized by the all party Task Force, the Government of Canada, in other words the Canadian people, cannot at this time go much beyond the

proposals we have made. What we can do and must do, given current economic circumstances, is to take this next logical step in extending the spouse's allowance program. The other most logical step after this legislation is seriously to take the pension reform proposals that have been made both by the task force and by other groups and give them life over the course of the mandate of this Government. That is the commitment that we have made. As Members will note, this is but one element of a commitment to a goal we have as a government.

In conclusion, I am filled with great gratitude, which I extend both to my Cabinet colleagues and my colleagues in the House. No matter what is said of Parliament and its lack of response, to me, on this issue they have all responded and I thank them for it.

Some Hon. Members: Hear, hear!

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, before getting into the main elements of my speech today I want to indicate—this may come as a surprise to some of the political novices in this House—that there are times in the life of a Parliament in which all Members of the House will congratulate and applaud a decision by the Government. The announcement today by the Minister of National Health and Welfare (Mr. Epp) is the kind that will receive the acceptance of Members of all Parties in this House.

With regard to the goodwill and importance of this legislation today, I congratulate the Minister of National Health and Welfare. I also congratulate the Minister of Employment and Immigration (Miss MacDonald). Over the years she has spent a great deal of time promoting the cause of the extension of such legislation to include largely the women in our society but also others who have been left out from some of the social legislation which has been introduced in the House over the years.

● (1130)

While I am in the congratulatory phase of my remarks, the one person I think should be recognized is not here today but usually sits at the table of the Officers in the afternoons. I am speaking of Stanley Knowles, the former Member of Parliament for Winnipeg North Centre.

Some Hon. Members: Hear, hear!

Mr. Frith: I recognize his personal contributions. It has been a lifetime quest of his to improve benefits to the elderly in our society. Had he still been sitting here as a Member of Parliament, I am sure he above all would applaud the decision made by the Government today to extend the spousal allowance to all those between the ages of 60 and 64 who are widows or widowers.

I do not wish to make the congratulatory phase of my remarks too long. I noted that the Minister of National Health and Welfare was rather non-partisan in his remarks except on a couple of occasions. He was mildly partisan on those occasions and I will say that my two interventions in that sense will be mild as well.

The Minister mentioned earlier in his discussion that part of the problem of not being able to extend the measures beyond those put forward today was caused by the economic situation in which the Government found itself when it took office. However, I would like to remind the Minister of National Health and Welfare that above and beyond his duties as a Minister of the Crown, one of the prime responsibilities of a Minister of Health and Welfare within the Cabinet system is to be a protector of the poor and those with modest incomes.

I congratulate the Minister on being able to win round one of the battle by getting the $190 million required to extend this program today. I would also indicate that past Ministers of Health and Welfare have also been faced with the same economic difficulties in the large context. I point to the record of Monique Bégin, a former Minister of National Health and Welfare who in 1980 increased the guaranteed income supplement by some $35 a month and, in the last year of our mandate, found the money, despite the economic difficulties and the size of the deficit, to increase the guaranteed income supplement by some $50 per month in the year 1984.

To a large extent this is an issue that extends beyond the bounds of politics. Therefore, I would like to indicate that many of the sentiments expressed by the Minister of National Health and Welfare are probably shared by most of the people in this room. Very early on he mentioned that of the 85,000 people who will be affected by today's decision, some 72,000 are women. In percentage terms that means that some 87.5 per cent of the recipients of today's announcement are women. This indicates that the problem about which to a great extent we learned through our work on the pensions task force is that we have almost institutionalized poverty among women in the country. This is not just a product of the inadequate system but a product of a society that has never really moved to address the issues of divorce reform, employment opportunities for women as compared to those for men and the discrepancy that exists between the pay levels for women and men in our society. A number of factors affect the final lifestyle of women in our society as they reach their retirement years.

At the outset, I would like to indicate that we as well would like to see some improvements made to the legislation that is being tabled today. I noticed that the Minister of National Health and Welfare indicated that part of the problem with this legislation concerns whether or not it contravenes the Charter or Rights. The indications that I have from a legal perspective is that it would not. It may in fact contradict the human rights code because we are not supposed to discriminate on the basis of marital status. A decision would have to be made by the courts to determine whether or not this is a good or a bad service. That is part of the problem, from a government standpoint, of trying to extend this provision to cover others in our society between the ages of 60 and 64 who are divorced or single. Members of any caucus will eloquently plead the case that the Government should extend the guaranteed income supplement to those individuals as well.

The Minister briefly touched upon the other problem that exists. He indicated that there are some 85,000 new recipients

of this benefit and this will require the filling in of a great many forms. There is bureaucratic process that must be undergone in order to put these people on the guaranteed income supplement scheme. If possible, I could speak to the Opposition House Leader and indicate to him that quick passage in committee could speed up the process so that we may be able to have this measure instituted by June rather than September.

Some Hon. Members: Hear, hear!

Mr. Frith: In addition, I want to talk a bit about the reason why we have allowed our society to evolve to the extent that we find that 87 per cent of the people who will qualify for this measure are women. Members of all three political Parties have advocated very eloquently the necessity for improvements in various pieces of legislation so that the next generation of Canadians will not find itself in the same situation in which this generation has found itself of having in fact institutionalized poverty among women in our society.

We spoke a bit about the requirement for pension reform. I know the Minister of Employment and Immigration and I were probably the first to promote within our own committee the extension of the Canada Pension Plan to include homemakers. I know as well as I know that I am standing here that pension reform is high on the list of reforms planned by the Government. The situation would have been the same if the Liberal Party had been in power. In fact, there are periods in our history in which a particular goal may be achieved. I believe that pension reform is here. It is my understanding that there has been a consensus package agreed to for reform in the private pension plan systems. With some small amount of negotiation, I believe a package could be ready to be put forward to all the provincial Governments in the next 12 months. I think that would go a long way toward removing for the next generation of men and women alike the spectre of poverty in their elderly years.

I now return to the homemakers' pension proposal. I know that the Minister of Employment and Immigration and I spoke a bit about this but were never able to convince the majority of the committee members to undertake this kind of reform. In light of announcements made by the Minister of Finance (Mr. Wilson) in the last two weeks, there may well be the possibility of allowing members of the Cabinet within the Cabinet structure to promote that idea. I hope they will listen as I outline it to them.

There is a need for pension reform. There is a problem with pension coverage. However, I must admit that today's generation of Canadians, women and men alike, are not facing the same demographics that were faced by our parents' generation. As a result, with some adequate improvements in the Federal Standards Benefits Act and in April's Budget, I think we can begin taking steps toward improving the situation for the Canadians of today's working generation.

The way the pension legislation exists today, one must be age 45 or have worked for ten years for the same company in order to receive both one's own pension contributions and the contributions of one's employer. Very early on we recognized there are two emerging trends that indicate that the existing pension legislation is not adequate. First, the emerging work pattern indicates that many more Canadians of this generation can be expected to be more mobile in their quest for employment and perhaps may work in two or three different provinces. More than likely they are going to have to undertake periods of retraining in their lifetimes. Today's fast-emerging technological changes in the workplace indicate that workers will probably require some retraining in their lifetimes. This means that work sharing or part-time work will be more prevalent than it has been in the past.

Workers will have to be more mobile in their quest for employment and therefore it is imperative that we change the pension legislation to reflect that reality. There should be an earlier locking in of the employer and employee contributions and the system should be made more portable. Part-time workers should be covered in the same way full-time workers are by pensions. Pieces of legislation must be changed federally as well as provincially. I hope all of us are cognizant of the need for speed in the passage of these kinds of improvements to our legislation.

The issue of part-time work is a women's issue as well. Far more women than men find themselves being part-time workers or shared workers. To a large extent, the issues of improved survivors' benefits and divorce reform are women's issues as well. Under the existing laws, today's pension assets are not divisible upon marriage breakdown. I do not particularly like the emerging family pattern which is evolving, but as legislators we must realize that the divorce rate is affecting 50 per cent of the population. The laws must reflect the emerging family pattern. As well, the laws must reflect the emerging work pattern. Other critics from my caucus will be indicating their desired improvements in the legislation, particularly with respect to women's issues.

● (1140)

I want to return to the subject of homemakers; I know it is at the heart of the negotiations between the federal Government and the Provinces. As we are aware, it requires the approval of two-thirds of the provinces, representing two-thirds of the population, to effect changes to the Canada Pension Plan. In effect, the Province of Ontario, because of its size and population, has the power of veto. I assume that the Minister of National Health and Welfare and the Minister of Finance will be involved in the negotiations for the inclusion of homemakers in the Canada Pension Plan. I want to reiterate the importance of allowing that inclusion. I want to stress the importance of including homemakers in the pension plan, in the hope that the Minister of National Health and Welfare and the Minister of Employment and Immigration will take my arguments before Cabinet and convince their colleagues of the intelligence of my contributions.

There is a very poor understanding of the way in which the public pension system operates in Canada as opposed to the private pension system. It is at the heart of the political debate

and it will be at the heart of the ability of political parties to generate the political will to undertake the necessary reforms which must be made to the pension system. Many people are worried that when they retire in 2004 there will not be a viable Canada Pension Plan which will allow them to have an adequate pension.

I want to go back almost 20 years, to 1966, to indicate to the House why the existing pension plan evolved to the state it is at today and the improvements which can be made to it. In 1966 there were 14 workers for every person over the age of 65. Had we allowed the public pension plan to be funded the same way as a private plan, there would have been a rapid increase in the surplus of the fund, to the extent that the Government could have purchased 58 per cent of the Toronto Stock Exchange. There was concern in 1966 about the magnitude of the surplus which was being held in the hands of the Government. Therefore, the funding mechanisms for the public pension plan were devised in a manner totally different from the private pension plan. In essence, a "pay-go" system was allowed. In other words, enough money was collected each year to pay the pension requirements and to have a two to three-year surplus. That was the essence of the funding mechanism for the Canada Pension Plan. Basically, the plan considered only men in 1966. That is why homemakers were not included.

In 1966 our fathers did not have access to private pension plans and were facing retirement without adequate pension assets. In their lifetimes they paid taxes which built up the infrastructure for universities, roads and hospitals. Therefore, we transferred the burden from one generation to another. In 1966 the young workers in Canada indicated that they would supply their fathers with an adequate pension in order that they could live their twilight years in relative comfort. The younger generation accepted the burden of paying for that pension. Everyone who has collected a pension in the last 20 years has paid only 17 cents of every dollar which was taken. The remaining 83 cents was paid for by the next generation. No one quarrelled with the transfer of that burden. However, in 1966 women were not included. Why did we not include our mothers? They worked just as hard to build a family life and they allowed Canadian society to expand. Therefore, I would plead, along with the Minister of Employment and Immigration, that homemakers should be included in the revisions which will be made to the Canada Pension Plan.

If we are going to change the contribution rates to the Canada Pension Plan, there should be a debate on the floor of the House of Commons to improve the plan beyond the inclusion of homemakers. Two weeks ago the Minister of Finance met with his provincial counterparts in Montreal. At that meeting it was agreed that the contribution rates to the Canada Pension Plan would be increased significantly. The definition of "significant" will determine the extent to which the surplus beyond our expectations will develop within the Canada Pension Plan. The Minister of Employment and Immigration will remember the debate in which the Liberal Party recommended that the "pay-go" philosophy should not be altered significantly. As I indicated earlier, the "pay-go" system meant that the money which was collected in one year was adequate to meet the pay-out level of the fund, with a possible cushion of a two to three-year surplus.

Those were the demographics which we witnessed when we made the recommendations some 18 months ago. It meant that significant increases were not required to the pension plan premiums. It required some increases, but the increases could have been phased in very gradually to the point at which, to have it fully paid by the year 2030, it would require approximately 10 per cent of the average take-home pay to cover the costs. If the decision of the provinces is to go beyond the "pay-go" system—and that is the heart of the matter which is before Cabinet—with a two to three-year cushion, and if the decision will mean significant, front-ended increases, it will result in a massive build up of surplus funds.

In our Task Force report on the Canada Pension Plan, we indicated that if the decision was made to go beyond the "pay-go" system, then three questions had to be asked. First, what will be the size of the surplus? Second, who will control the funds? Third, to what use will those funds be put? We indicated that those questions had to be addressed if the Government ever changed the "pay-go" philosophy of the public pension plan system. I realize it is theoretical, but if the decision is made to go beyond the "pay-go" system in order to build up a surplus, then I think the Minister of National Health and Welfare might want to advocate other changes to the plan.

I agreed with the Minister when he mentioned earlier that in our political day-to-day life the major problem which we face is that of individuals who are between the ages of 55 and 64 who, through the death of their spouse, divorce or breakdown in the family pattern, find themselves impoverished. The other area in which we face significant problems is that of an individual, male or female, who is the primary breadwinner in the family and who finds himself or herself disabled through no fault of their own and has no access to long-term disability benefits in the workplace. That person must rely solely on Canada Pension Plan disability payments.

I believe all of us recognize that that is an area which is woefully under-funded. In terms of improvements to the pension plan, I do not think any of us would stand in the way of improving the payments to disabled persons. I recommend that that cause should be advocated with respect to the increased surplus in the Canada Pension Plan.

I agree whole-heartedly with the inclusion of homemakers in the plan. That would go a long way to removing the stigma of poverty among today's elderly. I spoke earlier about the intergenerational transfer. In 1966 we told our fathers that we would give them a reasonable standard of living in their retirement years and, because we had jobs, we told them that we would accept the burden of paying for their pension. However, the problem today is of a different magnitude. The greatest problem which faces all political parties today is that of unemployment. Largely, but not exclusively, we have a youth unemployment rate which is significantly higher than

the national unemployment average. I am not trying to take away from those individuals who are middle-aged and find themselves unemployed, but specifically, I want to talk about youth unemployment.

• (1150)

In 1966 our youth transferred a gift to their parents. That gift was a retirement with reasonable expectations. If we talk to the people of Canada between the ages of 60 and 65 years who have paid off their mortgages, we find that they would like to have an early retirement but cannot do so because the Canada Pension Plan kicks in at age 65. There are also those who would like to have an actuarially-reduced Canada Pension Plan.

Perhaps the solution would be to transfer from that generation to the young generation the availability of a job and then they would receive the benefit of early retirement. I note that the Province of Quebec, which is the first province to go out of synchronization with the other provinces under the Quebec Pension Plan, allowed for the first time in history an actuarially-reduced Quebec Pension Plan. Some 50,000 Quebecers then decided to take early retirement. I do not know if there is a direct correlation between that and the unemployment rate in the Province of Quebec which has dropped from a year ago, but these are statistics which one might want to study.

Certainly, I would say that a beneficial use of those surplus funds, rather than giving them back out to the provinces at lower than prime rates, and a better use of those social funds, would be to address the number one problem in the country today, namely the unemployment problem. I say that not with any great knowledge of the statistics which would be required, but I know the Minister of Employment and Immigration, the Hon. Member for Kingston and The Islands, well remembers Mr. Michael Wolfson, and another person who has earned a great deal of our respect for his contribution to the pension task force and who now works for the Minister of National Health and Welfare, Mr. Michael Hatfield. It seems to me that one might want to be able to use some of those statistics in order to determine perhaps a better use of those surplus funds than others might envisage around the Cabinet table as those discussions take place.

Let me end, Mr. Speaker, by reiterating my congratulatory message at the beginning of my remarks to the Government for having brought in this particular piece of legislation. I cannot disagree with it. It reflects the recommendation which, as the Minister of National Health and Welfare indicated, was one of the prime recommendations our Party made through our own pension task force.

Second, I would hope that in committee one might want to explore the possibility of improvements to the legislation by perhaps speeding up the process for a June delivery date rather than September.

Third—I know that others in my Party will want to promote this—would be the extension of the plan for people between the ages of 60 and 64 years on the basis only of income and not marital status. I know as sure as I am standing here that the Minister of National Health and Welfare fought hard for that.

I recognize that there are saw-offs around any Cabinet table when it comes to the distribution of dollars. I recognize the problem the Minister faces with the Deputy Prime Minister (Mr. Nielsen), the Hon. Member for Yukon, and the Minister of Finance, the Hon. Member for Etobicoke Centre, and I wish him well in trying to convince his Cabinet colleagues. I know some of his colleagues around the table probably think the same way he and I do and I would hope that he could convince the other neanderthal members of the Cabinet to see the progressive necessity of such a measure.

Finally, I want to say that I hope that in this particular session of Parliament we will see legislation which would allow the federal Government to become the most progressive in terms of Governments in our country which recognizes the need for pension reform, which recognizes that the issues of unemployment, pension reform and tax reform are very interrelated and, to a large extent, are women's problems. I hope that progress will be made in these areas, Mr. Speaker, and if progress can be made, let us hope it is accomplished with swift passage.

Mr. Neil Young (Beaches): Mr. Speaker, I also wish to congratulate the Minister of National Health and Welfare (Mr. Epp) for bringing forward this measure to expand the application of the spouse's allowance. He should be especially congratulated, Mr. Speaker, because he chose this as the first piece of legislation to introduce into the House for debate. I am quite sure that the passage of this particular measure is guaranteed by all sides of the House.

Having made those complimentary remarks—I see the Minister is smiling; he did say earlier that he did not introduce this Bill without anticipating some negative comments and that perhaps he would be criticized for not taking the measure far enough—I want to assure the Minister that his predictions are absolutely right on. I intend to make a few comments about what I think are serious omissions in the measure brought forward by the Minister, although, as I have already indicated, this Bill will have the full support of myself and my caucus. We will do nothing at all to prevent its speedy passage.

I am, perhaps, at the point of making the Minister an offer which he cannot refuse. One aspect of the Bill, obviously, with which we are disappointed is the length of time it will take to put this measure in place. I believe there will be a ten-month delay until September. If it will accommodate the Minister in terms of bringing such a measure in by the end of this month, my Party would agree that I would be the only speaker. We could then get it through all stages as quickly as possible, if that would accommodate the Minister. If the Minister would agree to that, all he has to do is to send me a note and we will look upon it as kindly as possible.

The most serious criticism, of course, is that this Bill, while it goes a long way toward removing some of the really serious problems which many individuals have faced in the past, still excludes those individuals who have never been married; that

is, the single pensioners. I know the Minister tried to head off some criticism in that area in his remarks. However, I believe it is still incumbent upon Members of the Opposition to point out in a very serious way that many of those individuals who are excluded are really having a hard time making ends meet, for a number of reasons which I will get into during my comments.

The Hon. Member for Sudbury (Mr. Frith), in the course of his remarks, spoke very kindly about the former Member for Winnipeg North Centre, the Hon. Stanley Knowles, and the contribution he has made to the whole question of pension reform and, indeed, the structuring of the pension system in our country. In fact, I would even suggest, Mr. Speaker, that if any Hon. Member wishes to determine how pensions have been formulated in this country and how policy has been determined, the required reading would be the speeches of Stanley Knowles in the House and his questions and comments in the course of his political career. As a matter of fact that is what I have done, especially his speeches related to spouse's allowance. I went back quite a way and found that this is something which Mr. Knowles had concerned himself with over the years.

For the purposes of today's debate, however, I think it is sufficient to go back to the debate which took place in this Chamber on May 26, 1980. Mr. Knowles, with respect to the improvements, small as they were, to the pension system at that time, said: "While the movement has been good to improve pensions, we are still labouring under what I think is one of the most unfair pieces of social legislation ever introduced in this country, that is, the spouse's allowance". He went on to explain why he thought that was unfair. Later on, on the following day, Mr. Knowles said as reported at page 1456 of *Hansard*:

> Second, I ask the Minister, and I press this upon her as strongly as I can, whether in this term of office she is enjoying she is going to do something about the disgrace of the spouse's allowance legislation.

He went on to say that especially for women between the ages of 60 years and 65 years, for the most part there is applied a marital test. He continued:

> If a woman has a man or has one that dies while she is in that age bracket, she gets the pension. But if she does not have a man because she is a spinster or divorced, or became a widow before age 60, or she became a widow before her husband was over 65, there is no pension there.

● (1200)

I read a speech that the Minister made last June in which he made much the same argument. It is to his credit that the first thing he did was to live up to the concerns which he expressed six or eight months ago. However, that still leaves a large number of women who are single, having never been married, without that extra amount of money which they could well use. Even at this late date as we go through committee perhaps we can still persuade the Minister and his Cabinet colleagues to do something for that large group of people.

I was surprised and a bit curious over the last week or two when I received two pieces of correspondence from a member of the former Government, the Hon. Member for Montreal-Saint-Marie (Mr. Malépart), who expressed some anxiety and concern about that large group of single women who were excluded from this Bill. If the situation were not as serious as it is, I would find the flights of rhetoric used by this Member quite funny. I would simply ask the Hon. Member for Montreal-Sainte-Marie where the hell he was over the years when Stanley Knowles was pressing the Government on this particular issue. I went through *Hansard* to see whether this particular individual was even mentioned as expressing a concern about this while he was a member of the Government. I could find no reference to it.

Mr. Epp (Provencher): I tried to find a reference too.

Mr. Young: The Minister tried to find a reference also. We welcome the Hon. Member's support, albeit newly-found, while he is in opposition. However, I would be much more impressed by his arguments and concerns if, while he had an opportunity to do so, he had pressed the Government of which he was a member to do something about that inadequacy in the pension legislation.

I would be remiss, Mr. Speaker, if I did not say something about the present Government's previous commitment to pension reform and why it has not done something about it now that it forms the Government. I looked up *Hansard* for May 10, 1984. I read with some interest the motion that was put forward by the Progressive Conservative Party on that date, being an Opposition Day. I would feel comfortable moving that motion today, with a few changes in the dates, of course. For the interest of new Members in the House I will read the motion:

> That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve guaranteed supplements for low-income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

That motion was put forward by the present Government while it was in opposition on May 10, 1984. It was moved by the Hon. Member for Kingston and the Islands (Miss MacDonald), the present Minister of Employment and Immigration. I know that that Minister feels strongly about the issue of pension reform. I wish her every success in lobbying and making her voice heard within Cabinet to bring forward the much-needed improvements which she spoke about in the course of her remarks on that Opposition Day. In fact, I intended to make much the same argument to the present Minister of National Health and Welfare.

The age-old argument is heard again. The Government says that it would love to bring in real pension reform for all senior citizens who gave their lives to make this country as great as it is, but it does not have the money. It says that it will make those improvements when the economy picks up and we are rolling in loot again. That argument has been made as far back as I can read in *Hansard*.

In 1951 an end was brought to the means test for old age pensions. At that time Stanley Knowles referred to debates that had gone on years and years before. The old argument

was used then as well. The Government said it would love to do something for pensioners but the country could not afford it.

I recall reading what Tommy Douglas, the former leader of my Party and the former Premier of Saskatchewan, said on the subject. He said that Governments have used that argument time and again until it is shop-worn. He said that Governments can never find money for social programs to allow people to live with some social dignity in this world, but in order to finance a war they can grab oodles of money out of nowhere. I think the same arguments hold true at this time.

I would like to quote the comments made by the Hon. Member for Kingston and the Islands on May 10, 1984. I am sure Members on the Government side will find this interesting. I certainly do. She said:

> The fact that we have 600,000 elderly Canadians living in poverty in a country as rich and bountiful as Canada, in a society suppposedly as compassionate and humane as ours, is a national disgrace. The fact that this has been allowed to continue month after month, year after year, is a telling indictment of the Government. The Government is bereft of ideas, drained of decency, and unable to recognize the priorities which must be dealt with in this society. I know the Government has its priorities: bail-outs of de Havilland, Canadair and Maislin; bonuses for executive officers in de Havilland and the Canada Development Investment Corporation; and the purchase of Petrofina gas stations. We know what the priorities of the Government are. For the people who have, throughout their lifetimes, worked for and contributed to the development of this great country, there is only a promise trotted out time and time again that some day, some time, they too will become a priority.
>
> Is it any wonder, Sir, that today we condemn the Government? We condemn it not only for its failure to introduce legislation that would meet the current needs of today's elderly poor, but also for its failure to bring about long overdue pension reform of the whole system so that we can ensure that the poverty of today will not be meted out to those who will be senior citizens in 10, 20 or 30 years' time. We must begin to come to grips with this issue and reverse what is happening.

I wish I had made that speech, Mr. Speaker, and I just did. The same arguments hold true today as they did on May 10, 1984, during the debate in 1951, and during the debate in the early 1930s when pensions first began to be spoken about seriously by the decision-makers in this and other countries. It is time that the Government did something about it rather than talk. When the Minister tabled the child and elderly benefits consultation paper, I thought he would have taken the opportunity to say something serious about this topic. I have no doubt that the Minister is a sincere person. The Minister is a man with integrity and I thought he would have taken the opportunity to say something serious about pension reform.

● (1210)

However, he said in his paper that while not proposing changes at this time in the elderly benefits system, the Government invites proposals and comments regarding the age exemption and the pension income deduction, the elderly benefits system and so on. We do not need another study on pension reform because the issue has been studied to death over the years.

I was an alternate to my former colleague, Ted Miller, on the Pension Reform Task Force. Incidentally, I also want to congratulate that committee for dealing with a very difficult and complex subject and proposing the recommendations that it did, even though I disagree with some of them. I believe the committee could have made stronger recommendations on some of the issues it was studying. In any event, I believe it is time for real pension reform in this country.

I would be remiss if I did not also mention the Hon. Member for Vancouver East (Ms. Mitchell) who, two years ago, headed our Party's task force to look into the problems of older women across the country. She issued a very impressive document as a result of those investigations and I would be more than happy to provide the Minister with a copy if he has not seen the document. I believe it deals with these problems in a very human, warm and compassionate way.

Mr. Speaker, I believe it is appropriate that I end my remarks by referring to some statements which have been made by the Council on Pension Reform for Singles. The Hon. Member for Sudbury may recall that Miss Cheevers, the secretary of that Council, appeared before the Task Force on Pension Reform and gave testimony that astounded everyone in the room at that particular time. Miss Cheevers is a woman in her late seventies, I believe. She was brought up in an era when the money that was available to a family usually went to the male in order to provide him with an education.

This was her testimony at the hearing. She said that there were two children in her family, herself and her brother. It was assumed that since there was a shortage of money at the time and that only one of the two children could receive an education, her brother would receive the education because he would eventually be the breadwinner. Miss Cheevers was denied the right to an education because of the lack of money in the family. It was expected that she would grow up to be married and raise children in the usual stereotype situation that we would not accept today.

The First World War broke out when Miss Cheevers was growing up. Most of the males in Canada who went overseas returned with spouses and many never returned. According to Miss Cheevers, this is one reason why she never married. Not only was she involved in the war effort at home, but her parents had become elderly by the time the war was over. Since she was expected to look after her parents she did not enter the workforce until she was in her mid-fifties. She did not have an opportunity to make contributions to a private pension plan and it was too late for her to make contributions to the Canada Pension Plan. Registered retirement savings plans were of no use to her because she did not have an income that would allow her to buy an RRSP. What happened to Miss Cheevers and thousands like her who are members of this Council is that they are now living on a very meagre pension. They are excluded by this legislation that is being brought forward by the Minister and they are having a hard time to make ends meet in this country.

Let me quote from a newsletter that was issued by the Council on Pension Reform for Singles. It says more than I can say because these people are speaking from their own experience. I am sure Members will be interested to hear what they have to say:

In the last administration it was the Minister responsible for the Status of Women who said that singles who had not married and not had children and contributed nothing to Canada. With that kind of representation who needs enemies?

Our kind friend should have been around during two great wars and a real depression, 18 years out of what should have been the most productive period of their lives when it was the single women who turned in to keep the home fires burning and were acclaimed as heroes and the backbone of Canada. In those days we did not advocate leaving the country helpless against the enemy. We had to defend it and did so with every ounce we possessed. There being no men left to marry following the wars, they turned in to support their war widowed mothers and young brothers and sisters, only to find that a grateful Canada has abandoned them pension wise as though they don't exist—

We know what we are talking about. We are of an age who went through it all and we feel that we have as much reason to be proud of our achievements as any women who sits in the House of Commons and it is time we were recognized. There are not many years left.

Having got off our chests that which has been choking us so long, dare we hope that the House of Commons members will take the time to do some homework by reading and learning something about the roots of Old Age Security. It is very evident they need the education.

I think that sums up any contribution I have to make to this debate. I wish the Minister well. If Members of my Party can be of assistance to him in pressuring other members of his Cabinet, he will always have our support and I hope he will use it and act as quickly as possible.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, first I would like to congratulate the Minister on this overdue Bill. Let me also congratulate the Hon. Member for Sudbury (Mr. Frith) and the Hon. Member for Beaches (Mr. Young) for adopting a reasonable attitude in this debate. This may be one of the rare days in the House when we will take the action that the country has asked for with a minimum of rancour.

I have been a long time supporter of pensioners, veterans and other Canadians who have found themselves disadvantaged by the sins of omission or commission in various forms of our legislation. I heartily welcome the progressive initiative taken by the present Government.

I am pleased to have this opportunity, my first in this Parliament, to speak on this topic. The main purpose of this Bill is to broaden the eligibility of widows and widowers in financial need for a spouse's allowance by allowing applications to be made by a surviving spouse between the ages of 60 and 64, regardless of the age of the deceased partner.

The spouse's allowance was first introduced into the Old Age Security Act in a 1975 amendment. Since that time its scope has been extended on four other occasions, making this the fifth amendment relating directly to the spouse's allowance.

While this amendment is not discriminatory—men and women are both able to benefit—by far the largest beneficiaries will be women. For some reason unknown to me but adequately supported by statistics, women tend to outlive men and therefore many more of them will receive assistance as a result of the amendment. Our Government maintains a commitment to ensure the legislation in this and other areas reflects accurately the needs of the population. It is progressive legislation.

● (1220)

In my 12 years in Parliament on both sides of the House I have advocated, with the full support of my colleagues, several important issues along the same lines as this amendment to the Old Age Security Act. In each instance an injustice had been brought about by legislation which was too restrictive or did not address the problem that had arisen. Now that we are in a position to implement the progressive measures that we have proposed over the years, I am sure the Canadian public can expect many more. Indeed, the Speech from the Throne outlined measures which are outlined expressly "to ensure that social measures in Canada keep pace with the changing needs and circumstances of our people".

I, too, would like to mention two former Members of this House who shared my concerns about the inequities of legislation, especially that affecting pensioners and their spouses. The first is the late Hon. Walter Baker. He was a tireless worker who, with his obvious legal skills, combined with large doses of compassion, spoke often about the needs of pensioners and about the lack of will demonstrated by the former Government to amend legislation to remove certain inequities. I am sure he would be sharing my enthusiasm for this amendment to the Old Age Security Act if he were here.

The other former Member who has been mentioned by everyone preceding me this morning and who still graces the House with his presence at the Table at times is, of course, known far and wide for his interest and advocacy on behalf of pensioners and veterans. I am referring, of course, to the Hon. Stanley Knowles. Incidentally, he was a great help to me as a new Member many years ago with his advice on all pension matters. Throughout his decades here as the Member for Winnipeg North Centre he was always a champion and watchdog of government. He did not miss an opportunity to remind the government of the day of its obligations to the people who worked and fought for the rest of us and then found their government less than generous in providing for their retirement years. I shall do my best, along with other colleagues who share these concerns, to continue that tradition.

My constituency, Victoria, has almost 89,000 individuals living and, my notes say, working in it. Unfortunately, a very large number are no longer working because of the difficult economic times that we have. Of the 89,000 people, a very significant proportion are over the age of 60. As a matter of fact, 29,000 or 32 per cent of the population of Victoria are over 60. Of that percentage, about 61 per cent are women.

It was, therefore, a great day when the Minister of National Health and Welfare (Mr. Epp) tabled the discussion paper on elderly and family benefits. The paper has reinforced the concept of universality for elderly benefits by stating that removing universality is not an option being considered by our Government. The Prime Minister (Mr. Mulroney), in the days leading up to the election, promised that. The Government has repeatedly maintained its commitment in this Parliament and now the Minister has confirmed that commitment.

In a statement last November, the Minister said:

—our goal is to strengthen the integrity of universality, its goal of comprehensiveness and fairness . . . Canadians have never had a version of universality in which the theory and the reality are absolutely the same.

My constituents can be assured of continuing benefits which they richly deserve, as indeed do all elderly Canadians.

This Old Age Security Act amendment is only the latest in a series of progressive legislative initiatives which my Party has supported. One in which I was proud to have played a part was that involving pensions for those who defended our country during past wars and their spouses. In fact, the last time I spoke on this side of the House in favour of a Government Bill was on my own Bill on this very subject. While I was Minister of Veterans Affairs in the 1979-80 Conservative Government, I was privileged to introduce, with the support of my colleagues, amending legislation which applied to the Pension Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

Among other things, that Bill, which was Bill C-28, did away with two previously ignored inequities. First, it provided the widow of a veteran who had been in receipt of a disability pension of less than 48 per cent with a proportionate pension. Up to that time the widow had been unable to claim a dime if the disability pension had been less than 48 per cent. Second, the other significant change in that legislation was to provisions of the Veterans Land Act. Previously, the spouse of a veteran had not been entitled to any interest in land acquired by a veteran under the Act and court orders were ignored by the director of the Veterans Land Act administration. With the passage of that amendment the spouse would be able to make application through the courts for an interest in the veteran's property, and the Director would be obliged to take notice of the claim. It is hard to believe that a provision such as this was not even considered prior to 1979. In any event, our Government came to an end two days after introduction of the Bill so I was unable to see it come to fruition at that time. I was thankful it was adopted by the succeeding government as Bill C-40 and given speedy passage, and it is now the law of the land.

In 1982 there was another Bill of this nature introduced in Parliament and passed without much fanfare at the time. This Bill was entitled Garnishment, Attachment and Pension Diversion Act. However, proclamation of Parts II, III and IV of the Act were inordinately delayed. The purpose of the legislation was two-fold: to remove constraints against public servants being garnisheed and to allow spouses to obtain direct from the Government all or part of a public servant's pay or pension where there is a court order for family maintenance. The intent of this portion of the legislation was to circumvent difficulties some spouses had and were having in collecting maintenance orders. This sort of thing was leaving them in precarious financial circumstances. Seventeen months later this Act still had not been proclaimed, leaving many spouses who were anticipating proclamation swaying in the wind.

At that time I proceeded by way of correspondence, questions and speeches in the House to have the problem resolved, which was finally done by passage of a second Bill. I expect that some of the senior staff of the House of Commons are more aware of what held up the proclamation of Bill C-35 than I am. Eventually, the impasse was resolved by the passage of an additional Bill which said that yes, employees of the House of Commons would have to come under the provisions of the Bill as passed by the House of Commons.

That is a brief record of the Party's and my own position on legislative initiatives in the same vein as those before us today. Anomalies and inequities will continue to be revealed in our legislation. The reasons they occur are legion, but I believe those relating to changes in social attitudes are slowly but surely coming to be recognized and omitted.

Once again, may I read from the Speech from the Throne two statements to confirm our commitment to social equality:

—there is some distance between the principle of equality, widely accepted, and its reality, still far short of achievement. It is the duty of Parliament and Government to help ensure that Canadian society travels that distance as quickly as possible.

Further on in the Speech we find:

Canadians value and support the comprehensive social security system that has been put in place over many years . . . Many areas of the system must be strengthened to respond to the changing nature and needs of our society.

What is much more difficult to bring to light are those inequities created by our economic situation, a situation created in large part by profligate spending by our predecessors, an economy shaped by political expediency, short-sightedness and reactionary measures. Now that the Conservative Party has an unambiguous mandate from Canadians to set to right the damage inflicted over the last 16 years on our economy, this legislation is proof that it will be done judiciously. It is proof that our Party will cure our society's economic ailments while at the same time ensuring protection and fairness to those whose finances are limited.

Some Hon. Members: Hear, hear!

Mr. McKinnon: Our Government is fortunate to have the present Minister of National Health and Welfare, who is known for his compassion, sense of fairness, and capability. I am confident that this needed amendment is a harbinger of further equitable legislation. Canada's elderly citizens can share my confidence.

● (1230)

There are some parts of Bill C-26 which are somewhat puzzling. I realize that the committee is the place in which to study the Bill very carefully and either have its parts satisfactorily explained or changed. I am rather concerned about Clause 1(1) which defines a spouse and about the part which speaks of the bar to remarriage. I trust in committee we will ensure that we are not making moral judgments or reinforcing a moralistic attitude by denying funds to people who need them just as much as if they were the most moral people in the world. I do not think it is a part of federal legislation to set out absolute moral lines as to who can qualify.

I should like to see other legislation come on stream. Now there is a possibility of this. I look forward to the day when we might be equal to the country of Belgium which has a pension for women at age 60. It would ensure that inequities would not be disclosed only after legislation is put into effect. At the present time, and even after this Bill is passed, in the case of 62-year old twin sisters, one will be able to draw this pension because she was married and the other will not. That does not seem fair, but the facts of the Bill are generally pleasing. As I understand the Bill, with zero income the monthly payment will be $536.26. This will be gradually reduced. If there is outside income, it will have to go over $10,500 before the allowance will be cut out completely. It is an understanding Bill.

In summary, my wholehearted support for this legislation is what I wish to express. It is an Act to amend the Old Age Security Act. It derives from its compassionate nature. It addresses some of the issues about which we care a great deal—those issues affecting elderly Canadians, in particular women. I hope my colleagues on both sides of the House will share my enthusiasm for this Bill and give it quick passage so that its benefits can proceed without undue delay.

Mr. Deputy Speaker: Are there questions or comments on the Hon. Member's speech? If not, we shall resume debate with the Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I welcome this opportunity to address the issue of spousal allowance and applaud the decision of the Minister in this regard. The Government is extending this benefit to help an estimated 85,000 elderly widows and widowers between the ages of 60 and 65 regardless of when their spouses died. For this group it is an excellent first step. I support this measure in the hope that it will evolve even further and that at some point in time we will be able to consider the 80,000 to 85,000 who are left out of the provisions of this particular Bill. I am sure the Minister felt as badly as I do in having to exclude this segment of single elderly Canadians from the proposal. The prospect of poverty for them is very real and very frightening. I am sure the Minister shares that concern.

[*Translation*]

I want to congratulate the Minister on presenting this legislation, which is in the best interests of all Canadians. We do not intend to oppose the passage of a Bill that was examined by a task force set up under the previous Government. The task force was headed by one of our Members, the Member for Sudbury (Mr. Frith). Incidentally, this Government is introducing quite a number of Liberal measures and seems to be abandoning the reactionary Conservative measures advocated by the Minister of Finance (Mr. Wilson). I am delighted that the Minister of National Health and Welfare (Mr. Epp) has been able to make his contribution to the wellbeing of our society.

[*English*]

I am basically very concerned because I believe it is often the case when we talk about these kinds of measures that we really do not stop to think of them in terms of a total portrait or picture. We often say that all these measures are from the bleeding hearts of society and that we cannot afford them. What we really cannot afford is a society which allows people to live in abject poverty. This has an impact upon their families, their children and themselves. In the long run this is very costly to society.

I should like to tell a story about my friend Jeanne. She is in her late fifties. She works in a large company. Her task is to train employees to run computerized machines. She earns about $18,000 per year. She considered herself well paid at one point, but now she has come to certain realities. After 12 years on this job, other men and women start with the company as clerks and secretaries with salaries of $19,000 to $21,000 in their first year. This seems unfair to Jeanne, and it is. What is even more unfair is that the men she trains for the job are immediately put into higher positions than hers. They are promoted and receive higher salaries, and she has trained them.

She would like to fight the system in order to be treated more fairly, but she is afraid she will lose her job. She does not think she could get another job because she is too old. She has no other income and no pension. She cannot change the world alone. She needs all our help as legislators.

I should like to suggest that the Canadian economy and the subject of women's income is one and the same thing, in a sense. I will be told that these are two separate issues, not one issue. I believe that for far too long women's issues and issues related to the Canadian economy have been considered separately when in fact they are one issue. Too often political and business leaders, economists and public officials say: "Today I will take a speech and talk about women. Tomorrow I will talk about social policy. Then maybe on Friday I will outline our economic policy". To treat the income problems of more than half the population separately from major economic questions is to short-change women, for their role, welfare and well-being are synonymous with economic and social policy. I am quite pleased to note that in the economic summit which the Government is planning the voice of women will be heard. It is almost too late, but certainly it is a step forward.

The reality is that today and for too long women in Canada have been losing out economically. The harsh fact is that two-thirds of Canadians working at the minimum wage level are women. The startling fact is that over half of all Canadian women can expect to be poor at some point in their lives. Another sad fact is that 2.5 times as many women as men are forced into part-time work because that is all they can find. The bitter fact is that when couples separate, although a man can generally look forward to rising income the woman anticipates only diminishing income. Only 27 per cent of employed women are enrolled in private pension plans and only one out of four widows has a pension. To quote one of the great North

American Liberals, "When is a buck not a buck?" It is when a woman earns it and it is only worth 62 cents.

Now, some will say: "There she goes again, talking about spending taxpayers' money on social policy". I have discovered that the real difference between social policy and economic policy is when someone else is describing the life of a single woman working and raising a family on a minimum wage or a woman without any income at all. When we talk about that, we are talking about social policy. If you happen to be that woman who is living on the minimum wage or has no income at all, what is happening to you is an economic reality.

● (1240)

It is time to change economic realities. It is time to act. It is time to devise and implement a national economic policy that counts women in rather than dealing them out. We must make a commitment to end the historic economic injustices that have been done to women in this country. We must make a commitment to the working women of Canada, those who want to work outside of their homes and those who have no choice but to work outside their homes.

If you go to work in Canada to support your family and yourself and contribute to the wealth of this country, you will receive equal pay for work of equal value. We cannot wait. We must commit ourselves to action now. We must do nothing less. That is fairness and equity. We must start with the premise that in the workplace women are not different from men in their abilities, in their energies, in their drive to work and in what they can produce for their families and for the nation.

We must accept the fact that many women are not paid fairly for what they do. This inequity is found at all levels of income. It is also true for women with university educations. For example, women who have MBAs who started with the same salary as men find they are thousands of dollars behind their classmates in a few short years. Therefore, we must act now.

The federal Government must pay its employees equal pay for work of equal value. We must be pro-active in this matter and lead the reform, not simply leave the onus on those who feel that they have a grievance. The federal Government should contract only with Canadian companies, professional firms or institutions that provide to its employees equal pay for work of equal value.

There are those who would argue that such policies must be gradual and depend on a growing economic tie in Canada. We can work at being just if we just get a bigger economic growth, a bigger pie to share and to cut.

Miss MacDonald: Exactly.

Mrs. Finestone: I am glad to see the Minister in the House.

Miss MacDonald: I have been here all along. Where have you been?

Mrs. Finestone: I have been here. I just looked your way.

The economic boom of the 1960s and 1970s proved that this was not the case. While the nation's wealth grew dramatically, the gap between the incomes of women and men did not close. Whether the Canadian economic pie gets bigger, and we are all working to ensure that it does, or smaller, which I doubt, or remains static, which is the fear of some, whatever the size of that pie we must divide it more fairly. The slice women have had has not been a fair slice, and it should be.

In addition to a commitment for equal pay for work of equal value, which I know the Minister is presently studying—and I await with a great deal of interest her reaction and that of her ministry to the Abella commission—there are two other areas where we can act.

As a person who feels that there is a tremendous need to see increased equity, we must act to help the low-income single head of the household who is raising children. We must do more to help Canadian women in their late fifties and sixties who suddenly lose all sources of income. The action undertaken by the Minister of National Health and Welfare (Mr. Epp) is one step. I mentioned the other which I hope some day we can realize.

Allow me to deal first with the major economic question of women who are single heads of households, unable to work or working at the minimum wage or not much more. The situation in Canada is that there are over 580,000 Canadian women today who are single heads of households. Forty one per cent of these women live below the poverty line. Most who have married and are now separated are unable to enforce child maintenance orders. In fact, only 30 per cent are receiving the awards allocated to them. What is more, the trend in our country is that half of those who marry under the age of 30 will separate. If we do nothing, we will see a worsening situation in which women find themselves. Three out of four women in Canada either do not marry or lose their husbands through death, divorce or separation.

In my talks with women and women's groups, I have been told the same story over and over again. It is the story of a single person with a minimum wage. Most of those people are women who must pay rent, feed and clothe their families, pay their own transportation and look for daycare. The harsh reality is that she cannot stretch that minimum wage to cover the rent, food, clothing, transportation and daycare. That amount of income just will not cover the cost of the basics.

The question is what do we do for women faced with this situation? I do not have all the answers, but I ask Hon. Members to consider what is happening when women are forced to quit. We lose her productivity and her work outside the home. We lose her contribution to the economy. We pay the welfare costs for being at home and out of the workforce. We destroy the spirit of one more Canadian who has given in and given up on herself and on society. There has to be another way. I think it is a lack of political will sometimes to resolve to meet these problems and find answers.

Let me turn to the second group of Canadian women who require change in our economic policies. I speak of the woman who has never been in the workforce but who has had to work

all her life in her home. She is a worker and by working with her family she has contributed enormously to the social and economic infrastructure of Canada. Suddenly her husband dies and she is alone, or he leaves and she is alone. I am not talking about hypothetical situations. I could take you by the arm, Mr. Speaker, and introduce you to scores of women whom I have talked to and know the situation. They have no income. Only one in four widows has pension benefits. Only 6.7 per cent of women have survivor benefits in private pension plans if their husband dies before the age of 65. We need pension reform. Portability, vesting and survivor benefits all need to be reformed. We need to act so that women are not caught forever in this situation.

A person just widowed, never having worked outside the home, with no training for today's workplace, looking for a job in a community with unemployment running as high as it is, describes the life of many human beings in serious difficulties with no possible hope for the future except Government supplementation. This is not what we want in the future. We want people to be able to provide for themselves. We need the necessary incentives. These women need the support of the entire society and they should receive it. Those women can have it this year if we are prepared to act. I believe the support should go to both men and women in this predicament with no financial means of support, no private pension, not having had the opportunity of being able to save for RRSPs so that they could have a decent lifestyle.

These important measures must be considered. There are scores of economic issues that affect women, such as daycare, pension reform, skills training, technological change and their treatment within the tax system. We must proceed with reform in all of these areas. Pension reform, for example, is urgent, but these pension reform measures will not help right now. We need to take the interim step in order to support them.

• (1250)

We must work at all the economic issues in Canada and, as politicians, we must also have priorities and the courage to pursue them boldly. I urge action in these most pressing areas because action will help those Canadians who need it most now. I urge the implementation of a new economic policy for all Canadians but one that will create greater income for women. That is why I urge a vigorous pursuit of a policy of equal pay for work of equal value, of income support for low wage single heads of households and of a basic income for Canadians and especially women in their late fifties and early sixties who have been forced into an incomeless life.

[*Translation*]

Mr. Speaker, many individuals reach retirement age without having achieved a minimum of financial security, and I think it is vital that we should continue to demand changes in private pension plans and old age security pensions so that our elders, those who built this society, can have the security and the kind of life that is a reflection of ourselves and our values. I am sure you have heard I think it is an old Chinese saying that we can judge a society by the way it treats the elderly.

[*English*]

Therefore, I believe it vital that we treat our elders as we would like to see ourselves treated in this society, put into place those measures that are needed in the short term and plan those economic measures that will have in their fiscal impact the kind of results that will not see poverty, and particularly the face of feminism in poverty, in the future.

Mr. Deputy Speaker: Questions and comments?

Mr. Murphy: Mr. Speaker, I have a comment to make followed by a short question. I as one Member of the House, welcome this Bill. My own mother was one of the people who did not receive a pension after my father died because of the existing legislation. I think this step is certainly long overdue and I would hope that the legislation passes without too much opposition.

I hope the Minister will respond to the offer of our spokesman, the Hon. Member for Beaches (Mr. Young), who suggested that if the Minister was able to have the enactment of this legislation moved up from next September, we would certainly be willing to help facilitate the passage of this legislation through all stages. I believe that was the offer he made.

As has been mentioned by Members of all three Parties, the former Hon. Member for Winnipeg North Centre, Mr. Stanley Knowles, was one of the leading advocates of this type of legislation in the House Commons for many, many years. I believe that the weakness in this legislation was pointed out by something that Mr. Knowles said not only to our caucus but to the whole country through his speeches in the House of Commons, and that is that it is completely unfair for a women to receive a pension based on whether or not she has a man or whether or not she had a man. Her entitlement to adequate pension should be based on the fact that she is a human of a certain age group who lives in this nation, and I would hope that the Government would move quickly toward that position. In this day and age we should not be looking at whether or not someone was married when she was 40, 50 or younger; we should be saying that if she is of a certain age and has a limited income, she would be receiving that pension. I would hope the Government would act quickly on that.

The Hon. Member for Mount Royal (Mrs. Finestone) spoke of the economic pie being large in the 1960s and 1970s. Why did the Liberal Government not act in those years when there was a lot of money in this society?

Mrs. Finestone: Mr. Speaker, I think there are a number of answers to the question asked by the Hon. Member. First, Liberal policy regarding the interests of women has been very forward moving. It has not been fast enough in my view, but certainly within the larger picture of social reform, it has moved ahead. Liberals brought in the guaranteed income supplement and increased the guaranteed income supplement. The entire Old Age Security Act and the income supplement were Liberal initiatives. The spousal allowance was a Liberal initiative.

In 1979, as president of La Fédération des Femmes du Québec, I can remember having a very serious concern about the poverty face which was a feminine face. We ran a major conference on aging and poverty and looked at new policies for aging in our society. At that time the Quebec Minister concerned and the federal Minister, Monique Bégin, were our guest speakers. Interestingly enough, and I believe the present Minister of National Health and Welfare will be interested in this, Madam Bégin came before us with a whole series of facts and figures as the present Minister did, and outlined the cost to implement spousal allowance. Needless to say, that is where her heart was, as I believe that is where the heart of the present Minister is. However, she was having a very difficult time with her caucus.

We should take a look at who was in that caucus. It was mostly men who were in that caucus and there are few men who have as broad a concept of the role of women as partners in society as the present Minister has. I would imagine that Madam Bégin had somewhat of a difficult time pushing through what eventually did go through, which was the spousal reforms.

I believe we have been effective. We have trained men to think in much more feminine terms. I am very proud of what the Liberals have done in the past, and will continue to support and do in the future.

Mr. Keeper: Mr. Speaker, I have a comment to make and a question to ask the Hon. Member for Mount Royal (Mrs. Finestone). First, I would like to acknowledge the great debt that we all owe to the former Member for Winnipeg North Centre, the Hon. Stanley Knowles, for the pioneering work that he did over the years for pensioners in this country. Without the advocacy that he carried on throughout the length of his parliamentary career, we would not have a pension system upon which to improve. I believe that, as Canadians, we all acknowledge our debt to the Hon. Stanley Knowles.

What are the feelings of the Hon. Member for Mount Royal with regard to lowering the age of eligibility for pensioners? Is it adequate to leave the age of eligibility at 65 or, as has long been advocated by this Party, do we need to lower the age of pension eligibility to 60? Together with that, this legislation before us is taking a good step toward extending spousal benefits to married people. I wonder what the Hon. Member's views are with regard to extending those same kinds of benefits to single people.

If the Hon. Member sees the need to extend benefits to single people as well as to married people and is sympathetic to lowering the age of eligibility, how can she explain the fact that her Party when in government failed to take action on these matters? What is there to give us any confidence that if that Party were ever to approach that side of the House again at some future time, it would act any differently when in office than it did the last time around?

Mrs. Finestone: Mr. Speaker, first I would like to point out that the word "consultation" was not a word that was invented during the reign of the newly elected Conservative Government. Certainly Hon. Members on the other side will remember the times we went to the population on pension reform with green papers, white papers and all kinds of consultative documents. We have travelled, we have talked, we have listened and we have looked. From that point of view, I feel no discomfort and I feel a great sense of pride.

They say that imitation is the finest form of flattery. I am so flattered that they have copied our style and are out there consulting with the population. I just thought of that. Isn't it great?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FIREARMS

EASE IN OBTAINING HAND-GUNS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on December 17 a Montreal woman committed a murder with a hand-gun which she had bought legally only a few hours before from a registered gun dealer.

In this case the woman was able to get the firearms acquisition certificate and hand-gun permit in a total of three hours, despite the fact that the law requires a check into an applicant's history, including their criminality, mental stability, and violent activity. It is obvious that in this case the checks were either not made, or not properly made.

One of the principal reasons for the checks which were imposed by Parliament was to assure a cooling-off period, and to impose a delay in obtaining a gun, to reduce the murders which are a result of emotional crises. When the law was passed a few years ago it was thought that the checking procedures should take from one to three weeks. The three hours' time which was taken in this case is ridiculous and makes a farce of the law. The Montreal coroner took a similar view.

I urge the Solicitor General (Mr. MacKay) to look into this matter immediately and to take steps, by regulation, to impose a minimum waiting period on all applications for firearms acquisition certificates and permits.

S.O. 21

[*Translation*]

AGRICULTURE

RED MEAT PRODUCERS IN DRUMMOND REGION OF QUEBEC

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, today I would like to speak to a subject that is causing great concern to red meat producers in my region. I am referring to the red meat stabilization program.

There are more than 900 red meat producers in my riding. Pork producers have been particularly affected by unfavourable market prices over the last five years. Many will soon be on the brink of bankruptcy, so the situation is extremely urgent.

Mr. Speaker, production costs for producers differ according to the region where they are located, and we must allow for this difference if we want to avoid creating disparities among the provinces. Under the former legislation, the Liberals were maintaining this unfair situation, and not only in this sector, and as a result they were repudiated by Canadians during the last election.

The producers' contribution to the Quebec Stabilization Fund has tripled over the past year, and the Federal Government offered no compensation to help relieve the pressure on producers who were participating in the provincial program. Finally, Mr. Speaker, as far as red meat stabilization is concerned, a tripartite agreement with each province is necessary to establish a degree of equity at the national level, and this is aside from the existence of provincial stabilization plans—

Mr. Speaker: I am sorry but I must inform the Hon. Member that his time has expired.

* * *

[*English*]

POLITICAL PARTIES

CRITICISM OF LIBERAL PARTY POSITION ON NUCLEAR ARMAMENTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, Liberal double-talk and deception, when it comes to the nuclear arms race, have reached new depths in the mouth of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), whose hypocrisy on the issue seems to know no bounds.

The Hon. Member for Winnipeg-Fort Garry has said that his Party will be demanding a full parliamentary debate on NORAD and star wars. Where was he when millions of Canadians wanted a full parliamentary debate on the Cruise testing, and the Liberals refused? There would have been no debate in the House at all if the NDP had not used one of its days to provide for such an opportunity.

The Hon. Member for Winnipeg-Fort Garry now claims that the Liberals were unwaringly sucked into the Cruise testing. They thought they were only re-signing a defence-sharing agreement with the Americans, and they ended up testing the Cruise. Those poor innocent Liberals!

What happened to all the morally pretentious arguments about how we had to test the Cruise because of our NATO commitments—not our NORAD commitments, but our NATO commitments? That Liberal lie was promulgated from coast to coast. It is now to be officially forgotten by Liberal Party historians.

The Hon. Member's last refuge is ignorance, claiming that he did not know what was really going on. The truth is that he still doesn't. The Liberals never have, and they never will. Blinded by years of deceit and wilful ignorance, they deserve to become the laughing stock of those who are concerned about nuclear disarmament. The future of the planet is too important for anyone to seek comfort in the next chapter of Liberal grandstanding on issues of peace and disarmament.

* * *

STATUS OF WOMEN

R.E.A.L. WOMEN OF CANADA

Mr. Gordon Taylor (Bow River): Mr. Speaker, now hear this! Today I want to talk about women—REAL Women. A growing organization in our country is the R.E.A.L. Women of Canada. "R" stands for real; "E" for equal; "A" for active, and "L" for life. Put together, it spells R.E.A.L.. It is a splendid name.

These women believe that the traditional family is the basic unit of society, and that strong families mean a strong nation. The organization has realistic and positive views on marriage; believing that marriage is a sacred contract based on love and commitment, which adds survival, enrichment, and strength to meet the stresses and strains of everyday life. This is quite different from the views of the feminists who urged young women "to think of marriage as a mating with a fruit fly and an elephant . . . with a great financial and physical deal for men and a high risk activity for women".

The objectives of R.E.A.L. Women of Canada encourage high principles and good living, based on the best traditions of the past. It is pro-life and it will fight for women's rights, but not at the expense of human righs. Motherhood is enhanced, and it places equal value on women who stay in the home, nurturing their children, as on those who work in the marketplace.

REAL has put into words what millions of Canadians of both genders believe in their hearts. I salute the R.E.A.L. Women of Canada, the real women of Canada.

Some Hon. Members: Hear, hear!

ENVIRONMENTAL AFFAIRS

ACID RAIN—MEASURES TAKEN BY CANADA AND UNITED STATES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Prime Minister (Mr. Mulroney) was ill-informed on Friday, February 1, when commenting on acid rain negotiations with the United States. He is not aware of the facts.

With respect to the emission of sulphur dioxide, the United States produces 26 million tonnes of sulphur dioxide annually. Canada produces 4.5 million tonnes, or one-fifth.

Second, in Canada we are cutting our SO_2 emissions by 25 per cent between 1980 and 1990. The United States is not.

Third, parallel to this program, there is a unanimous commitment which was made by federal and provincial Environment Ministers, who on March 6, 1984, agreed to cut our SO_2 emissions by 50 per cent by 1984. On that date, and again in June, 1984, federal and provincial Environment Ministers declared their unanimous will to go it alone.

Fourth, we are part of an international movement called "The 30% Club", whose members have pledged a minimum cut of 30 per cent of SO_2 emissions by 1993. Twenty nations have joined; so far the United States has not.

Fifth, United States regulations on NO_x control standards are much more stringent than ours. Our public consultations were concluded in December, 1984—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

PUBLIC WORKS

AUDITOR GENERAL'S CRITICISM OF DEPARTMENT'S LEASING PRACTICES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the Standing Committee on Public Accounts is currently reviewing the past leasing practices of the Department of Public Works. The Auditor General, in his latest annual report, wrote:

—there appears to be no effective mechanism to ensure that the Department and its client departments comply with the directives and policies of Treasury Board.

This failure to comply has resulted in approximately $63 million of wasted tax dollars.

Canadians simply will not tolerate this kind of government mismanagement. They suffered long enough under the previous Government and its practice of careless spending and high deficits.

I urge the President of the Treasury Board (Mr. de Cotret) and the Minister of Public Works (Mr. La Salle) to ensure an effective mechanism of control over the leasing activities of Public Works and to ensure that this kind of over-spending does not occur again. I have every confidence that the Minister and this Government will manage the finances of Canada with care and responsibility.

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INDIAN AFFAIRS

MEARES ISLAND, B.C.—ABORIGINAL RIGHTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last Thursday, in response to the Hon. Member for Skeena (Mr. Fulton), the Minister of Indian Affairs and Northern Development (Mr. Crombie) said that he would take whatever steps he could to resolve the dangerous conflict at Meares Island.

Since then the Minister has done nothing but back away from his earlier commitment. He now says that he will get involved only if both sides to the dispute request him to do so.

Meares Island is not just another part of MacMillan Bloedel's tree farm licence, to be logged at the company's convenience. Neither is it simply another part of a general land claim by the Nuu-chalnulth Tribal Council. Meares Island is at the very heart of aboriginal claims in British Columbia. As a specific site, it has been used for hundreds of years by the Clayoquet and Ahousaht peoples.

• (1410)

Indian people have said that Meares Island will not be logged, and intend to back up their words with their bodies. They will be joined by hundreds of concerned environmentalists who recognize the unique features of Meares Island, one of which is Canada's oldest and largest trees.

We should hear the words of the Indian people not as a threat but as their reaction to a threat. A threat to their land is a threat to their culture and to their future as a people. Instead of paying attention to another "Zimmerman telegram" from the head of MacMillan Bloedel, the Minister of Indian Affairs and Northern Development (Mr. Crombie) should honour his earlier obligation—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

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POLITICAL PARTIES

CRITICISM OF LIBERAL PARTY IN OPPOSITION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as an impartial and objective observer of the political scene, it has been my observation that the Opposition, especially the Official Opposition, is falling apart. I am sure, on occasions, the Leader of the Opposition Party waxes elequent, but sadly he stands alone. Last week he vehemently condemned out of hand the Investment Canada Act legislation, but the effect was entirely lost when only 14 of his supposed supporters bothered to turn out for the vote.

S.O. 21

As the Liberal Party self-destructs, and as its front-bench members spend more and more time at their lucrative law practices, and less and less time in the House of Commons, it appears that the New Democratic Party is taking on the real job of opposition.

Some Hon. Members: Hear, hear!

Mr. Nickerson: In order to reflect this reality and to be fair to both mini-opposition Parties, would it not be a good idea, Mr. Speaker, if the second question of Question Period be taken from the Liberals and given to the NDP? I throw that out, just as a helpful suggestion. If the Liberals refuse to use even their very limited—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

GOVERNMENT POSITION

Mr. Carlo Rossi (Bourassa): Mr. Speaker, after five months there is so much division within the Progressive Conservative Government that there does not seem to be any hope for serious reform.

First of all, in Quebec the real power does not lie with the members of the Caucus but with the National friends of the Prime Minister, with people like Fernand Roberge, Jean Bazin and Michel Cogger.

The Quebec council of Conservative Ministers is so ineffective and confused that the Prime Minister is letting the quarrel between the President of the Treasury Board and the Minister of Communications run its course in the hope that it will finally produce a real leader, which is highly improbable, Mr. Speaker.

As far as their new policies are concerned, their main objective is to keep up appearances. Last Sunday, the Progressive Conservative Parliamentary House Leader even had the nerve to say on "Sunday Morning" that Canadians did not vote for new policies but for a new approach.

Mr. Speaker, the Progressive Conservatives have always criticized metric conversion and they have always done so for the wrong reasons. The Prime Minister has now decided to appease his ultraconservative supporters by bringing back imperial while keeping the metric system, the latter to satisfy the progressive elements of his Party. And he himself is putting the blame on small- and medium-sized businesses.

Mr. Speaker, in the light of these facts, I have no compunction in saying that—

Mr. Speaker: Order, please. I am sorry to inform the Hon. Member that his time has now expired. The Hon. Member for Kenora-Rainy River (Mr. Parry).

* * *

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—CONTADORA GROUP'S PEACE PROPOSALS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, "Ten Days for World Development", an education program of the relief and development agencies of the Anglican, Catholic, Lutheran, Presbyterian, and United Churches of Canada, is once again drawing the attention of Canadians to the crisis in Central America and the need for peace. These churches are to be commended for their continuing efforts.

The Canadian Government, as well, has a part to play in striving to bring peace to Central America. The Prime Minister (Mr. Mulroney) and the Government must actively urge the United States Government to listen seriously to the peace proposals of the Contadora group of Mexico, Columbia, Panama, and Venezuela, which is calling for a diplomatic rather than a military solution to the crisis in central America.

Second, the Canadian Government can make a commitment to signing the protocol to the September, 1984, Contadora peace Treaty, thereby demonstrating Canadian support for it. Twelve European nations, including our allies, the United Kingdom, France, and Germany, have signed this protocol.

Furthermore, we can inform the United States that we are opposed to U.S. military intervention. Let Canada act, and be counted amongst the peacemakers.

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF KOREAN PLANT IN CANADA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to pose some questions to the Minister of Regional Industrial Expansion. He announced this morning an investment by Korean car manufacturers in a new auto parts plant in his area. This raises some very important questions, Mr. Speaker, about the lack of any over-all automotive policy of the Government. In less than seven weeks there will have to be a decision taken on what to do with the quotas, yet the Minister has yet to meet with the automotive task force, nor has he had specific negotiations with either the Americans or the Japanese.

Can the Minister tell us whether the deal between himself and the Korean auto manufacturers for this investment in plant is in return for continuing the duty-free status which the

Korean auto manufacturers presently enjoy? Or does the Minister intend, in fact, to change that status?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am particularly pleased to hear a question put by the Official Opposition critic for regional industrial expansion on Day 45. This is the first opportunity I have had to wish him the best in his role as critic.

Some Hon. Members: Hear, hear!

Mr. Crosbie: And may he stay there a long time.

Mr. Stevens: In direct answer to the Hon. Member's question, I am sure he will be very pleased to know that, leading up to the Hyundai decision to open a plant in Canada, there were no negotiations. It is all being done with its own money. As was said at the press conference today, it feels there is a good opportunity in Canada to open up, and it wants to share in that type of opportunity.

Mr. Axworthy: Mr. Speaker, considering the fact that the Hon. Minister did not find it possible, with his own timetable, to attend any of the debates on the Investment Canada Bill—he was not here one day during that debate—

Mr. Gauthier: That's right.

Mr. Axworthy: It is difficult to ask questions when the Minister is not here to participate.

Some Hon. Members: Hear, hear!

FIRA REVIEW PROCEDURES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, considering the comments made by the Minister about the investment decision, I assume the Minister knows that the decision by Hyundai to invest is part of an agreement which was made by that manufacturer under the provisions of the Foreign Investment Review Agency in terms of new business. Now that the Minister has seen the advantages of a foreign manufacturer making an agreement under FIRA to invest in Canada, is he prepared to bring back those review procedures into the Investment Canada Bill?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Hon. Member, I would like to assure him that I was indeed here many days during the debate on Investment Canada.

Mr. Axworthy: Oh, no, you weren't.

Mr. Stevens: In fact the record will show that I answered questions, but not from the Hon. Member.

In answer to the question put by the Hon. Member, I would like to assure him that in no way does the investment which Hyundai is proposing alter our view with respect to the Investment Canada Bill. In fact I believe that the Investment Canada Bill will ensure that there will be even more Hyundai and other non-Canadian investment made in Canada, if the Opposition would just stop defeating job creation by blocking the Bill in the way it has been doing.

IMPORT QUOTAS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would again simply point out to the Minister that it was this Party, when it was in Government, which established the legislation that made sure that Hyundai invested in Canada in the first place. Any continuation will simply be because of the commitment which was made.

Mr. Hnatyshyn: What's the punch line?

Mr. Axworthy: The punch line, Mr. Speaker, is this—we have less than seven weeks in which we have to make a decision on what to do about import quotas for Japanese autos. We would like to know whether the Minister agrees with the report by the Combines Investigation Branch that such quotas should not be implemented. Is he prepared to meet with the automotive task force and agree that we need more Canadian content in those arrangements? When is the Government going to ensure jobs for Canadians by coming up with a position on what to do about Japanese quotas?

● (1420)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I know you noted that the Hon. Member went full circle. His original question queried me on the terms and conditions I have settled with Hyundai with respect to their opening. His final question indicates that it was all as a result of their agreement.

In answer to the Hon. Member's question, the fact is that we have had discussions in Japan and Washington with the industry and labour leaders. I think that in due course there will be an announcement concerning the continuation, or otherwise, of quotas. I can assure the Hon. Member that jobs for Canadians will be our paramount consideration.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR CLARIFICATION OF INVITATION EXTENDED TO HYUNDAI CORPORATION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion.

Mr. Speaker, as the Minister is aware, the heartland of Quebec has been severely affected by factory shutdowns: Wabasso at Trois-Rivières, involving 1,250 jobs; Merchers at Berthier; and Le Carbure at Shawinigan. Thousands of jobs have been lost in the heartland of Quebec. Before inviting the Hyundai corporation to set up a plant in his own riding, did

the Minister give the Quebec Minister of Industry and Trade a chance to make offers that might attract this industry to Quebec, at a time when the heartland of Quebec and the province in general have lost thousands of jobs since the Conservatives came to power?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to assure the Hon. Member that the suggestion of Hyundai opening up in the fine riding of York-Peel is something I first learned of when I read it in the press last week.

Some Hon. Members: Oh, oh!

Mr. Stevens: That was certainly in no way the result of any negotiations such as the Hon. Member would have the House believe. In relation to the situation in Trois-Rivières, I would like to assure the Hon. Member that only last week we met with a group that is attempting to take some constructive steps to get the Wabasso plant re-opened. We have given them every encouragement to try to put their plan into a more concrete form so that jobs will once again be created in that area.

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[*Translation*]

TEXTILES

REASON FOR REFUSAL TO MEET WITH REPRESENTATIVES OF CANADIAN TEXTILE INSTITUTE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, although I am pleased that the Minister met with representatives from our area, I still wonder why, since October 30 of last year, he has refused to meet with representatives of the Canadian Textile Institute who wrote to his office in the last week of October, requesting a meeting to discuss the textile situation in Quebec and in Canada in general, since cities like Winnipeg and other areas of Canada are also affected. The Minister has refused to meet them ever since the last week of October in 1984.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to assure the Hon. Member that there has been no refusal whatsoever on our part to meet with representatives of the textile group, or individual companies within that group. The Hon. Member will probably be very pleased to know that we have even met several times with the creature of his previous Government, the Canadian Industrial Renewal Board. In fact the head of that Board is now the commissioner of FIRA and may even be the head of Investment Canada. Therefore, we are very much in touch with the problems in the textile field.

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—IMPORTANCE OF SETTLEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister my question is for the Minister responsible for Multiculturalism. The Minister will know that yesterday the President of the National Association of Japanese Canadians met with the executive of that body, and that they in turn reconfirmed their confidence in the approach that he has been taking on their behalf in meetings with the Government of Canada.

It is of profound importance that we reach a settlement on this important tragedy in the history of our country which all Parties in the House can accept and agree upon, and more important, that the Japanese Canadians will feel at home with. Will the Minister assure the House that he will follow up on Mr. Miki's request to meet with the Prime Minister, by urging that the Prime Minister agree to such a meeting?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, obviously I cannot speak for the Prime Minister in terms of whom he will and will not meet. I have indicated to Mr. Miki and any other members of the Japanese community that I am prepared to meet with them at any time they see fit to discuss this very important matter further. My offer and invitation still stand.

REQUEST FOR NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we on this side of the House thank the Minister for his reply. Will he also indicate clearly to the House that the Government is willing to fulfil its own previous commitment to have serious negotiations with representatives of the Japanese Canadian community before any particular matter is brought before the House for the purpose of agreement?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, my reply to the Hon. Member will be roughly the same as my first reply. I am prepared to sit down and discuss this matter with the Japanese community at any time. They understand that. I would expect some overtures by Mr. Miki and his group this week. If that takes place, I will be prepared to sit down and talk about any matters that may arise from one end of the spectrum to the other.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, from past discussions on this matter, which have taken place both in and outside the House, the Minister knows that there is an important distinction to be made between the terms" consultation" and "negotiation". Is the Minister now prepared to say that the Government will continue with the negotiating process on this important matter before any legislation or resolution is brought before Parliament?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I have communicated to the Japanese Canadian community that I am prepared to have discussions. One of my major concerns is that, if we get into a negotiating position, which I understand some members of the Japanese Canadian community would like to see, with their lawyer representatives at the table, that inherently puts us into more of a confrontational type of position. I want to try to do everything in my power to stay away from that. I would like to have the question discussed at great length, if necessary, so that both sides are firm in their understanding of the direction we should go. I do not think it would be in the best interest of either side to sit down and start to negotiate, as such, at the present time. I am very much concerned, as I know the Hon. Member would be, that it could lead to more confrontation.

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AUTOMOTIVE INDUSTRY

GENERAL MOTORS' SEARCH FOR NEW PLANT LOCATION

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Recently General Motors announced that it was looking for a site for a $3.5 billion assembly plant for its new Saturn project. It is also known that some 19 Governors of States in the United States are pressing to have that plant located in their areas. Exactly what are the Minister and his officials doing to get that plant located right here in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to assure the Hon. Member for Windsor West that we are very much in touch with the officials in the Canadian head office of General Motors, as well as in Detroit. We are working with the provinces and federal officials to ensure that Canada is considered and hopefully will be able to win the type of development that General Motors is talking about.

● (1430)

GOVERNMENT SUPPORT

Hon. Herb Gray (Windsor West): Mr. Speaker, how can the Minister realistically expect to have any chance to get that plant located in Canada when, in the face of very extensive incentives being offered to General Motors by the 19 State Governors I have mentioned, to have the plant located in their areas, he and his Government have reduced support for the auto industry that was previously available to it through the Industrial and Regional Development Program? Will he not agree now that he must reverse those cuts if he is to have any chance of getting that plant located in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, may I suggest to the Hon. Member that he get a better researcher, because the fact is that this Government has in no way reduced the amount of funds that are available under the Industrial and Regional Development Program. In fact those that might be available to help the auto industry are very much still available.

As the Hon. Member must recall, when it was proposed that General Motors put a substantial plant at Ste. Therese, Quebec, of course we were there offering assistance, along with the Province of Quebec. We would do so in the future if it meant more jobs for Canadians.

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NORTH AMERICAN AIR DEFENCE

RENEGOTIATION OF TREATY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the discussions with respect to renegotiation of the NORAD Treaty. As the Minister knows, in 1981 the previous Liberal Government deleted the clause dealing with the ABMs, thus paving the way potentially for our entry into star wars. Would the Secretary of State assure the House today that, in the negotiations taking place now and in the weeks to come, his Government will make it abundantly clear to the Americans that we want that clause put back in, and thereby prevent us from getting involved in an offensive star wars program?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is correct when he points out that there was a deletion of a clause. I have naturally inquired as to why the Liberal Government agreed to that deletion at that particular time. I am informed that, in fact, that particular clause was deleted precisely to avoid any suggestion that either Canada or the United States might take actions which would breach the ABM Treaty.

I would be prepared to discuss that matter at greater length with the Hon. Member, with others in the House who are interested, or to make officials available.

To the best of my understanding, after inquiries, that was the reason for that clause being deleted. Consequently, I would be surprised if Members of the House who are anxious to have the ABM Treaty respected would want to reinsert a clause which might contain the suggestion that it would open the way for the United States to depart from the obligations of that treaty.

REQUEST FOR COMMITTEE EXAMINATION

Mr. Derek Blackburn (Brant): Mr. Speaker, I find the logic a little difficult to follow. I believe the only way to clear this matter up is to ask the Secretary of State if he will undertake to make sure that the complete NORAD Agreement is brought before the House Standing Committee on External Affairs and National Defence for complete examination before it is signed by anyone, either on this side of the border or the American side of the border?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will be aware that there was a recommendation from the Standing Committee a year or two ago calling for a review of the NORAD arrangement prior to its renewal. Its renewal occurs in March of next year, which is more than a year away.

The Hon. Member will know that there will be a reference to the committees of Parliament of both a white paper from the Department of National Defence and a green paper from External Affairs, which will cover those questions, among others. If parliamentarians, after seeing those papers, conclude that that does not provide an adequate opportunity for that kind of study, the Government certainly will be prepared to consider any requests for any further opportunities to ensure that there is wide public understanding of all of the implications of renewal of the NORAD Agreement 13 months hence.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE HON. LORNE HEPWORTH, MINISTER OF AGRICULTURE OF THE PROVINCE OF SASKATCHEWAN

Mr. Speaker: May I interrupt proceedings to advise Members of the presence in our gallery today of the Hon. Lorne Hepworth, Minister of Agriculture for the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—REQUEST FOR INDEPENDENT REVIEW

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General, and it concerns the Richard Hatfield marijuana case. In view of today's press reports and the many questions that have been raised about this case, will the Solicitor General initiate a complete and independent review of the investigation and prosecution of the case so that the public can be assured that our criminal justice system has worked fairly and objectively in the matter?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I have listened with interest to the Hon. Member's question. At this time I must respectfully decline to give any such assurance.

MINISTER'S POSITION

Mr. John Nunziata (York South-Weston): Mr. Speaker, given all the circumstances surrounding this case, will the Solicitor General not agree that a public, independent inquiry is necessary to ensure that the public continues to have confidence that all persons are treated equally before the law?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I would suggest to the Hon. Member that the very tenor of the question, and some of the comments that have been made, are rather contrary to that noble principle which he has just advanced.

Some Hon. Members: Hear, hear!

Mr. MacKay: I do wish to assure him that I will take his representation seriously, but I repeat that I do not believe at this time that it would be appropriate or necessary.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—AUTOMOBILE EMISSION STANDARDS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question, which is directed to the Minister of Transport, concerns the remarks made by the Prime Minister on Friday about acid rain and the need for Canadians to clean up their own backyard before we can negotiate from strength with the Americans.

Will the Minister tell us today, in keeping with the spirit of the Prime Minister's remarks, whether Canada will soon move to adopt the recommendation of the parliamentary subcommittee on acid rain that the current standard of 3.1 grams per vehicle mile be tightened to one gram per vehicle mile, which is the current U.S. standard with regard to emissions of nitrous oxide?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that is a matter that is currently under active consideration by myself and Cabinet colleagues. Of course, we will be cognizant of the statements made by the Prime Minister on Friday.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, could the Minister be more definite? He knows that he must make this announcement by April 1 if it is to take effect by the 1987 car model year.

Could he give us assurances that he will make that announcement before April 1—indeed before President Reagan's visit—so that the Prime Minister would be able to point to some concrete Canadian action in his discussions with the President of the United States about acid rain?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, any announcement relative to exhaust emissions will be made in due course.

MEDICAL RESEARCH COUNCIL

BUDGETARY CUT-BACK

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Could he clarify the $30 million cut-back to the Medical Research Council's budget? Is the $30 million part of the MRC's basic budget A? Was it for normal MRC's granting programs, or a special one-time capital expenditure and equipment purchase purpose?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the MRC plan is for five years. There was an acceptance of a five-year plan. Second, there is what is known as the A base budget, which is generally shown on the estimates. Furthermore, for the first year of the five-year plan there was a $20 million appropriation beyond the A base. Last year it was $30 million. There were no provisions for placing this money on the A base for the next three years. It is obviously that issue with which the Government has concerned itself.

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AGRICULTURE

CANAGREX—REQUEST FOR CONTINUATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. There has been widespread concern, expressed by agricultural groups such as the Canadian Federation of Agriculture and the National Farmers' Union, about the cut-backs in Canagrex. For instance, the Ontario Federation of Agriculture stated in its brief to the Minister last week that it was angered and surprised by that Minister's and the Minister of Finance's arbitrary action.

● (1440)

Also, in view of the tremendous success this corporation has had in its first year when it sold over $16 million worth of farm products, and has another $160 million under consideration, would the Minister be prepared to reconsider his decision and allow this corporation another year of operation to prove that it actually can improve on its first year's successes?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the Hon. Member's question, I must indicate to him that, as far as I am concerned, and as far as this Government is concerned, Canagrex is really history.

Some Hon. Members: Hear, hear!

Mr. Wise: The Hon. Member should know that since the Government took the decision with reference to Canagrex I have been in a position to receive representations of all kinds from all regions of the country. Other than the two or three exceptions which the Hon. Member has mentioned, the vast majority of representations that I have received have all been positively in support of the decision taken by the Government.

REASONS FOR GOVERNMENT'S DECISION

Mr. Maurice Foster (Algoma): Mr. Speaker, it is obvious that the Minister does not know what the two national farm organizations are. I am referring to the Canadian Federation of Agriculture and the National Farmers' Union.

Let me ask the Minister of Agriculture why it is, when the United States and the EEC countries are more aggressively marketing and selling agricultural commodities, that we are shutting down the one organization that is set up to sell our commodities abroad? Why is it that we are going in one direction while very other country in the world is more aggressively marketing farm commodities?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to make it very clear that this Government will very aggressively follow the export market for agricultural commodities. We are satisfied, given that very dismal record of Canagrex, that we can do it far more successfully, far more efficiently and effectively, with officials in my Department. Indeed, some reorganization has already begun, and we do not need an additional Crown corporation to provide the much needed export guarantee package. Our Department has already entered into negotiations and had discussions and that role will be carried on more effectively and more successfully with the Export Development Corporation properly financed.

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EXTERNAL AFFAIRS

BRAZIL—DETENTION OF CANADIAN CITIZEN

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. I would like to thank him for his help to date. As he is well aware, a Canadian citizen Mr. Roberto Starita, of Prince Rupert, has been held by the Brazilian police at the Praca Maua Prison in Rio de Janiero for three weeks now, without charges. Since Mr. Starita was recognized by the United Nations as a political refugee in 1977, at which time he was in Brazil, has the Minister taken any steps with the United Nations in attempting to secure his immediate release and return to Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have taken no steps with the United Nations yet, but the Hon. Member will know that, due to his own very active intervention in the case, and his contact with me and with my officials, representatives of the Canadian Embassy have been in touch regularly with Mr. Starita, and we are doing everything we can to ensure his security and to prevent any worsening of his situation. If it appears to be appropriate that we make appeals to other bodies, we will do that.

CONDITIONS OF DETENTION

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question for the Right Hon. Secretary of State for External Affairs. Since the Brazilian authorities are content to hold Mr. Starita in a windowless, black cage, without even sanitary facilities, without charge and without trial, does the Minister not think it is about time to place a call to the new President-elect of Brazil, Mr. Neves, to protest vigorously to him about this abuse of a Canadian citizen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will consider any action that would be productive and helpful in easing this situation. If it comes to a call to Brazilian authorities, we will naturally make that call, but I would only want to make that call after we were sure that other avenues open to us were not going to be productive.

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[*Translation*]

PUBLIC SERVICE

AUDITOR GENERAL'S REPORT—JOB CLASSIFICATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. In his 1983-84 annual report, the Auditor General referred to a serious problem in Public Service job classifications. He pointed out that 19 per cent of Public Service positions were overclassified, at very high cost to the taxpayer. When my colleague from Windsor West was President of the Treasury Board, he announced serious measures aimed at correcting this overclassification. Could the Minister inform the House what he has done and what he intends to do to deal with this very serious problem?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as far as job classifications in the Public Service are concerned, the Government generally agrees with what the Auditor General said in his annual report. In fact, all this was already very obvious from the Treasury Board's own audits in 1983. Corrective action was taken in 1984, and the situation has improved considerably. I can assure the Hon. Member that I intend to keep a very close watch on the process to ensure that the new measures are indeed being effective.

[*English*]

CONTRACT NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, one of the countless election promises made by the Conservative Party was that staffing procedures, classification, technological change, designations, and other issues would be made negotiable in public service contracts in the future. The Minister will also know, I am sure, that job contracts for 62,000 public servants expire in the first six months of this year. Will the Minister tell the House that when new contracts are negotiated with the Public Service Alliance or with public service unions in general, job classification will be made negotiable?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have been meeting on those election promises which the Hon. Member mentioned.

Mr. Turner (Vancouver Quadra): Do you find the time?

Mr. de Cotret: Yes, I try to find time. I have been meeting very regularly with our labour leaders. We have had a number of meetings over the past few months and I am happy to report to the Hon. Member that we are making some very interesting progress on all six issues that we are discussing at the moment.

* * *

REGIONAL INDUSTRIAL EXPANSION

GOVERNMENT PURCHASES IN ATLANTIC CANADA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. It has to do with the recent tour of the NDP action group on jobs in Atlantic Canada and in western Canada. During that tour, business groups and individuals on many occasions brought to our attention that the present government purchasing policy discriminates against businesses in Atlantic Canada and western Canada, since less than 15 per cent of all government purchasing now comes from Atlantic Canada in combination with western Canada.

Considering that discriminatory purchasing policy is in place, and considering the need for jobs in both of those areas, is the Minister prepared to consider placing targets for government purchasing in those two regions?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I would like to assure him that it also concerns us that there is not more purchasing as far as government procurement is concerned in regions such as the west, including British Columbia, and Atlantic Canada. I do not know whether it is fair to say it is a discriminatory practice. I think what is needed are more measures to ensure that whatever opportunities there are, are known to the local businessmen so that they can at least bid on the business. If the setting of targets, as the Hon. Member has suggested, would help, we will look at that. If, in order to encourage it, the greater selling and the buying of products in regions such as Atlantic Canada and the western areas would be helped by the setting of quotas, we will do it.

PROCUREMENT FROM SMALL BUSINESS SECTOR

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of State for Small Businesses. He, on many occasions, has indicated that

90 per cent of jobs created in Canada are being created by the small business sector.

Considering that 90 per cent of new jobs are created in the small business sector, the Minister will be aware that less than 30 per cent of all government procurement comes from the small business sector. Is he prepared to consider setting targets and government purchasing policies to assist small business, to assist the real job-creation sector of the country?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, we are taking a very serious look at the area of government purchasing from small businesses, and consultations will be held throughout the country to give business people a chance to tell us their views, and I will be able to give the Hon. Member an answer at some time in the weeks to come.

* * *

• (1450)

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SUGGESTED TOPICS FOR MINISTER'S DISCUSSIONS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. In his forthcoming trip to the Soviet Union on December 29, will he discuss the continued presence of Soviet armed forces in Afghanistan and, second, will he talk about the dissidents of Ukrainian and Jewish origin?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question and his continuing concern about these issues. The answer to both of his questions is yes. I will be discussing the continuing Soviet presence in Afghanistan, and I will naturally be bringing to the attention of Soviet leaders, as I have in the past, the situation of dissidents imprisoned or badly treated in their society.

* * *

INDIAN AFFAIRS

WOMEN'S RIGHTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, my question is directed to the Acting Minister, the Minister of National Health and Welfare. Since the Minister promised a Bill redressing fundamental injustice and discrimination against Indian women in the Indian Act within the next week, Indian women's groups have been pressing for a clarification of just exactly what the Minister meant when he said specifically that he would be presenting a Bill on "the restoration of their rights".

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the only reason I was looking around is that the Minister has a very competent Parliamentary Secretary and, obviously, it was in his right to consider answering the question. The Minister of Indian Affairs and Northern Development is involved in discussions both with Cabinet and with appropriate groups. When he is ready to make the announcement public, I am sure the Hon. Member will be pleased with it.

REQUEST FOR CLARIFICATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I sincerely hope we will be happy with the announcement. Pressure groups would like to know whether it means automatic restoration or reinstatement. Will it include Indian women? Will Indian women have to apply to band councils? Will it include their children, and back to what generation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Hon. Member that those questions are valid. She will see them answered when the Bill is presented.

* * *

REGIONAL INDUSTRIAL EXPANSION

RELOCATION OF INGLIS PLANT OPERATIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Last week John Inglis in Stoney Creek announced that it was moving part of its operations to a plant which was previously part of the Admiral chain in Cambridge. Will the Minister investigate the terms and conditions of the agreement between the Government of Canada and John Inglis which afforded John Inglis $3 million of Canadian taxpayers' money for the acquisition of Admiral, to determine what job guarantees are in the agreement to protect 150 people and their families from the loss of employment?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would be pleased to do that for the Hon. Member, and I will be in touch with him.

EFFECT ON EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in addition to looking at the contract, would the Minister arrange to discuss with Inglis the inappropriateness of its actions over the course of the last number of months with regard to the moving of parts of its operations out of existing plants to other parts of the country which, albeit provides employment in those areas, dislocates the lives of many families in the areas where they were previously located?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member would

agree that he should first give me an opportunity to read the agreement, if there is such an agreement, and to take appropriate action after I have had an opportunity to read it.

* * *

FINANCE

BUDGET PRESENTATION INQUIRY

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of Finance. In view of the meeting today of Premier-designate Frank Miller of Ontario and the Prime Minister—

Some Hon. Members: Hear, hear!

Mr. Hopkins: —and in keeping with that good old family tradition and principle of consultation and consensus—

Some Hon. Members: Hear, hear!

Mr. Hopkins: —and as a result of their discussions to this moment, is the Minister of Finance now in a position to inform us when he will be bringing down his next Budget, which the Prime Minister has indicated will be so horrendous?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thank the Hon. Member for the unpaid commercial which he has given us, and encourage him to keep doing that. The answer to his question is simply that I do not have a specific date. I think he is aware that we are looking to bring down a Budget in the spring. As we move close to that date, I will be giving the House a specific date.

ONTARIO GASOLINE TAX

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, with reference to the Minister's comment about commercials, he will need all he can get.

Also with reference to the same meeting, could the Minister of Finance indicate when the next provincial election will take place in Ontario?

Some Hon. Members: Oh, oh!

Mr. Hopkins: Will the Prime Minister and the Premier-designate be discussing or reassessing federal-provincial taxes on gasoline, in view of the fact that the Province of Ontario has always collected twice as much tax on gasoline as the federal Government in the past? I am wondering whether the Prime Minister is talking—

Mr. Speaker: Order.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, unfortunately I am unable to provide all the answers to the questions posed by the Hon. Member. Perhaps those matters are being discussed by the two gentlemen today, right now. Obviously, as the Minister of Energy has indicated, we are working very hard on getting a resolution to very complex tax matters relating to energy policy. I would hope that they will be a part of the Budget.

* * *

UNEMPLOYMENT INSURANCE

OVERPAYMENTS—REQUEST FOR RETROACTIVE COVERAGE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. A tax court decision recently resulted in an unemployment insurance overpayment to about 350 persons. In one case an individual owes an overpayment of $40,000. Is the Minister prepared to review the situation and exercise ministerial discretion and consider for unemployment insurance purposes only that these individuals, between 1978 and 1982, were indeed covered under the Unemployment Insurance Act?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the problem to which the Hon. Member refers has arisen as a result of a court ruling that reversed the previous legislation. As a result, once the court had ruled, individuals were not able from then on either to pay into the unemployment insurance fund or to draw benefits from it. If they had, as has happened in this case, the Unemployment Insurance Commission is required by law, under the terms of the Unemployment Insurance Act, to pay back moneys which were paid in improperly, and to retrieve benefits which were paid out improperly.

However, I inform the Hon. Member that if these payments are to be retrieved, it must be done in a fair and humane way. I have instructed that anyone who is on unemployment insurance, welfare, or in that sort of situation, must not be asked for repayment at this time.

REQUEST FOR AMENDMENT TO LEGISLATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, would the Minister consider changing the law—and she has our commitment on this side of the House that we will give it speedy passage—to alleviate the pressure and stress which are being brought to bear on many of these families? Can the Minister assure us that she will bring in a law which will put them onside and avoid the overpayments?

● (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will certainly give the suggestion that has been put forward by the Hon. Member every consideration. I understand the concern that he expresses. I want to assure him that, at the moment, under the terms of the legislation both I and the Commission have very little discretion with which to act.

CLERK OF PETITIONS' REPORT

EXPORTATION OF ARMS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Charlesbourg (Mrs. Tardif) on Friday, February 1, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CN RAIL DOUBLE TRACKING

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to present a petition on behalf of many hundreds of people from the constituency of Kamloops-Shuswap who are concerned that the CN double tracking in the City of Kamloops has caused damage to more than a hundred modular homes and many other regular homes. The residents urge the House of Commons to request the Minister of Transport (Mr. Mazankowski) to take whatever steps are necessary to ensure that CN Rail compensates the residents for all damage resulting from its double tracking program in the vicinity of Kamloops.

SUMMER CANADA PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition from a number of my constituents in Espanola, Massey, Nairn, Webbwood and other communities in that area petitioning the House of Commons and the Government to reinstate the Summer Canada Program which has provided between 500 and 700 jobs to young people across the Algoma constituency for the past many years.

* * *

OFFICIAL LANGUAGES POLICY AND PROGRAMS

MOTION RESPECTING STANDING JOINT COMMITTEE

On the Order: Government Notices of Motions:

January 31, 1985—The Minister of State (Government House Leader):

That the quorum of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs be six members, whenever a vote, resolution or other decision is taken, so long as both Houses, the government and the opposition are represented, and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when four members are present so long as both Houses, the government and the opposition are represented; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, this Government Notice of Motion stands transferred to and

ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following question will be answered today: No. 202.

[*Text*]

DELAY IN INVESTMENT IN DREDGES

Question No. 202—**Mr. Malépart:**

Which regions of the country will be affected by the delay of capital investments in dredges delayed by the Department of Public Works?

Hon. Roch La Salle (Minister of Public Works): The delay of capital investments in dredges by the Department of Public Works will affect mainly eastern Canada. Shipyards obtain supplies from all over the country, so that other regions will be affected to a lesser degree.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The House is ready for the question. Mr. Epp (Provencher), seconded by Mr. Hnatyshyn, moves that Bill C-26, an Act to amend the Old Age Security Act, be now read a second time and referred to the Standing Committee on

Health, Welfare and Social Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Mitchell: I am sorry, Mr. Speaker. I would like to speak to the Bill.

Some Hon. Members: Oh! Oh!

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I am not one to intrude in the debate, but I thought you had put the question. I was just wondering, as a matter of clarification with respect to this matter, if the question was put, whether it is incumbent then for somebody to stand after the question has been put. I may have misunderstood what happened.

Mr. Speaker: No. The Chair asked if there was anybody who wished to speak. Is the Hon. Member seeking to be heard on this point of order?

Mrs. Finestone: No, Mr. Speaker.

Mr. Speaker: The Chair asked if there were any further speakers on the matter, proceeded to read the motion that was before the House and started to get to the point of putting the question. With due respect, I had not at that moment put the question. At that point I saw the Hon. Member for Vancouver East and I recognized her.

Ms. Copps: Mr. Speaker, I rise on the same point of order.

Mr. Speaker: I am in a difficulty. The Hon. Member for Hamilton East (Ms. Copps) would now like to be heard on a point of order on which I have already ruled. Is that correct?

Ms. Copps: Mr. Speaker, it is a point of clarification. When the time lapsed at one o'clock, the Hon. Member for Mount Royal (Mrs. Finestone) was still on her feet. She had a couple of minutes left. She also stood to be recognized.

Mr. Speaker: In the first place, that is the second point of order. In the second place, the Hon. Member for Mount Royal (Mrs. Finestone) was present. If she had time left, she should have risen or else somebody else would be seen. In the thrid place, the Table advises me that her time had expired. If the Hon. Member for Mount Royal thinks that her time has not expired, I am advised by the Table that it has. An extension of her time is possible if the House were to give unanimous consent.

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent. I must therefore recognize the Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am sure that all Members of the House agree that this is a very important subject that we are discussing today. There are many ramifications that should be raised in addition to the specific parameters of the Bill. I would like particularly to speak to those in my remarks.

When he spoke this morning, the Hon. Member for Beaches (Mr. Young) presented the New Democratic Party position with regard to Bill C-26. We will not oppose this Bill since it extends benefits to widows and widowers. It also includes common law partners who have lived together for three or more years. It corrects some of the language which was sexist.

We will not unduly delay this Bill. However, we would like to speak out again on how limited the coverage of this Bill is, considering the needs of older citizens, particularly those aged 60 to 65. While the Government has removed the sexist language, and we do not object to that, by the nature of the Bill and the limitation of its coverage it continues to practice sexual discrimination against single persons 60 to 65.

The former Member for Winnipeg North Centre, now sitting at the Table, the Hon. Stanley Knowles, stated many times in this House that spousal allowance legislation is sexist. It discriminates against single people. It requires that a man or a woman must live with a partner in order to qualify for the special allowances. There is a glaring omission in the Bill which discriminates against single persons aged 60 to 65, of which there are many in our society today. Statistics Canada estimates that 10 per cent or one in 10 women between the ages of 60 and 64 years are single or divorced.

The task force on older women which this Party conducted several years ago stated that these people in society are the poorest and least secure financially. The number of women in this age bracket has more than doubled since 1971. Women are the poorest of the poor in our society. In many cases they are much worse off than women aged 65 who at least receive the old age pension.

I again remind the House that the Hon. Stanley Knowles spoke to this matter repeatedly. I would like to remind the new Members of the House of one of the speeches he made on May 26, 1980, in regard to this matter. As reported on page 1400 of *Hansard*, he said:

● (1510)

I want to speak about some of the groups that are still left without the consideration and the attention they deserve. That group consists mainly of women who are alone or unattached. A good deal has been said about this $35 supplement that we are going to give now, and are giving in many cases to single women. . . . But we are still labouring under what I think is one of the most unfair pieces of social legislation we have ever produced in this country, and that is the spouse's allowance. No amount of trying to fix it up, as the former Liberal government did just before it was defeated or as the Conservative government did while it was in power, got us away from the fact that the spouse's allowance continues to be an unfair arrangement. I know this works both ways; it applies to men if they are the younger ones, but there are not that many of them.

I would say that there are more such men at this time than the Hon. Member may have realized in 1980. He went on:

According to this arrangement, women in the age bracket 60 to 65 who might be in need get no consideration at all unless they are married to, and living with, an older spouse. The woman in that age bracket who is a widow, divorced or single receives no consideration at all. I know there are a few cases of women in

that age bracket who were spouses and were receiving the spouse's allowance but then lost their husbands and now receive the spouse's allowance until they are 65 years of age. That touches only a small part of the problem.

Mr. Stanley Knowles went on to say:

The only way that it can be corrected is by providing whatever you are going to provide to the spouse between the ages of 60 and 65 without regard to marital status.

I would stress that, Mr. Speaker. I wish the Minister of National Health and Welfare (Mr. Epp) would hear this. These allowances should be provided regardless of marital status. Mr. Knowles went on to say:

This business of saying to a woman, "You will get consideration, you will get the pension, you will get the allowance, only if you have a man,"—

—was quite rightly criticized by Mr. Knowles.

I would also remind the House that in July of 1981 I spoke to a resolution put forward by the same former Member for Winnipeg North Centre which dealt with this matter but took it one step further and really looked at the entire question of eligibility for allowances for persons who are not in the workforce, persons who are unemployed or choose to apply for pension at age 60. At that time this resolution, which was presented several times by the then Hon. Member for Winnipeg North Centre, concerned old age security and the guaranteed income supplement as well as the Canada Pension Plan. The recommendation was that these plans should be available at age 60. I said that they should not be available for everyone but should be for those who are not in the labour force or for those who choose, and they should have the right to choose, to retire at age 60. I also said that they should have the assurance that they will have adequate incomes on which to survive.

In many of his remarks, the then Hon. Member for Winnipeg North Centre went on to say that we should also have a flexible retirement age and that persons such as himself, who at that time was over seven years beyond the age of retirement and indeed now is several years beyond that again and still sits at the Table, should not be forced to retire but should retire as a matter of choice.

Mr. Benjamin: The Minister isn't listening anyway. He's been very busy.

Ms. Mitchell: I think he is not listening. Perhaps he will read these words and ponder them later.

The Minister's own officials in the federal Department of Health and Welfare estimate that there are 80,000 men and women between the ages of 60 and 64 who are being excluded from the provisions of this Bill on the basis of marital status. In effect, Mr. Speaker, this represents the discrimination and perhaps even the sexual discrimination which is prevalent in this legislation. To quote the Government's own discussion paper on equality issues in the federal law which was raised in the House last week, I would say the following:

The question is whether marital status is an appropriate reason for choosing between equally needy people, particularly when the criteria for receipt of an allowance is need.

There should not be any reason to choose. In fact, this Bill condemns the estimated 80,000 needy people who are in the 60 to 64-year old bracket who happen to be single to the tender mercies of their respective provincial Governments, because if they are in need they have no other alternative but to apply for welfare. We know that welfare payments are so low that many people are lining up at food banks.

I would like to refer, as did my colleague, to a task force on older women that we put in operation which presented resolutions that were accepted by the New Democratic Party in 1983. This Party, unlike the Liberal and Conservative Parties, is very proud to tell the public and the House about the type of policy which we believe is very important and which is a part of the goals that we are advocating.

As a result of our task force on older women, we presented a number of policy resolutions that apply to older women which I have advocated in this House. We advocated employment programs for women, particularly targeted to women in their middle years so that those women who have raised families and who have not had many years in the workforce would have an opportunity to pay into the Canada Pension Plan and would have equal opportunities for adequate benefits at the point of retirement. We also approved the following resolution which would provide adequate incomes for older women:

Until such time as a universal guaranteed income system is implemented—

—if ever—

—the federal government should lower the eligibility age for OAS-GIS for all unemployed people to age 60;—

Again, this is following on the resolution of Mr. Knowles.

The Old Age Pension must be raised above the poverty line with full indexing;

In view of the increasing number of unemployed and especially the number of older women living in poverty, that the NDP press the federal government to establish an action study group with a view to instituting a guaranteed annual income for older people under 65 who are unemployed—

We went on to talk of other pension reforms that were needed. I mention this because when we are looking at revisions to legislation that will affect our senior citizens and citizens in the pre-retirement ages, we should be looking at these matters in a very broad context. In many countries the pension age itself is lower than age 65. I think it is pretty regressive that we are not looking at universal pension eligibility at age 65. Until such time as we can persuade governments to look at that in a major, progressive way, we feel that the benefits for those who are covered by spousal allowances should be extended to include single people. I think this is important not only for single women but also for single men.

A recent study done in the City of Vancouver looked at unemployment in the Province of British Columbia, and I am sure the situation is the same in all provinces. This study concluded that there is a whole new group of chronic unemployed in our country which consists of older, experienced, skilled men, many of them skilled tradespeople and professionals who have now become redundant. These men are in the age group 55 to 65. I am sure many of us have encountered very tragic situations in our constituency offices. Certainly I have had many cases in my riding of construction workers, many of them immigrants from Italy, who have come to Canada, worked hard all their lives, raised families, often built their

homes and who never received a cent of unemployment insurance until they reached the last year or two of their working lives. Now, those people are not only out of work and judged redundant, but they cannot qualify for retraining programs. They are on the scrap-heap. It is a terrible situation. When those people reach the age of 60 it is important that they have the option to have a minimum level of pension income until they are able to receive the full amount at age 65.

• (1520)

I present these points to urge the Minister not to be complacent and not to limit his planning and social policy review to the extension of the spousal allowance. We will not object to the passage of this Bill, but we must pass it with the understanding that it is very limited and that the needs of our older citizens are great and are becoming greater because of the unemployment situation which affects older people more than many of us in the middle-age group.

Mr. Deputy Speaker: Are there questions or comments? If not, I will recognize the Hon. Member for Hamilton West (Mr. Peterson).

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I would like to take this opportunity to thank you for recognizing me, as this is the first opportunity I have had to address the House of Commons. I would also like to congratulate the Minister of National Health and Welfare (Mr. Epp) on the contents of the Bill.

As the Member for Hamilton West, I follow in the path of two very distinguished Conservative Members. The first is the Hon. Ellen Fairclough. She has the distinction of being the first woman Cabinet Minister in Canada. In fact, last Friday she was honoured by women in Toronto. The second is the Hon. Lincoln Alexander, who was the first black Canadian to serve in the House and the first black Member of Cabinet. Both of these people contributed in their own unique way to the betterment of the City of Hamilton, this Chamber and Canada. It is certainly my hope to use their performance as a yardstick to ensure that the people of Hamilton West are properly represented.

In addition, I would like to extend my gratitude to the electorate of Hamilton West who have expressed confidence in me and in the Government.

It was 17 years ago when Lincoln Alexander, my friend and former MP from Hamilton West, rose in the House to address the Speech from the Throne. In that address he challenged the Government of the day to be socially compassionate. I agree with his remarks and I quote: "In a just society it should be the continuing responsibility of government to be constantly aware of and concerned about the degree of the quality of life which Canadians experience. If there is any disparity, no matter how little, then the Government should set itself immediately to reducing it, thereby assuring that each and every individual can live a full and productive life and become an essential part of the mainstream of Canadian life". That, coupled with the Government's commitment to a comprehensive social security system—one which responds to the changing nature and needs of our society—is encompassed in the Bill before us. The legislation to amend the Old Age Security Act represents one of the many positive policy decisions which our Government has promised and which it will implement.

In the debates during the week prior to the Christmas recess there was a lot of heated discussion on the concept of universality of social programs. Nothing was really accomplished by the Opposition except a lot of television footage. I had the opportunity to watch those exchanges and, in the context of this Bill, I would like to offer my own thoughts on universality in our social programs.

Bill C-26 will amend the Old Age Security Act. It will amend a social program which was introduced in 1975. That social allowance, then or now, has never been universal. This Bill proposes that all low-income widowed persons aged 60 to 64 should become eligible to receive the spouse's allowance, regardless of when their spouse passed away. The Minister of National Health and Welfare stated in his news release of November 15, 1984 that income support for older Canadians—the guaranteed income supplement and the spouse's allowance—are programs which are not universal but available only to those who are in need. If these were truly universal social programs of the type that some would advocate, then all widows and widowers aged 60 to 64, regardless of their income, would receive the spouse's allowance.

If such were the case with this Bill, then the widow of our famous but fictitious $500,000 bank president who is living comfortably on investment income would also receive the benefit. Is this what some who oppose it mean when they speak about universality of social programs? I do not feel this is the logic which Canadians want their Government to apply to social programs at this time of economic restraint. Such Utopian thinking should be left to those who ponder it.

My constituents and I applaud the Minister's grab-the-bull-by-the-horns approach. It is a hands-on approach which recognizes the needs of older Canadians. It couples those needs with sound fiscal management.

Some may ask why we did not go further with this Bill and why we excluded low-income persons in the 60 to 64 age group who are single, divorced or separated from the spouse's allowance program. Estimates indicate that there are some 80,000 such individuals. In addition, there are 250,000 low-income married couples in this age category who have not received financial assistance in the form of security benefits. For the most part, assistance for any of the people who are in need will continue to be provided and administered by many of our provincial Government programs, with assistance from the federal Government, until such time as further extensions can be made responsibly. Similarly, if the spouse's allowance was provided to all low-income persons in the 60 to 64 age group, it would cost approximately $1.5 billion in the first year.

If the Liberal Opposition during their regime had exercised fiscal responsibility, the ability to provide more resources for social programs may have been possible. However, as a result of the previous Government's policies, we are prevented from

further extending the social expenditures required to facilitate all the needs of our senior Canadians. But, we cannot use the fiscal shortcomings of the previous administration as a scapegoat. Instead, as the Minister of National Health and Welfare has stated, "even in this period of economic restraint we have an obligation to those who most need our help".

With this Bill it is clear that we are fulfilling that obligation. It is an obligation which provides for widowed persons who are nearing age 65, but are not yet eligible for old age security and guaranteed income supplement benefits. It is these Canadians who are consistently identified as being the most urgently in need. In fact, it is estimated that over 60 per cent of widowed Canadians who are age 60 to 64, most of whom are women, would qualify for the proposed extension to the spouse's allowance. In December of 1985 there will be 93,000 beneficiaries collecting spouse's allowance. The proposed extension to other widowed persons aged 60 to 64 will increase the number of beneficiaries up by 85,000, with only an annual cost of $190 million in the 1985-86 fiscal year. This initiative by the Minister represented the next logical step in the provision of greater income assistance to the near elderly.

In 1979 the Conservative Government's amendments to the spouse's allowance program extended entitlements for 60 to 64-year old widowers or widows who had been receiving the spouse's allowance benefits prior to the death of the pensioner or spouse. This extension of SPA to all needy widowers or widows in this age group, as recommended by the Parliamentary Task Force on Pension Reform, would further remove some of the inequities which currently exist in the treatment of widows or widowers who are aged 60 to 64 under the Old Age Security Act.

• (1530)

This proposed amendment to Bill C-26, Mr. Speaker, results from a firm commitment made by our Party during the 1984 election campaign. In the Speech from the Throne on November 5, 1984, the Prime Minister (Mr. Mulroney) indicated that "during the coming session of Parliament we would be asked to consider legislation to extend the income-tested spouse's allowance to widows and widowers aged 60 years to 64 years regardless of the age of their spouse at death". It is indeed, Mr. Speaker, truly positive to see another campaign promise, reaffirmed in the Throne Speech, translated into legislation. This action goes a long way in restoring the faith which Canadians once had in our parliamentary system. It is clear, Mr. Speaker, that this Government is responding to the needs of all Canadians.

This is international youth year, a year of great concern for our youth, Mr. Speaker, and across Canada and throughout the world, Governments, organizations and private business should be sponsoring a wide range of awareness programs for our youth. Our Government has done so, and the Minister of Employment and Immigration (Miss MacDonald) will be announcing employment incentives geared for our youth. We recognize the important contribution made by our young people to Canada.

In Bill C-26 the Government is showing sensitivity to the needs of our near senior Canadians, a group of Canadians who have already contributed to the wealth of our country, and nowhere is this contribution more evident than in the City of Hamilton. What is in the Bill, in my view, is necessary. It is timely and deserves the attention of the House in terms of quick passage. I can foresee no obstacles which would preempt the swift passage of this Bill through the House.

Mr. Deputy Speaker: Are there any questions or comments on the Hon. Member's speech?

Mr. Scott (Hamilton-Wentworth): I rise on a point of order, Mr. Speaker, not to ask any questions or make any comments but, rather, to congratulate the Hon. Member for Hamilton West (Mr. Peterson) on his maiden speech. I know that he will follow honourably in the footsteps of—

Mr. Deputy Speaker: Order. We shall resume debate.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am also pleased that finally, after five months, the Hon. Member for Hamilton West (Mr. Peterson) can speak to the Canadian people. I regret, however, that it has taken complaints on the part of the Opposition to the majority in this House and especially to those Members elected in the Hamilton area who have refrained from rising in the House until today. I expect to hear many more speeches by the Member for Hamilton West and also by the Member for Lincoln (Mrs. Martin). I know the Hon. Member is following in some very important footsteps, those of Mrs. Fairclough, among others. I was indeed delighted to be a guest last Friday at a dinner with Mrs. Fairclough. This Progressive Conservative is an example to all Canadian women, and I was very happy to be one of her guests.

He has a big pair of shoes to fill with regard to his predecessor, the former Member for Hamilton West, whom the Hon. Member did not name or perhaps forgot to name, the Hon. Stanley Hudecki, who, I think, had a reputation among all Members of this House as a member who rose above party politics and interests. He was truly an Hon. Member in every sense of the word. I just want to say, as a Member of this House, that we miss him very much.

Mr. Speaker, on behalf of the women of Canada, on behalf of my Party and on my own behalf, I am very pleased to support what has been said so far on the subject of the spouse's allowance. However, and I think the Member for Montreal-Sainte-Marie (Mr. Malépart) referred to this point before, there is a small problem with respect to the present wording of the Bill. When the Bill indicates that the spouse's allowance is transferred to Canadian widows or widowers, it reflects, and I would say it does so by omission rather than by design, to recognize the economic problems facing Canadians between the ages of 60 and 64 who are either separated, divorced or single.

[*English*]

I know, for example, Mr. Speaker, that the Government has introduced a measure which we will all support. At the same time, however, I believe we have to recognize that there is an inherent discrimination, as has been pointed out by Hon. Members on this side of the House, with respect to this particular piece of legislation. I would suggest that the Minister and his officials, in making the decision to extend the spouse's allowance to widows and widowers between the ages of 60 and 64—which, by the way, I think is a terrific move—should have gone that extra step and extended those same benefits to people who, for whatever reason, have chosen never to marry or who have not been as successful in their marital endeavours as others and have ended up as separated or divorced Canadians.

I know that in my own province—having had the privilege of working on the amendments to the Ontario Human Rights Code which was introduced by another Conservative Government some three years ago—that particular Government decided that within the context of the Ontario Human Rights law, there would be a non-discrimination clause on the basis of marital status. I would suggest to the Hon. Minister of National Health and Welfare (Mr. Epp) that, prior to the implementation of this law in which there is an exclusion of separated, divorced and single Canadians, the Minister in fact investigate whether this particular proposed law is in fact in contravention of the Ontario Human Rights Code. The Human Rights Code does in fact specify that goods and services must be made available to all Canadians with no discrimination on the basis of marital status. I would suggest, Mr. Speaker, that the current legislation in its present form is clearly discriminatory, not only toward those Canadians who have chosen never to marry but towards those who are no longer married.

I might add, Mr. Speaker, if I can speak on behalf of a number of the women in this House, that there are a number of politicians in general who, for whatever reason, have chosen to devote themselves to political life and have either not married or their marriages have not been successful. I believe there are a number of people in this House who would agree with me that the status of being a divorced or single Canadian is not one which should subject anyone to government discrimination such as will happen under the law represented by this particular Bill.

I would suggest that the original intention of the law was good, that is, to extend the current benefits which at this time are not made available to those Canadians between the ages of 60 and 64 who happen to have been widowed.

Only last weekend I had the opportunity of speaking in my constituency office with a woman who will be able to benefit through this particular Act. However, we are putting ourselves in the very difficult situation, Mr. Speaker, of actually discriminating not only on the basis of marital status—because the law will not cover separated, divorced or single Canadians—but we are also putting ourselves in the situation of discriminating against married people between the ages of 60 and 64 who naturally, notwithstanding their financial need, will not be eligible for this particular benefit as long as they remain married. I will use as an example the situation of the woman with whom I dealt most recently. She happens to be 61 years of age. Her husband was 64 when he died in the last few days only. As a result of his decease, this woman, when the Act comes into force, will be actually eligible for the benefits which would have formerly only accrued to those spouses who are married. At the same time, even though her family happens to be a family in need—neither she nor her husband were wage earners at the time of his death—if her husband had not died, he would not have been eligible for any benefits under the spouse's allowances, nor would she, until he reached the age of 65 years, which would have meant that her benefit would have been at least one year in abeyance. Therefore, I suggest, Mr. Speaker, that we not only have a clear case of discrimination against single, separated and divorced Canadians between the ages of 60 and 64, but we also have a possible case of discrimination against married couples, both spouses of whom happened to be between the ages of 60 and 64, who would not, under this current rather limited extension of benefits, be eligible for any assistance.

I believe, if I can read into the rationale of the Minister in introducing this legislation, he is recognizing that there is an age group in our society which under certain special circumstances needs special short-term assistance. I feel that the original introduction of the spouse's allowance as a concept, the original introduction of the guaranteed income supplement as a concept, and the original indexation of those supplements under previous Liberal Governments, were introduced because the Government recognized that, certainly in the short term, we needed to provide direct financial assistance to those individuals who were not immediately benefiting from the kind of pension reform which we are suggesting over the long term.

• (1540)

I certainly concur with the Hon. Member for Vancouver-Kingsway (Mr. Waddell) with regard to the absence of programs available to widows between the ages of 60 and 64 as well as to other unfortunate individuals who may be married and who, through no fault of their own, have lost their jobs, have not been able to compete in the technologically changing market-place, and have been left to the vagaries of the provincial welfare system. In an effort to address the discrimination issue which has been raised in this document, the Minister should consider working with the Minister of Employment and Immigration (Miss MacDonald) and developing programs which will assist those Canadians who, through no fault of their own, have become disenfranchised because of the technologically changing market-place. I refer to construction workers in my own constituency.

I think it is important that we speak for all Canadians, men and women. It is certainly of interest to me as a women that this is probably the only Bill before us in the House of Commons to date in which the nomenclature used is "she" and is relating to "her", i.e., the feminine gender. I think it is implicit in the Government's approach to things that it sug-

gests that the only people who are in need of pension assistance or supplements are women. I certainly agree that it is time the Government introduced an over-all pension reform package for people across Canada and that the major beneficiaries of such a package should be the women of Canada. However, it is also about time that we recognized that we have a responsibility to all Canadian women and men between the ages of 60 and 64. We must guarantee them some kind of an economic security.

[*Translation*]

Mr. Speaker, in its present form, the Bill is clearly discriminatory. It not only discriminates against people who are single or were never married or whose marriage failed, it also discriminates against those who are married today to a woman or a man between sixty and sixty-four years old. The Minister of National Health and Welfare has taken a small step, but I think he should now take a bigger one. If he really intends to tackle this issue courageously, he should immediately bring before the House a complete package of changes to our pension system to help those who are in need, men and women, men between 60 and 64 and women between 60 and 64, whether they are single, widowed or still married.

We know there are couples who need help. The husband or wife, for some reason, and I will give you another example . . . Last week, in my riding, I met a family where the husband who had worked for more than twenty years for a company called Canron, was fired as of February 1 because the company closed down. His wife worked for Arrow Shirts for fourteen years, and last year in November she was laid off because of lack of work in the textile industry and because this Government had failed to take certain measures in this area. It means that two people between the ages of sixty and sixty-four who have worked all their lives are now being fired by their employers within three months of each other. It will be almost impossible for them to find work.

To help these families it is not enough to bring in a small package of reforms that apply only to widows and widowers. The Minister of National Health and Welfare (Mr. Epp), with the Minister of Employment and Immigration (Miss MacDonald) and the Minister of Labour (Mr. McKnight) should set up a clear-cut plan to reform the pension system, which I think would have the support of all Canadians, and especially Members on this side of the House.

[*English*]

We need more than simply very small reform in pension benefits for a very restricted group of Canadians. We need an over-all pension and re-employment strategy involving the Minister of National Health and Welfare and the Minister of Labour (Mr. McKnight) with respect to the ILAP designations, which have been helpful in certain sectors. The Minister of Employment and Immigration must also be involved. A designation under ILAP could assist many of the workers at Consolidated Bathurst in my own community who are facing financial ruin and bankruptcy and will be reduced to welfare roles. The majority of them had combined years of service of over 25 years when the company chose to close its doors.

We need more than the measures which are being introduced. We need an over-all strategy. In expressing his concern for older Canadians, the Minister of National Health and Welfare should act with the Minister of Employment and Immigration to develop programs which will assist our seniors financially and help them re-integrate into the workplace when that is possible.

The only thing that many older Canadians have been offered by the current Government is a threat that if they remain on unemployment insurance benefits for too long one of Flora's private police force will ensure that they are removed from them. In the context of the employment programs that are going to be launched by the Government, it behooves all of us to remember those Canadians who have been disenfranchised by the technological age and have found themselves on the street when companies have closed their doors.

Mr. Epp (Provencher): What is the relevance of this?

Ms. Copps: The Minister of National Health and Welfare may find it terribly irrelevant that I am talking about older workers who have lost their jobs. The Minister will be aware that we must ensure that widows as well as divorced and single people are receiving assistance from the Government when they need it most. We must also ensure that those workers between the ages of 60 and 64 who happen, through no fault of their own, to be married, can receive some assistance from the Government. The Minister is suggesting that my concern for workers between the ages of 60 and 64 who happen to be married are not covered under the legislation. It is a concern, and that is the relevance of my remarks to this particular Bill.

Excluding married couples, separated, divorced and single people between the ages of 60 and 64 suggests that the Government has no programs to assist them and is directing its efforts only toward one rather small segment of the demographic population between the ages of 60 and 64. No one would argue that the Government should be ignoring the small, albeit deserving, group of widows and widowers. At the same time the Minister must work with the Minister of Labour and the Minister of Employment and Immigration to ensure that older workers who have been contributing for 20 or 30 years and, through no fault of their own, find themselves out on the street, will receive an indication from the Government as to the action it is prepared to take. Rather than doing away with the general training incentives and cutting back on the amount of government based job creation through Canada Works, the Government must come forth with innovative programs. These programs should be targeted not only to young people who need job opportunities but also to the older workers. Most specifically, they should be directed to the target group that is being addressed in this legislation.

● (1550)

Members from all sides of the House who have had a chance to meet with those workers in their constituency on a daily or weekly basis will know that there is nothing more heart-rending than to meet a grown man in tears because he has lost a job after 30 years and is on the street with nowhere to go.

I ask the Minister to work with his colleagues to make sure that there are programs to assist those workers. The Government cannot simply turn its back on those workers between the ages of 60 and 64 who may not come under the category being addressed by this legislation.

[*Translation*]

Mr. Speaker, the Minister of National Health and Welfare says that this has nothing to do with the Bill. It has quite a lot to do with the Bill, for had he had an opportunity to meet with those workers aged 60 to 64 who have lost their jobs, who have been laid off as a result of plant closures, he would know indeed that those workers, widows and widowers alike, need assistance under the programs, they need from this Government very specific help measures such as they do not have at this time.

Well, Mr. Speaker, perhaps you might urge the Minister to join forces with all interested parties in the various departments—the Minister of Employment and Immigration and the Minister of Labour, for instance—with a view to implementing a genuine economic policy for all needy Canadians without jobs between ages 60 and 64. What we do not need is a Bill which discriminates against unmarried people, those who are divorced or separated, or those who are still married and whose spouses are under 65. Give us that kind of policy and you will have our full support, because we in the Liberal Party realize that the people most in need in our society right now are those people between 60 and 64 who have been laid off through no fault of their own and who are without hope, who have not been promised anything, or who have had lots of promises but no action on the part of this Government.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: Mr. Speaker, I should like to say one thing to the Hon. Member who has just resumed her seat. The dear lady can say that we are responsible for all our woes, but I would rather suggest that if anyone has to be held accountable for the current situation throughout Canada, it has to be the Liberal Party which has been in office for over twenty years. We all agree that elderly Canadians deserve more than they are getting, and I think that for the first time in history the Progressive Conservative Party is deeply concerned about the most needy Canadians. That is what I wanted to tell my charming colleague, for I am sure she knows that her Government is responsible for the sorry mess we now have in this country. She might even commend the Progressive Conservative Government for trying to make the situation better. That is the comment I wanted to make, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I would like to ask the Hon. Member whether he ought to commend the Minister of Employment and Immigration for announcing in the House a kind of security plan to throw out all workers aged 50 to 65 because, she said, they are not looking for work. We will need over 700 public servants to force them to give up filing unemployment insurance claims. Mr. Speaker—

[*English*]

Is the Member asking us on the Liberal side of the House to congratulate his Government when the only concrete and substantial move we have seen it take with respect to employment programs for older workers has been to suggest that we extend our security force by 700 workers so that I can insist that older Canadians who are not looking for work have their unemployment insurance benefits removed? Are we supposed to thank the Government for those initiatives?

If the Member and other Ministers can table specific programs in the House which are geared toward older working Canadians and can show Canadians what initiatives the Government has taken since it was given its massive mandate on September 4, I will be first to applaud. However, I will not applaud when the only initiatives I have seen from the Minister of Employment and Immigration has been a suggestion that older workers do not want to work—

Mr. McDermid: What nonsense!

Mr. Taylor: Show some common sense.

Ms. Copps: —and the suggestion that they are staying on unemployment. If any of the Members had happened to show up at the hearings on supplementary estimates for labour, manpower and immigration, they would have been apprised of what I am talking about.

Mr. McDermid: What has this to do with the Bill?

Ms. Copps: I am responding to the question about why we are not applauding the Government. We will not applaud it when it brings in punitive measures to cut off older workers from unemployment insurance benefits and punitive measures which will do more to hurt older Canadians than the Minister of National Health and Welfare can do to assist them.

If the Member can clarify the measures which have been implemented by the Government to assist those older disenfranchised workers, I invite him to do so. The record of his Government to date has been a punitive one against older workers, which it will live to regret in the next election.

The Acting Speaker (Mr. Paproski): Questions and comments have now been completed. The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, at the outset I want to say to the Minister, quite frankly—why is he shaking his head? Are you paying attention or just sitting there fooling around?

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton Mountain has the floor for debate.

Mr. Deans: That is what I thought you said, Mr. Speaker.

Mr. Epp (Provencher): A point of order.

Mr. Deans: We can't have the floor at the same time.

Mr. Epp (Provencher): I want to tell the House Leader of the NDP that he has also occasionally risen on points of order for clarification.

I would like some clarification from the Chair. When someone from an opposition Party has spoken, in terms of numbers in the House, do you not then go to the government side?

The Acting Speaker (Mr. Paproski): I believe that Citation 301 on page 99 of Beauchesne's Fifth Edition indicates that the Speaker has the right to recognize any Member he sees rising in the Chamber. I did not see another Member rising except the Hon. Member for Hamilton Mountain. Therefore, I recognized him.

I now recognize the Hon. Member for Hamilton Mountain.

Mr. Deans: Thank you, Mr. Speaker. I would have thought that the Minister would want me to rise and speak. I was about to say, before I was so rudely interrupted by him, that we did in fact applaud this somewhat small but nevertheless necessary measure. I was taken aback when he leaped to his feet to try to stop me from saying that. I began to wonder whether I should be re-evaluating my position or whether perhaps I did not understand the nature of the Minister's efforts in this regard.

I want to say to the Minister that I was reading my *Hansard*, as I frequently do in the evenings when the House has risen and I am finished with the three or four hours of work in my office. I went home the other night, made myself a cup of coffee around 11.30 and got out my *Hansard* from April 26, 1982.

Mr. McDermid: Which your researcher found for you.

Mr. Deans: No, my researcher did not, strange though it may seem. I happen to read *Hansard* every evening before I go to sleep just to keep abreast of what the Government is doing.

Mr. Epp (Provencher): That explains a lot of things.

Mr. Deans: Members may recall that last week, when the Minister rose, he was pointing out how he went home and read over the reports and came to the conclusion that what he was doing was right. I went back and read over *Hansard* and came to the conclusion that, to the extent that the Minister, the Ministry and the Government are doing anything at all in this regard, what they are doing is right. In fact, not only is it right, it is consistent with what our Party has been suggesting the Minister ought to do for many years. In fact, as I was saying, as reported on page 16597 of *Hansard*, when the Liberal Party was in government, my good friend and former colleague, the previous Member for Winnipeg North Centre, the Hon. Stanley Knowles, now frequently seated at the table, asked the then Minister of Health and Welfare, the Hon. Monique Bégin, the following:

● (1600)

My question this afternoon relates to my concern about the unfairness of the plan respecting old age pensions under which certain women—there are some men but it is mostly women—between the ages of 60 and 65 can get a pension provided they are married to someone who is 65 or over. However, persons between the ages of 60 and 65 who are single, whose husbands died before that age, are not allowed any such pension. Will the Minister seriously consider a plan to change that, so that persons between the ages of 60 and 65 who are in need will get that kind of pension?

The Member went on to explain some other regrets. This was his first day back in the House, Mr. Speaker, you may recall, after he had suffered that rather serious illness from which be made a remarkable and miraculous recovery.

When I started, I wanted to congratulate the Minister for having recognized the need, and I do. I understand that for those who will receive this, it will be a godsend. They will be delighted to have it, and have it they must. I say to the Minister though that he has not quite gone far enough. The cost of going the extra distance is difficult to determine, I must say, but nevertheless it is a cost that I believe ought to be borne.

It is unnecessary, I suggest to the Minister, to restrict this payment to those individuals who have been married. The former Member for Winnipeg-North Centre, Mr. Knowles, made reference to that. In his question, in 1982, he indicated his concern for those between the ages of 60 and 65, who were single and who found themselves unable to continue to work for a number of economic or, for that matter, health reasons and who found themselves without any regular adequate income.

The Minister frequently speaks about compassion. I know him well enough to know that he speaks with conviction. He speaks with compassion about compassion. I do not in any way question him, and I think this would be an opportunity for him to display that compassion beyond what the Government may well have identified it wants to do in the meantime and to take into account the submissions of my colleague, the Hon. Member for Beaches (Mr. Young). He has suggested that perhaps this would be the time to enlarge the scope and to look at ways of taking into account the needs of those who were never married but who nevertheless are between the ages of 60 and 65—I want to talk about other people in a moment—and who are frankly in very difficult financial straits at this point in the history of Canada.

I must be honest and admit that I do not have an economic analysis of it—I do not know whether the Minister has or not and if he does, I would be interested to hear it—nor do I have any kind of accounting that would show me clearly and in

accurate terms exactly what the cost would be to extend this level of benefit to other than simply the spouses of those who have been in receipt of the old age pension. I do want to suggest to the Minister that, whatever the cost, I do not think it is impossible for us to find a way to fund it. I do not think for one moment it is impossible for us to reallocate funding from other less worthy causes. I do not think it is impossible for us to look into ways of making this available.

It strikes me that an allowance based on need—which this allowance is I think we all agree—that has as its primary criterion that one has to have been married is unfair. It is unfair, Mr. Speaker. If an allowance is based on need, it ought to be paid to those who are in need on the same basis. If you are in need, you are in need and whether you were or were not married does not alter the fact that you are in need. If your circumstances are the same in terms of your financial capacities, then quite clearly you should be treated in the same way by your Government.

I think the distance that the Minister has gone is fine, but I seriously urge the Minister to go the other short distance and attempt to find a way to accommodate the question to which my colleague who formerly represented Winnipeg North Centre, my colleague from Beaches, and probably my colleague who now represents the riding of Winnipeg North Centre would want him to give some consideration.

I know the Minister himself is aware of the speeches made in the House of Commons by his colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald), as recently as May 10, 1984. She made speeches on other days going back to June and February, 1984. There were statements made by another colleague on those occasions with regard to the problems of people in Canada who, because of the economic conditions that now exist, and which did not exist in the 1950s, 1960s and 1970s, are unable to find employment. They have not yet attained what we consider to be the normal retirement age and, as a result of that, they are unable to continue to hold on to what they accumulated throughout their lifetime as a result of hard work.

I do not doubt, when the Minister goes back to Provencher, that he meets in his constituency office every weekend or at the church on Sunday mornings with citizens who are in their middle fifties, maybe in their late fifties, who have worked hard all of their lives and who have been employed perhaps in many instances by the only major employer in the area. Perhaps that major employer has ceased to operate for any number of reasons, and if he has not ceased to operate, at least is operating at a dramatically reduced level. I am confident that there are people who have brought to the Minister's attention the terrible situation in which they have found themselves.

On the weekend in Hamilton—I am sure it is the same in every constituency, I do not doubt that for a moment and no doubt my colleague, the Hon. Member for Hamilton West (Mr. Peterson), meets the same kind of people I do—I had an opportunity to discuss with a family its particular difficulty. Here was a man and his wife who over the many years raised a family, had worked at one of the plants in Hamilton and worked there for the better part of 30 years, not quite, but almost. He had an excellent work record but suddenly discovered that the plant in terms of its management was redundant. This plant no longer manufactured a product that was saleable in the consumer market-place. It was not his fault. Every day he went in and he made the product he was asked to make. He made it to the best of his ability, and the company sold it. Gradually, with the passage of time and the introduction of new technology, it became unnecessary for that product to be made. This man, it could be said as an aside—and I am not sure if one can make an aside to something one says oneself—was the victim of two things, neither of them of his own making. He was a victim of a changing market condition and of a rapidly changing economic climate. He may well have been the victim of bad decision-making on the part of the management of the company, which ought to have been able, with proper planning, to alter the manufacturing process, seek out additional markets and manufacture new products. Unfortunately, that did not happen.

• (1610)

Here he is at age 56. He has been to many employers. I have personally sent him to a number of people who I thought might give him a job, but he cannot find one in the Hamilton area. he travelled to Toronto, Kitchener and down to St. Catharines, but there were no jobs. He came to the conclusion somewhat reluctantly that his age is working against him. Although we all know that we cannot discriminate because of age, there are hints that that sort of thing happens. It is not unreasonable to think that at age 56 maybe he is being overlooked just because of his age. He offered to take anything. He cannot find anything. He ran out of unemployment insurance benefits and therefore has no income of his own. His wife works but only part time because she cannot find a job. They have to pay what is left on the mortgage which they assumed 20 years ago. It is not a great deal, but nevertheless it is there. They cannot make their payments. What do we do for a man like this? What do we say to someone like this? He is representative of a host of people.

The Minister brought forward this particular amendment to the Old Age Security Act. Again I say to him in all fairness and honesty that I applaud the initiative. However, it does not really address today's problems. It addresses a part of today's problems, a very small part, but it obviously does not address the much larger, if not more important, problem confronting many workers in the 55 to 60 age group. We have reached the point where we in the House of Commons as Members of Parliament have an obligation to look seriously at the plight of those people about whom I am talking today in a representative sense. We have an obligation to find the ways necessary for them to re-enter the workforce. The Government would love it to happen, but it is realistic and recognizes that with tens if not hundreds of thousands of people in the age bracket of 20 to 30 also looking for work, the chance of our being able to entice employers to hire those in their later fifties and early sixties is somewhat difficult. Also, we would be put in the

position of playing off one age group against another. I find that offensive, to say the least. We have reached the point where this administration, if it wants to make a mark on Canadian history politically, must move to reform basic pension plans.

This legislation will not do it. Tinkering will not be enough. There is nothing as devastating as to have worked all your life and to reach the point where you are finally looking ahead seven, eight or nine years to retirement, only to discover that not only do you not have a job, not only do you not have an income of some reasonable proportion, but during the period of time you had anticipated you would be working you are not contributing to a pension plan. This reduces pensionable income and therefore reduces the income received when you reach what is generally accepted as the pension age. You are caught in a catch-22 situation. On the one hand, you have no income while you are supposed to be working because you cannot find work and you are losing the assets you accumulated through your labour. On the other hand, because you do not have that income you are detrimentally affecting, if not eliminating, the potential pension income you would have had, had you been able to work to the normal retirement age.

It is unacceptable that we as a Parliament are not dealing with that issue right now. I know the Minister feels as strongly as I do about it. This has to become one of the highest priorities of Parliament. We cannot afford to gloss it over, neither can we afford to be overly lavish in our praise of the small change. We are thankful for the small change. Those who will receive it will be grateful for it and it is right that they should get it, but it is insignificant when viewed over and against the need.

I want simply to say to the Minister that whatever else the Government believes it has on its agenda, we have to deal with this matter. We must deal with it. We cannot put if off. There is no way back for those individuals. With every passing month, with every passing year, the dilemma confronting them becomes even more enormous and the hardship more unacceptable. We cannot apologize to them eight years from now and say, "We really wish we could have done something for you; unfortunately it was just not possible". That will be too late for them. Therefore, it is necessary that we agree together in the House that we will find the time to deal as expeditiously as possible with the dilemma confronting those particular people about whom I speak today.

If the Minister will commit himself to bringing forward legislation in this regard during this session of this Parliament, I will commit this Party to making sure that we put forth every single effort we can to guarantee the success of the legislation. I ask him to recognize that delay compounds the hardship. We simply cannot have delay on this matter.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy)—Federal-Provincial Fiscal Arrangements (a) Consultation with provinces (b) Reviews of equalization payment made to Manitoba; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Nuclear Energy (a) Request for parliamentary inquiry into industry (b) Industry's accountability; the Hon. Member for Windsor-Walkerville (Mr. McCurdy)—Employment (a) Student summer jobs (b) Allocation of funds. (c) Government consultation.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, thank you very much for recognizing me. I started a diet this morning and I thought for a minute that I was having excellent success and would not be recognized.

This is the first time I have risen in the House to speak formally in a debate. I would ask for your patience for a few moments so that I might acknowledge and congratulate you on your appointment as Acting Speaker. I know you will do a great job, as you have done to this point. Also I should like to congratulate the Minister of National Health and Welfare (Mr. Epp). This is the first opportunity I have had to do so. I know he will do an excellent job. I had the opportunity of working with him when I was a Minister in the provincial Government. I know how dedicated he is to his position of responsibility and his desire to do well for the Canadian public.

I also take this opportunity to thank my constituents for showing me that they had faith in my ability to be their Member. I will try to live up to their expectations. Particularly I thank all those people who worked for me during my campaign.

Winnipeg-St. James is a relatively new riding. It was assembled in 1979 with the redistribution and was represented by a friend of mine, Mr. Robert Lane, a Progressive Conservative.

It was then held by the present Member for Winnipeg North Centre (Mr. Keeper). For some reason he decided to move to the constituency formerly held by the Hon. Stanley Knowles. Whatever were the reasons that made him decide this, it seems to have worked out well for both him and me.

● (1620)

Winnipeg-St. James is an urban riding. The Winnipeg International Airport is almost in the centre of my riding. As the Member of Parliament for Winnipeg-St. James, I cannot guarantee that I will welcome you every time you arrive there, even though that may be the custom. That gives a general idea of the location of our riding.

The riding is a good cross-section of Manitoba. Citizens of over 20 ethnic backgrounds form an integral part of the social fabric of Manitoba. Like most Manitobans, they are very hard working citizens. Some are long-time residents, some are immigrants, and some are new Canadian citizens. We have a good cross-section of the various citizens in our province in my riding.

We have blue collar workers, executives and free entrepreneurs, so we have a cross-section of the business community as well. Without getting you too excited, Mr. Speaker, I would like to say that it is the home base of the Grey Cup champions for 1984, the Winnipeg Blue Bombers. I tried to congratulate them under Standing Order 21, and I almost got it through. At this time I would like to congratulate the Winnipeg Blue Bombers, the reigning Grey Cup champions.

Some Hon. Members: Hear, hear!

Mr. Minaker: I did not want to say that the Speaker used to be an Edmonton Eskimo. I am proud and privileged to represent Winnipeg-St. James. Having made those few comments, I would now like to speak to the Bill.

As a former Minister of Community Services in the Province of Manitoba, I had day-to-day contact with the very problem that this Bill will help to alleviate. I know the sincerity and commitment of the Minister of National Health and Welfare (Mr. Epp). I applaud him for the first step he has taken in alleviating the problem that exists for the 60 to 64 years olds in the low income bracket. I support his approach to consultation with the public and the provinces. The Hon. Member for Mount Royal (Mrs. Finestone) commented on the former Liberal Government consulting with the provinces and being leader in the consultation field. That was not the case when I was Minister of Community Services. If being called to a meeting, sitting at a table and having the federal Minister say what the Government was going to do is consultation, I will not agree. I know the present Health Minister will not follow that approach.

The objective of this Bill is to provide assistance to low income widowed persons in the 60 to 64 year age group who meet the same 10 year residence rule as other spouse's allowance recipients without regard to the age at which the spouse died. As a result of this reform in the present law, about 85,000 widowers and widows aged 60 to 64 will qualify. There is a definite need for this. I understand that when this Bill is passed and the program comes into effect in September, about 61 per cent of the entire widowed population in that age group will qualify. This clearly indicates that there is a need in this area and we will be alleviating part of that need.

The maximum benefit will be $536.26 per month and will be income tested. This reform will remove the inequities which currently exist in the treatment of low income widowed persons. It represents the next logical step in the provision of greater income assistance for the needy elderly. The proposal to extend the spouse's allowance was a firm commitment of our Party during the election. It was a promise in the Throne Speech. I am happy we are meeting that commitment. I congratulate the Minister on bringing forward the legislation at this time.

I wish to comment briefly on the general background of the development of pensions. I think it comes into play with what the Hon. Member for Hamilton Mountain (Mr. Deans) talked about. It has been accepted in the past and is at present that the federal Government has the prime responsibility for pensions such as the old age security, the guaranteed income supplement and the Canada Pension Plan. The reason is primarily the immense cost to fund these types of programs. The provincial Governments have taken on the share of responsibilities with the federal Government on other social services such as income security programs, welfare and rehabilitation. I am confident the Minister will look into these because there are now areas of responsibility being split and, in some cases, being duplicated.

What is the economic impact of our spouse's allowance program? I understand that in December, 1985 there will be some 93,681 recipients of the spouse's allowance with program costs in the area of $11.5 billion. Therefore, it has a big economic impact on the budget of the Government of Canada. The proposed extension to all widows and widowers will be in the order of some $350 million when the program is in the full year of operation. It has a fairly heavy economic impact on the Government's expenditures.

What are the long-term objectives for the low income single individual? We in this House would like to see the step taken whereby any single person between the ages of 60 and 64 and is needy will qualify. I am confident that the Minister will work to that end. It amplifies the problem which the Government faces. The Minister indicated many times in this House that we need economic growth in order to provide these extended services which all Members would like to see. It stresses the importance of our program of regaining confidence in this country by both investors and citizens so that we as private entrepreneurs can reinvest in creating jobs and creating the revenue for financing these programs.

We are all concerned about those who are not covered by this Bill. The low income person between the ages of 60 and 64 who may be single or divorced, and there are 80,000 such individuals, will continue to have assistance provided through provincial programs. I want to mention this because the Hon. Member for Hamilton Mountain hit on a fact of which many

of us might not be aware, that is, that there are provincial programs. They vary from province to province. They look after some of the problems he cited. Given the current economic situation, it would be difficult to meet the needs of all persons in this age category through federal benefits. If the spouse's allowance were provided to all low income persons, we would be looking at something in the order of $1.5 billion. Again, that is more money from the taxpayer.

● (1630)

I would like to remind Members of the House that governments do not have money. Governments spend taxpayers' money. That was taught to me approximately 18 years ago when I was first elected to the City of St. James Council. Do you know who taught me that, Mr. Speaker? It was a Liberal, and I might say he was a very fine and hard-working man by the name of Reg Wightman.

An Hon. Member: Must be dead now.

Mr. Minaker: Yes, unfortunately he is.

The former Liberal Government did not recognize that fact. What did it do? It spent and spent and spent, and then it spent again. Then it borrowed and borrowed and borrowed some more until it had borrowed to the tune of $190 billion. I believe that governments must have a conscience. I ask you, Mr. Speaker, if it is right to borrow money continually on behalf of our youth and our future taxpayers, committing them as citizens of this country to pay back these debts without even consulting with them. That is what is happening when we have a deficit.

I might remind the Hon. Member for Hamilton East (Ms. Copps) who spoke about discrimination that having no regard for future taxpayers by spending wildly is, I suggest, a form of discrimination against the future taxpayers of Canada including the women of Canada. If we create such large debts that interest expenditures approach 75 per cent of what we borrow, then we will have to restrict our social programs, and that will affect the very women to whom the Hon. Member for Hamilton East was referring.

I think it is wrong to borrow money continually on behalf of future taxpayers. Our Government is committed to reducing that deficit with which we are now faced, and that is one of the reasons why we cannot afford to take that one extra step which all of us would like to take at this time to help the needy in the age group of 60 to 64. In my estimation, the taxpayers cannot afford that $1.5 billion per year. Some day after our economy keeps growing and after the Government puts its own House in order, we will be able to afford that.

Because of the earlier comments of the Hon. Member for Hamilton Mountain, I would like to comment on some of the provincial programs that are available in Manitoba for the needy, programs which are federally cost shared through the Canada Assistance Plan. I believe this amounts to somewhere in the order of $3.9 billion in total across Canada. As Minister of Community Services for Manitoba, I was part of a Progressive Conservative Government which instituted the new programs and extended existing programs to deal partially with the needy aged 60 to 64. I say that we dealt partially with those needy people. One of the major steps that the Sterling Lyon Government of Manitoba took was to lower the qualification age from 65 to 55. We found that there is a need felt not only by those of the age group of 60 to 65 but also by those of the age group of 55 to 60. Furthermore, an individual could qualify for some of these programs if at least 50 per cent of his or her income came from a pension. Those were the basic criteria we established.

The particular age group to which we are referring right now is unique. I do not believe that the problems this age group faces now will exist in 20 years because of the fact that we are entering a stage in life in which both the husband and wife work and are paying toward pensions. We may have to adjust some of these programs down the road to accommodate that.

To give you an idea of some of the programs that we developed, Mr. Speaker, the Manitoba supplement for pensioners which was already in existence that paralleled the guaranteed income supplement was doubled. We were a very progressive Conservative Government. We doubled the amount of money the citizens received and lowered the qualifying age to 55. We also developed what we called a shelter allowance for elderly renters, and this allowed someone who was over the age of 55 to qualify for up to $1,448 per year in allowance toward rent if he or she fell within the income bracket about which we are speaking. In addition to that, we provided an additional rebate on education tax for homeowners or renters. We expanded that so that if homeowners or renters fell into a certain income bracket, they would receive an additional rebate on their education tax. As we all know as Members of Parliament, there is as well what is called the income security through the social allowance, which is always the last resort and is very demeaning to the individual who must receive that allowance. I hope that some day that allowance will not be required by people aged 60 to 64.

I hope that I will have an opportunity to speak on a future Bill which will provide an allowance for single needy citizens aged 60 to 64. I am confident that I will, for the more our economy grows, the greater is the probability.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Taylor: Mr. Speaker, first I would like to congratulate the Hon. Member for Winnipeg-St. James (Mr. Minaker) on a very excellent speech and one which made real sense. In spite of what we do through this Bill, and this Bill is filling a great deal of the gap, there will still be a gap because most provincial Governments and this Government have not as yet been able to deal with single women between the ages of 55 and 65. There is a real need in that particular area.

The comment I would like to make is that I do not think there is anyone who does not want to do everything possible for everyone they can help. However, the problem in this country is productivity. We have been borrowing ourselves into debt.

We owe $200 billion. Until we are able to start reducing our deficit and increasing our productivity, there is a real danger of even holding on to the social programs we have today.

When speaking to people in my riding who need help, I find that their biggest fear is that governments will go overboard and eventually leave them with nothing. If we go too far, we finally find that we do not have anything because we do not have the productivity to cover anything. I would urge all Canadians to increase productivity at the fastest possible rate. Let us get our entrepreneurs investing so we will have jobs. When we do that, we will get closer and closer to being in a position in which we can fill that gap and look after all the people who need help. It is the productivity that will determine it in the final run.

I would like to commend the Hon. Member for touching upon these points. Certainly there are many programs across the nation, but there are very few if any programs designed for single women between the ages of 55 and 65 and there are some real needs there. Let us increase our productivity so that we can look after these needy cases. That and not borrowing will be the answer.

Mr. Minaker: Mr. Speaker, I simply want to say that I agree with the comments made by the Hon. Member for Bow River (Mr. Taylor) and I thank him for asking the question.

The Acting Speaker (Mr. Paproski): Are there any further questions or comments? Debate.

● (1640)

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I think that many congratulations have been extended today and when I heard what the Hon. Member for Winnipeg-St. James (Mr. Minaker) said about you, I thought for a moment that you would leave the chair but you decided with humility not to do so.

I wish the Minister of National Health and Welfare (Mr. Epp) could stay and listen to what Hon. Members have to say about Bill C-26 which I consider quite important. I would have liked to congratulate him and I also wanted him to attend—

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) on a point of order.

Mrs. Bourgault: Mr. Speaker, I should like to point out that the Hon. Member is referring to the attendance of the minister in this House. Those remarks are contrary to Standing Orders and practices of this House.

The Acting Speaker (Mr. Paproski): I regret but this is not a point of order.

Mr. Isabelle: Mr. Speaker, I said before that I was sorry not to see the Minister, who has now left the House—probably to attend to certain duties at his department—because I would have liked him to hear what I have to propose or say to him at the end of my speech. I know the Minister is a very dedicated person. I have known him for quite some time, and I am sure he is the right man in the right job, and as I said earlier, I want to congratulate him on presenting a bill, Bill C-26, which, I think, complements the Old Age Security Act.

Mr. Speaker, I am not going to repeat what has already been said: how many people are involved—about 85,000; that the Bill mainly affects widows and widowers; and that it neglects a segment of the population that is in similar circumstances, namely, 80,000 people who are single, divorced or separated. It is an excellent piece of legislation, one in a long line of old age security programs established by the previous Government, and it clearly shows the evolution that is taking place with respect to the old age security system.

This has been happening since 1975. The first step was to give the spouse who had not yet reached the age of sixty-five and was married to a pensioner of sixty-five the right to receive a spouse's allowance, provided certain conditions were met. Around 1979, another amendment was added to deal with the fact that if the pensioner died, the surviving spouse who had not yet reached the age of sixty-five was automatically eliminated from the program. That, as I said earlier, was another step in the evolution of our social security legislation.

However, 80,000 Canadians are being left out. I suppose it is understandable that for budgetary reasons and other considerations, this Bill is not as complete as we would have hoped. However, it is absolutely essential that we review the entire question of old age security—I would suggest the words "golden age" instead of old age. We must find a mechanism to provide all Canadians who are in need and who have reached the age of sixty some kind of guaranteed income, which would automatically eliminate the Canada Pension Plan, the Old Age Security Pension and any other allowances involved, such as income security, for people who have reached the age of sixty.

Before we reach that goal of course, there are many ways of trying to improve the existing system. In Quebec for instance, the Régie des rentes has amended its regulations so that people aged 60 years and over who are no longer active on the labour market can draw a pension at age 60 subject to a penalty.

I do not know whether the Minister of National Health and Welfare has done this, but the former Minister, Miss Bégin, was due to meet with her provincial counterparts in June last, to discuss the important issue of amendments to the Canadian Pension Plan along the lines developed by the Quebec Régie des rentes, to allow taxpayers to retire at age 60 and draw benefits from the Canada Pension Plan, provided they are no longer on the labour market, and subject to a certain penalty. In so doing, we would have put many more people to work. We could also have satisfied the needs of those who are in need, as

was mentioned earlier, but have no program to help them adequately. I am not suggesting that this would have solved all the problems, but it could at least have solved some of them and it could have given people something to help them out of misery, at least temporarily.

However, this has not been done. I wonder why. But I think we should think very seriously about amending the Canada Pension Plan, along the lines developed by the Province of Quebec last Summer.

This is causing exceptional and extraordinary hardship to people especially to those hundreds of thousands of civil servants who have worked all their lives in the Province of Quebec and now live in Ontario, and to those in Quebec who have worked all their lives in Ontario, as this does happen in the Hull-Ottawa area where there are 100,000 federal civil servants. Actually a civil servant from Quebec who has worked all his life in Ontario, cannot retire at age 60, while his Ontario counterpart who has worked in Quebec all his life can retire at 60.

There is inequity in my view, something we should change. Because when the Canada Pension Plan was established and the Province of Quebec decided they would have their own plan, the agreement was that both plans would work along the same lines, which means that whenever the Province of Quebec or Canada would amend their respective pension plan legislation, there should have been, if there were not in fact, consultations to avoid the current inequities. I suggest the Minister of National Health and Welfare would be well-advised to very seriously consider what I just listed in the way of possible changes as between the Quebec Régie des rentes and the Canada Pension Plan.

In my view, as it has been so often repeated in this House, this is a complementary bill, a very good bill.

● (1650)

I hope that we shall go much farther, not only in providing assistance, but also in giving those who have contributed so much to Canada some security in their old age which is itself unfortunately a natural handicap whose consequences we must all endure as we grow older. In addition, available income is much lower for this group of Canadians.

It is therefore imperative that we find the means to provide a guaranteed income for needy people who have reached a certain age, such as 60. I can also tell the House that, according to actuarial projections, we should consider this problem as soon as possible since the birth rate in Canada seems far from what we might describe as "healthy", and if the present trend continues, there will be a reversal in the normal pyramid of ages with many young people at the bottom and fewer older people at the top in view of the decrease in the number of young people. There will eventually be a great number of older people or of people about to reach the age of 60, which will represent an enormous danger for the Canadian society, the Treasury and Government budgets, whatever the party in power.

When we say that the provincial Governments have excellent bridging programs, that is programs to provide support for people before they reach the age of 60 or 65, we should remember that the federal Government is the one to foot the bill since 50 per cent of the costs of all social security programs in Canada are paid by federal taxes, by transfer payments to the provinces so they will be able to pay for their own social programs.

This is what I wanted to say, Mr. Speaker. I could go on much longer but everything has already been said and I do not want to be repetitive. I simply want to point out to the House that eligibility for pensions plans in Canada should be lowered, so that a contributor can decide when he reaches 60 and no longer works that he will receive his pension subject to a few penalties, which I have already explained. This would provide employment for many more people and meet the needs of a forgotten group of citizens with virtually no income, and it would allow these people to live their remaining years with relatively few problems.

Mr. Speaker, this is what I wanted to say, and once more, I want to thank the Minister of National Health and Welfare for having thought of those who unfortunately cannot protect themselves or see to their own needs. I hope that he will continue in this spirit and that he will introduce in the near, and even the very near future, a bill which will cover old age security benefits and guaranteed income supplements for the people who have been forgotten in this bill, namely those who are single, divorced or separated and who number 80,000 in this country.

The Acting Speaker (Mr. Paproski): Are there no more questions and comments? The Hon. Member for Winnipeg North Centre (Mr. Keeper).

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to participate in this debate, even if I can only begin my comments today.

Mr. Frith: It will be the best five minutes the House has had today.

Mr. Keeper: I appreciate the complimentary comment made by my colleague, the Hon. Member for Sudbury (Mr. Frith).

I would like to begin my remarks, Mr. Speaker, by paying tribute to the former Member for Winnipeg North Centre, the Hon. Stanley Knowles. I would also like to pay tribute to his predecessor, J. S. Woodsworth, and to the social and political movement in this country of which I am a part, the CCF and the NDP. I begin that way, Mr. Speaker, because both Mr. Knowles and Mr. Woodsworth and the Parties of which they were a part had a very significant impact on pensions in this country. Without the contribution of these individuals and

without the political movement of which they were a part, we would not have the pensions we do today.

In 1926 the old age pension was first enacted, and it was only enacted because of pressure from J. S. Woodsworth, who was the first Leader of the CCF. He was able to bring pressure to bear on the Government of the day because it was in a minority situation. Because of the dedication of this man and of the people who supported him, and because of the vulnerability of the Government of the day, pensions were first introduced in this country. Obviously, not only members of the CCF Party were involved, but people in the labour movement and people of social concern right across the country were pushing for this innovation.

In 1966, again facing a minority Government, the New Democratic Party was able to pressure the Government to establish the Canada Pension Plan. I think it is only fitting that I take this brief opportunity to acknowledge the work of my predecessor, the Hon. Stanley Knowles, in this important area. We are fortunate to have him here in the House today during this debate on pensions. He serves as a reminder that the fight for adequate pensions in this country has been going on for a long time. Obviously, we have much more work to do in this area. We are really building today on the shoulders of those who did the work before us.

In 1973, Mr. Speaker, the New Democratic Party, and Mr. Knowles, were once again able to force a minority Government to take further action in the area of pensions and establish the full indexing of the Canada Pension Plan. So I wanted to begin my remarks, Mr. Speaker, by paying tribute to the work of Mr. Knowles, who is with us today, and to Mr. Woodsworth before him and to the socialist movement of which I am a part, the New Democratic Party which arose from the CCF.

We in this Party are prepared to support the legislation which is before us because it does extend additional benefits to some 85,000 Canadians who are in need of those benefits. These beneficiaries are elderly women between the ages of 60 and 64 who are spouses of people who are eligible for the pension. This legislation which is before the House will therefore receive our support.

Hon. members of my Party who have already spoken in this debate have pointed out that not only those who are married and the elderly need additional benefits. There is also a group of people who are single, who have never married, who also need the extension of pension benefits. We are, therefore, bringing to the attention of this Government the need of these people and pointing out that simply to deal with the needs of those who are married and to forget the needs of those who are single throughout their adult lives is discriminatory.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Order No. 73?

Some Hon. Members: Agreed.

* * *

FARM CREDIT ACT

SUGGESTED GUARANTEE FOR MORTGAGE HOLDERS

Mr. Maurice Foster (Algoma) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Farm Credit Act in order to provide for a guarantee to any person that takes or holds a mortgage on farm property.

He said: Mr. Speaker, my motion before the House this afternoon in Private Members' Hour was before the House in the form of a Bill in the last Parliament. It simply provides for an amendment to the Farm Credit Act to enable the Corporation to guarantee mortgages. This cannot be put forward in the form of a Bill in the House by a Private Member because it has financial implications. However, I hope that the Government will be in favour of having this matter referred to the Standing Committee on Agriculture. I believe the idea would be very beneficial. If we cannot pass it as an amendment to the Farm Credit Act, at least it could be reviewed by the Standing Committee on Agriculture. If it was found to be acceptable there, there would be a positive report to the House to make this amendment to the Farm Credit Act.

If this motion were to be adopted by the Government, it would have two very important applications to the Act. It would enable a farmer who is retiring and selling his farm to his son or a neighbour's son to take back a mortgage. After proper appraisal of the property, the Farm Credit Corporation would be able to guarantee that property. There could perhaps be provisions that if the farmer selling the property passes away the guarantee would be implemented.

The greatest problem in agriculture today is the financial crisis. It is due to many things. Clearly, a simple amendment to the Farm Credit Act cannot solve all of those problems. During the past 10 years, farm commodity prices have stayed approximately the same or gone down a little bit. Input costs have continued to rise. Farm interest rates went up very high and then dropped down to some extent.

The most serious aspect is that farm land values have dropped by up to 25 per cent and in some cases up to 50 per cent during the last two or three years. The agricultural community, including the Canadian Federation of Agriculture, the Canadian Cattlemen's Association and the National Farmers' Union, is asking for a system of agricultural financing in the country with interest rates far below the regular

commercial rates. Many farmers who are retiring would be willing to sell their farms and take back a mortgage at lower interest rates of perhaps 8 per cent or 9 per cent if they had a loan guarantee by the Farm Credit Corporation. This would achieve two purposes. Retiring farmers often have difficulty finding someone with the capital or long-term debt money to purchase the farm. Young farmers often have difficulty getting a mortgage at reasonable interest rates.

This proposal of providing a loan guarantee would be very beneficial to our agriculture community. It would be of assistance to young farmers starting out looking for relatively low interest rates and to retiring farmers. The retiring farmer knows that if he takes back a mortgage and provides a reduction in the interest rate the mortgage will be guaranteed. I think that is a very important aspect. The crisis of dropping land values would be helped by this situation because long-term money would be available.

The second aspect of this motion is with regard to the emergency situation which we face in our country today. Land values have dropped by 25 per cent or 30 per cent. Farmers who were in a strong equity position have suddenly lost their equity position. Last Thursday members of the Ontario Federation of Agriculture had consultations with Members of Parliament from Ontario. One of the members spoke about his hog operation in northern Ontario. He purchased a farm for $320,000 about 10 years ago. He took out a $240,000 mortgage with the Farm Credit Corporation. The hog operation was appraised last year at $165,000. In other words, he had lost half of his equity. The Government must take some action to resolve this problem. Simple foreclosures just drive down land values.

The United States government has established a set aside program under its farmers' home administration program. It has some 273,000 loans. It has lent about $25 million or $27 million. On approximately September 18 it notified farmers that it was establishing a farmers' loan set aside program whereby it would set aside one-quarter of their mortgage for a period of up to five years, provided that that would put their farming operation in a positive cash flow situation with a 10 per cent margin. I believe that in the long run that type of program will save a lot more farms than the Minister will with his little three point program which will allow some farmers to reduce their mortgage interest rate from 14 per cent to 12.75 per cent. They can appeal a decision by the Farm Credit Corporation if it is going to foreclose. In a number of counties in southwestern Ontario there is a review board consisting of an agriculture representative, an FCC representative and others from the community. Such a consultation and appeal procedure is of some benefit because it gets the creditors together. However, there is no legislative authority to set aside a portion of the loan.

● (1710)

With respect to the U.S. system, besides the set aside program for the direct farmers' home administration loan, there is a program whereby other lending institutions such as banks, credit unions and production co-ops will forgive a portion of the debt to at least 10 per cent. The farmers' home administration will provide a loan guarantee of 90 per cent of the balance of the mortgage.

My motion would provide that kind of loan guarantee. This type of program has been adopted in the United Sates and, I understand they have already set aside some $3,000 in loans under the farmers home administration.

Those are the two applications that I see for this provision which I am suggesting for the Farm Credit Corporation Act. We would then be able to provide that kind of loan guarantee, and I think it would help young farmers in financial difficulty as well as retiring farmers who want to give a favourable interest rate to young farmers who are just starting out. They would also have their position protected by the guarantee, and the Farm Credit Corporation would be protected also because it would do a proper appraisal, they would have a loan guarantee, and I am sure there would be supervision over the loan to ensure that the obligations were met.

The more urgent problem is that of the short-term set aside program. I believe the Minister will act in the near future to establish a program in this regard. I do not say that because I am in the Opposition and do not have the responsibility of a government Member, but because I believe that it is the right step to take. If one examines farm bankruptcies or foreclosures in Canada, one finds that the average loss to the Farm Credit Corporation is $80,000 to $90,000. If the Farm Credit Corporation were to set aside a portion of the loan for a period of four or five years, as has been done in the United States, surely the interest on that portion of the loan set aside will not be the $80,000 or $90,000 which now the corporation loses.

The number of farmers in difficulty in this country today is the most disturbing figure since the 1930s. This is due to the devaluation of farm property. I have already described the case in northern Ontario.

The Farm Credit Corporation conducted a survey last summer. It was a sampling of 6,000 farm operations across the country and was properly carried out under Statistics Canada guidelines. It showed that some 39,000 farmers are in serious financial difficulty.

There are three criteria for classification of those in serious financial difficulty. First, a farmer's equity must be less than 15 per cent. Second, payment on the debt is more than 40 per cent of the gross. This means that a farmer with a $100,000 cash flow would fall under the criterion of being in serious financial difficulty if he was paying more than 40 per cent of that gross amount to meet the mortgage and interest payments. The third criterion is that the borrowings be greater than the capital investment. In other words, the farmer is borrowing to keep the farm in operation. A farmer would be in serious financial difficulty if he met one of these three criteria.

While 39,000 farmers are in serious financial difficulty, the survey also showed that 1,700 of those surveyed had no equity left in their property. The fact that their debts were greater than their assets put them in a particularly difficult situation.

The more remarkable aspect of this survey, as stated by the Chairman of the Board of the Farm Credit Corporation in the interview, is that the 39,000 or 17 per cent of farming operations in Canada in serious difficulty had risen to 45,000 or 20 per cent. The problem is becoming greater and the spinoff factors are also serious. I hope the Government will seriously consider my proposal that we provide the Farm Credit Corporation with the authority to give loan guarantees to individuals or corporate groups.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. I recognize the Hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Blais).

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I must say that we certainly appreciate the comments of the Hon. Member for Algoma (Mr. Foster). Perhaps it is regrettable that so few of his colleagues in the previous Government were here to pay close attention to his remarks, because we might not be in such a difficult economic situation as we are in now to come to grips with our agricultural problems, Mr. Speaker. The Hon. Member is suggesting that the Government ought to consider the advisability of amending the Farm Credit Act. In fact, he recommends that we provide for a guarantee to any person taking or holding a mortgage on farm property. I presume that there is no difference between the working proposed by the Hon. Member and his own thoughts, for I see in his representation an appeal to the Government to entertain the possibility of underwriting private mortgage loans rather than loans made by banks or other types of lending institutions, for if such is not the request of the Hon. Member, I can tell him right now that the Government is not prepared to consider that possibility.

However, Mr. Speaker, if his request is aimed at suggesting a new approach to promote greater participation by individuals in agricultural funding, I will say that our Government has already looked into that issue. Indeed, I think that the Hon. Member for Algoma is in a position to appreciate—he does not say so very often—the work and efforts of this Government to stabilize and improve the situation in the agricultural sector.

● (1720)

It is time members of various economic sectors in Canada regained control of their own destiny. Agriculture is one such sector. The Progressive Conservative Government's priority is to promote job creation and economic recovery. Agriculture is an important sector of our economy because many Canadians are directly engaged in it and even more work in a related field.

I would like to give a few figures which will help Hon. Members better understand the importance of agriculture in the Canadian economy and, consequently, the priority given to this sector by our Government. In 1983, farm income amounted to $18.7 billion, which includes only the income earned in 1983, for a net agricultural income of over $3 billion. In that same year, all lending institutions granted farm loans totalling just under $10 billion. This includes banks, caisses populaires, trust companies, credit unions, mortgage loan companies, public financial institutions such as the Canada Farm Credit Corporation and its provincial counterparts, farm equipment dealers, cooperatives and, naturally, since this is what we are now discussing, private lenders.

Still in 1983, Mr. Speaker, banks provided $844 million in long-term credit to farmers. During the same period, the Canada Farm Credit Corporation granted $854 million in loans. In third place, private lenders provided approximately $376 million in loans. The average interest rate charged by the banks on these loans was 13.42 per cent, while the Farm Credit Corporation charged just under 13 per cent or 12.95 per cent. However, and this is worth mentioning, private lenders charged only 11.5 per cent.

In fact, Mr. Speaker, the interest rate on the $1.1 billion in long-term outstanding loans granted to private citizens in 1983 averaged 11.68 per cent, while commercial lenders charged more than 2 per cent more, namely 13.76 per cent on the $2.2 billion in outstanding loans.

Hon. Members will agree that the parties concerned can play a major role in agricultural financing. In this regard, we agree with the Hon. Member for Algoma (Mr. Foster). It is absolutely essential that we see to it that more individuals agree to finance the sale of their operation themselves. Such initiatives will help to restore confidence among Canadians, and our Government is determined to encourage this type of financing.

However, it must be kept in mind that, if interest rates which are generally lower than the market rates are to the advantage of the purchaser in this type of transaction, the process must also benefit the seller. If through some mechanism, the Government decided to provide a certain guarantee to private citizens who take mortgages on farm properties, three important results would ensue.

First, such an initiative would make this form of credit more attractive for farmers. It is easy to understand that a farmer who has worked all his life to build up his operation is not willing to sell it off. In addition, he is not necessarily willing to take over its financing. We should examine the fiscal consequences of such a transaction. With present provisions on capital gains, that procedure is not very profitable for farmers. To make such a measure efficient, the scope of the bill should be widened. This is the reason why the matter needs careful consideration.

A second consequence of such a guarantee would be felt in the level of capitalization of this particular industry. Agriculture is an industry where the income depends on many factors

on which producers have no control. Therefore, it is an industry where the return on capital is low and difficult to forecast on the short term. By encouraging retiring farmers to keep safe investment in the agricultural industry, for example, the capital accumulated through years of farming could be left in that sector.

A third consequence of such a program would be to provide individuals with an opportunity to invest directly in farming. The result would surely be a decreased demand of cash which the Government has to invest through its direct loans programs.

If I may, I would like to return to the costs of farm financing. I said a few minutes ago that interest rates set on transactions by individuals were usually lower than those of other lenders. A larger number of such transactions would increase the credit available at reasonable rates for farmers, especially young farmers. Some sort of guarantee offered by the Government could probably reduce the interest rates below the market level and would obviously reduce the costs of middlemen. Such a program could also greatly simplify the process of private financing.

I fully appreciate the motion moved by the Hon. Member, and I must emphasize that, as he can see, neither the Government nor I are against apple pie and motherhood. However, I should like to remind him of a number of issues which must be addressed before a federal guarantee program can be set up for privately financed transactions in the area of agriculture.

Mr. Speaker, there exist already some federal and provincial programs which guarantee in various ways the loans granted by commercial lenders. Naturally, these guarantees are given within the framework of programs with very specific objectives and vary from 10 per cent to 100 per cent of the total loans.

We are being asked to amend the Farm Credit Act, so that the Government may provide a guarantee to whoever is taking or holding a mortgage on a farm property. Mr. Speaker, the Hon. Member may be unaware that under certain circumstances, privately financed transactions are already covered by guarantees. For instance, a private mortgage which is followed by a second mortgage is essentially a first mortgage which is guaranteed by a second mortgage. The frequency of this phenomenon is poorly understood and requires a more in depth analysis.

Before deciding to set up such a program, it is necessary to properly identify the principles which would underline its operation. One of the conditions such a program should meet would be to make long term credit more affordable for farmers and especially new farmers who are beginning or want to expand.

We should also establish as a priority the conservation of capital in the farm industry. That should be a major consideration. This could be translated into long and short term fiscal benefits. Every precaution should be taken, however to prevent such a program from negatively affecting other areas of the economy. And private investments should not be made at the expense of other industries which are in such dire need of them.

As a matter of fact, if we had only this industry in which to work and correct past mistakes, it would be simpler, but there are several areas where the Government must intervene.

If ever the Government should implement a system of guarantees for privately financed mortgages, we should have to minimize the capitalization of benefits in the evaluation of assets. I can already hear the opposition blaming us for our material concerns, but we must face up to reality. There have been too many farm assistance programs which served only to put off the inevitable or, what is worse, which have hurt a whole generation of young farmers. We shall have to make sure that if the Government decides to provide mortgage guarantees, the prices of farms is not artificially inflated. Today, as Hon. Members are well aware, the price of land is dropping. Unfortunately, not only land values but also the value of many farmers' assets, paid for in years of hard work, is dropping as well. However, it would seem that when the price of land stabilizes, it will reach a level that is fairer and more equitable, considering the return on investment. What we would not need at this point is a Government that with a well-intentioned but poorly prepared program, becomes a major factor of inflation in the agricultural sector. Mr. Speaker, we can hardly be expected to introduce legislation that would reactivate the inflationary spiral we have been trying to control.

Those are the lines along which we would approach this question, and I would now like to explain some matters of a structural nature, Mr. Speaker.

I do not know whether the Member for Algoma (Mr. Foster) is aware that a program similar to the one he is asking us to consider is in effect in New Zealand. I mention this particular country, Mr. Speaker, because its economy is very dependent on the performance of its agricultural industry, and as a result, on the New Zealand Government's agricultural policies. In New Zealand, tax exemptions, certain forms of guarantees and Treasury bonds have been used to encourage farmers to take the responsibility for financing the sale of their farm. Without necessarily intervening directly by guaranteeing mortgages, the Government helps the buyer take advantage of the vendor's terms. I have given this example, Mr. Speaker, to show Hon. Members that an effective program does not necessarily involve direct Government intervention. We know of course that the previous Government was extremely fond of this kind of direct intervention at every point in our daily lives. We must not continue along those lines, and it is our policy to get rid of this kind of intervention.

As far as Canada is concerned, Mr. Speaker, we must determine the total amount that could be guaranteed. What would be the ideal term for a given rate under such a pro-

gram? Ten years? More? Less? We would also have to calculate the level at which interest rates would have to be set. Should they be set according to the yield on Government of Canada bonds for comparable periods? Should they be set at a higher level? Could someone who already has a guaranteed loan borrow for a subsequent mortgage? How would a guarantee application be approved? There are many questions, Mr. Speaker.

And there are more. Since the Farm Credit Corporation is responsible for administering the Farm Credit Act, would it also be responsible for administering this program? Or should the program be administered by provincial agencies, by the vendor or by the buyer?

Mr. Speaker, the motion before the House is not as straightforward as some Hon. Members would have us believe. I must say, however, that last November, at the agricultural financing conference, all provincial Ministers of Agriculture—the word "all" is important because there was a unanimity that we did not have before September 4 and that has been apparent in most of the meetings we have had with the provinces—recommended that this kind of guarantee be established. The federal-provincial task force on agricultural financing has also been considering this question.

● (1730)

One aspect I have not yet discussed but which must absolutely not be disregarded is that of the program funding, whether we like it or not. Clearly, this is not the Opposition's main concern. At least it has not been in the past. Whether we like it or not, this program will cost the Government something. But even before discussing any potential losses, we must look at how that kind of program would be funded.

I am quite aware that the costs would not be huge, but we must decide who will pay for them. Some will say that the Government should. But we, the Government Members, are not so sure of that. I can tell the House that, in view of our experience with other direct loan and guarantee programs, losses under such a program could reach 1 per cent of the principal lent out. Of course, during the first years, losses could be reduced to a minimum and their cost, if there was a need to recover the guarantee, would depend on the very structure of the program. The loss potential could be reduced to a minimum by only guaranteeing loans on real farm property. Losses could be controlled by a precise ratio of loans to guarantee, or still charges could simply be added to cover the losses. Those are various possibilities.

We cannot either get into loan guarantees without assessing what the demand would be for such a program. We know that in 1983, $376 million were loaned to individuals. How much guarantee should we provide to increase those transactions to the level required? The aim is not to launch a new program just for the sake of it. Success must be seen to be there, it must be obvious.

Clearly, Mr. Speaker, some kind of bureaucracy would be needed to implement the program. Unfortunately, the previous Government created plenty of bureaucracy. We have no shortage of that! We must now work with what we have and try to maximize our returns. I think that the Farm Credit Corporation could play a role in this area, but its limits must be clearly defined.

I briefly referred to this earlier. A program of this kind would require amendments to the Income Tax Act. At the present time, farmers may defer capital gains over ten years if they sell the farm to a member of the family. The term is reduced to five if the farm is sold to someone outside the family. This will therefore have to be discussed with the Minister of Finance (Mr. Wilson).

In concluding, Mr. Speaker, I shall, if I may, remind Hon. Members that this type of program would be of no help to farmers who are in financial difficulty. We will therefore have to consider and consult as well on new programs to help producers who really need assistance. All Members are concerned about this.

The Government is prepared to consider any realistic proposals to help Canadian farm producers. This is a priority, Mr. Speaker, and we have shown this quite clearly by certain concrete measures we have taken in the last three weeks, and I am sure no one will deny that. I am aware that the Hon. Member who proposed this amendment to the Farm Credit Act did so with the best of intentions. The proposal is an admirable one. That is why, Mr. Speaker, I would like to see this motion referred to the Standing Committee on Agriculture. First, however, I would like to make the wording of the motion more precise. I move, Mr. Speaker, an amendment to the motion.

[*English*]

I move, seconded by the Hon. Member for Bruce-Grey (Mr. Gurbin):

> That the motion be amended by striking out line 4 and substituting the following therefor:
>
> "individual that takes or holds a mortgage on farm property."

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Foster: Mr. Speaker, I would like to ask the Parliamentary Secretary a question just for the purpose of clarification.

The Acting Speaker (Mr. Paproski): The Hon. Member would require unanimous consent to ask a question. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Foster: Mr. Speaker, I just wanted to ask the Parliamentary Secretary a question about the use of the term

"individual" rather than person. When drafting motions I simply use the term "person" because I understand, in terms of law, that a person is either an individual or a corporate entity. I assume that the Parliamentary Secretary in using the term "individual" rather than "persons" was advised by the Department or the law officers of the Crown that this is the more proper legal terminology to use. If that is the case, I am delighted to support the amendment. Is it true that the use of the term "individual" rather than "person" would mean that such a loan guarantee could be provided to either an unincorporated person, to an incorporated farmer or to another incorporation? I wonder if the Parliamentary Secretary could comment on that.

● (1740)

[*Translation*]

Mr. Blais (Bellechasse): That is the case, Mr. Speaker. It is meant for an individual who is unincorporated, either as a company or a corporation.

[*English*]

The Acting Speaker (Mr. Paproski): Therefore, the debate is on the motion as amended.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, this motion, as amended, is one that I would strongly support. Most of us who have been in the House for a number of years have been addressing this type of problem of the general farm financial distress situation and farm financing difficulty almost *ad nauseam*. We have done so to the point where we have considered almost the whole range of things possible, broad sweeping changes to the Farm Credit Corporation and so on. We had an Opposition Day to consider a number of the measure that could be undertaken by the Government to help assist in resolving some of the financial difficulties in agriculture.

I take pleasure in being able to participate in this debate and debate to join in support of the motion to have the Standing Committee on Agriculture consider the motion as amended. This is one of the possible solutions to the difficulties that we face. It is one way that we might approach assisting agricultural financing.

Needless to say, if farm prices were high enough, we would not have a need to discuss this or a number of other measures in farm financing. The real world does not function that way. The prices that farmers and agricultural producers have been able to achieve have not been sufficient to provide adequate returns. We are left with the situation where there are a number of pressures and economic stresses that have to be addressed, unfortunately in piecemeal fashion sometimes.

Since World War II, Canadian agriculture has become a capital intensive industry that is subject to volatile world markerts. This suggests that farming businesses have become sensitive to various economic pressures, including variability of the cost of capital. However, we must be careful in our search for solutions not to look solely at isolated variables. It is the interaction of a number of economic factors which causes problems for the agricultural sector, and we must understand these if we are going to devise policies that are in harmony with the needs of the industry.

In the 1970s, farm real estate values were increasing faster than the rate of inflation. This had a strong impact on farmers entering the industry, on established farmers expanding their operations, on the transfer of land by retiring farmers, and on non-farmers who purchased farm land for investment purposes.

The net result of the farm investment decisions made in the 1970s about farm real estate is that the total level of farm debt has risen dramatically. Farmers borrowed money to buy or expand farms. Farm debt ballooned from $5 billion in 1972 to over $20 billion in 1982. The largest growth occurred in the long-term credit market because long-term credit tends to be used to purchase land. Long-term credit outstanding in Canada rose from $2.1 billion in 1982 to almost $10 billion in 1982.

In the seventies, land prices increased so rapidly that purchasing a farm, even at 100 per cent financing, seemed to be a good investment. In some years, the inflation of land prices provided a handsome return on investment even after paying interest costs. To give an example of how this worked, let us take a look at a peak year for land price inflation, that is, 1974. In that year, land prices inflated 27.7 per cent. Nominal interest rates were 7.3 per cent. This means that the real agricultural interest rate, which is the nominal rate minus land price inflation, amounted to minus 20 per cent. The impact of this is that farmers were in effect earning about 20 per cent on the money they borrowed to buy farm land.

These returns resulted in the demand for credit to expand. Commercial lending institutions began moving to the farm mortgage market. Producers bought land, acquired modern buildings and purchased new equipment, betting that land prices would keep on going up. In the 1980s the bubble burst.

Today, land prices have dropped. Interest charges are higher than in the 1970s. The real agricultural interest rate in 1984 was over 20 per cent, which meant that farmers' investments were eroding. Consequently, the demand for credit has sharply declined. To give an example, as of January 15, the Farm Credit Corporation has committed only about $200 million. This compares to about $700 million for the same period the year before.

The consecutive declines in cash flows and purchasing power have forced many farmers to reduce their debt by offering some or all of their land for sale, but there have been few buyers. This has reduced or stagnated land prices. Those who could wait no longer to sell were forced to leave farming, producing a record number of bankruptcies. We know that some commodity groups, such as beef and hog producers, have been harder hit than others.

The trends that I have described show the general economic framework affecting farmers. Not all farmers are in difficulty. A Farm Credit Corporation survey carried out earlier this year indicates which farmers are experiencing problems.

The survey shows that the over-all equity position of farmers has declined. In the first farm survey in 1981, farmers owned on average 85 per cent of the assets of their farms. Three years later, their equity had declined to 82 per cent. This is still a strong equity position. However, the industry averages do not tell the full story.

The equity positions of farmers in each region were, as analysed by dividing farmers, in three equal groups according to the amount of equity they hold—low, medium or high equity. While the numbers change from region to region, the average equity of the low-equity group is far below that of the remaining two-thirds of farmers.

In Alberta, for example, the top equity group has an equity position that approaches 100 per cent. The middle group's equity average is 91 per cent. The bottom group's average equity is only 62 per cent. Across Canada, the low-equity group, or one-third of farmers, holds over three-quarters of the farm debt. If production were distributed equally, that would not be a serious problem.

The significance of this finding is that the farmers holding most of the debt tend to be the nation's youngest and most productive farmers. It is not a question of the debt being concentrated in an unimportant sector of agriculture. It is a question of the debt being concentrated in the mainstream of commercial farming. About half of the farm product sales come from this low-equity group.

The farmers across Canada who are experiencing severe and moderate stress are not necessarily headed for bankruptcy. It is estimated that some 1,700 of the farmers in the severe stress category may be on the verge of insolvency because their debts exceed their assets. This means that out of a national total of over 228,000 farms, less than 1 per cent of farmers are in immediate danger of financial collapse. However, the farmers in the severe and moderate stress categories are probably experiencing cash flow problems. They may be falling behind in the payments on their debts.

As of January 1, 1985, about 16,500 or 21 per cent of FCC's 79,000 loan accounts were in arrears for a total of about $197 million. I believe there are two broad considerations when looking at policy to meet the financing needs of Canadian farmers. The first is that we must devise programs so that we can help farmers in difficulty. The second is to consider policies that will meet the long-term needs of the industry.

I want to spend a moment talking very specifically about one thing. Before doing so, I would mention the support that has been given by the Minister of Finance (Mr. Wilson) and the Minister of Agriculture (Mr. Wise) to agriculture and our agricultural producers in the last three or four months. The Minister of Finance started in his November 8 statement by helping to reduce input costs by relieving some of the tax burden on farm fuels. That was one thing. The second thing he has done, and followed up in the last week with a background paper, is to indicate that there will be a House of Commons standing committee or subcommittee to consider capital gains, agri-bonds and Section 31 aspects of agricultural financing.

• (1750)

Mr. Foster: Doesn't sound very hopeful.

Mr. Gurbin: It is with the hope that they will at least produce an interim report prior to the budget that will be brought down in the spring. Those are solid things that the Minister of Finance has done specifically and all together. I think they represent probably three or four times the level of support in three months that we had in the last four or five years from the Ministers of Finance of the previous Government.

The Minister of Agriculture has also made his mark in a very short time by reducing interest rates of the Farm Credit Corporation. All of those interest rates were above 14 per cent and some of them were as high as 16.75 per cent. Those rates are now down to 12.75 per cent, and this represents a real contribution toward reducing some of the pressures on the agricultural borrower.

As mentioned by the Parliamentary Secretary, we hope that the stabilization Bill will be before the Standing Committee in the very near future. As well, the federal-provincial Ministers' conference that has been held to look at agricultural lending is another important step in looking at the broad perspective. In a very short time, I would suggest, we have made our mark on trying to work out some of the problems that have gradually built up over the last number of years.

One of the final points about which I will spend a moment or two speaking is the effort to assist the people who are in difficulty now and who have problems that they may not be able to resolve no matter how well we can get some of these changes like the changes to the Farm Credit Corporation on track. The Minister of Agriculture indicated that there would be a moratorium on farm credit bankruptcies, and that was in place until January 15 of this year. As that moratorium was lifted, the Minister indicated that there would be an appeal board process through an expanded appeal board of the Farm Credit Corporation across the country. That process is now in place and is looking at those cases of the Farm Credit Corporation which could not see viability.

At the same time, the Minister lent his support to a pilot project in the Counties of Bruce and Grey, which will end on March 21 of this year. This project saw an extraordinary level of co-operation from the local agricultural community, the Canadian Bankers Association, the Farm Credit Corporation and the provincial Ministry. This seven-person board is now meeting, hearing cases and making proposals, some of which have very creative aspects, and these proposals will then be returned to the Farm Credit Corporation and other lenders for their consideration. The process itself is working very well. It has the respect and co-operation of all those involved to this point in time.

I think the final determination of whether or not this or other processes will be useful will have to wait until they are finished and we see the reaction and response of the lending institutions. However, in the end, I think it will be another example of how the Government is actually attempting to solve

some of the problems that have been allowed to exist over a long period of time. I lend my support to the Hon. Member's motion as another example of things to which we can look in an effort to create additional support in the agricultural lending field.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am a bit concerned that you did not recognize me as third speaker as that is a tradition of the House.

The Acting Speaker (Mr. Paproski): Order, please. Perhaps that is something the Hon. Member might be able to take up with the Hon. Member for St. John's East (Mr. McGrath) and his parliamentary committee. Perhaps Private Members' Hour should be extended to two hours. The Chair cannot recognize everyone in the House during a one hour period.

Mr. Hovdebo: Mr. Speaker, this approach to farm credit is not unique and it is not new. It has been suggested on many occasions, and the previous Government had the opportunity to put it into place. It sounds very good. Perhaps it is even very practical. However, I could say many things about it that would make it seem unacceptable.

I thank the Hon. Member from the Government side who gave us a very technical approach to the possibilities for and against the motion as it stands. However, what we really need to discuss here is not farm credit but the situation in which agriculture finds itself. We are now in a position in which farm credit is only one of the very small issues for which we have some concern. In fact, this particular motion which might change a small part of the Farm Credit Corporation Act is a band-aid upon a band-aid. It is suggesting that we will help farmers who are in trouble to get more money by providing guarantees to the lender. The banks can tell us right now that there is no shortage of money to lend. The guarantee is necessary, and for that reason I will support the motion put by the Hon. Member for Algoma (Mr. Foster).

In many ways, this band-aid is not a very effectual one because credit is only one of the problems facing agriculture. If it were possible for farmers to face the need for credit, then we would be talking about something that would be worth-while. We would be having a worth-while debate. As the previous speaker suggested, perhaps all we need to do is to put into effect some kind of a guaranteed price for the products of the farmers. Then we would not have to worry about all these little band-aids which will take care of credit or the cost of farm fuel or things like that. We need to have a global debate on the problems of the farm and look at those problems all together rather than look at each small problem as it comes up.

Over the years, the input cost of farmers have increased by about 300 per cent. In the same period of time of eight or ten years, the commody price has not increased perceivably. We have a situation in which incomes are going down or staying the same and the costs are rising. There are many other solutions at which we could be looking. We should be looking at them now and we should be looking at them all together.

This Government and apparently the previous Government were afraid to look at parity as a possibility which would help farmers. They were unable to suggest reducing the price of credit entirely so that it would not become a factor in the elimination of farmers from the business.

We need to be debating a straightforward income security program for farmers which would make these kinds of band-aids unnecessary. Then we would be going in a direction which would allow farmers to know that if they produce well, they will survive and make a good living for themselves and their families. If we can have that kind of government-sponsored global approach to agriculture, it would be worth-while. These band-aids are not worth bringing before the House.

The Acting Speaker (Mr. Paproski): The motion as amended is as follows: Mr. Foster, seconded by Ms. Copps, moves:

That, in the opinion of this House, the Government should consider the advisability of amending the Farm Credit Act in order to provide for a guarantee to any individual that takes or holds a mortgage on farm property.

Is it the pleasure of the House to adopt the motion as submitted?

Some Hon. Members: Agreed.

Motion (Mr. Foster) as amended agreed to.

The Acting Speaker (Mr. Paproski): It being six o'clock, the hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS—CONSULTATION WITH PROVINCES. (B) REVIEWS OF EQUALIZATION PAYMENT MADE TO MANITOBA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, once again I want to use the opportunity that this adjournment debate offers to bring to the attention of the House the very serious economic position which the Province of Manitoba faces and the need for immediate action by the federal Government both to come to grips with the serious problem of equalization payments and to fulfil the commitments which were made by the previous Government to provide information and a review of the equalization formula, which is essential for the provision of jobs and economic growth.

On November 27 I raised a question with the Prime Minister (Mr. Mulroney) after the Minister of Finance (Mr. Wilson) had gone through his somewhat unusual technique of releasing information by dropping it in a hotel lobby. At that

time, I asked whether the instructions which were given by the Deputy Minister of Finance—which was to keep Manitobans loose and easy, but that no commitments were to be given—was in fact the position of the Government. Of course, we did not receive an answer to that question.

What concerns me most is that when the original formula for equalization came forward, the previous Government agreed to a transition period in which the payments would go from $400 million a year to $480 million a year. The previous administration recognized that there would be a transition period which would provide a cushioning effect during the time that the new formula was being put into place.

We all know the reason for the new formula. It was implemented during the time of the economic downturn, when the formula went from a ten province average to a five province average. If that had not been done, some of the richest provinces in the country would have been able to cut into equalization payments. There was a very clear rationale for it. An adjustment was required and the previous administration provided a three-year adjustment period. However, by 1983 it was clear that because of the economic repercussions of the recession, the formula which was originally devised in 1982 and the forecasts which were based on that formula would not be fulfilled. At that point in time our Government agreed that it was important to review the formula and the equalization agreements and to share that information with the Province of Manitoba in order to renegotiate a settlement. On behalf of the Government of the day, I communicated that information to the Manitoba Government in July of 1984.

The important question is: Has that review been undertaken, and if so, why has the new Government not been prepared to bring forward the results of the review and share those results with the Government and the people of Manitoba? It is quite clear that conditions have changed. We recognized the changing conditions and therefore we recognized the need to renegotiate the settlement. If that is not done, the Province of Manitoba is likely to suffer a loss of approximately $72 million in its new fiscal year, which begins in March. It will have a very severe impact on education, social services and the provisions of a wide variety of activities in the Province of Manitoba. It is important for the Government to come clean and put on the public record—and certainly with the Government of Manitoba—what it discovered in the review that the financial officials were asked to undertake and, as well, to renegotiate a new settlement.

At the same time as there has been a reluctance to deal with the equalization payment issue, we have also experienced an enormous number of severe cut-backs in the Province of Manitoba. For example, the cut-backs in the National Research Council laboratories, the substantial reduction in grants under the IRDP, and the recent cancellation of the VIA Rail centre. The estimate, as a result of those cuts, is that over 4,000 permanent jobs will be lost and 2,000 jobs will not be there for summer students. Manitoba has perhaps suffered more than any other province because of government cut-backs, and at the same time the situation is being compounded by the lack of response to the equalization problem.

The Minister of Finance of the Government of Manitoba and a number of people from social services and educational institutions in Manitoba visited Ottawa last week. They simply asked for a willingness to come to grips with it. It is our hope that the Government will now respond and recognize that it has inflicted major economic damage on the province through its cut-backs and it should not further enhance and aggravate that damage by not coming to grips with the equalization problem. There was a commitment made by the last Government to come to grips with the program, to negotiate it, review it and reach a new settlement. I believe it is incumbent upon the Conservative Government to live up to the kinds of commitments which were made last year.

● (1805)

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I welcome this opportunity to respond to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) on the subject of Manitoba's equalization entitlements. As he well knows, the principle of the equalization program and the important role it plays in ensuring that all provincial Governments have sufficient revenues to provide an appropriate level of services to their populations, have never been a matter of debate among the three Parties represented in this House. This is reflected in the fact that those principles are now enshrined in the Constitution Act, 1982. However, the Hon. Member expressed concern that this Government is not consulting with Manitoba in reviewing a specific part of this program, the transitional guarantee which the previous Government, of which he was a member, was responsible for introducing.

The Hon. Member seems unaware that the Minister of Finance (Mr. Wilson) has been consulting continually with all of his provincial counterparts, most recently with all provincial Finance Ministers on January 15 in Montreal. This was the reason he met with the Manitoba Minister in Winnipeg on November 26. The Minister of Finance had a very productive meeting with Mr. Schroeder, and the issue of the transitional equalization payments was discussed in a frank and cordial manner. The Hon. Member will know, too, that the two Ministers met again last week.

The Hon. Member for Winnipeg-Fort Garry also asked whether the Prime Minister (Mr. Mulroney) was aware of the previous Government's commitment to review the transitional guarantee and to share information from this review with the provinces. The Minister of Finance is indeed reviewing this matter and, as I noted, has been consulting with Manitoba and other provinces. The issue of the transitional guarantee is indeed an important one, both for Manitoba and for Quebec, which is also affected. The Minister of Finance is currently examining this matter in the over-all context of the fiscal situation we inherited and how our policies will affect all provinces.

Our policy of ongoing consultations and openness with the provinces since September 17 on these and other matters Mr. Speaker, is a good one. I might add, it is a policy which was not pursued by the previous Government. These consultations with the Provinces have continued and will continue. The transitional payment in question will be fully reviewed and the Government will soon be in a position to come to some conclusions on Manitoba's stated concerns.

NUCLEAR ENERGY—REQUEST FOR PARLIAMENTARY INQUIRY INTO INDUSTRY. (B) INDUSTRY'S ACCOUNTABILITY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise today to follow up on a question I asked of the Minister of Energy, Mines and Resources (Miss Carney) on November 20. At that time I asked if the Government was going to be true to the intentions of the Progressive Conservative Government in 1979 and initiate a parliamentary inquiry into all aspects of the nuclear industry in Canada. The Minister's answers to me at that time were very disturbing in so far as she indicated that she would be consulting only with officials of Atomic Energy of Canada Limited and the nuclear industry in Ontario and New Brunswick as to whether or not such an inquiry was a good idea.

What kind of advice does the Minister expect the AECL and the nuclear industry? Does she expect them to invite public scrutiny by telling her to go ahead with an inquiry? Why did she not also make a commitment to discuss the usefulness of such an inquiry with the Canadian Coalition for Nuclear Responsibility, for example, or others who take a more critical and less self-serving view of the nuclear option?

It is over two months now since I asked the question of the Minister and she has said nothing about an inquiry. If you look at her answer of November 20, you see that the writing was on the wall. She said to me that, "The problems may perhaps lie more in the marketing area", a statement which reveals very clearly the uncritical attitude she takes toward the nuclear power question. The kind of inquiry I have in mind would be one that goes deeper than she is obviously prepared to go and asks whether things like nuclear reactors are what we ought to be marketing at all, even if we could successfully market them, which we have not been able to do to date.

● (1810)

Tragically, the Minister seems to be able to reflect on the nuclear power question only from a commercial point of view rather than from an ethical or environmental point of view. This kind of myopia on the Minister's part is very frightening.

Take, for example, her view of the concern expressed by many Manitobans over Atomic Energy of Canada's underground research laboratory at Lac du Bonnet. In answer to a July 20, 1984 letter from the town council of Gimli, she responds to their resolution of concern about the disposal of radioactive waste by saying with respect to the disposal of radioactive waste from other countries that "such a project could offer considerable commercial benefits". This statement, taken together with the fact that the Americans are now considering making an investment in the underground research laboratory at Lac du Bonnet, is hardly reassuring to those of us who want to stop and reflect on the nuclear option as a whole and who want assurances that under no circumstances whatsoever will Manitoba become a radioactive garbage dump for the rest of Canada, the United States, or the world.

I call on the Prime Minister (Mr. Mulroney) to answer the letter he received from the Committee of Concerned Citizens of Manitoba, and to meet their request that he publicly instruct AECL that, as a matter of policy, Manitoba is not and will not be a location for radioactive garbage dump. I also call again on the Minister of Energy, Mines and Resources to initiate a full parliamentary inquiry into the nuclear industry as recently asked for by the British Columbia Medical Association who, like myself, has been pressing for such an inquiry for several years.

In introduced a Private Member's Bill to this effect in 1980 and I intend to do so again in this Parliament as I try, in any way I can as a Member of Parliament, to stimulate the debate which is so necessary on this issue. The fact that so far the Government has been able to get away with business as usual on the nuclear side, and massive cuts in the renewable energy research, environmental monitoring, and wildlife conservation, does not bode well for the future. I invite those who share my concerns to let me know so that we can work together to change the mind of the Government.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I thank the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for the question and the follow-up which allows us to discuss this tonight.

Over the past decade the various aspects of Canada's nuclear fuel cycle have been the subject of a number of comprehensive federal and provincial inquiries and reviews. Two major inquiries were undertaken in Ontario, the producer of 85 per cent of the country's nuclear generated electricity. The Ontario Royal Commission on Electric Power Planning, commonly known as the Porter Commission, devoted a considerable amount of time to scrutinizing Ontario's nuclear power program, as did the Ontario Select Committee on Hydro Affairs. As of the present time we are awaiting the report from the interfaith hearings on nuclear energy sponsored by a number of groups including the Anglican diocese, the Jewish community, the Roman Catholic archdiocese, the United Church and the Baha'i community.

In Saskatchewan, the Cluff Lake Board of Inquiry—the Bayda Commission—examined the expansion of uranium mining in that province. While like the two Ontario inquiries, the Bayda Commission studies all aspects of the nuclear fuel cycle from uranium mining to radioactive waste to disposal, it also examined nuclear ethics highlighting the nuclear proliferation issue. It is encouraging to note that all three inquiries supported the continuation of Canada's nuclear programs.

In addition to these large scale inquiries a number of smaller, more specific inquiries have been conducted. Federal-

ly, an environmental assessment review panel reported on four different locations for a new uranium refinery in Ontario. A panel report was also presented on a proposed uranium refinery site in Saskatchewan. Provincial inquiries relating to uranium mining have been conducted in Newfoundland and Labrador and in British Columbia.

• (1815)

A federal study entitled the *Nuclear Industry Review* was released by the Department of Energy, Mines and Resources in the summer of 1982. The report concluded that long-term prospects for the domestic nuclear industry are favourable as nuclear power is the most economical choice for new electricity generation in many parts of our country today. Despite the current downturn in demand, CANDU remains an attractive generating technology both for domestic and some export markets. While this report recognized that Government initiatives might be required to preserve manufacturing in the short term until domestic demand is sufficient to sustain it, the immediate positive economic spinoff of such initiatives cannot be discounted.

As the federal Government enters a new era, the Minister of Energy, Mines and Resources (Miss Carney) has indicated her interest in investigating the usefulness of such an inquiry as was suggested by the Hon. Member. The Minister has stated that such an inquiry could consider, among other things, what role the industry might play within the energy sector, the international marketing of CANDU reactors, which the Hon. Member seems to criticize, the electricity exports to the United States and the production of heavy water.

The Minister reiterated just two weeks ago her commitment to review nuclear matters. The Hon. Member says she has not mentioned it in two months. She mentioned it just two weeks ago when commenting on the recommendations of the Economic Council of Canada's report *Connections: An Energy Strategy for the Future*. At that time she promised to study closely the Council's recommendations dealing with nuclear energy, particularly those relating to continued government support of Canada's nuclear technology. I can assure the Member that this investigation is going on and we will be reporting the findings to the House in the not too distant future.

EMPLOYMENT—STUDENT SUMMER JOBS. (B) ALLOCATION OF FUNDS. (C) GOVERNMENT CONSULTATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, on January 28, I directed a question to the Minister of Employment and Immigration (Miss Macdonald) about a document which describes a program called SELF, which stands for Summer Experience and Learning Fund.

I asked the Minister if it was not true that the document described expenditures amounting to $140 million which would provide summer employment for some 65,000 students. On that occasion the Minister indicated that a program would be announced after she has had an opportunity to consult with all those sectors of the community that were worthy of consultation.

In response, I pointed out that the Canadian Federation of Students were told, in response to a request for a meeting, that essentially the Minister would not be able to meet with the Canadian Federation of Students in the foreseeable future.

On the subsequent day the Minister discovered that indeed, as the document indicates, she had seen and agreed to a program called SELF which is described in intimate detail, with the implication that it will be the basis for the implementation of a summer student employment program after approval by Cabinet. Furthermore, I determined on that same day that in spite of the previous denial of an opportunity for the Canadian Federation of Students to meet with her, she had indeed agreed to meet with them.

There has been some change in direction. I hope that this change in direction will continue and that these consultations with the Canadian Federation of Students and others will bring about a modification to some elements of the program that I think are subject to criticism and concern.

I should point out that the program's very title indicates a considerable shift in emphasis from a job-creation program to a training program. In fact, what has been done is to use Summer Career Access as the basis for a $108 million program. There are difficulties with that because I think most of us realize that not every job available will be appropriate to the particular kind of vocational training or education that a student is pursuing in a college or university. There will be some problem of fit. I do not want to suggest, Mr. Speaker, that there is a basic objection to the appropriateness, indeed the value, of having summer jobs which are matched to the degree or diploma a student is pursuing. The difficulty is that the entire program will be of that character, and I think this suggests considerable difficulties.

• (1820)

One of the major difficulties is that last year the deadline for applications for Summer Canada projects was February 24, with an announcement made in December. I think that should make it clear to you, Sir, that we are already very late in the year in advancing a program that will be accessible and useful to students. I think it is not going too far to suggest that students must feel some considerable insecurity and doubt about the availability of jobs.

First, let us focus on the fact that the Minister has reiterated the point, and the Minister of Finance (Mr. Wilson), in describing the cuts applicable to Summer Canada, said that $85 million was involved and 40,000 student jobs. Although $85 million was budgeted, $201.9 million was spent creating 86,000 jobs. Will the Minister consider advancing a program that will at least ensure that the same number of student job placements will be created in 1985 as were created in 1984?

Will it not be reasonable, in view of the lateness of the hour, to consider reducing the career access portion, that is ICE and centers for the career employment portion to the level of the pilot programs or at least to introduce more flexibility in the

program to counter the eventuality that there will not be enough career places to satisfy the needs for student employment?

There are a number of other aspects of this program that I think are subject to considerable concern. There is the concern, first, that Summer Canada was previously a project-oriented program that served the community needs of a number of people in this country who suffered one difficulty or another. I am speaking of the disabled, women, the unemployed and so on who were served in many communities by student groups. There is a great deal of concern about that. It would be very desirable from the point of view of this vast number of community organizations helping the deprived and the dispossessed, if that portion of the program were again introduced, that is to say, that the project-oriented portion be given increased emphasis compared to what is suggested in the document, and that the community benefit aspect of Summer Canada be considered again as appropriate.

I should point out that in the past there was an affirmative action aspect to the program requiring that places be reserved for the disabled, women, natives and so on. We would like to see that reinstated.

There is another element in the program that concerns me also. There is a portion of the program which is based on a United Way type of campaign which depends upon private business to create jobs by a kind of propaganda effort. What worries me is that it is recommended in the document, and I hope this will be turned down, that moneys will be withdrawn from ICE, that is a wage subsidy program, in order to encourage the successful implementation of the voluntary program. I think that speaks of considerable dangers to student employment.

● (1825)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): On behalf of the Minister of Employment and Immigration (Miss MacDonald), Mr. Speaker, I am pleased to answer the question of my colleague from Windsor-Walkerville (Mr. McCurdy).

I must admit that I am a little bit surprised that the Hon. Member should raise his question this evening because, if we look at *Hansard*, it first came up last Monday. The question was raised in the House by my colleague on January 28, and the Minister did say that programs would be announced within about two weeks. Still, I am glad that my colleague has mentioned the fact that the consultation and the points raised last week have led to some results. Mr. Speaker, it goes to show that the Minister of Employment and Immigration is open to all suggestions, be it to meet with students or to answer a question on a document which has now been put into circulation and which, at the request of the Hon. Member, is the subject of a special study.

Very soon, the Minister of Employment and Immigration will announce new programs. As you know, she is now consulting the provinces, the Northwest Territories, companies, workers, students and young Canadians.

As to the questions raised by my colleague, namely: Will the same number of jobs be guaranteed? Can existing programs be replaced by other programs so as to save the same number of jobs, community projects and positive action projects, I should think that the Minister will consider the question, that it is the subject of current consultations, and that it will be included in the announcement which the Minister said last Monday would be made within about two weeks.

The Government is perfectly aware of the situation of young people, that what they need most is good job opportunities. They do not want to walk down a dead-end street as they did before. Mr. Speaker, that is why I think a distinction has to be made between being late in the year and being late, period. I know that this year the summer programs will be announced later than last year, but that does not mean we are too late. Hon. Members of the Opposition have been raising a fuss because the programs have not yet been announced, but I rest assured that all Canadian youths are patiently waiting for those new programs and, as the Minister told me, I can assure you that the announcement is forthcoming and that nobody will be disappointed.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 6.28 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, February 5, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

Mr. Speaker: Pursuant to Standing Order 62(4), I must make a decision as there are two motions on the Order Paper. I choose the motion standing in the name of the Right Hon. Leader of the Opposition (Mr. Turner).

ALLOTTED DAY, S.O. 62—SUPPORT FOR AGRICULTURE

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemns the Government for its inadequate response to the growing financial crisis in the agriculture sector and for its failure to provide sufficient support and services to farmers who face severe economic difficulties in all regions of the country.

He said: Mr. Speaker, the motion which you have just read to the House underlines a very acute problem for our farmers right across Canada. Of the 300,000 farms in Canada, thousands are in deep trouble. This is an industry which should claim the attention of the House. There is over $187 billion in growth production in agriculture and those industries related to agriculture in Canada. One in six jobs in this country is related to agriculture. It is the most important sector in the country.

We not only have the duty to boost our economy by farm production, but I am sure, Mr. Speaker, you will not reject the proposition that we have the potential in Canada to feed a hungry world. We have the duty to ensure that our agricultural production is mustered and marshalled so that we feed our neighbours throughout the globe who are starving.

This is the most productive industry in the country. Eugene Whelan, who was a great Minister of Agriculture for 12 years, never failed to remind Canadians, when addressing either an urban or rural audience, that when it came to productivity and efficiency the farmers in Canada were the most efficient in the world and the farming industry in Canada was the most efficient in the country.

I bring the motion to the attention of the House and Canadians because, despite that potential, farmers today face all kinds of uncertainties. Not only do they face the traditional unpredictable weather but in parts of western Canada they face floods, drought and an economic climate which is uncertain. Farmers have struggled through three or four years of inflation and recession, price fluctuation and uncertainty of markets.

The farming community in this country includes the best of our entrepreneurs, the best of the free market spirit. They are the real risk takers in Canada. They need our support and encouragement. Most of all, the farmers of Canada want their Governments, federal and provincial, to treat them fairly. They do not want handouts or something for nothing. They want fairness.

The purpose of this debate is to draw to the attention of the House and the country the fact that the Government is not keeping its solemn commitment to treat the farmers in this country with fairness or understanding. Instead, since coming into office the Government has undertaken almost a systematic campaign to renege on those promises it made during the election campaign.

Farming is important in every province of the country but I would say particularly in western Canada. As I travelled in western Canada since the election, the question I heard throughout the West was why the Government, with its overwhelming majority of Members from western Canada, has been treating farmers in such a callous and off-handed matter.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I see that the Minister of Agriculture (Mr. Wise) has come into the House. He has the honour to represent a great Ontario riding. I suggest that he do a little travelling and go to western Canada. I think he will learn what the situation is out there.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): We have finally woken them up! They do not do anything for most of their time here but sit quietly, flapping their fins when the seal master brings them forward. I consider one of my duties in this House is to wake them up and get a response from them.

• (1110)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): For a Friday morning, Mr. Speaker, those Conservatives are not bad.

Mr. Mayer: It is Tuesday morning.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It is Tuesday. As a matter of fact, this House is so empty, I thought it was a Friday morning, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Where are all your 211 Members? There are less than 10 per cent here.

Mr. Turner (Vancouver Quadra): I invite the Minister to re-read that Prince Albert Charter. He has it right there. I am glad that it is loose-leaf because it can be torn off page by page.

In Prince Albert, the Prime Minister (Mr. Mulroney) during the campaign laid forth his undertaking and commitment to the farmers of the country. The Minister of Agriculture has the list of commitments in his hand. The list was long and impressive, but the list of commitments kept is short and disgraceful.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have this great document as well, Mr. Speaker. As I say, it is in loose-leaf form and it is replaceable, expendable and disposable. The Tories promised to abolish capital gains on farm land. Here is the commitment and it is in a letter dated July 17, 1984 to the President of the Ontario Federation of Agriculture. Item No. 8 of those promises, signed in the Prime Minister's own hand, reads:

> We will abolish the imposition of capital gains tax on the sale of farm property for continued agricultural purposes.

In the same letter, part of the Charter, under item No. 2 we read:

> A Progressive Conservative Government will establish an Agribond Program to provide loans at reduced interest rates to agricultural producers. A tax exemption for earned income on these bonds would be provided to attract investment capital to this program.

Take a look at item No. 7, Mr. Speaker, from the same letter. It reads:

> We will change Section 31 of the Income Tax Act, as it applies to farmers, to reflect the principles of equity, neutrality, simplicity and certainty. In addition, the strong-arm and confrontationist tactics presently practised by the Department of Revenue will be immediately abolished and a practice whereby the taxpayers treated openly and honestly will be instituted.

Mr. Frith: Does it sound like a sacred trust?

Mr. Turner (Vancouver Quadra): I hear the Hon. Member for Mississauga South (Mr. Blenkarn). I know he is useful here, particularly on a dull day when that fog horn voice of his can pierce through this Chamber.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): He is close enough to you and to the chair, Mr. Speaker, to put him on a leash. It might be a long leash, but just keep him on a leash.

An Hon. Member: Go back to sleep, Don.

Mr. Mayer: It's a dull day so far.

Mr. Turner (Vancouver Quadra): Those three clear commitments were made the subject last week of a discussion paper. And here we go again. The Minister of Agriculture is not fulfilling those commitments but he brought out another discussion paper for as yet an unnamed committee to study, for as yet an unspecified period and for as yet an unspecified location. If you read that paper, Mr. Speaker, it argues against those commitments. It argues against changes for farm taxes.

I want to read what that paper contains. First, the discussion paper of the Minister of Agriculture makes no reference to the promises made in the Prince Albert Charter or to the promises made to the Ontario Federation of Agriculture. The Minister's paper states that one should reduce the over-all tax rate on farmers to some 4 per cent of total farm income. The proposed changes in the taxation of capital gains and the agri-bond concept raised questions about unfair competition, the potential for upward pressure on farm land prices and fairness, *vis-à-vis* other taxpayers. Also the discussion paper indicated that by changing the $5,000 limit on farm losses, a part-time farmer now could jeopardize the position of full-time farmers. In other words, the problems faced by farmers because of inflation and the fact that land values have risen sharply, particularly since 1971, have put farm land out of tune or out of step with the actual productive capacity of the land. That paper rejects, in the way it was framed, all three of those commitments. It opens discussion but rejects all three of those commitments.

• (1115)

Speaking on behalf of farmers, I can say that it mainly repeats past arguments of officials of the Department of Finance against any changes to farm taxes. Once again the discussion paper puts off to never-never-land or puts on the back burner those commitments. It is a prolonged process. I am referring to the commitments which were made, almost in a sacred fashion, in Prince Albert and were reduced to writing to the Ontario Federation of Agriculture. They have been put away, neglected and forgotten. I will tell the House that farmers will not forget. I say that to the Minister.

We want to tell the Government that it did not promise discussion documents; it promised legislation, it promised action. I challenge the Government to bring forward these measures in legislative form for debate. They should not be sloughed off in some discussion paper. It has been a long winter for farmers. They may have time to read the discussion paper, but they feel sick inside because they need and want some action.

Then there were flowery, grand promises about freight rates for grain. I am sorry the Minister of Transport (Mr. Mazankowski) is not present. The Tories said: "Elect us and we will freeze increases". The only freeze on that front is the Government which is frozen in inaction. They promised to amend the Grain Stabilization Act for earlier pay-outs so that farmers would have cash for seeding this spring. We have not seen that legislation. If farmers in the country have any problem, particularly those in western Canada, it is the cash flow problem.

We made that undertaking but we were rejected. The Government was elected with a massive majority in western Canada, but it is reneging on that commitment. It has been a long winter, and farmers can reflect upon the actions of last summer.

Also the Tories promised to expand research and development for agriculture. What have they done? They have cut funding to build a pharmaceutical testing laboratory in Trois-Rivières. They cut back on the forestry research being conducted by the Department of Agriculture. They cut back on environmental studies of pesticides. Now farmers will not know what chemicals do to the environment. In terms of farm financing—and this goes to the gist of the motion before the House—today there are more than 45,000 farms facing financial ruin and difficulty. The Minister has instituted a review committee at Farm Credit Corporation to which individuals can appeal FCC decisions on repayment, but the review committee has no real authority or statutory power.

It is incumbent upon me to congratulate the Minister for lowering that interest rates on some 5,600 loans to 12.75 per cent. However, there are still some 6,800 loans at rates above 13 per cent which were not reduced. What does he plan to do with those?

Farmers everywhere in the country are caught in a cost squeeze between the price of the commodities they grow and market and the cost of the ingredients which go into production of produce, whether it be fertilizer, fuel or machinery. Farmers are also caught in a liquidity vice. They are caught in a cash flow bind, and commodity prices are not helping.

• (1120)

Another incredible move announced by the Minister of Finance (Mr. Wilson) in his November statement was to increase by $32.3 million farm services charges for such things as feed inspection, quality control, record of livestock performance and so on. What is most amazing is that when tens of thousands of farmers face economic difficulty, the Minister is not only planning on raising the current fees, but he intends to look for other services because his paper says there are certain services which are now not charged for on which he can slap a fee. The farmers are in difficulty: he raises service fees for the farmers across Canada and is looking for other areas in which he can charge them fees.

[*Translation*]

I am sorry to see the Minister of Public Works (Mr. La Salle) is not here this morning.

An Hon. Member: He is hiding!

Mr. Turner (Vancouver Quadra): I suppose the Hon. Member is afraid to go back to Joliette, nowadays.

Perhaps, Mr. Speaker, we should mention the fact that a cheque for $13 million, thirteen million dollars, was signed at a public meeting by the Minister of Public Works, for the benefit of Quebec's hog producers. This was indeed a tangible commitment. The cheque was significant in more ways than one, but unfortunately, it is worthless, because the Minister of Agriculture (Mr. Wise) refuses to cash it, claiming that he did not discuss the matter with his colleague from Joliette who signed the cheque in the first place. A fine state of affairs.

I would ask the Minister . . . with his translation system, he is going to see his colleague from Joliette . . . the cheque may still be somewhere in Quebec . . . so sign, endorse and cash the cheque, and meet the solemn commitment made by the Member for Joliette!

Mr. Speaker, when asked about this matter by the Member for Algoma (Mr. Foster) and other Members of the House, the Minister of Agriculture claimed we should not broach the subject because it is an area of delicate—I am quoting the Minister—negotiations with the United States. We get the same story about "star wars". When questions are put to the Minister of National Defence (Mr. Coates) or to the Secretary of State for External Affairs (Mr. Clark), they say: No questions, please, not even in the House, not even in the nation's forum, because we are involved in delicate negotiations with the United States.

Perhaps we should talk about the Pacific salmon treaty. Last week, Mr. Speaker, I put a question to the Minister of Fisheries and Oceans (Mr. Fraser). Our representative on the committee, your committee, Mr. Speaker, did not even see the text of the treaty before it was signed here in Ottawa, and when I asked the Minister about this, his reply was: Be careful, this is a delicate matter. We do not want to disrupt the negotiations. We do not want the U.S. Senate to refuse to ratify the treaty. So, please do not ask any questions about the treaty.

An Hon. Member: They are selling out Canada!

Mr. Turner (Vancouver Quadra): It was the same story yesterday and the day before, about NORAD, our North American Defence Agreement. When questioned, the Minister of National Defence and the Secretary of State for External Affairs informed me and the Members of Winnipeg-Fort Garry and Saint-Maurice (Mr. Axworthy and Mr. Chrétien): Do not ask that kind of question, it is a delicate matter. We are negotiating. No text for us Members, the matter is far too delicate. And now the Minister of Agriculture tells us not to ask any questions about the matter involving the Member for Joliette, the Minister of Public Works, because this again is a delicate matter since we are negotiating with our neighbour, the United States.

Mr. Speaker, I ask for your advice: What can we talk about in the House, if every subject is taboo until this Government gets Washington's permission to talk about it?

• (1125)

[*English*]

We have not had much action from the Government, or news as a matter of a fact, as to what the Minister of Labour (Mr. McKnight) or the Minister of State for the Canadian Wheat Board (Mr. Mayer) are doing about a strike of 1,200 grain handlers. There are 1.6 million tonnes of grain languishing in Thunder Bay right now and the Wheat Board is doing nothing. That is an insult to farmers and an insult to the grain handlers.

I will not be long, Mr. Speaker. If time is troubling me, perhaps the Minister would give me unanimous consent to finish a few remarks.

Mr. Speaker: The 20 minutes allotted to the Right Hon. Leader of the Opposition has expired. However, he could continue with unanimous consent. Is there such unanimous consent?

Some Hon. Members: Agreed.

Mr. McKenzie: No.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Given the Member's position in the House, I will seek the House's consent one more time. Is there unanimous consent that the Right Hon. Member may continue his remarks?

Some Hon. Members: Agreed.

Mr. McKenzie: No, never.

Mr. Speaker: I am afraid the Right Hon. Member's time has expired. However, I find that there is a minute in which the Right Hon. Member may conclude.

Mr. Turner (Vancouver Quadra): I regret very much that the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) is in such a rough humour this morning. Where are the members of his caucus who have railed and raved for years about Liberal policies, claiming that they hurt farmers? What are they doing for farmers now that they have finally gotten into government? They are suddenly silent. Not a word in debate is coming from the back-bench. Members of this Party intend to speak out on behalf of the farmers of the country. We are led very well by our critic, the Hon. Member for Algoma (Mr. Foster).

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): On behalf of the farmers of the country, I urge the Government to recall its consultation papers, bring forth the legislation it promised, cancel the cuts in agricultural programs, stop the increase in fees which will be an additional burden on our farmers, bring forward for debate in the House the legislation which farmers need to avoid economic disaster, and remove the threat of financial ruin which too many of them are facing today.

Some Hon. Members: Hear, hear!

Mr. Speaker: Questions or comments?

Mr. Wise: Mr. Speaker, it is very interesting and indeed gratifying to some degree to have known the Leader of the Opposition (Mr. Turner), the former Prime Minister, for quite a number of years. It is true that he had a bit of a sabbatical from being a Member of the House some time ago, but I first arrived here in 1972 and the Right Hon. Member was a Member of the House at that time. This is the first time that I can recall the Right Hon. Member utilizing an opportunity to speak about the agricultural industry. I suppose one could take some satisfaction from the fact that finally, after years and years of neglect of the agricultural industry by the Liberal Party, Canadian farmers turned their backs on that Party and on the former Prime Minister on September 4. I suppose we can take some satisfaction from that.

I have a number of very simple and straightforward questions to ask the Right Hon. Member. When the right hon. gentleman was so quick to praise the former Minister of Agriculture, Eugene Whelan, why did he, as Prime Minister, remove Eugene Whelan from the agriculture portfolio? Perhaps he might shed some light on that. Why was it that during his tenure as Prime Minister of Canada he did not make one move to extend the special farm assistance program? Not one dollar was spent. That program exhausted all of its funds on January 1, 1984—

• (1130)

Ms. Copps: You are going to lecture us on Eugene Whelan?

Mr. Wise: Mr. Speaker, I have nothing against my predecessor. In fact, I have supported Eugene Whelan on numerous occasions. However, I wondered what the former Prime Minister had against him and why he removed Mr. Whelan from the Cabinet.

Why are the Liberals so indignant today when they thought that interest rates that were at 16.75 per cent, which locked farmers in for long periods of time, were fine when they were in government? That was not fine for us, and that is why we moved very quickly to bring interest rates down from 16.75 per cent to 12.75 per cent. That provided a benefit of $16 million to 5,600 farmers.

I believe that the Leader of the Opposition is somewhat confused in citing the Prince Albert paper with the letter that the Prime Minister (Mr. Mulroney) wrote to the President of the Ontario Federation of Agriculture, Mr. Harry Pelissero, on July 17. That letter contained 11 commitments. Why did the Hon. Leader of the Opposition ignore commitment No. 1, which referred to the funds for municipal drains in eastern Ontario? Indeed, everyone knows that situation. Commitment No. 2 dealt with agri-bonds. That has been referred to a parliamentary committee. Why did the right hon. gentleman not mention item No. 3 which dealt with tripartite stabilization? That Bill has been tabled in the House of Commons. Those are the commitments which were made and that is

where we are. Why did the Right Hon. Member not touch on commitment No. 4, which was part of the Prince Albert statement and dealt with the rebate on the 9 per cent sales tax on farm fuels? We delivered on that.

Mr. Deputy Speaker: I must remind the Hon. Minister that he has taken up to five minutes of the ten-minute period which is allowed for questions and answers. I will now recognize the Right Hon. Leader of the Opposition (Mr. Turner).

Mr. Turner (Vancouver Quadra): Mr. Speaker, you will notice that we did not interrupt him.

Mr. Masse: What about the Hon. Member for Hamilton East (Ms. Copps)?

Mr. Turner (Vancouver Quadra): In response to the Hon. Minister's first question, he will know that when I had the opportunity to serve in the House of Commons in a number of portfolios, I paid special attention to agriculture. I travelled the country, and I was responsible for lifting the capital gains tax on the transfer of family farms from one generation to another.

I could list a number of opportunities which I created for the farming community in Canada when I was responsible for the finance portfolio.

Eugene Whelan was appointed by the previous Government to the position of ambassador to FAO. That Government believed that his talents and his knowledge of the world food situation would be of great benefit to this country and to the people who are starving throughout the world. When the current Government ripped up that appointment, it deprived the agricultural community world-wide of one of the most knowledgeable Canadians on the subject.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): It cancelled the post despite the advice which the Minister recently received as to the necessity of that post.

The former Minister of Agriculture brought in Canagrex. The Conservative Government did not promise to axe Canagrex, but the Minister says it is now history and that it has a dismal record. I am responding to the issue of Canagrex because of his comments about Mr. Whelan. Canagrex received its terms of reference from Treasury Board in May, 1984. It is responsible for $18 million in export sales and negotiations are under way for an additional $100 million in export sales to Pacific rim countries. Canagrex exports canola, white beans, potatoes, honey and animal feed. Canagrex has also performed market surveys in 16 countries and has had over 300 requests for assistance. Yet the Minister says that Canagrex has a dismal record and that he has received letters which support his decision.

Once again referring to the brief of the Ontario Federation of Agriculture, I wonder whether he has read the brief of January 31, in which Ontario farmers said that they were "angered and surprised" by the decision to eliminate Canagrex, which was the creation of Eugene Whelan.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): No explanation has been given for its elimination. No reasons have been provided. It is just another example of how this Government got carried away with its own rhetoric.

This Government did not promise to cut flood relief in northeastern Saskatchewan. The previous Government set aside $16 million for flood relief. This Government is providing less than half of that amount—$7.4 million—and the farmers of northeastern Saskatchewan are surprised when they get their cheques. Instead of getting a two-to-one ratio on the federal contribution, it is down to $1 for $1 of provincial aid. We have not heard a word from the Tory Premier of Saskatchewan, who during the summer said that the problem was acute and approaching disaster. The only one who gains under the scheme of the new Minister of Agriculture is the orange blossom wheat midge which, as the Minister will know, thrives in wet conditions.

Mr. Althouse: Mr. Speaker, I wonder if the Leader of the Official Opposition (Mr. Turner) would explain to the House where the policy of his Party on the red meat stabilization program differs from that of the Bill which was just presented to the House. Specifically, why has his Party not been putting forward the kind of stabilization program which would be cost-based rather than market-based?

Mr. Turner (Vancouver Quadra): Mr. Speaker, once again the hon. gentleman knows that it was a question of getting an agreement with the provinces, and we were moving in that direction.

Mr. Althouse: Mr. Speaker, it is quite clear that most of the provinces have programs which are cost-based. I believe it must have been a major problem for the federal Government to bring into the negotiations when it switched those provinces from the cost-based programs, which the farmers liked, to the old market-based system which goes back as far as 1958. Since it was obviously a problem of philosophy with his Party, I wonder if the Right Hon. Leader of the Opposition could tell the House what is the problem?

Mr. Turner (Vancouver Quadra): Mr. Speaker, as I recall, only the Province of Manitoba wanted a cost-based system. The other provinces were of a different view. That was the problem.

Mr. Deputy Speaker: The period for questions and comments has expired. We shall now resume debate. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I had expected the Government to respond to the motion, but apparently the Minister of Agriculture (Mr. Wise) does not wish to do so.

Mr. Wise: We want to hear your advice.

Mr. Althouse: The motion which is before the House today was introduced by the Official Opposition. It condemns the Government for its inadequate response to the growing financial crisis in agriculture, and also points to the failure of the Government in not providing sufficient support and services to farmers who are facing severe economic crises.

The economic statement of November 8 indicated the direction which this Government was taking. I believe farmers received the very clear message from that statement that agriculture would not be as high a priority after the election as it was before the election. We only have to look at the various cut-backs which were proposed in that statement to realize that. Cut-backs in the Department of Agriculture amounted to $62.9 million.

Some of those cut-backs were very hard to rationalize, if we view them in straight business terms. For instance, the cut-backs in Canagrex which the Government says will mean a savings next year of $6.6 million, my information is that so far this year about $3 million has been spent. With two months yet to go, spending will not be anything approaching the $6.6 million. Information the Government has provided indicates that there was between $16 million and $17 million worth of sales completed in the first five months of operation, with something over $100 million in progress. That seems to me to be a cost-benefit ratio of about 2 per cent to 3 per cent of sales.

• (1140)

It may not be widely known, but farmers see overseas sales as new business, which I think is the case with anyone who has ever been in business, and they see this agency as providing them with something in the neighbourhood of $100 million worth of business which would not otherwise have occurred, all at a cost to the treasury of $2 million to $3 million thus far. I think most business people would think that was a pretty good return on investment.

However, the Government, for its own reasons, chose to abandon that particular agency. I think this had nothing to do with dollars and cents, Mr. Speaker, or providing a needed service to farmers. However, it had everything to do with the Government's own philosophy regarding Crown corporations and the Tories' long and arduous struggle to oppose Canagrex when they were in opposition. I think the Government would be well advised to admit that it is for philosophical rather than business reasons that Canagrex is being shut down.

Additional attempts to reduce Department of Agriculture expenditures are also aimed at exports to some degree. The Government is proposing to reduce assistance to the Canadian Dairy Commission in its efforts to increase exports of cheese and dairy products. The reduction is some $4 million in the coming year and will increase to a full $6.6 million in the year following.

I think the more noticeable form of cuts lies in the fees the Government is now proposing to charge for inspections done on behalf of Canadians and therefore normally paid on their behalf by the Government. It is now proposing to collect these fees from the agricultural producers and processors. Some $32 million is projected to be collected. The Government is attempting to collect a fee for meat inspection, as well as replacing some federal inspection with in-plant inspection. All of this has raised a great deal of concern among consumers as well as people in the industry.

The question arises as to whom the inspectors will be acting for. If the plant pays for the inspection service and hires the inspector, will the consumer be adequately protected? Further questions have arisen regarding the inspection of imported meat. I am sure the House will recall the recent report from Halifax where the federal inspector decided there was too much hair and manure in a shipment of imported meat. On appeal to the Department of Agriculture veterinarian, the meat was permitted to enter. This sort of thing has happened on several different occasions. The argument is not over whether the veterinarian or the meat inspector has jurisdiction; it is over the attempt to switch responsibility from a federal agency to an importer or processor.

Another concern arises from the very rapid increase in fees which producers have been paying. I will cite only one example in the time I have. Seedgrowers in this country have just found out that an Order in Council has been prepared which indicates they will pay fees from 400 per cent to 500 per cent higher than they were last year. The Government is pretending to have consultation with the people concerned but the negotiating room the seedgrowers have is very limited when the Order in Council is ready to go.

Another area of cut-backs which does not seem to make any sense on the surface, and I hope eventually the Government will provide a better explanation than it has to this point, deals with the decision to cease the inquiry into potato marketing in the five eastern provinces. As the House may be aware, that particular industry has been studied for the last 13 or 14 years. All these studies have resulted in some dissatisfaction among all parties concerned because it was always felt the real truth had not been sorted out. A decision was taken some time ago to set up the judicial inquiry with a judge at the helm who would have the power to subpoena witnesses and their records so that the real truth could be found. However, apparently someone on the Government's side felt this might be threatening to some of their particular friends and that investigation ceased forthwith.

Farmers are still asking questions about the marketing of potatoes and are quite unhappy the real truth was not dug into. I think the new Government had a very clear and fresh mandate and certainly looking into the true facts of potato marketing would have been a suitable beginning for a new Government. I am sorry the Tories saw fit to stop this one chance to shed a little light on some of the inner workings of the Canadian potato marketing system.

The Government announced during its economic statement in November that it would be discussing three taxation issues affecting farmers. There were very clear promises in the election campaign to do away with capital gains taxes. In some of the back roads of the country it was simply referred to as doing away with capital gains. Perhaps those people were more

right than they know when you look at the price of farm land, which is going down in virtually all parts of the country. Perhaps it is part of the Government's economic policy to run agriculture into the ground so that the capital gains in farm land which accrued with inflation will now reverse itself and we will go back to 1971 prices. Of course, the Government will then indeed have done away with capital gains. However, I think it was the taxes that they were promising to do away with.

As well the Tories promised to make some drastic changes to Section 31 of the Income Tax Act and implement something called an agri-bond, although their particular description was never made very clear. In the few places where it was described it sounded somewhat like the agri-bond which is in place in the United States that provides a tax break for investors. It has proven to be a rather inefficient way of providing assistance to farmers since the forgone income revenue from the Government amounts to several times what the direct cost would have been had they simply subsidized the farmer who is eligible to receive the borrowed back money which has been invested in agri-bonds.

• (1150)

On November 7 we were promised that there would be an interparliamentary committee set up to study these issues. To my knowledge, the committee has not yet been named. However, we do have a discussion paper which came out last Thursday or Friday. Some of the issues that the Government is proposing to put forward for discussion are focused on the wrong areas. For instance, it is fairly clear from the discussion paper that with regard to in-family roll-overs, relatively wealthy farms have no problem with capital gains tax. They generate enough funds to enable the existing generation of farmers to provide themselves with savings and retirement funds, meanwhile rolling the farm over to their sons, daughters or grandchildren. However, the middle and lower income farmers do not usually have that kind of income. Therefore, the roll-over provision is not so helpful to them. They are forced to sell all or part of the farm and to pay some capital gains tax. The current system is working quite well for the relatively wealthy but not so well for the middle and lower income people.

The treatment of farm losses by Revenue Canada was a real eye opener. I could conceptually understand that high income people would get the biggest benefit. However, the discussion paper includes some studies which show just how much benefit high income people receive by writing losses off against a farm. Table 13 of that discussion paper indicates that the average off-farm income of 105 returns was $406,000. Their farms were relatively large, having an average gross farm sales of $120,000. The surprising thing is that our tax system permits a relatively large farm with gross sales of $120,000 to have an average farm loss of $187,000. A person with off-farm income of $406,000 pays tax on $219,000.

There are about 1,700 taxpayers who have off-farm earnings in excess of $100,000. Virtually all of those in that category write off about 50 per cent more than the farm actually generates in total sales. I am referring to total sales rather than profits, Mr. Speaker. Anyone who knows farming knows that the money left over for wages and reinvestment tends to be in the range of 14 per cent to 20 per cent. Yet the focus of Section 31 seems to be on people whose off-farm incomes run from $10,000 to $25,000. Ironically, these people run farms with gross sales which far exceed the amount of losses that are written off against them. These are almost economical units in terms of cash flow in and losses out. Yet those are the people whom we have been concentrating on. There do not seem to be any proposals in the discussion paper to change the focus or to concentrate on the real tax outflows.

In closing, Mr. Speaker, I would like to point out that in the first four or five months that the Government has been in power it has given some very clear indications of what it thinks of agriculture. It has made some promises which it has yet to keep concerning the establishment of an inter-parliamentary committee to study the three issues I have just been talking about; capital gains tax, Section 31, and agri-bonds. The Government is acting on its serious intention to cut some $63 million from the agriculture budget. We have only begun to see how this will cost in terms of extra fees for service. We have only begun to see, as the seed growers have found out, that it can be very expensive to become self-sufficient in the area of supply and services for farmers.

The current Government seems to have no real understanding of the need for expansion of trade in agriculture. By cutting back on the dairy program and doing away with Canagrex it has thrown out the baby with the bath water. The Government has washed its hands of in excess of $100 million of new business. We will remember that two years from now when we assess the Government's commitment to agriculture. It will be measured by how it replaced those programs and how much money was spent on their replacement. We will be watching these things because the moves the Government has made so far do not make very much economic sense.

Mr. Blenkarn: Mr. Speaker, would the agricultural critic for the New Democratic Party encourage the referral of the paper on tax issues concerning agriculture to a standing committee where witnesses could be called to determine what approach should be taken with respect to these tax issues?

Mr. Althouse: I understood from the economic statement of the Minister of Finance (Mr. Wilson) that he was going to establish an inter-parliamentary committee to which these discussion papers would be turned over. He indicated that three months ago and still has not taken any action. We are waiting for that committee to be struck. It is an obvious place for these papers to go.

Mr. Blenkarn: Mr. Speaker, I take it that the Hon. Member's Party would be in favour of the referral of these papers to a committee, and that he and his House Leader would expedite that referral.

• (1200)

Mr. Althouse: Mr. Speaker, at the moment there is no place for them to go. However, if the Minister follows through with his proposal to set up that committee, by all means these papers should be referred to that special committee.

Mr. Murphy: Mr. Speaker, I have a question for the agriculture critic for the New Democratic Party. There is a small number of farmers in my riding. One of the complaints I have been receiving from them over the last number of years concerns the effect of interest rates especially on young farmers and those farming in frontier regions such as exist in my riding. Equipment is expensive and farmers are trying to develop agricultural lands, which means that returns are limited at the beginning.

Today's paper indicated that the Canadian dollar is again threatened. In the last five years, every time the Canadian dollar was threatened with devaluation, the Liberal Government and the preceding Conservative Government jacked up interest rates. In the Member's opinion, what would be the effect of another period of high interest rates in Canada?

Mr. Althouse: Mr. Speaker, I suggest the answer is quite clear to everyone in the House. Farmers are losing their farms as a result of a number of years in which interest rates were extremely high compared to the money being earned. That combined with permission to grant loans that float instead of being set for fixed terms at fixed rates created havoc for farmers and small businessmen as well as home owners.

A resumption of an increase in interest rates will only make banks and credit organizations much more nervous and will probably result in more foreclosures of farms, particularly before the spring seeding season begins.

Mr. Deputy Speaker: If there are no more questions or comments, we will resume debate with the Hon. Minister of Agriculture (Mr. Wise).

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome this opportunity to address the subject of the Opposition motion that was introduced by the Leader of the Opposition (Mr. Turner). I must repeat what I said in the period following the Right Hon. Leader of the Opposition's remarks. It is the fact that he did not provide us with an answer to why he decided to replace Eugene Whelan as Minister of Agriculture. He did not use the opportunity to explain to the House and the agricultural community in particular why, during his term of office, he did not move at all to provide interest rate subsidies to FCC clients who were locked into high interest rates. Indeed, it appeared that during his term of office interest rates for FCC clients were quite satisfactory at a rate of 16.75 per cent.

I would also like to clarify for the record that the Right Hon. Leader of the Opposition confused the Prince Albert statement with a letter which was written to the President of the Ontario Federation of Agriculture on July 17 of last year and signed by the Prime Minister (Mr. Mulroney). The Leader of the Opposition was extremely selective in assessing what action had been taken on those 11 points which we put to the President of the Ontario Federation of Agriculture on July 17. In order to set the record straight, it would be interesting to see exactly what the Ontario Federation of Agriculture has indicated with respect to those commitments made by the Prime Minister on July 17.

A brief was submitted to all Members of Parliament on January 31 of this year. It contains a report, or assessment perhaps, which was made by the Ontario Federation of Agriculture, a very respectable farm organization in Ontario. In the opinion of the Ontario Federation of Agriculture, action has been taken with regard to our commitment on agri-bonds. That has been referred to a parliamentary committee.

The OFA has indicated that action has been taken with respect to the second commitment about Section 31. That has been referred to a parliamentary committee.

Our third commitment refers to capital gains. It should be noted that farm organizations have been making representations to the federal Government on these three items for many years. In fact, the Liberal Government has been in office for most of that period in the last 10 to 15 years. That Government chose to ignore these three items.

The fourth commitment was to take action on the advance payments legislation. Indeed, legislation is presently being drafted and will be introduced in the House very soon.

With respect to the fifth commitment on stabilization, the Right Hon. Leader of the Opposition should know that that Bill has been introduced in the House of Commons. I expect that it will be debated very soon and referred to the Standing Committee on Agriculture.

Item No. 7 dealt with the commitment to the Farm Credit Corporation. Indeed, the Ontario Federation of Agriculture assessed this item as action being taken. All members have copies of this brief that was presented on January 31 of this year. I would draw the attention of Members to the letter to all Members of Parliament that was signed by the President of the Ontario Federation of Agriculture. The second to last paragraph states:

> The OFA was heartened by the announcements of Agriculture Minister John Wise regarding assistance to farm operations in financial difficulty.

I believe the statements made by the Ontario Federation of Agriculture certainly justify its position with reference to action we have taken.

There is more. In the opinion of the OFA action has been taken on the commitment to set up farm finance review boards. Indeed, the right Hon. gentleman recognized that we have established Farm Credit Appeal Boards in this country to deal with cases of severe financial distress. In addition, there is the pilot project taking place in the counties of Bruce and Grey in Ontario.

Commitment No. 9 was to take action on beef imports into this country. The Canadian beef industry made constant representations to the Liberals when they were in office. Yet when the Liberals were in office and the leader of the Opposi-

tion was Prime Minister, he chose once again to turn his back on the agriculture community. He took no action whatsoever and, as a result, the Canadian beef industry suffered losses of between $25 million and $50 million.

We did not ignore the Canadian agriculture industry or the Canadian beef industry. Indeed, in co-operation with my caucus colleagues and Cabinet colleagues, we invoked the beef import law.

With respect to Item No. 11, it was another commitment given at Prince Albert in which we indicated that the food producers of this country would receive a tax rebate to offset the additional energy costs. Although it is a budgetary item and it would have been appropriate to provide that rebate, we did not wait for a budget to implement that. Parliament opened on a Monday and the Minister of Finance (Mr. Wilson) gave a statement on the Thursday and provided that benefit to Canadian food producers. That will provide a benefit to Canadian food producers to the extent of $100 million. That is the further commitment we gave for the promise that we made and the further actions that we have taken and fulfilled.

● (1210)

It goes on, Mr. Speaker. We are up to item No. 12. These items raised back in July totalled 11, but we are now up to 12 items. This was a commitment we gave during the campaign to amend the Farm Products Marketing Agencies Act to allow tobacco growers, if they so choose, to establish a national marketing agency. We did not turn our backs on the tobacco producers of this country at all. We gave them a commitment in June. The election was held. Canadian agriculture turned its back on the Liberal Party. It supported us and we accepted our obligations and responsibilities. We provided the required amendment in the Farm Products Marketing Agencies Act. Hearings are now going forward and it is up to the tobacco growers to determine whether they will establish a national marketing agency.

In addition to that, an issue that has always been an issue on which I have been fighting for a good long time is the decision of the Liberal Government to cancel the offshore labour program. The Liberals did not recognize the need for that program, particularly in southwestern Ontario and in other parts of the country where we have large orchard operations in fruit and vegetables, tobacco, et cetera.

It is absolutely essential that we have that offshore labour program. I can remember when I first arrived here in 1972. The Government at that time was, of course, a Liberal Government. It made up its mind, as it did it almost each and every year without exception, and was determined to wind that program down. If that were ever allowed to happen it would create very serious economic consequences to agriculture in many parts of the country. If it had not been for the Hon. Member for Haldimand-Norfolk (Mr. Bradley), the Hon. Member for Oxford (Mr. Halliday), the Hon. Member for Kent, at the time and myself, I am certain that the Liberal Government would have succeeded.

We did not hold the industry out this year at all. We met with the commodity organizations and the groups that were extremely interested in having the offshore labour program announced and announced early. My colleague, the Minister of Employment and Immigration (Miss MacDonald), a few weeks ago took an early opportunity to signal to that particular segment in the agri-food industry that the offshore labour program would continue for this crop year.

We also made it clear that the European student program would be in place. As well, the clarification with reference to the metric policy was made in a statement the other day to the House by my colleague, the Minister of Consumer and Corporate Affairs (Mr. Côté). That measure caused chaos and confusion, has resulted in a number of court cases and unfortunately a number of crop losses due to the problem of trying to convert from one system to another or to one system only. Perhaps an imperial sprayer or something of that nature was involved. The Liberals always ignored that problem. They did not understand some of the difficulties that program caused in the field and at the farm level. That move on behalf of this Government will bring an end to chaos and confusion and add some common sense and clarity to the situation.

In conjunction with my colleague, the Minister of National Revenue (Mr. Beatty), we have responded to representations by caucus colleagues, particularly the Hon. Member for Bow River (Mr. Taylor), with reference to some changes in the national revenue policy of this Government. This will allow farmers who have received cash payments of one kind or the other the opportunity to work out an agreement with National Revenue to roll those receipts into next year. That is helpful.

Some Hon. Members: Hear, hear!

Mr. Wise: Some of the things that I have mentioned at the end are not of large national significance, but I mention them because I think it is movements and measures of these kinds which signal to the farm community that we understand some of their individual and smaller problems. It is a message that we want to send to them. We do not have much money. We are committed to lowering the deficit and we should never lose sight of that. If we do, then we will fall into that route to disaster, the road to bankruptcy, followed by the previous Government. That means total and complete disaster for the agricultural industry.

The state of the agricultural industry is determined to a large extent by the state of the general economy. Perhaps this industry more than any other industry in Canada is affected in that way. An industry that might compare would be the small business community. But other than that one exception, the economic well-being and health of the agriculture industry is determined by the state of the general economy. There is no question about that. We can provide bits of stabilization here and there. We have and we will continue to do so. But let us not be distracted by thinking that by moving a little here and moving a little there it will resolve this economic problem we have, because obviously it will not.

I talk to people in the industry. The Right Hon. Leader of the Opposition indicated that I should travel across Canada more. I should love to do that. I think I have made three or four trips to western Canada. I have made two or three trips to eastern Canada and I have been in the Province of Quebec on three or four occasions. If it were not for the motion put down by the Right Hon. Leader of the Opposition, I would not be here today; I would be in the Province of Quebec, I would be involved in a sod-turning ceremony at a research facility in St. Hyacinthe, a $17 million project. I was to meet with a number of people from farm organizations in the Province of Quebec. Hopefully, I would then have had an opportunity to work out the details of the Quebec compensation payment to the extent of $30 million. We are co-operating with the Government of Quebec with reference to the manner in which that payment should be made. However, that will have to be delayed for another two or three days or perhaps even longer because I will not have an opportunity to be there and to meet with some of these people. I was also going to speak to another group of people in Montreal today.

We in this party have our priorities set properly. I am interested and all of our caucus and Cabinet colleagues in this Government are interested in dealing with the farm finance problem. It is our number one problem and we are making it our number one concern. It was not a hard decision for me to make to cancel these plans that have been in place for quite some time. I made a decision that indeed this was the place to be. It is not often that we have the agricultural issue raised by the Official Opposition.

I think the spokesmen for the New Democratic Party recognized the importance of this issue. I believe one of the first Opposition Days held in this House was not utilized by the Official Opposition but by the New Democratic Party. Spokesmen for the NDP put a similar motion on the Order Paper, so we did have an opportunity to talk about the problems in the agriculture industry at an earlier date.

• (1220)

I am not sure how much time I have remaining. I have not as yet referred to any of my notes because I felt that we had a tendency to be somewhat misled by some of the comments made by the Right Hon. Leader of the Opposition. However, there is no question: the record is clear and speaks for itself. The Liberals completely ignored the agricultural community for years and years and years; there is no question about that. The same farm organizations have been making representations to government year after year. We know them by their first names from coast to coast. We almost recognize their voices when we talk to them on the telephone. However, the fact of the matter is that the Liberal Party was in government for years and years and it ignored these problems. It paid lip service to the agri-food industry. We are not doing that. We have not been in office that long, but I challenge any statements by the Official Opposition. It has challenged our actions in a hundred days in terms of what we have provided to the agricultural industry. We are not satisfied. We have only just begun. I would compare any of our hundred days with any of their hundred days.

An Hon. Member: Or 10 years.

Mr. Taylor: Or 16 years.

Mr. Wise: I hear my hon. colleagues, but I am not so sure about that. I know that during the course of this debate my colleagues will utilize the opportunity—and I have not done so—to place on the record some of the actions we have taken in that hundred days. We can total up the actions taken to this point in time by the Government and by the Prime Minister. We have transferred to the agri-food industry of the country in one form or another nearly $1 billion. Actions speak louder than words. Hon. Members can check the record. They can check not only our record but the record of the OFA.

Some Hon. Members: Hear, hear!

Mr. Althouse: Mr. Speaker, I should like to ask the Hon. Minister a question. The Minister quoted from the OFA document with which we were all presented some days ago. It was a report card, so to speak, of the points made to the OFA prior to the election. One of the points in the report card dealt with agri-bonds, Revenue Canada's Section 31 and capital gains as actions which have been taken and referred to committee. Since OFA seems to know far more than we know, could the Minister tell us to what committee those activities were transferred and when the committee will become active?

Mr. Wise: Mr. Speaker, I assure the Hon. Member that a great deal of discussion has taken place between myself and the Minister of Finance. I am quite certain that the Minister of Finance will make that clear very shortly.

Common sense would indicate that all these items deal with tax matters, so I would expect the appropriate parliamentary committee would be the Finance Committee or a subcommittee of the Finance Committee. I understand the Hon. Member has given us a commitment to support that reference. If the critic of the Official Opposition would give us the same degree of commitment, it would assist us greatly in rapid referral of the discussion paper.

There seems to be some misunderstanding with reference to the paper which was tabled last week by the Minister of Finance. It was a discussion paper, a paper which will be referred to a parliamentary committee or a subcommittee of a parliamentary committee. It is to act as a discussion paper only. I am sure it will encourage discussion and debate, so let us not misrepresent the paper tabled by the Minister as a statement from the Government. Rather, as I said, it is a discussion paper.

We have the commitment from the New Democratic Party. I am sure that we will get one from the Official Opposition. If that second approval is forthcoming, I would expect that the Minister of Finance within a matter of days would make an announcement on the action.

Mr. Foster: Mr. Speaker, I do not think there is anything preventing the Government from putting a motion on the Order Paper respecting a reference of these three items. It seems very clear to me that in the election campaign there were pretty solid commitments to bring in legislation on capital gains, agri-bonds and Section 31. We would prefer to see the Government bring in legislation, but if it decides to refer them to the committee to be studied, naturally we will co-operate because they are important issues.

There is nothing holding up the Government. There has been nothing since November 5 to prevent the Government from putting a motion on the Order Paper referring these three items to the standing committee or to a subcommittee of the Standing Committee on Finance, Trade and Economic Affairs. The Ontario Federation of Agriculture felt that they had already been referred, but a reference has to be put on the Order Paper, moved by the Minister and debated in the House. That has not happened.

The Minister was self-congratulatory this morning in his address, saying how many billions of dollars have been paid. I should like to ask him about the $500 million plus in crop insurance, the $223 million in western grain stabilization, the flood relief and so on. All those payments were put in place by legislation of the former Liberal Government. They would have been paid regardless of who was in power. I was surprised that the Minister did not spend more time talking about the farm financial crisis. He answered a question of the Leader of the Opposition (Mr. Turner) by saying that the former Government had not reinstated the special farm assistance program. In fact, we were committed to doing that in the election campaign. We would have applied it to all those higher rates of interest, whereas the Minister's legislation, which took him four or five months to bring in, only applied to 5,600 outstanding farm loans with the FCC. In fact, there are another 6,800 mortgages over 15 per cent to which it did not apply. He brought down interest rates to 12.75 per cent at a time when the Canadian Cattlemen's Association is saying that farmers can only afford some 8 per cent interest.

On looking down the list of Tory promises, I do not see many which have been acted upon. For example, what about advance payments for crops, the amendment to the Agricultural Stabilization Act so that payments are made when they are needed, the re-establishment of a long-term dairy policy or the expansion of agricultural research and development? All we have to do is look at the number of laboratories and the toxicology centre which have been cancelled.

The Minister was very congratulatory that he got through the House with our co-operation—and why would we not co-operate?—the tobacco legislation to establish a tobacco marketing board. His own Members filibustered the Bill last June. If they had not done that, we would not have had to deal with it. After being filibustered last June, the Bill passed the House in one day. That could have been done just as easily last June.

• (1230)

There is one question I would like to put to the Minister. His Party promised to allocate the necessary funding to assist producers in refinancing their loans at current prevailing interest rates. Was that in fact a commitment of the Party? Did it apply to FCC loans? Did it apply to all outstanding farm loans, both short term and long term? When they talk about current interest rates, are they talking about demand note interest rates? Is that promise still valid? Does it apply to all outstanding loans of the 39,000 farmers, now increased to 45,000, who face very serious financial difficulties? Can the Minister clarify that point?

Mr. Wise: Mr. Speaker, let me correct another inaccuracy which has been placed on the record with reference to the cancellation of research facilities within Agriculture Canada. Not one research facility has been cancelled within Agriculture Canada. Two projects came on stream from found money. They involved two laboratories, one at Three Rivers and one at Victoriaville. I said before that we have not cancelled either of those facilities; they have been delayed. There is a difference between delaying the construction of a facility and cancelling it.

The Hon. Member asked whether our commitment applies to farm loans across the board. Obviously it could not. Our commitment was to deal with FCC clients. That is the only legislative authority that we have.

I draw a comparison between the special farm assistance program of the previous Government, which ran out of funds in December, 1983, was ignored by that Government, and which assisted about 2,000 FCC clients. To be eligible for that program, you had to plead your case of dire straits and that was difficult. Our program will apply across the board to FCC clients. It will involve not 2,000, 3,000 or 4,000, but 5,600.

The Hon. Member made a comparison with the great program that exists in the U.S. He did that the other day. We have been watching that program very closely. Our research tells us that that program is less than successful. That is exactly how I responded the other day. That great program in the U.S. assisted only about 8,000 farmers.

Mr. Mayer: In our context, that is like 800.

Mr. Wise: That is right. Our program was designed and suggested to me by FCC officials. I congratulate those officials for being extremely helpful in working with farm groups, with the officials in my Department, myself and the Ministry of Finance. Our program assisted 5,600 farmers. If you compared our Canadian program with the U.S. program, using a scale of one to ten our program would have benefited about 56,000 American farmers. That is an excellent comparison. There is no question about the effectiveness of our interest rate conversion program.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall now resume debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted that the Minister of Agriculture (Mr. Wise) is here today. I am sorry he had to miss the official ceremony to open the laboratory in St. Hyacinthe in *la belle province*. I know he enjoys openings and sod-turnings for facilities which the Liberal Government put in place. The previous time when he appeared before the Agriculture Committee, he had just performed a ceremony in Nepean at a new Government laboratory. The way funds are being handled by the Minister of Finance (Mr. Wilson) and the Minister of Regional Industrial Expansion (Mr. Stevens), the only federal Government buildings and sod-turnings in which he will take part are those inaugurated by the previous Liberal Government.

Mr. Mayer: Do you want us to cancel them?

Mr. Foster: I am just saying how sorry we are that the Minister cannot be in St. Hyacinthe today for that official opening. Being such a great House of Commons man, I know in his heart he would really rather be here today.

This Government seems to be caught up in the process and the optics of government—not really taking action but seeming to perform. We saw the symbolic signing of a cheque by the Minister of Public Works (Mr. La Salle). With great flourish he signed a $13 million cheque for the pork producers. The Prime Minister (Mr. Mulroney) and this Government love that kind of symbolism. They love to be seen to be doing something. Studying agri-bonds, Section 31 and the problems of agriculture is just as good to them as taking action. From a superficial point of view, they may appear to be actually doing something. However, when you get down to the individual pork producers in the Province of Quebec, they will call the Minister of Public Works to account for that cheque. They are going to go to the bank and try to cash that cheque. Regardless of how much the Minister of Agriculture pooh-poohs the action, the pork producers in the Province of Quebec will not be put off.

In this whole process, the Government is abandoning many of our agricultural producers. The Farm Credit Corporation report showed that 39,000 farmers are in serious financial difficulties. This morning the Minister spoke and responded for 10 minutes. He did not say how he was going to help the 39,000 farmers in very serious difficulty. These are real people. It is not the agricultural producers who are the best off. If they spend more than 40 per cent of their cash flow to pay debts, if their quota is less than 15 per cent of their operation or if they are borrowing more than what they are spending on capital expenditures, their finances are in a very serious position. The tragedy is that they are the young farmers, those who have been in agriculture for 11 years on average.

• (1240)

Beyond that, those farmers are really our hope for the future because they are the most productive and technically advanced farmers and produce half of all the food produced in this country. It is just not factual for the Government to say that by reducing interest rates from 14 per cent to 12.75 per cent, we will solve all the problems. I do not know how to describe that other than by saying it is just not factual.

Last week I saw a farmer in my office who was with the OFA group. He described how he bought his hog-producing farm for $320,000 ten years ago. He took out a $240,000 mortgage with the FCC. He had the farm appraised last summer because he had heard some stories about farm properties dropping in value. In fact, his appraisal came out to $165,000. He has lost half his equity in the last two or three years. I would like to know how the Minister's little reduction in interest rates from 14 per cent to 12.75 per cent will help that producer.

The 70,000 or 75,000 agricultural producers in the country carry $17 billion worth of the $21 billion over-all debt in this country today. When the Farm Credit Corporation appeared before the Agriculture Committee, it indicated that in the next year or two there will be defaults of about $2 billion on these farm loans. That is a colossal amount of money. I do not know how many thousands of farmers it represents. It would seem to be very, very many of them. In fact, Ralph Ashmead, a research analyst for the Farm Credit Corporation, said in an interview recorded in *The Manitoba Co-operator* back in October that he estimated that there were between 2,000 and 3,000 farmers who were headed for immediate financial collapse.

I was surprised that the Minister spoke of the lack of success of the American farm set-aside program. That program is designed to help the farmers whose equity has dropped dramatically like the farmer from Nipissing to whom I referred. Obviously it is a program which will not help all farmers. If a farmer has lost his equity, no program can help him. However, when setting aside a portion of the debt for a number of years will put the farmer in a positive cash flow position and give him a margin of approximately 10 per cent, then the American Farmers Home Administration which is similar to our Farm Credit Corporation will set aside that debt and pay the interest on one-quarter of the debt for up to five years.

The Minister of Agriculture has no program of a similar calibre. One could say: "That is really only bailing someone out. Should we actually do that?" I say that we should consider very seriously doing that in this country. Every time the Farm Credit Corporation has a default, a bankruptcy or a foreclosure, it loses between $80,000 and $90,000. We know that when there is a bankruptcy, half of the stock is replaced and half of the chattels walk away overnight. Rather than losing $80,000 or $90,000 in a foreclosure, why not assist a farmer by setting aside a portion of his debt, thereby putting him in a positive cash flow position for several years and ultimately allowing him to be responsible for his debt at a later time?

In September when the farm debt crisis began in the United States and farm property values dropped by 25 per cent to 50 per cent there and in Canada, the Americans announced this set-aside program and the Farmers Home Administration sent

out notices of it to about 150,000 of its clients. As well, it has received over 100,000 inquiries from people asking about the program and whether or not they can take advantage of it. In fact, for over 8,000 farmers interest rates have been reduced from 11 per cent or 12 per cent, depending on whether it is a production loan or land loan, to around 7 per cent or 5 per cent. As well, the Farmer's Home Administration has handled 3,000 farm set-asides.

To compare the Minister's reducing interest rates from 14 per cent to 12.5 per cent with the Farmers Home Administration Program in the United States, which has reduced interest rates from 11 per cent or 12 per cent to 7 per cent or 5 per cent and created a set-aside program—

Mr. Malone: What were the interest rates when the Liberals were in power? They were 22 per cent.

Mr. Foster: —is simply not viable. I notice that Hon. Members opposite are really getting agitated. We want to know when they will begin to take action on all of these problems.

In the statement made by the Minister of Finance on "bloody Thursday", November 7, in which he effectively said; "We are not only going to kick the farmers when they are down, but we are going to really go at them," the Minister almost declared war on the potato farmers of Prince Edward Island and the grain farmers of the west. Through service fees, the Government will collect $32.3 million in the coming year. For instance, germination fees will go from $12.50 to $50.

The potato farmers in Prince Edward Island are having a very difficult time this year. Their cost of production runs about 5 cents a pound and their selling price is around 6 cents a pound. They are facing a very difficult situation. For fresh fruits, vegetables and potatoes being sold to other provinces, a 33-cent per hundred pounds inspection fee will be imposed. I am told that in an average production situation, that will run to about $66 per acre for inspecting potatoes produced. From an average size potato farm of 200 acres, the cost will be very significant. My preliminary estimate is that the cost will be something around $12,000 or $13,000 for inspections.

As well, there will be increased inspection charges for inspecting potatoes which are produced for seed amounting to something like $11 per acre. That could run something like $2,200 per farm. There will be a charge for secondary tuber inspections of 7 cents per hundred pounds. It goes on and on.

In the Agriculture Committee meeting yesterday, we tried to get information about this from the Minister but he said: "Oh, well, we are discussing it with producer groups across the country, but we cannot give this information to the Agriculture Committee of the House of Commons. The Agriculture Committee of the House of Commons is a very important agricultural group. It seems to me that if the Government will impose dramatic increases in farm service fees, it should be prepared to provide pertinent information to the members of the committee.

There are an endless number of items on which I would like to speak today but obviously time is moving on. I would like to draw attention to the fact that the Government—at a very difficult time for many agricultural producers across the country—is imposing a new disaster insurance scheme on them. Because of the drought which was experienced in western Canada this past summer, the federal Government and the provincial Governments jointly shared a program which provided $60 million in Southern Alberta and Saskatchewan. The previous Liberal Government agreed to provide $16 million. That amount has been cut to less than $8 million by this Government, and the provincial Government of Saskatchewan has matched that figure and provided $8 million.

● (1250)

Under the program which the Government is proposing, farmers will pay half the cost, the federal Government will pay half the cost and the provincial Governments will be required to pay nothing under the program, except perhaps administration costs. Just think what the situation would have been in northeastern Saskatchewan, in the five rural municipalities which suffered tremendous flood damage, two years in a row, late in the spring season, if those 1,700 farmers had been required to provide the $8 million which was provided by the provincial Government. The farmers of the country are being abandoned by the Government at a time when finances and farm debts are the most severe they have been in 30 or 40 years. In addition, the Government is imposing fees to cover inspections and disaster insurance.

We are disappointed that the Government has decided to cancel Canagrex. When the Tories were campaigning in the last election they talked about Canada becoming a superpower in agricultural exports. In fact, Canada has a very high standard in that regard. For example, in 1983 Canada exported $9.5 billion worth of exports, which amounted to 10 per cent of Canadian exports for agricultural commodities. As well there was a surplus of $4.3 billion over imports. I recognize that much of that was due to the Canadian Wheat Board and to the exports which were made by the Canadian Dairy Commission. The previous Government wanted to establish the Canagrex program to market many commodities, such as beans, canola, honey and all of the relatively smaller-volume and dollar-wise commodities which are often fragmented by provincial Governments. We have seen the situation in Canada in which provincial Governments compete with each other in pork sales. Therefore, Canagrex was established to co-ordinate, identify and test markets, and to provide one-stop financing assistance. The first five months in which Canagrex operated, it had sales of some $17 million and it was in the process of arranging an additional $160 million. Canagrex has performed market surveys on 16 countries and has handled 300 requests for assistance. Those requests have not just come from small commodity groups, but from big corporations such as Canada Packers and the Cargills of the world, who recognize the advantage of an agricultural export corporation.

The Government is abolishing Canagrex at a time when the United States has brought in an excellent program for their

agriculture exports. The Secretary of State for Agriculture has indicated that the United States is going to be more aggressive in marketing its commodities abroad. This Government is abandoning farmers at a time when they need more help. They require help in research, marketing and financial assistance. The Government should be looking toward the continuation of farmers, as is the United States. The Government is simply abandoning Canadian farmers.

Mr. Taylor: Mr. Speaker, talks like the one we have just heard from the Liberal Member for Algoma (Mr. Foster) run off the backs of the prairie farmers like water off the back of a duck. When I hear the Hon. Member with his crocodile tears talk about this Government, which has only been in power for five or six months, not keeping its promises, I cannot understand how he can have so much gall.

In 1980 Prime Minister Trudeau promised that if the Liberal Government was re-elected it would change the Valuation Day from December 31, 1971. That brought hope to hundreds of farmers whose "nest-egg" was tied up in that Valuation Day. The Minister of Agriculture at that time, Mr. Whelan, promised prairie farmers that he would change that date and there was no doubt about it. Was that date ever changed? Every time Mr. Whelan was asked in the House when the date was going to be changed, he would say "Soon". "Soon" never came. As a result, hundreds of farmers in the west, and indeed across Canada, had their pension plans ruined. Yet, the Hon. Member for Algoma has the gall to talk about this Government breaking promises. When I listen to him, I suspect that a leopard can change his spots. Why did the Liberals not change the date after their Prime Minister and Minister of Agriculture had made definite promises? When the Hon. Member starts practising what he preaches, maybe we will listen to him.

Mr. Foster: Mr. Speaker, the Hon. Member for Bow River (Mr. Taylor), who is a very good friend of mine and a person whom I have known for a great many years, makes a lot more sound than light. If we look at the Tory promises, three-quarters of them have not been adopted and nothing is happening.

Mr. Taylor: Not in five months!

Mr. Foster: He should take a look at the list.

Mr. Taylor: How about the Valuation Day?

Mr. Foster: The number one promise on the Tory list of action is to abolish the capital gains tax on the sale of farm property for continuing agriculture purposes. Parliament has been here since November 5. Why has it not brought in the legislation? Why is it not sending it to committee?

Mr. Taylor: We are doing it.

Mr. Foster: Well, why don't they do it? The Order Paper of the House of Commons is empty. Why does the Government not bring in a Bill to abolish capital gains tax? It wants to send the whole matter off to committee to study it. As a matter of fact, I predict that the Tories will welsh on that promise.

Mr. Taylor: Oh yeah?

Mr. Foster: If the Hon. Member for Bow River took the time to read the document entitled *Tax Issues in Agriculture*, he would find that the Minister of Finance is not with it. The Minister of Finance is back-pedalling on the whole question. If the Government is going to abolish the capital gains tax on farm property, why did it pass the capital gains provision in Mr. Lalonde's Budget of last spring?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EMPLOYMENT

URGENT NEED TO ESTABLISH FAIR PROGRAMS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it has now been two months since the report by Judge Rosalie Abella was tabled, and the Progressive Conservative Party has yet to respond to the 117 recommendations for dealing with problems related to job discrimination.

This is a matter that requires special attention and immediate action, especially where visible minorities are concerned, as demonstrated in a joint study prepared by the Toronto Metro Social Planning Council and the Urban Alliance on Race Relations. The study condemns the racist attitudes to which ethnic groups in Toronto are exposed. Racism is not peculiar to the Toronto area, however. It is something we find in Canada as a whole.

It is therefore a matter of great urgency that equal opportunity programs be established for women, native people, the disabled and visible minorities, in addition to providing immigrants with adequate language and job training, because they are faced with both open and indirect discrimination, as reported by the Special Committee on the Participation of Visible Minorities in Canadian society.

As a society, we have a responsibility to eliminate at source any discrimination against minority groups, but the Progressive Conservative Government has a duty to take appropriate measures.

[*English*]

AGRICULTURE

POTATO INSPECTION AND CERTIFICATION FEES

Mr. George Henderson (Egmont): Mr. Speaker, last week the P.E.I. Potato Marketing Board and the P.E.I. Potato Producers' Association received letters from the Deputy Minister of Agriculture outlining increases in potato inspection and certification fees, considered as cost recovery measures by the Department of Agriculture.

Inspection fees for table stock potatoes are to be 33 cents per hundredweight, effective April 1 this year. When we look at the average yield based on Prince Edward Island production of 200 hundredweight per acre, that means the cost per acre will jump to $66. For the average farmer who produces 200 acres of potatoes, that means over $13,000 in inspection fees.

A fee has also been introduced for seed potato producers which, on average, would amount to about $5,000 in most cases. This will be prohibitive to many farmers who are already finding it difficult to get their products to market at a price above the cost of production.

The potato producers of Prince Edward Island are opposed to this new fee structure. They are particularly concerned that the changes will come into effect without consultation, and apparently without compromise. I do not believe the Minister of Agriculture (Mr. Wise) is fully aware of the implications of this for the farmers of Canada, and I recommend a full consultation process take place, allowing producers to air their concerns on cost recovery measures.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

REFUGEES

TREATMENT OF DETAINEES CLAIMING REFUGEE STATUS

Mr. Dan Heap (Spadina): Mr. Speaker, refugees and other persons who arrive by aeroplane at Pearson International Airport and are for any reason detained at the minimum security facility in the Avion Motor Hotel, ought to be treated no worse than criminals condemned to imprisonment in Canada. However, I am advised that indeed they are. I have been told that they never receive as much as one full hour per day outside in the fresh air. In fact, more often than not they receive none.

Detainees are strictly forbidden to talk with each other, even in the line-up for meals. There is no library. Security staff arbitrarily search the detainees' rooms and stored belongings, without permission, and some detainees allege their belongings have been stolen. The security staff frequently use abusive language and, ironically, threaten detainees with jail.

I call upon the Minister of Employment and Immigration (Miss MacDonald) to inquire into the operation of this detention facility and report to this House on whether Canada meets the expectations of the United Nations High Commission for Refugees, and in particular, as to who determines the rules governing detainees, who is responsible for administering them, and what recourse is open to a detainee who feels unjustly treated.

* * *

THE ECONOMY

CANADA-UNITED STATES CO-OPERATION

Mr. Don Ravis (Saskatoon East): Mr. Speaker, in recent weeks we have heard the Opposition in this House continuously attack our U.S. neighbours on matters of foreign investment, defence sharing, and trade. While our new Government begins initiatives to get our country back to work through co-operation inside and outside Canada, all Canadians see is the Opposition "American bashing", rather than joining with us and working toward jobs and prosperity in this country. Many Canadians, including myself, are sick and tired of this action.

I suggest that most Canadians want co-operation with our good friend and major trading partner to the south. Due to the poor investment climate in the past, too many Canadians took their investments to the U.S. I challenge Canadians to invest in Canada. As well, rather than criticize foreign investment, why not get involved in joint ventures with investors from the U.S., Europe, and the Pacific rim countries who want to invest in this great country of ours?

Canada has prospered because of joint research with the U.S. in many areas such as health care, communications, and transportation, to name a few. U.S. advances in technology have helped in Canada's over-all prosperity, a prosperity which our new Government is attempting to restore, not with pessimism and contempt but with fairness, openness, and a willingness to work with our friends. This positive approach will not sell newspapers, but it will get Canadians back to work and at the same time keep Canada a strong and sovereign nation.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—NEED FOR AGREEMENT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise today to encourage the Government to work toward an agreement with the National Association of Japanese Canadians. The need to arrive at an agreement at meetings between representatives of the Government and the association appears to have been recognized by the Minister of State for Multiculturalism (Mr. Murta), and I commend him for that. He does well to pursue the urgent task of arriving at an honourable agreement with the Japanese Canadian community, which has this past weekend reaffirmed its support for the position taken by its national leadership. I urge him to press ahead fearlessly.

S.O. 21

Canadians do not approve of discrimination against visible minorities. Even those who question the need for compensation, recognize that the King Government acted against a group of Canadians who stood out only by reason of their race and origin.

World War II proved to be a massive struggle against genocidal racism. The Government now faces the challenge of redressing a great wrong done to a Canadian visible minority in those days. I challenge the Prime Minister (Mr. Mulroney) to ensure that the Government resumes the negotiations it promised in December and considers all the grievances suffered by Japanese Canadians.

* * *

INDUSTRY

IMPORTANCE OF TEXTILE AND CLOTHING INDUSTRIES

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, the textile industry in Canada is a vital part of our nation's economy. It is a complex, highly capital intensive, and highly concentrated sector, affecting all Canadians. Combined with the clothing industry, there are 183,000 Canadians employed throughout Canada in this business. Some 45 per cent of these people reside in Ontario. Textiles are very important in my riding of Hastings-Frontenac-Lennox and Addington. Many of my constituents are employed, either directly or indirectly, in this industry. All Canadians use textiles. The future of the industry in Canada is an important concern for all of us.

I congratulate the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) for continuing his consultations with various textile representatives. It is my understanding that the Minister will be meeting with the chairman of the Canadian Textile Institute, Mr. Ray Chevrier, and Mr. Des McLaughlin, director of government and textile trade relations, of Celanese Canada Incorporated, later this month. I am confident this type of consultation is a good omen for the textile and clothing industries in Canada. There is much work to be done, and we will be doing it together. The concern, opinions, and advice of this important industry are invaluable. The Minister deserves our encouragement throughout this process.

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[*Translation*]

THE ADMINISTRATION

WEAKNESS OF CONSERVATIVE QUEBEC CAUCUS IN OTTAWA—CONSEQUENCES FOR QUEBEC

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the weakness of the Quebec Conservative caucus in Ottawa is becoming most alarming. The caucus has so little clout that every day it is being outsmarted by the Ontario caucus. Ministers from Quebec are nothing more than francophone spokesmen for the important Ministers outside Quebec.

Mr. Speaker, at a time when Wabasso is closing its factory in Trois-Rivières, Melchers is closing down in Berthier, Le Carbure is closing in Shawinigan, and now that Montreal's biggest construction project, the VIA Rail maintenance centre, has been cancelled, the Aviation Safety Board has been transferred from Montreal to Ottawa, the Vieux Port de Montréal projects have been suspended, and Summer Canada projects have been scrapped, we see the Hyundai corporation, a Korean automobile manufacturer, getting ready to set up a factory not in Quebec but in Ontario, and not just anywhere in Ontario but in the riding of the Minister of Regional Industrial Expansion, the Member for York-Peel (Mr. Stevens).

People always said the Conservatives were ignoring Quebec. Mr. Speaker, as long as Conservative Members elected in Quebec remain silent and as long as the Parti Québécois is in bed with the Progressive Conservative Party, all Quebec will get from this Government is a lot of promises, some nice medals and a lot of unemployment.

* * *

• (1410)

[*English*]

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF RADIO PROGRAMS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have been informed that CBC Radio has cancelled two more of the longest running programs on its AM network, namely, *Identities* and *Anthology*. Having already cancelled *Our Native Land*, this means that the CBC has killed three programs that have been on the air for more than 50 years and which were especially informative to minority groups in Canada.

One of the major objectives of the CBC should be to help minority groups attain their full standing in Canadian society. Instead, the CBC is now pushing shows based on its view of consumerism because it believes it can appeal to some market researchers' version of what today's "yuppies" want to hear.

Before these changes are approved by the CBC senior management I ask the President of the CBC to review them fully, in view of the Corporation's mandate to serve all Canadians. I also appeal to the Minister of Communications to give the CBC the opportunity to appear before the House Committee on Communications and Culture to explain the changes which it is making as a result of the cut in its budget.

* * *

AGRICULTURE

NECESSITY TO PRESERVE FOOD PRODUCING LAND

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the Ethiopian crisis that wrenched the emotions of Canadians during the past year is one tragic example of the world's growing need for human food. Yesterday around the world 40,000 children

under the age of five died of starvation. Today another 40,000 will die, and there will be yet another wave of tragic deaths from starvation tomorrow. Additionally, 70 million persons per year, roughly three times Canada's present population, suffer permanent and irreversible brain damage from a shortfall of protein.

In the face of that overwhelming and clearly demonstrated need for human food, Canada still does not have a widespread understanding or appreciation of the need to preserve our agricultural land. We are complacent in the false comfort that the world's hungry people are elsewhere, and that the problem is not ours. We accept the myth that Canada has an abundance of agricultural land. The truth is that Canada is diminishing its food producing capacity at such a rapid rate that a tragedy in both economy and nutrition is inevitable if we do not reverse the rate at which we destroy our food producing soil.

One-half of the original farmland in Ontario is now permanently removed from agricultural production. From 1971 to 1976, 200,000 acres of farmland in Canada's largest province were removed from agricultural production.

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*Translation*]

SOCIAL SECURITY

SPOUSE'S ALLOWANCE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): As you know, Mr. Speaker, the Government—through the Minister of National Health and Welfare (Mr. Epp), or of social injustice in Canada—has introduced Bill C-26 whose unfortunate result is to discriminate against 80,000 Canadians. I should like to quote a telegram:

> The Quebec Association for the Defence of the Rights of Retirees and Early Retirees denounces the discriminatory character of the social measure under which only widows and widowers aged 60 to 64 will receive the federal allowance.

Further on, it states:

> Single or divorced men and women aged 60 to 64, destitute and oftentimes savagely thrown out of the labour market, should be entitled as well to the minimum protection of a guaranteed income, as the one given widows and widowers in the same age bracket.

Mr. Speaker, a copy of this telegram has been forwarded to the Prime Minister (Mr. Mulroney) urging him to ask the Minister of Finance (Mr. Wilson) to set aside the funds required so that the House will not discriminate against those Canadians.

[*English*]

UNEMPLOYMENT INSURANCE

SUGGESTED EXTENSION OF BENEFITS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Government must pay particular attention to those in the age group of 50 to 65 years who, through no fault of their own, are in a position where they are unable to find any meaningful employment. They are at a stage in their lives when the contributions they would normally be making to pension plans would afford them with an income upon reaching a reasonable and acceptable retirement age. I have discovered, as I am sure many Members have, that there are untold numbers of individuals and families suffering tremendous hardship.

Would the Prime Minister consider the possibility of extending such things as UIC benefits in order to ensure that those in that age group, who cannot find employment and are about to lose everything they have worked for, for their families, will be given a reasonable source of income to tide them over until a change in the economy takes place to allow them to re-enter the workforce?

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

ACID RAIN—NEGOTIATIONS WITH UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a few questions for the Prime Minister which relate to our ongoing relationship with the United States. Recently the Prime Minister, and several of his Ministers, made factual errors—perhaps misstatements—on a number of ongoing issues.

I will deal first with the issue of acid rain. I believe that the Prime Minister threw away a very important bargaining chip in our negotiations with the United States when he proclaimed, last Friday, that Canada ought to clean up its own act before pressing the Americans. He has already been contradicted by the Premier-designate of Ontario. He was contradicted today in Montreal by the Ontario Minister of the Environment, Andrew Brandt.

Will the Prime Minister recognize that by these statements he has put us in a bad bargaining position on a very important issue? Will he recognize that he needs to reach an agreement with the President of the United States at the summit meeting in Quebec City on March 17? If he fails to get a full agreement on the control of acid rain, he will have failed Canadians.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if there has been failure in dealing with this very important issue over many years, and failure there has been, there can be

no doubt that the responsibility for it rests in large part with the Liberal Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In point of fact, if my right hon. friend wants to quote provincial Ministers, he will find that at the same conference that was convened by the Minister of the Environment this morning, the Minister of the Environment for the Province of Quebec—

[*Translation*]

—the Hon. Adrien Ouellette said, practically word for word, that Mr. Mulroney was quite right when he said Friday, and that the Quebec Government is in complete agreement with his initiatives and his remarks.

That being said, Mr. Speaker, it is a fact that the United States and Canada share responsibilities in this highly important and sensitive sector. In my opinion, acknowledging as we do our share of responsibilities as Canadians—we ought to clean our own backyard before blaming others—is clear evidence of our good faith and our desire to co-operate openly with a view to settling the problem of acid rains once and for all.

That will not be achieved overnight, Mr. Speaker, but in all good faith we will initiate the process over a period of time so as to conclude agreements which indeed will enable us to clean our environment.

[*English*]

NORTH WARNING SYSTEM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would call to the attention of the Prime Minister that on March 6, 1984, the federal Minister of the Environment signed an agreement with all of the provinces to limit sulphur dioxide emissions by 5 per cent by 1994. Today the Ontario Environment Minister, Mr. Brandt, said that he does not believe that Canada, especially Ontario, has lagged behind the United States. He said: "I think we've done more in terms of reduction of sulphur dioxide emissions in Canada than in any other jurisdiction".

I will turn now to the subject of the DEW Line.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am dealing with misstatements made by the Prime Minister and his Ministers. They have blamed the deterioration of the DEW Line on previous Canadian Governments. The Prime Minister knows that is not true. He and Cabinet Ministers were factually wrong about which Party made the original commitment to bring nuclear arms on to Canadian soil. He knows it was Mr. Diefenbaker.

Some Hon. Members: Shame! Shame!

Mr. Turner (Vancouver Quadra): I happened to be in the House of Commons—

Mr. Hnatyshyn: So was I, and you're wrong.

Mr. Turner (Vancouver Quadra): —when that deal was welshed upon by Mr. Diefenbaker.

Mr. Hnatyshyn: You're wrong.

Mr. Turner (Vancouver Quadra): It provoked the resignation of Douglas Harkness and brought about the defeat of that Government. I was right here in the House of Commons when that happened.

Some Hon. Members: Hear, hear!

• (1420)

Mr. Speaker: Does the Right Hon. Leader of the Opposition have a question?

Mr. Turner (Vancouver Quadra): There seems to be confusion or a distortion of facts on the other side. Will the Prime Minister agree that no northern warning agreement should be signed with the United States until Members of the House have had an opportunity, on the floor and before the standing committee, to review the negotiations on the northern warning system, so that Members of Parliament who do know the facts will be given an opportunity to review that agreement?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend says that he was in the House of Commons in 1962. He was doing better then than he is now—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —because I know that my right hon. friend can do a lot better than defame the memory of the Right Hon. John Diefenbaker, who served this House and country long, honourably, and well.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: That denunciation of the Liberals did not come from me. It came from a very distinguished Canadian, the Right Hon. Pierre Trudeau, who wrote that the Liberal Party became the defrocked princes of peace when it did its *volte-face* and accepted nuclear arms on Canadian soil for the first time. That is what happened with the Liberal Party in 1962 when it sold its soul for temporary power. That is what is wrong with the Liberal Party.

Some Hon. Members: Hear, hear!

Mr. Waddell: Now you won't take them.

Mr. Mulroney: Now we are hearing from the NDP. This is going to get priceless. The latest members of NATO.

Mr. Skelly: Don't count on it.

Mr. Mulroney: I can give my right hon. friend, who is a man of distinction and accomplishment, the assurance, which I know he will accept from me, that this Government will defend at all times the interest of Canadian sovereignty and will sign no document that does anything other than enhance the sovereignty, integrity, and independence of Canada.

Mr. Gauthier: How about before the House?

Mr. Mulroney: Indeed, we will be honoured to share with all Members of the House, via a House committee, all information relating thereto, and we will be delighted to bring it forward.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Of course we must welcome that assurance, but we don't have to accept any attempt by the Prime Minister to rewrite history in this House. He need only consult his Minister of Veterans Affairs who resigned on the issue I have described, because the Diefenbaker Government—I knew the right hon. gentleman as well as the Prime Minister did, and in ways I knew him better—

Mr. Speaker: With due respect—

Some Hon. Members: Oh, oh!

An Hon. Member: Let him finish.

Ms. Copps: How come you let him go on at length? Be fair.

Some Hon. Members: Oh, oh!

Mr. Speaker: I have kept a stopwatch so far on the questions and the answers. They have both been extraordinarily long.

Mr. Gauthier: You cut him off.

Mr. Speaker: If members wish to hear a supplementary question from the Right Hon. Leader of the Opposition, I will grant one.

WEST COAST SALMON TREATY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I suppose that these issues are serious enough, particularly when history is being toyed with, to deal with fully on the floor of the House of Commons. My question now relates to another matter, but relates again to the failure to bring Canadians into the picture.

I put a question to the Minister of Fisheries and Oceans before the Prime Minister wanted the treaty on salmon fishing on the West Coast accelerated and initialled last week in Ottawa before any Member of the House saw the text of that treaty. As a matter of fact, when the Minister of Justice was a substitute for the Minister of Fisheries and Oceans, he said that we were dumping salt cod into the United States, which was again wrong.

Will the Prime Minister undertake, before that treaty is signed by him and the President on March 17, if it is ratified by the U.S. Senate, that he will give the Members of the House an opportunity to see the text and give their views as to the benefits of that treaty to Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend does the House and me a disservice by suggesting that I would have brought pressure to bear on our negotiators to conclude an agreement simply so that there would be a document of convenience to sign in Quebec City. I think that is to underestimate considerably the wisdom of Members of the House, and my sense of duty and patriotism.

I can tell my right hon. friend that the negotiator for Canada throughout was a very distinguished Canadian, the Hon. Mitchell Sharp. He will tell my right hon. friend that at no time did I do anything other than encourage him to proceed in the national Canadian interest. He has done that.

Some Hon. Members: Hear, hear!

* * *

FINANCE

EXCHANGE VALUE OF DOLLAR

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I want to give the Prime Minister another chance.

Some Hon. Members: Oh, oh!

Mr. Johnston: That "tell us what to do Government" of nightwatchmen, Ministers who fight amongst themselves, and a Minister of Finance who admittedly enjoys the support of the Prime Minister occasionally, has succeeded in creating so much uncertainty and confusion that the Canadian dollar has been driven below 75 cents.

Some Hon. Members: Oh, oh!

Mr. Johnston: We know what the Prime Minister used to say about the Canadian dollar.

With this obvious loss of confidence, will the Prime Minister undertake to get behind the Minister of Finance in order to remove those divisions in Cabinet so that some over-all, coherent direction can be given to economic policy?

Right Hon. Brian Mulroney (Prime Minister): I notice that my hon. friend from downtown Westmount takes the liberty of making such pretentious suggestions only when the Member from Shawinigan is not sitting next to the Opposition Leader.

I can tell my hon. friend what he already knows, and which he has had the kindness to acknowledge many times in private observations and in comments about the House. He and I view the Hon. Minister of Finance as an outstanding, able, and

brilliant Minister who is serving Canada and the Government extremely well.

[*Translation*]

PRESENTATION OF BUDGET—GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a supplementary.

Mr. Speaker, the clichés and platitudes of the Prime Minister are already legend in this country, and I would like to direct my next question to the Minister of Finance.

Could the Minister give the House the assurance that this Government, so full of ambiguity, contradiction and dissension, will be bringing down a budget as soon as possible, before the end of April, in order to restore confidence in this country's economy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have spent considerable time talking to a number of people throughout the country in the three months since the economic statement. I am continually impressed by the increasing confidence in their minds about the direction that our Government is taking, including the policy direction and the long term approach that we are taking to solve the country's economic problems.

The Hon. Member has asked me on two or three occasions when I will bring down the Budget. I think we have made it quite clear that we want to go through the process of consultation with the First Ministers' meeting, and then the economic conference. I will be tabling a Budget in the House as soon after that as I can.

* * *

NUCLEAR ARMAMENTS

GOVERNMENT POLICY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. John Pike, the Director of Space Policy for the American Federation of Scientists, suggests that weapons designed to intercept ICBMs in mid course would have to be based in Canada. Another report from George Lindsey, the Chief of Operational Research in the Department of National Defence here in Canada, suggests that nuclear weapons might have to be placed in Canada to intercept incoming ICBMs. Has the Minister investigated these possibilities with his American counterparts? Has he informed them that Canada would not accept, under any circumstances, such weapon systems on our soil?

● (1430)

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I appreciate very much the Hon. Member giving me the opportunity to clarify continuing statements that are in the newspapers that do not relate to government policy. The Prime Minister had a press conference on Friday. He stated very clearly what the Secretary of State for External Affairs and I have stated on a number of occasions in this House. That position is the policy of the Government, and it will continue to be the policy of the Government.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Derek Blackburn (Brant): Mr. Speaker, I do not think I got an answer. I will try again. The same Mr. Lindsey, and this is not a quotation from a newspaper, it is from a Senate hearing just down the hall, stated that it would be "operationally desirable" to place a ballistic missile defence system under the operational control of NORAD. Therefore, will the Government withdraw its endorsement of star wars until it learns the full implications of this whole program as it affects Canada?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, what really infuriates me is that the Opposition attempts to take two or three different programs, and mixes them up, and suggests to Canadians that things are not very clear. The Prime Minister on Friday made it very clear where this Government stands. The Secretary of State for External Affairs and I have made it clear earlier. There is no reason for me to be repeating every day what our position is. The Canadian people know what our position is, and it is what the Prime Minister said on Friday. We are in a position where we have no nuclear weapons on Canadian soil, and we have no present intention of receiving any nuclear weapons on Canadian soil.

Mr. Blackburn (Brant): I notice the Minister said that the Government has no present intention of accepting nuclear weapons on our soil.

NORTH WARNING SYSTEM

Mr. Derek Blackburn (Brant): I have a final question for the Minister of National Defence, Mr. Speaker. Would the Minister admit that you cannot have a ground radar tracking system for star wars in Canada that is distinct from the—updated north warning system? Will he also admit that that is an integral part of the airborne SDI, you cannot divide the one from the other and therefore, logically speaking, Canada is now committed to star wars in this country?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I will not accept any of the philosophy of the hon. gentleman. What I will say again is that we are negotiating a warning system with the United States, and simply a warning system. Nothing more than that.

Mr. Clark (Yellowhead): It has nothing to do with star wars.

COMMITTEE REFERRAL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, now that we are on the ground of trying to clarify what these statements are, let me ask a question of the Prime Minister.

Mr. Crosbie: Get back to your own area.

Mr. Axworthy: In an answer to the Leader of the Opposition, the Prime Minister indicated, I believe he gave the word assurance, that there would be an opportunity for this House to examine the agreement before it is signed with the President of the United States, concerning the defence warning system.

Mr. Crosbie: It is more than you ever did. Where were you two years ago?

Mr. Axworthy: I would like to have confirmation from the Prime Minister that that document, prior to any initialling or agreement with the United States, will be submitted to a parliamentary standing committee of this House, and that we will have the opportunity to hear witnesses and representatives relating to the Department of National Defence and the Department of External Affairs before anything is signed. Will the Prime Minister give us that very clear assurance?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have already spoken to the Chairman of the Standing Committee on External Affairs and National Defence and suggested to him that the Government would be most anxious to provide Members of Parliament with a full, detailed briefing of the radar warning system in the context of North American defence.

I am prepared to have that start happening this afternoon. If members of the other Parties want to wait, we can wait. But we are prepared to start that briefing just as soon as possible.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I remind the Hon. Minister that members of this Party have been asking for that for the last three weeks, not beginning this afternoon.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Why didn't you ask that when you were in Government?

Mr. Axworthy: We can only say that we are now pleased to receive a positive reply.

STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, while we are on the issue of seeking assurances, going back to the Prime Minister's press conference on Friday, he was not as clear as he might have been in indicating that this Government and this country would not accept any involvement in the star wars initiative through its implication to the radar system or through its implication to NORAD. Can we have the assurance of the Government that it has no intention of accepting any involvement in star wars, whether procurement, involvement, or command sectors, or we would never accept any placement or deployment of nuclear weapons on our soil by the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as my colleague, the Minister of National Defence, made clear earlier today, the answers to that question have already been put on the record. The policy of this Government is, as it will be, that there will be no nuclear weapons stationed on Canadian soil. That can be taken as categoric. It is intended that way. That is the position of the Government of Canada.

With regard to the question of any association with any aspect of the Strategic Defence Initiative, I can give the Member assurance now, as I have before, that there is no plan, current, pending, or anticipated, that would have the Government of Canada involved in any way with the Strategic Defence Initiative.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

STUDENT SUMMER JOBS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration who has repeatedly told the House that she would not introduce her student summer employment program until she has had an opportunity to consult widely, and presumably with students, including the Canadian Federation of Students. Would she explain why she never did meet with the Canadian Federation of Students and in fact has postponed any meeting with that body until next Monday, which will be five days after her planned announcement of her student program tomorrow?

Hon. Flora MacDonald (Minister of Employment and Immigration): I can explain very easily, Mr. Speaker. The persons whom the Hon. Member mentioned were out of the country at the time I was available to meet with them.

Mr. McCurdy: Mr. Speaker, I can say categorically that that is not true.

Some Hon. Members: Oh, oh!

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I would ask the Minister of Employment and Immigration to explain why this kind of excuse is being employed, instead of actually meeting with them as they have been asking her to do for weeks? How is it possible for her to introduce a program which is supposed to serve students who have not

been consulted at all, I have not been consulted through the Canadian Federation of Students, or through any other organization representing students?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can tell the Hon. Member that I have been meeting with students, with individual young people, and with groups of young people, in every part of the country, and I intend to continue to do so. I wish the Hon. Member could have been with me last Friday in Montreal when I met with 150 young people, students, who have been taken off the unemployed list and put back into training programs that will lead them to permanent jobs.

Mr. Axworthy: Good Liberal training programs.

Miss MacDonald: That is the kind of information I need to be given to me about how they can succeed in moving from school to unemployment, to work that is of a productive nature. I have been doing that right across the country.

Some Hon. Members: Hear, hear!

* * *

● (1440)

[*Translation*]

TRADE

SIGNING OF FREE TRADE AGREEMENT WITH UNITED STATES—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): My question is directed to the Right Hon. Prime Minister. Last week, his Minister of External Trade made public a document on Canada-U.S. trade relations. During his press conference the Minister said he intended to reach a final decision within three or four months. Yesterday, however, the Premier designate of Ontario warned the Right Hon. Prime Minister that he was opposed to hasty decisions by the Government before all elements of the question were known. How does the Prime Minister intend to reconcile yesterday's legitimate request by the Premier designate of Ontario, Mr. Miller, and his own Government's desire to sign a free trade agreement with the United States as soon as possible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is misrepresenting the facts. We are certainly not seeking an agreement with the United States on free trade, and we never have. We are consulting.

Mr. Chrétien: Ah!

Mr. Mulroney: The Hon. Member for Shawinigan via Bay Street says: Ah! But it is true. This is part of the consultation process.

The Premier designate of Ontario gave me his point of view which I understand and respect, and we shall be listening very carefully to the Premier designate and to all the other Premiers on the fourteenth of this month and also to all other socio-economic partners in Canada, and we shall see . . . A definitive policy will be determined and announced in due time.

CANADA-UNITED STATES RELATIONS—INQUIRY WHETHER DOCUMENT TABLED BY MINISTER WILL BE STUDIED BY COMMITTEE

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker.

The Prime Minister is actually denying what his own Minister of External Trade said at his press conference. The Prime Minister says that he wants to consult and hear what everyone has to say. In fact, the document tabled by his Minister . . . this would be an opportunity for a committee of the House to examine the very fundamental issue of Canada-U.S. relations.

Can the Prime Minister give the House the assurance that the document will be referred to the appropriate committee for consideration, so that Hon. Members will also hear what the provincial Premiers have to say, and the House can then make recommendations to the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think it is common knowledge that the Government is now preparing a White Paper on foreign policy which will also concern matters such as trade relations and our international economic relations. The document will be made available to a committee of the House, and I repeat what I said yesterday in a different context: If Hon. Members think the document is not sufficient for their purposes, the Government is prepared to submit as well the document tabled last week by my colleague, the Minister of External Trade.

I fail to see why Liberal Members look down on a Canada-wide consultation process, because I think one of the basic changes Canadians were seeking on September 4 of last year was to have a government that would at last be prepared to listen to the views and requests of Canadians. That is what this Government's objective is today.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. PAUL SCHOENALS, SASKATCHEWAN MINISTER OF ENERGY AND MINES

Mr. Speaker: I should like to interrupt proceedings to advise Hon. Members of the presence in our gallery today of the Hon. Paul Schoenals, Minister of Energy and Mines of the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

FINANCE

EXCHANGE VALUE OF DOLLAR

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He will know that at this moment on foreign exchange markets the Canadian dollar is trading at 74.89 cents U.S. He will also know that in the past when the Canadian dollar softened, the Liberal Government made ordinary Canadians carry the brunt of that softening by increasing interest rates, including mortgage rates.

Knowing that an increase in interest rates at this crucial time would have a devastating effect in terms of investor and consumer confidence, will the Minister follow the traditional Liberal pattern, stand passively by, and allow the Bank of Canada to increase interest rates on Thursday?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am pleased the Hon. Member has drawn attention to the fact that for some 21 out of the past 22 weeks interest rates in Canada have gone down successively, to the point that they are now down to a level which we have not seen for a number of years. That has done a tremendous amount to increase the confidence of Canadians and the expectations of increased improving economic performance.

We have watched while some changes in the U.S. dollar have put some pressure on the Canadian dollar in recent days, but I think the Hon. Member should not be too impatient. These are things that normally happen in a market.

CONFIDENCE INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we on this side of the House recall that the Prime Minister, the Minister of Regional Industrial Expansion, and the Minister of Finance on many occasions indicated that after September 4 billions of dollars would move into Canada from outside, strengthening the value of the Canadian dollar as it built confidence. Could the Minister explain why that hasn't happened, why in fact the Canadian dollar is falling, and why there is little indication, as a result of that, that confidence is growing?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think there has been every indication that confidence in the country has grown significantly since September 4. We have seen close to 100,000 jobs created. We have seen retail sales increasing successfully in the months since then. There is no question in people's minds that this increased confidence is expected to continue and result in a very enhanced economic performance certainly over the months ahead and years ahead. The Hon. Member likes to walk around with a little cloud above his head. I think he should look around and see what is happening about him, before he asks these pessimistic questions.

CANADIAN WHEAT BOARD

GRAIN HANDLERS LAID OFF

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. Could he explain why 1,200 grain handlers have been laid off in Thunder Bay? At the same time, could he explain this terrible mismanagement by the Wheat Board? This type of lay-off is unprecedented. It is even more than those experienced under John Diefenbaker. I would like the Minister to explain this to the House.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, this is truly an important question. I wish they would get their act together. This morning the Leader of the Opposition referred to it as a strike, and this Hon. Member refers to it as a lay-off. I will explain why, very simply. It is a very serious situation for all of western Canada. We had a very bad crop last year. Our production is down 25 per cent. If he is accusing the Wheat Board of mismanagement, there are about 150,000 farmers out there who received final payments and were very satisfied. There are 150,000 farmers out there who believe that the Canadian Wheat Board has done a very good job of managing and selling farmers' grain, as we do on this side.

Some Hon. Members: Hear, hear!

RAIL MOVEMENT OF GRAIN

Hon. André Ouellet (Papineau): Mr. Speaker, the Hon. Minister, in his reply, has missed a very important point. He should know that grain handling which should have been done on the Great Lakes has been shifted to the West Coast. That has caused the type of lay-offs which took place. I want to know why there has been no use of winter rail movement. During the course of the last four years about 100 trains moved roughly one million tonnes of grain. Why has there not been a single train used for a single tonne of grain this year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, let me repeat it very simply for the Hon. Member. He makes a very good point. Farmers this year on the Prairies produced about 25 per cent less grain than they did the previous year. The reason for there being no eastern movement by rail is a decision of the Wheat Board. If he is telling me that he thinks the Wheat Board is doing a poor job, and if that is the position of his Party, then I think western farmers would be interested in knowing that. However, very simply, there is not enough grain to move. We would very much like to have surpluses of grain which we could sell. There would be winter movement of grain to eastern ports, and it would make jobs in eastern Canada. However, we simply do not have the grain to move.

[*Translation*]

UNEMPLOYMENT INSURANCE

MATERNITY BENEFITS—GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

My question relates to the remarks made by the Minister of Finance before the Canadian Club. The Minister has suggested that maternity benefits be eliminated in order to reduce the high cost of unemployment insurance for small businesses.

Can the Minister assure the House that maternity benefits will not be eliminated from the unemployment insurance program, since those benefits accounted for only 4 per cent of the overall cost of the program in 1984?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the question which was raised by the Minister of Finance was raised, first of all, at the time of the economic statement on November 8. That question as to whether or not social benefits under the Unemployment Insurance Act should be paid out of the unemployment insurance fund or out of general revenues of the Government has been raised by people in business, labour, employers, and employees, on a continuing basis. This is a question which can be raised under the unemployment insurance review.

● (1450)

COST OF PREMIUMS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we are all concerned about the increasing costs to the employer and employee with respect to premiums. All of this was caused by the previous Government placing the costs of unemployment insurance on employers and employees. Is the Minister prepared to consider a premium arrangement whereby the Government would accept part of the premium cost, thus reducing the cost of the premium to the employer and employee?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is always forthcoming with good ideas. I suggest that he put that forward at the time of the unemployment insurance review.

* * *

SUPPLY AND SERVICES

DISTRIBUTION OF PRINTING CONTRACTS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I have a question for the Minister of Supply and Services. During the fiscal year 1983-1984 under the Liberal Government, the Department of Supply and Services spent approximately $127 million for printing services, of which $2 million, or less than 2 per cent, went to the three most westerly provinces, and even less to the Maritimes, I might add. Will the Minister consider initiating a more equitable distribution of printing contracts to all regions of Canada, possibly directing tenders on a regional basis where feasible?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I was aware and concerned about the maldistribution of government purchasing opportunities in terms of printing. We put in place a policy whereby printing costs are assessed on an FOB plant basis, to remove any penalties of geography. I am asking for regular reports from my officials to see that the program works and, hopefully, we will see some progress.

* * *

EMPLOYMENT

STUDENT SUMMER JOBS—PROGRAM ANNOUNCEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It is supplementary to the one asked by the Hon. Member for Windsor-Walkerville. On January 17 the Minister promised me in this House that she would announce a summer employment program within two weeks of that date. That deadline has passed and we still have had no announcement. This morning in the Standing Committee on Indian Affairs, the Deputy Minister of Indian Affairs said that he did not know what summer employment program there would be for young native Canadians, or when it would be announced. He said he had no idea, that the decision rested with her Department. What kind of management and leadership is that? Does she not realize that that kind of procrastination is affecting the lives of thousands of young Canadians? Will she tell the House exactly when she is going to announce that program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes, Mr. Speaker. Tomorrow.

Some Hon. Members: Hear, hear!

SCOPE OF PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, praise the Lord. Last year's Summer Canada program not only helped thousands of students, but thousands of community groups and many client groups such as daycare Centres, senior citizens, and the handicapped. Will she give an assurance that her program will help all those client groups?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member will realize that I will release the details of the program at the time of the announcement. I would only undertake to tell him at this point that it will be substantially larger than the $85 million which the Liberal Government had set aside for that program this summer.

Some Hon. Members: Hear, hear!

BRITISH COLUMBIA UNEMPLOYMENT ACTION CENTRES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of Employment and Immigration. In its hearings last week the NDP action group on jobs heard testimony on the key role of unemployment action centres in providing counselling and advocacy services for the unemployed, and in helping the unemployed to help themselves. In British Columbia full-time co-ordinators for 28 centres had been funded by the federal Government, but this has been discontinued. Will the Minister assure the House that there will be at least interim funding for four months while the British Columbia Federation of Labour attempts to secure a more permanent source of funding for these action centres?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have been following the travels of the NDP committee which is travelling across the country looking at employment. Some of the statements that have been forthcoming from the various members are very good. They say that discussions on employment and job creation should centre on the need for more self reliance, more decentralization of federal programs, and development of small, appropriately scaled local businesses. In the programs that we are developing, those are the very characteristics that we are putting into the program design. I also assure him that in that consideration we are looking at the needs of the unemployment help centres.

REQUEST FOR FUNDING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I hope the Minister recognizes the very important role that these centres play. I would like a commitment from her that she is prepared to guarantee funding so that the B.C. Federation of Labour down the road can secure continued funding. Will she provide that kind of bridge funding so that they can continue?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do indeed understand the role that the unemployment help centres are playing in British Columbia. It was for that reason that I extended their payments last autumn.

* * *

ENERGY

TAKE OVER OFFER FOR UNION GAS

Mr. Tom Hockin (London West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the Minister assure the House that if there is a take-over of Union Gas by Unicorp, this will not negatively affect the credit status of Union Gas, or negatively affect the crucial role of Union Gas in ensuring security of gas supplies to all of eastern Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to assure the Hon. Member that my Department is aware of the take-over offer from Union Gas. I have asked the Department, and also the National Energy Board, to look into the matter. He will be aware that we do not have control over share transactions, but we certainly do have an interest in the transmission lines and the storage facilities which, as the Hon. Member has indicated, serve far more than Union Gas itself.

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THE ADMINISTRATION

APPOINTMENT OF HIGH COMMISSIONER TO UNITED KINGDOM

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a question for the Prime Minister. During the election campaign the Prime Minister said on the CTV program *Question Period* that the key position affecting economic or foreign policy should be screened by a House of Commons committee. Does the Prime Minister not believe that the job of High Commissioner to London is "a key position affecting foreign policy"? If so, which committee of the House will review that appointment and, if not, why will a committee not review that appointment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose the same committee that reviewed the appointment of the Hon. Don Jamieson to London.

Mr. Allmand: You are holier than thou in that appointment.

Mr. Mulroney: My hon. friend should not get so exasperated, because the Hon. Member for Shawinigan said that the appointment of Mr. McMurtry was a billiant one, and a good one for Canada. I thought he spoke for the Liberal Party on external affairs. Obviously the leader of the waffle speaks for the Liberal Party on external affairs, so he was wrong. In point of fact, I communicated—

Mr. Blaikie: Don't insult the waffle.

Mr. Mulroney: I apologize. I withdraw that on behalf of all wafflers.

Mr. Speaker: Order, please. Would the Prime Minister like to complete his answer?

Mr. Mulroney: I have communicated with the Hon. Member for St. John's East, who is chairing the task force on parliamentary reform, ably assisted by the agriculture critic of the Liberal Party.

• (1500)

Some Hon. Members: Oh, oh!

Mr. Mulroney: I defended him. One of our people said that he did not have a grain in his head, and I defended him, Mr. Speaker.

I have communicated with the Hon. Member for St. John's East and asked him and his distinguished colleagues if they could provide a formula whereby such appointments will be vetted by committees of the House of Commons, as we all wish.

[*Translation*]

IMPORTANT APPOINTMENTS—ESTABLISHMENT OF COMMITTEE—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): A supplementary question, Mr. Speaker.

Can the Prime Minister now assure the House that he will follow up on his election promise and set up a committee to review all major appointments before further appointments are made, particularly before the appointment of Mr. Davis to Washington?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, our ambassador to Washington, Mr. Gotlieb, is a distinguished member of the public service, and I had the honour to confirm his appointment. Apparently, the Hon. Member did not listen to the answer to the first question. As a matter of fact, we have already asked the Hon. Member for St. John's East (Mr. McGrath) to seek with his colleagues of the other parties a formula which in future would enable the House of Commons to review similar appointments.

[*English*]

Mr. Speaker: I have received notice from the Hon. Member for Nickel Belt (Mr. Rodriguez) of his intention to raise a question of privilege at this time.

* * *

PRIVILEGE

ALLEGED DISCLOSURE OF CONFIDENTIAL INFORMATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am rising on a question of privilege and I have given you notice of it under the appropriate Standing Order. My question of privilege is based on the comments made by the Hon. Member for York South-Weston (Mr. Nunziata) that were reported in yesterday's Montreal, *Gazette*. The Hon. Member abused the privileges of his fellow parliamentarians by revealing information given to him in confidence concerning the Premier of New Brunswick.

We in this country still believe in the fundamental principle that one is innocent until proven guilty beyond a reasonable doubt in a court of law.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: By revealing hearsay and innuendo, the Hon. Member for York South-Weston has tarnished the reputation of the Premier of New Brunswick, a Privy Councillor. The Hon. Member has also tarnished the reputations of several young people—

Mr. Speaker: Order, please. This question of privilege has the same difficulties as a previous question of privilege. Before the Hon. Member embarks upon what he thinks is also true, I must ask him, if he sees that, to tell me very clearly and quickly what his question of privilege of the House is as opposed to what he thinks about what another Member did.

Mr. Rodriguez: Mr. Speaker, the Hon. Member for York South-Weston, in revealing the information given to him in confidence by the Justice Department official, has tarnished the reputation of all Members of the House. Now members of the public will be afraid to give information in confidence to Members of Parliament for fear that such information will be revealed publicly. I urge you, Mr. Speaker, to rule that a *prima facie* case of privilege has arisen and refer this matter to the House Standing Committee on Privileges and Elections.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member did provide me with a document and with the press clipping to which he refers. I did read it and I have looked over the precedents on this matter. The Hon. Member appears to be making a claim that, because of something another Member did, the privileges of the House have been breached. On the basis of what he has said, I find that there is no privilege of the House that has been breached. I can find nothing else.

As I think the Hon. Member knows, my dilemma is that if he wishes to make a specific accusation or charge against or about the conduct of another Member, he is free to do so. That is his right. However, on the basis of what has been put before the House today, I must find that there is no *prima facie* case of the privileges of the House being breached.

It has been the custom for me to reserve my rulings on these matters but because this is a similar kind of situation to the one that was dealt with earlier, I thought it would be wiser if I simply indicated that what I had to say in the last case applies in this case. What we have here is a dispute about whether or not what one Member has done is appropriate. Any Member may feel as any Member wishes to feel about any other Member, but I hope that all Members know that an accusation or comments made about another Member of the House should only be made by way of substantive charge and that there are certain consequences that go with that. It would be entirely outside the bounds of the Speaker to find that a question of privilege had been breached as it was in the previous allegation. I must find, therefore, that there is no question of privilege.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I wonder if the Speaker could assist us by indicating the previous case to which he is referring. Was he referring to the case of the remarks made by the Hon. Member whose conduct is presently questioned against the Hon. Member for Burnaby (Mr. Robinson), or was he referring to another case?

Mr. Speaker: I am speaking of cases on which I have already been asked to rule with regard to the conduct of Members.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. If I may, I think that there is a certain relationship which exists between Members of Parliament, their constituents and the public at large, so that—

Mr. Speaker: Is the Hon. Member rising on the point with which we have already dealt or is he rising on a separate point of order? He knows that if he is rising on the same point of order, he may not do so.

Mr. Rodriguez: On the same question, Mr. Speaker, but perhaps to clarify it and put it in proper perspective.

Mr. Speaker: I did not mean to create a dilemma for the Hon. Member. I waited to see if others would rise on the question of privilege. No one else rose. My options were to reserve my judgment or to make it now. Since I knew what it ought to be, I chose to make it now.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, February 4, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

SOCIAL SECURITY

TABLING OF AGREEMENT WITH GOVERNMENT OF BELGIUM

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, under the provisions of Standing Order 40(2), I would like to table in both official languages an agreement on social security between the Government of Canada and the Government of Belgium. As provided by Standing Order 46(4), I would ask you to refer this report to the Standing Committee on Health, Welfare and Social Affairs.

* * *

[*Translation*]

PETITIONS

MAIL DISTRIBUTION IN SAINT-MICHEL-AHUNTSIC

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour to present a petition signed by some 100 residents of the Sault-au-Récollet project in my constituency of Saint-Michel-Ahuntsic who are asking that door-to-door mail delivery be provided to the project as soon as possible.

It is unacceptable that this public service for which these people pay taxes is still not being provided. The surveys are completed, the request for letter carriers has been submitted to Mr. Warren and these people are still waiting for the decision of the President and Chief Executive Officer of the Canada Post Corporation.

This situation causes hardship to my constituents. It results in inconvenience, time losses, costly trips and other charges because of lack of parking near the post office.

I therefore present this petition and strongly recommend that the Government act upon it.

CANADIAN WILDLIFE SERVICE—BUDGETARY CUTBACKS—SACKVILLE (NEW-BRUNSWICK)

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, once again it is my duty to present a petition signed by Sackville residents who denounce the cut-backs in the Canadian Wildlife Service and ask the Minister to restore the programs which were abolished without any consultation.

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[*English*]

OFFICIAL LANGUAGES POLICY AND PROGRAMS

MOTION RESPECTING STANDING JOINT COMMITTEE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations among House Leaders, and I believe you will find that there is unanimous consent to call Government Bill No. 9 on Motions rather than as an Order of the Day. I think you will find that it will be adopted without debate.

• (1510)

Mr. Speaker: Is that agreeable to the House?

Some Hon. Members: Agreed.

Mr. Hnatyshyn moved:

That the quorum of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs be six members, whenever a vote, resolution or other decision is taken, so long as both Houses, the government and the opposition are represented, and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when four members are present so long as both Houses, the government and the opposition are represented; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

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

Some Hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: 67 and 138.

[*Text*]

SOLICITOR GENERAL—USE OF GOVERNMENT AIRCRAFT

Question No. 67—**Mr. Nunziata:**

1. Since September 4, 1984, how many times has the Solicitor General used government aircraft and, in each case (a) what was the point of origin and destination (b) who accompanied him?

2. Was it impossible to use regular scheduled commercial flights and, if so, for what reason?

Hon. Elmer M. MacKay (Solicitor General of Canada): 1. The Solicitor General has used government aircraft on two occasions since September 4, 1984.

(i)(a) Ottawa to Toronto and return, (b) Mr. Von Veh.

(ii)(a) Ottawa to Halifax, (b) Dr. Doucet, Office of the Prime Minister, Mrs. Laura MacKay, Miss Wendy MacKay, Miss Rebecca MacKay.

2. (i) Yes, due to the narrow time frame and urgency of attending a meeting.

(ii) Yes, due to urgency of a meeting and the fact that no commercial flights were available.

"PENTHOUSE" MAGAZINE

Question No. 138—**Mrs. Pépin:**

1. Did the Minister of National Revenue state in the House on December 4, 1984, that he had asked departmental lawyers for legal opinions concerning the January, 1985 issue of *Penthouse* magazine and, if so (a) how many opinions were requested (b) from whom (c) what is their professional background (d) how often are they called to give their opinion concerning such material (e) what was the content of the opinions submitted to the Minister?

2. Does the Minister call upon third parties for opinions on such material imported and, if so, how often?

Hon. Perrin Beatty (Minister of National Revenue): 1. (a) Yes, the Minister of National Revenue initially requested an opinion from the Department of Justice. A second opinion at a more senior level was then requested from the Department of Justice to confirm the initial opinion.

(b), (c), (d) and (e) It is not the practice of this House that legal opinions or advice provided for the use of the Government be produced, nor is it the practice to identify the individuals providing such advice.

2. The only third party that is asked for opinions on these matters is the Department of Justice. The number of cases submitted to Justice varies between 30 and 40 each year.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—SUPPORT FOR AGRICULTURE

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemns the Government for its inadequate response to the growing financial crisis in the agriculture sector and for its failure to provide sufficient support and services to farmers who face severe economic difficulties in all regions of the country.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I listened with interest this morning when the Leader of the Opposition (Mr. Turner) spoke on this very important topic. It occurred to me that for a Party that has been in power for 20 years to come into the House with a motion which castigates the Government for not acting on behalf of the farmers in the first five months of its mandate takes a lot of gall, as the Hon. Member for Bow River (Mr. Taylor) said. It is also interesting to note that the Leader of the Opposition moved the motion, spoke to it and then disappeared from the House. If he was really interested in the well-being of Canadian farmers, one would have thought that he would have had enough interest to stay and listen to the debate.

I must give a good deal of credit to the NDP critic who had the common decency to say that this Government will be judged on its actions four or five years hence. That is a reasonable position to take. But for a Party which was in power for 20 years to do what it has done takes a tremendous amount of gall, and I find it offensive.

I suppose we can understand why the Liberals want to attack us and say that this Government has not been doing anything, since they did nothing for 20 years. I cannot think of one thing that could be considered an agricultural hallmark which was left by the previous Government. The previous Government and the previous Minister of Agriculture were very good at talking about the problems and the nasty situations in agriculture, but I defy anyone to name one thing which that administration was able to accomplish.

Someone might say Canagrex. Well, the Conservative Party understands the importance of the agriculture industry and knows the value of exports to Canadian farmers. Out of every dollar which a Canadian farmer earns, 50 cents comes from exports. In western Canada it is higher; it is probably closer to 75 cents out of every dollar. We know the value of exports.

The previous Minister, in talking about Canagrex, said that on a conservative estimate—he liked to use the word "conservative"; unfortunately, he never understood what it was to be a Conservative—we could look for $500 million worth of sales in the first year. What happened? There was about $17 million worth of sales, which is less than 5 per cent. A passing mark in most cases is 50 per cent, and Canagrex attained less than 5 per cent of what was anticipated. In many ways, that is lamentable. If it had performed there would have been no question that it would have had the full support of this Government and would still exist. However, there was no indication that it would perform and that was the problem.

It is obvious why the Official Opposition—and I wish it luck in its new role—does not want to talk about its record. The former Prime Minister asked why he should sell wheat in western Canada. Why would the Liberals want to talk about that? Who wants to talk about the fact that the Canadian farmer now pays more for energy supplies than the American farmer? Why do they pay more? Because the Liberals heaped tax upon tax. It is more expensive for Canadian farmers to go to the field than ever before, largely because of the tax which was imposed by the previous Government. It was that Government, through its irresponsible and totally reckless spending, that drove interest rates through the roof. That is the legacy of the previous Government. It is no wonder the Liberals do not want to talk about that record. It is obvious that is the reason they complain.

The Liberal Party says that it wants the Standing Committee on Agriculture to function. We do as well. Unfortunately, a year ago we could not get that committee to meet. We asked the chairman of that committee, in the House, when the committee would meet. We could not even get him to call a meeting. We had a meeting one night to discuss the Western Grain Stabilization Act, but had to adjourn because there was not a quorum. There was not a quorum because only one government Member, the chairman, came to the meeting. With that kind of dismal record, it is no wonder the Liberals do not want to flaunt it in public.

I do not think the time will be long enough to allow me to go through the items which this Government has managed to accomplish in less than five months. This morning the Minister of Agriculture (Mr. Wise) indicated that a lot of the things which had been done were not earth-shattering. We know that, but putting all of our initiatives together one can see the attitude which this Government has toward the resource industries in Canada. Canada has the potential to become a more powerful and influential country in agriculture if we pay some attention to the resource industries. Those industries include agriculture, forestry, fishing, energy and other resources.

One of the first things which happened when we formed the Government was that the Minister of Finance (Mr. Wilson) decided that the campaign commitment to reduce the amount of tax on farm fuels would be kept. That was done. A system was arrived at, with the help of the Minister of State for Finance (Mrs. McDougall), whereby there would not be a rebate. That tax will not be collected and then refunded. We hope that very shortly there will be a tax number available to farmers so that the reduction in the cost of farm fuels will be available when the fuel is purchased. That is a benefit to Canadian farmers.

The Minister of Transport (Mr. Mazankowski) froze Seaway tolls. I admit that that is not a large saving—$1.5 million to $2 million—but it will help Canadian farmers. It is a step in the right direction.

We have addressed the policy on metric, on which the Minister spoke very well this morning. That policy will help Canadian farmers. It was an election promise and it was carried out. In addition, initial barley payments were increased in an attempt to put more cash into producers' hands.

I was disappointed during Question Period when one of the opposition Members spoke in very unkind terms about the job which the Canadian Wheat Board is doing. I find it unfortunate. The Wheat Board has just announced final payments which were very good and it should be given credit for that. The Wheat Board has been doing a good job.

It was also interesting to note this morning that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy)—who I understand is the Opposition critic for the Canadian Wheat Board—has not had enough interest in his position to ask a question about western grain since November 14. When he was Minister he did not know enough about the system to sign the forms which would allow cash advances to be made available to farmers. As a result, for the first time since I can remember, and I have had a permit book for almost 30 years, cash advances were late. Why? Because the previous Minister did not have enough organization about him to even get the forms signed.

• (1520)

That is the record of that Government in agriculture. It is no wonder that the Liberals do not want to talk about their own record. You would have thought that after 20 years there would have been a lot of things that they had done for agriculture. Why is agriculture in such bad shape? To the extent that government can have influence in this sector, theirs was a negative influence. We have to put up with what that crew left us.

On advance payments we moved as quickly as we could. Again this was not a large item but it provided relief for people with unharvested grain in the Peace River country. It helps those who have had an early snowfall and not had a chance to harvest their crops. The Minister of Agriculture (Mr. Wise), along with the Minister for International Trade (Mr. Kelleher), invoked the Meat Import Act. This was a major problem. Had we had some understanding of the cattle industry by the previous Ministers, we could have used this in the previous calendar year. Unfortunately there was no interest shown, it was left hanging too long, and it is this Government which will look after what we believe is some unfair competition from Irish beef imported into this country. Who is doing it? This Government and this Minister of Agriculture.

The Liberals talk about research. Sod is being turned today for the construction of a research plant. They cannot have it both ways, Mr. Speaker. They cannot castigate us for cutting out research and say that it is a good deal to go ahead with these projects. We agree that research is important in agriculture, but at least give us credit for the fact that research is going ahead and has not been cut back by the Department of Agriculture.

There has been talk about Section 31 of the Income Tax Act. I believe the Minister of National Revenue (Mr. Beatty) has gone a long way in interpreting that section to give farmers the benefit of the doubt.

There was some concern expressed this morning over the Western Grain Stabilization Act. The Act has been in force for 10 years and we intend to amend it very quickly so there is an interim payment to producers for spring seeding. But do you know when the payment came out under the previous Government? In August. Big deal! There is no reason why the previous Minister could not have had the legislation amended in time for an interim payment to help the producers in their spring seeding. Why was that not the case? Because there was no interest in agriculture on the part of the previous Government.

Then we have the situation in southwestern Ontario with the tobacco industry. It is a very serious situation. Some of the Members opposite were here at the end of the last Parliament. They will understand the political shenanigans that went on at the close of the session. I happened to be here, and a totally political Bill came in. We had the tobacco growers up in the gallery and it would have been very easy to pass the same kind of amendment this Government passed before Christmas which would have given the tobacco industry some hope for the then current growing season. This Government moved, and we give the Opposition credit for supporting it and getting it through in a hurry. But it would have been just as easy for the previous Government to do the same thing.

The National Farm Products Marketing Council is in the process of holding hearings to see what they can do about a marketing board for tobacco growers if that is what they want. But it was this Government and this Minister of Agriculture who understood the situation and got things done.

Mr. Foster: You guys filibustered last year.

Mr. Mayer: The Hon. Member for Algoma (Mr. Foster) should be ashamed of himself. He is a learned gentleman. He knows very well the kind of politicking that was going on in his own Party. I had a chance to talk to some of the Members of the Government at that time and there was no unanimity among them on that issue. So this shows what can be done if there is some will and determination and a proper attitude on behalf of the farmers in this country.

Another thing we have done is reach an agreement with the protein oils and starch research plant in Saskatoon. The Hon. Member should realize that is a research project. The agreement is to provide ongoing funding for another five years. That was on the table with the previous Government but it never got done. We took it over and in a few months we have been able to work out an arrangement so that they will have ongoing funding for five years. That is very much an agriculture matter and of benefit to Canadian farmers.

The Liberals talk about the Americans. Whether we like it or not, they are very, very important agricultural tranding partners of ours. One of the first acts of this Government was to sit down with the American Secretary of Agriculture and work out a process whereby we can meet with him once every six months to talk about agricultural trade matters. This is in sharp contrast to the previous Government. Whenever they went down to the U.S. they would insult them. That is no way to get along with your neighbours. All we are doing is going to the table in good faith and if we have problems we will sort them out. That is certainly a step in the right direction.

The Minister has established some farm finance review boards on an experimental basis to see what can be done for people in financial difficulty. He has also moved to reduce interest rates for some 5,600 farmers who are paying as high as 16.75 per cent.

Mr. Riis: What about the other thousands, Charlie?

Mr. Mayer: Admittedly there are lots more. The Hon. Member for Kamloops-Shuswap (Mr. Riis) makes a very good point. There are lots of problems out there and it is virtually impossible for the Government to address them all. But if we have the proper attitude and do what we can in the areas where we have some responsibility, eventually it will have some effect.

The Leader of the Opposition says he has travelled, Mr. Speaker. Let me tell him that I would like to travel with him to some of the farming communities and see what kind of reception he gets as opposed to the reception Members of this Government would get, based on the treatment they have had in the first five months of this Parliament. The Hon. Member shakes his head. I will go with him. I will challenge any one of them. I will go to any farming community they want in this country and we will talk about what we have done in five months as opposed to what they did in 20 years. We will see who gets the best reception. I will take up that challenge with any one of them.

Mr. Lapierre: Any time in Quebec.

Mr. Mayer: Any time. You set the date and I will be there. That is a challenge I would very much like to take you up on. Any time in Quebec. I would be happy to go to Quebec. I have been in Quebec many times and if you are a farmer, as I am, you talk the language no matter where you are in this country.

One of the first things the very distinguished Minister of Transport did was freeze branch line abandonment, Mr. Speaker. There will be no more abandonment until we have had a full hearing to make sure there can be no other use for these lines before they are torn up. No one here talks about that. They talked about a rate freeze this morning. Freight rates are going to go down next year largely as a result,

unfortunately, of a poor crop. We do not have the volume to ship and volume is a factor in determining the full rate. But that is even better than a freeze. The Minister did not stand up and take a lot of credit for the fact that rates are going to go down. He quietly said that if we put the freeze in it will cost money so we will let the rates go down normally and worry about it another year. That is certainly a benefit to the Canadian farmer.

Another thing which we take for granted, because it has happened so gradually, is that interest rates have come down about 2.75 per cent since this Government assumed office. Rates have come down every week, with the exception of last week when they went up a very small amount.

Mr. Lapierre: And next week.

Mr. Mayer: If you are wishing some bad luck on us, you must realize you are wishing bad luck on the whole Canadian economy. I think you should be happy that they have come down.

There are many other things we have done. Something which affects western Canada and was very well received was the licensing by the Department of Agriculture of something called HY320. This is a new high-yield variety of grain. It was grown experimentally for the last couple of years and licensed last week. Again this is not earth-shattering and it will not receive a lot of national press attention, but things have been done on behalf of Canadian agriculture. So for the Official Opposition to come into this House with that kind of motion I find absolutely appalling. I suspect that people tuning in will also find it so.

Surely to goodness it would add to the debate and the demeanour of the House if we could have a balanced approach in this House. There are some things the previous Government did that I could give it credit for; but when hon. gentlemen get up in the House all you hear is gloom and doom and how terrible things are. The Leader of the Opposition says there is a strike at Thunder Bay. Another Liberal Member said that people have been laid off. Why are we not shipping grain from Thunder Bay? I can tell him that there are eight feet of ice there and how are we going to ship grain from Thunder Bay? That is obvious. You look like absolute fools.

I congratulate the official spokesman for the NDP on agriculture. He had a balanced statement. He criticized some of the things he thought we should be doing or where he thought we were going in the wrong direction. But he ended up by saying that the real judgment of what this Government is doing will come in four years' time. I am suggesting that if you look at the real consequences of the previous Government being in power for 20 years, they are obvious because we have some serious problems in Canadian agriculture.

● (1530)

I will conclude by saying that I will defend the Government's record with regard to Canadian farmers at any place in the country, on any platform, with any Member of either opposition Party, and I will be happy to do it. I think farmers would like to know the record. I would very much look forward to doing that if anyone wants to take me up on it.

Our mandate is for at least four years. In that period of time we intend to carry out as many of our campaign commitments as possible. We certainly look forward to that opportunity. On behalf of Canadian farmers I look forward to doing what I can, as part of the Government, to ensure that that very important sector of the country is treated fairly. Those are the exact words that the Leader of the Opposition (Mr. Turner) used. If we can treat it fairly it will certainly be a new and novel way of treating a very basic and important industry in the country as compared to the treatment it received from the previous Government.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I listened to the Hon. Minister's speech with a great deal of interest. However, he neglected to deal with some very specific promises made by some of his colleagues, including the Hon. Member for Joliette (Mr. La Salle). I have three points I would like to see clarified by the Minister.

First, the question of stabilization payments owing to Quebec hog producers. The $13 million, the cheque that was symbolically signed by the Minister of Public Works. Is the Minister prepared to inform the House today that he was indeed going to cash the rather bouncy cheque written by his colleague from Joliette?

Second, the $60 million promised Quebec producers to compensate them for damages suffered as a result of drought. Is the Minister prepared to undertake today that $60 million in compensation will be paid to Quebec producers?

Finally, I would like the Minister to explain the advantages of his dairy policy and justify the cutbacks he made in the Government's dairy policy, that his colleague, the Minister of Agriculture made in the Canadian Dairy Commission's policy, without prior consultation with Quebec and Canadian producers.

[*English*]

Mr. Mayer: Mr. Speaker, I am quite familiar with the situation of pork producers in Quebec. To use the words of the Leader of the Opposition, the Minister of Agriculture (Mr. Wise) is a very fair-minded individual. I am sure that with the good representation which we have from the Member's province and the attitude and reputation of the Minister of Agriculture, the pork producers in Quebec will be treated as fairly as is any other group of producers in the country. That undertaking was made prior to the election in September. That will be the hallmark of the Government. It will treat people in all parts of the country equally.

I cannot give the Hon. Member an answer about the drought because I am not totally familiar with the circumstances. I know that there was a drought agreement signed with the prairie provinces to maintain livestock numbers. That was one of the first things that the Minister of Agriculture did

after September 17 when we assumed office. I am sure that the people in Quebec will be treated as fairly as are any producers in any other part of the country.

With regard to dairy policy, the previous Government talked about a dairy policy but it was postponed and reviewed every year. I believe that the Minister has given the assurance that he is working to establish a new dairy policy by August 1. When we say that we will work with people, we will do exactly that. We sit down and talk to people. With that attitude and process I believe that an agreement can be worked out. The Minister of Agriculture has given the deadline of August 1 and we will do our best to ensure that that deadline is met.

Mr. Fulton: Mr. Speaker, my question to the Minister responsible for the Wheat Board is with regard to Prince Rupert Grain Elevator No. 1. I know that he and the Minister of Transport (Mr. Mazankowski) have been working very hard to find ways to keep PRG No. 1 operating. The Price-Waterhouse study which was provided to the Canadian Wheat Board, the Government of Alberta, Prince Rupert Grain and a few others on February 1 is going to be considered on February 14 to see whether commodities other than wheat can be moved through PRG No. 1. Could the Minister give us an idea of how things look with regard to PRG No. 1? PRG No. 2 is about to open. The net loss of jobs in the Prince Rupert area will be very substantial if PRG No. 1 is closed down.

Mr. Mayer: Mr. Speaker, the Hon. Member for Skeena (Mr. Fulton) raises a very important issue. We have had some conversations about this on a one to one basis and have sent some correspondence back and forth. He makes a very good case. If my memory serves me correctly, we stand to lose about 75 jobs in that area. We need about 100 people to operate PRG No. 1 and something like 25 are needed to operate the new terminal. There is grain in the new terminal on an experimental run-in basis.

The problem is compounded this year by the fact that there was not a good crop on the Prairies this year. At the very time when we have increased capacity on the West Coast, our exports will be down because we had a poor crop. I have had some conversations with the Minister of Transport (Mr. Mazankowski) and I can assure the Hon. Member that we will be happy to work with him and do everything we can to ensure that PRG No. 1 remains open. He makes a good case that the matter should be looked at with regard to some special crops such as alfalfa pellets.

The Government is committed to doing what it can to ensure that PRG No. 1 remains open. However, we must bear in mind that exports will be down because the volume produced on the Prairies is down. I appreciate the concern expressed by the Hon. Member on behalf of his constituents.

Mr. Foster: Mr. Speaker, does the Minister agree with the policy announced on December 21? At that time the Minister of Agriculture (Mr. Wise) announced that the disaster relief agreements which have been in effect for a number of years will be done away with. Through those agreements the federal Government and the provinces shared on a two to one basis compensation for disasters such as drought and flood. The former federal Government had agreed to pay $16 million in addition to the $8 million paid by the provincial Government as compensation for flooding in northeastern Saskatchewan. The new Government only provided $8 million on a dollar for dollar basis. I believe that a federal-provincial agreement provided for $60 million of relief in southern Alberta and southern Saskatchewan.

My understanding is that the Minister of Agriculture plans to do away with that arrangement and make the federal Government and the actual producers responsible for disaster situations. The Minister knows how important the participation of the provincial Governments was in Saskatchewan, Alberta and Quebec this past summer. Does the Minister agree with the new approach of the Minister of Agriculture? Will he be supporting him in Cabinet on this matter? This will mean that the producers will have to put up dollar for dollar equally with the federal Government and that the provincial Governments will not make any provision for assistance in disaster situations.

Mr. Mayer: Mr. Speaker, I can say two things to the Hon. Member for Algoma (Mr. Foster). When farmers or any other groups have problems due to weather, a good case can be made that there should be some assistance forthcoming from various levels of Government. The agreement which was worked out with the provinces was agreed to by the provinces. It was not a two to one agreement, as the Hon. Member suggests it should have been; it was an equal sharing of one to one. It is my understanding that the provinces accepted that. I have not received any correspondence from any of the provinces saying that they should have had more. I take it from that that the provinces are in agreement with the provisions that were worked out.

Second, we are all looking for ways to make crop insurance work better. Crop insurance is available to provide some assistance in those situations. If people choose not to buy crop insurance, both levels of Government have reason to take a hard look at providing assistance on an emergency basis. Providing crop insurance can be made responsible enough; it should be able to provide farmers with support and assistance in those situations.

The agreement was worked out with the provinces and they agreed to it. We are looking at ways to ensure that we can handle those situations in the future with crop insurance. Hopefully, we will not get into a situation where we must provide emergency aid, whether for drought or for excess water.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I will start out in this debate today from the same position I took last night in the short intervention I made on the subject of credit during the debate in Private Member's hour. During the election campaign the Conservative Party made it very clear that it had a program that it intended to bring forward and pass this year. The measures behind that agricultural program

should be put before the House so that we can either commend or criticize the Government on the fulfilment of its commitments.

● (1540)

Let me read from a letter that was written by the Prime Minister (Mr. Mulroney) before taking office, which states what the Progressive Conservative Party would do about agriculture when it came to power. I will then comment on its fulfilment of those commitments. First:

A Progressive Conservative government will commit its share of the necessary funds in order to ensure completion of the municipal drains in Eastern Ontario under the E.O.S.A. Agreement.

I cannot comment on that commitment but I gather that the Government has taken action.

Second:

A Progressive Conservative government will establish an Agribond Program to provide loans at reduced interest rates to agricultural producers. A tax exemption for earned income on these bonds would be provided to attract investment capital to this program.

We have heard much about this approach but there has been very little action. If one is to believe the document entitled *Tax Issues in Agriculture*, the Minister of Finance (Mr. Wilson) will not be particularly happy with the agri-bond approach. Although it is a promise, there is no commitment to fulfil it.

The third point is:

We will work with producers and provincial governments to establish a Voluntary National Income Stabilization Program for the red meat sector and any other non-supply management sector which wishes to take part. Where tripartite agreement cannot be reached, we will amend the Agricultural Stabilization Act so that payments will come when they are most needed and greater emphasis is placed on costs of production.

The Government has introduced some amendments to the Agricultural Stabilization Act. I suggest that even Liberals who are trying to defend their past programs will have to admit that the Government's approach to the Act follows its commitment. If we accept the legislation, the amendments will at least plug a few holes that are currently affecting farm groups.

The fourth point reads:

We will reduce the price of farm fuels by 20 cents per gallon by removing the 9 per cent federal tax and by not collecting the current excise tax.

While this measure has been implemented, the method is not quite the same as indicated in the letter. It is a rebate system instead of the reduction of the price of fuels. The actual amount of reduction has been put into place and the Government has fulfilled that promise.

Point five is:

In order to provide aid to the tobacco industry, we will immediately introduce a unique Bill which will specifically designate tobacco under the Farm Products Marketing Act.

That legislation has been passed.

Point six reads:

A Progressive Conservative government would look to expand the role of the Farm Credit Corporation to take into account the high cost of entry into farming, high interest rates, high land values and low commodity prices. We would ensure that the allocation of interest subsidies reflects the need to assist those who have entered farming in recent years.

I do not think we could expect the Government to fulfil that promise completely in the few months that it has been in power. However, it is important to consider whether the Government really has a commitment to address that problem because it is a key factor in the situation in which the agriculture industry finds itself. It will be interesting to see how the Government approaches this very difficult problem.

Point No. 7 reads:

We will change Section 31 of the Income Tax Act, as it applies to farmers, to reflect the principles of equity, neutrality, simplicity, and certainty. In addition, the strong-arm and confrontationist tactics presently practised by the Department of Revenue will be immediately abolished and a practice whereby the taxpayer is treated openly and honestly will be instituted.

That is a very laudable position. Section 31 deals with part-time farmers. Again, the document of the Minister of Finance entitled *Tax Issues in Agriculture* deals with Section 31. If we are to believe what the officials in the Department of Finance are saying, I would suggest that it is unlikely that there will be any change to Section 31. While we have heard discussion about that promise, there has been no action and may not be in the future. We will have to review that commitment in six months' time.

Point eight states:

We will abolish the imposition of capital gains tax on the sale of farm property for continued agricultural purposes.

There is much rhetoric on this but no action. There have been ongoing suggestions for the establishment of a task force or subcommittee to study this issue, but that has not been set up as yet. Again, I would refer to the Minister's *Tax Issues in Agriculture*. There is not much hope that the Government will move to remove capital gains, if one believes the approach in that particular document. However, the Government has the opportunity to fulfil that promise in the next few months if it wishes to do so, and we will wait before judging the Government on that commitment.

Point No. 9 reads:

A Progressive Conservative government will commit its share of the necessary funds to ensure that the Ontario Veterinary College proceeds with the renovations required to regain full accreditation.

I am not aware of the progress made in fulfilling that commitment.

Point 10 reads:

A Progressive Conservative government would be very aggressive in dealing with subsidized agricultural imports. We would move to control these imports in order to offset their negative effects.

I believe that the previous Government has much to answer for with respect to this issue. In the last GATT negotiations, our negotiators from the previous Government managed to increase the amount of tariffs against our exports and decrease the amount of tariffs against our imports. The actual effect of the last GATT negotiations by the previous Government was to increase the competition for our products in Canada and decrease the competitiveness of those same products when they

were exported. We can support the present Government if it takes the appropriate action in this area in the future.

Point 11 reads:

> We will amend the Advance Payments on Crops Act to double its cash advance levels. The present legislation only doubles these levels for Western grains. We believe all crops, in all areas of Canada, should be equitably treated in a government's agricultural policy.

Again, such a policy will be adequate and worth-while if it is fulfilled. The Government has indicated that it will do so.

● (1550)

Let us judge this Government in a couple of months. There are other promises too that this Government has made or did make before it took power and on which it has not acted. We have had considerable information and suggestions that the Government would deal with the Western Grain Stabilization Act. The Tories said that when going into the election and they said it when they first appeared in the House. Somewhere about the middle of November the Tories indicated it would only be a matter of a few days before amendments to the Western Grain Stabilization Act would be made. We are still waiting for those amendments, and both opposition Parties have indicated they would support such amendments. The Tories have failed to bring them forward.

The present Government also indicated it would do away with the abandonment of rail lines. I must say that, to their credit, the Tories have made that move. But they have indicated very little if any commitment to the action which they themselves have taken. It seems to me window-dressing rather than an actual commitment to replacing into service those lines needed to give the agricultural part of western Canada the kind of transportation service which it needs and which was removed by the previous Government over a matter of about 15 years.

This Government and the previous Government should beware of throwing stones. The Conservatives still have a lot of promises which they have not fulfilled.

Mr. Foster: They never will.

Mr. Hovdebo: The commitments they are making now are ones on which they will be judged in the next few months and years.

As I mentioned before, the three promises made concerning Section 31 on agri-bonds and capital gains do not look too good, according to the report of the Minister of Finance.

Mr. Foster: They are dead ducks.

Mr. Hovdebo: Some of the moves this Government has made have been against the interests of farmers. I can mention one specifically, one that was brought out before the agricultural committee yesterday. The services provided to seed growers have been increased by 400 per cent and 500 per cent by this Government in a recovery program. The inspection of meat and the inspection of plots for registered or certified seed doubled, tripled or quadrupled in cost in comparison with what it was before. This is at a time when farmers can ill afford to have increased costs. But this Government has been one of the institutions that has increased the costs of farm production and made it a little more difficult for farmers to make ends meet at a time when the farmer needs every opportunity and every method possible to allow production and good, profitable returns.

I think that the Liberals particularly should not throw stones. They had 20 years of opportunity to solve the problems of agriculture. They had 20 years in which their Government ignored the problems. The Liberals did a lot of things about agriculture here, there and all over, some of which benefited the farmers marginally and a lot of which disturbed the farmers and caused some harm. The most glaring example was the elimination of the Crow rate, a guaranteed subsidy to farmers which they needed. This too was done at a time when they could ill afford any extra costs.

We should not be wasting our time on debating which Government is the worst, the past Government or the present Government. It is the sort of situation where we are fiddling while Rome burns. That is exactly the situation in which agriculture is finding itself today. There are thousands of farmers in disastrous situations who are on the verge of leaving the industry. It is time that we in this House, as a Government, as three Parties that have been elected to be responsible for what happens in this country, get together and put in place a global approach, an income security structure which would allow the farmers to produce. If they produce well, they will know that they will be able to meet the high freight rates which the previous Government instituted, inspection costs which this Government has established, and high fuel, chemical and fertilizer costs. If the farmers have the kind of income security structure that would allow them to pay for these things, we would no longer have to worry about band-aids such as stabilization and insurance programs, because the income security program would cover those kinds of possibilities.

One could start out by saying that the Government would be giving a fair price, a price that would include the cost of production for each and every one of the commodities the farmers produce. That obviously would be the most direct and the easiest way to solve the farmers' problems. If that is too difficult, then let us take these two programs, the Western Grain Stabilization Program, the agriculture stabilization program and a variety of other programs which are part of the prop-up system that we are attempting to make available to farmers, and put them all together. Let us approach this on a global basis and say that what is available to the farmer is a certainty and that if he works well, produces well, is efficient and uses the market in the proper way, he will survive and be able to provide a living for himself and his family. He will not go under because of the interest rates, because of the lack of credit or the high cost of machinery; he will produce as he should expect to produce and get enough for it so he can survive. That is the basis on which this House should approach agriculture, not on the basis of small band-aids which may help now but at some time will have to be reviewed and

replaced by a global structure which allows the farmer to farm well and make a living.

Mr. Greenaway: I have a question for the Hon. Member, Mr. Speaker. On several occasions we have raised the subject of Section 31. I think all Members in the House agree that it is a problem as it is presently enacted in the present legislation. Could the Hon. Member give us his ideas as to a possible solution to that problem or his Party's solution to the problem?

Mr. Hovdebo: Mr. Speaker, our Party has discussed this as I suppose has every other group of people interested in agriculture. I cannot say we have a particular position. We have, however, put forward a number of suggestions. We hope to have the opportunity to put these possibilities before the Government and talk about them.

• (1600)

The idea that Section 31 might harm bona fide farmers is most often raised as an argument against changing it. I suppose we should be looking at an increase in the minimum if we think it must remain in place. That is a decision which all of us in the House may have to make. If we think the limitation should remain in place, we will have to decide on its size. Many of my constituents have indicated that they would be happy with it remaining in place if it were raised at somewhat the same level as inflation over the years. As we all know, the $5,000 of a few years ago is a pretty small sum today. That is one of the suggestions which has been put forward and which we would like to discuss with the Government.

Also we should define in Section 31 a little better than have the income tax people what is a commercial farm and what is a viable farm. We have to recognize the needs not necessarily of young farmers but of beginning farmers. I have discovered in my constituency that many farmers 40 to 45 years of age are just now trying to get into farming. They thought they could get into it in three years but they have found that it takes from five to seven years. They are getting caught in that section. That matter needs to be discussed. I am not saying that we have a particular position on it, but we have a number of ideas we would like to put before the Government and to discuss.

Mr. Blenkarn: Mr. Speaker, the Hon. Member was with myself and others on a trip to Washington in connection with the United States program of what amounts to agri-bonds. I would like to hear his comments on whether he felt that that was a proper way to assist farmers in terms of their long-term capital requirements. Keeping in mind the experience in the United States, does he think we should do something different from agri-bonds, or does he think it would be important for a Commons committee to study the report on tax issues in agriculture which was tabled the other day so that we could obtain evidence in Canada with respect to agri-bonds? Also, in terms of Section 31, does he think that we should take this matter before a Commons committee?

Mr. Hovdebo: I would think that a Commons committee with very specific terms of reference to deal with agri-bonds and Section 31, if possible, would be a good idea. What we need in this particular area is input from many people other than ourselves, because we become isolated if we stay in the House too much.

As far as agri-bonds are concerned, I recognize, as did all of us who visited Washington, that the biggest factor against the agri-bond program or the exempt bond program in the United States is the loss of money or funds to the Government over a long period of time. As Members of Parliament who were elected to govern Canada, not just one section of it, we have to look at that as a detriment to putting into effect the agri-bond structure as it was described to us in the United States. However, that program in the United States got money to the farmers when it was needed. I guess it was at a larger cost than we would like to expend. However, I am quite certain that we in Canada have the ingenuity to take that program and develop it in such a way that we do not have that loss. For instance, our Party's position on that is that it should be done at least in those cases where elderly farmers want to sell their land. Then the agri-bond becomes part of their retirement benefits. There are a number of such approaches. That particular suggestion was not made in the report on tax issues in agriculture. It is the kind of suggestion which needs to be made. This is the reason I think a committee or task force to study the matter and bring some suggestions to Parliament should be set up as quickly as possible.

Mr. Greenaway: Mr. Speaker, I have a question for the Hon. Member concerning Section 31. When one reads the discussion paper, I think one begins to worry that Section 31 will be buried in a lot of bureaucratic mumbo-jumbo and that nothing will happen. That is my worry.

Would the Hon. Member and his Party be willing to suggest that at least when an audit is being conducted by income tax auditors, they should be forced to call upon an expert in agriculture to accompany them when they inspect the farm? Then they could come up with some concrete ideas and thoughts on whether or not a farm is capable of producing a profit, whether it is a viable farm or, in other words, in what category the farm should be placed. I have found in my riding that auditors would just arbitrarily place a farm in the hobby class, although they did not have the expertise to do that. Would the Hon. Member agree that that is the very least for which we should settle?

Mr. Hovdebo: Mr. Speaker, I know the exact problem to which the Hon. Member referred. I have many of those people in my constituency as well. I think it is important that a definition be established, but I worry about establishing such a definition. I recognize that the Department of National Revenue has been inadequate in that particular relationship, in the use of that section in the past. It has been used mainly retroactively. I think that is the biggest problem. However, I am not at all sure that establishing a definition for farmers, for farming or for valid farms is what we want to do. Does it mean

that we do not think part-time farmers are making a contribution to the agricultural industry in particular areas? For instance, around Prince Albert there are many farmers who also work part-time at the pulp mill or in the bush. They are really productive people. To some extent they are attempting to build up their farms, but they are making a very good combined living. If they were unable to farm or not allowed to make that kind of living, they would probably move away, particularly people who work in the bush in the winter. They would not be able to make a living on the farm and the bush work would not be enough. We need to look at the whole structure and allow enough flexibility in it so that if decisions are made, they are not made to the detriment of taxpayers.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan)—Energy (a) Venture Oilfield Project (b) Negotiation of offshore development agreement with Province of Newfoundland; the Hon. Member for Hull-Aylmer (Mr. Isabelle)—Social Security—La Régie des rentes du Québec—Canada Pension Plan—Injustice to public servants in National Capital region; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Multiculturalism (a) Implementation of committee recommendations (b) Abella Commission report—Date of presentation.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—SUPPORT FOR AGRICULTURE

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemns the Government for its inadequate response to the growing financial crisis in the agriculture sector and for its failure to provide sufficient support and services to farmers who face severe economic difficulties in all regions of the country.

Mr. Greenaway: Mr. Speaker, could I ask a supplementary question?

Mr. Deputy Speaker: Unfortunately the period provided for questions and comments is now over. We shall resume debate with the Hon. Member for Perth (Mr. Brightwell).

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I welcome the opportunity to take part in this debate. The importance of maintaining a strong and dynamic agricultural industry has always been understood by the Progressive Conservative Party. We have only been in office a short time, and already we can point to a proud record of achievement in support of farmers across the country.

• (1610)

If we look at the history of support programs in this country, we find that the majority of federal agricultural legislation and agricultural institutions were established by Conservative Governments. The Canadian Wheat Board, the Farm Credit Corporation, crop insurance, the Agricultural Stabilization Act, ARDA, and the Prairie Grain Stabilization Act are all good examples of our concern for Canadian agriculture and the welfare of Canadian farmers. At the provincial level, the same holds true. Conservative Governments brought in most of the marketing boards which have done so much toward stabilizing farm income and bringing order to the agricultural market-place.

I want to make it clear, however, that these institutions and the legislation are only support mechanisms. They were never intended to interfere with farmers' personal freedom or their responsibility for their own success.

In my close association with farmers and in business life I am well aware of the harsh realities of agricultural life. Farmers know, when they enter the business, that there is no guarantee of security. They have to be careful. They have to be frugal. They have to work hard and live within their means because of the narrow margins, the traditionally poor returns on capital, and the risks of both natural hazards and the uncertain market-place. The market-place is no less threatening to farmers than flood, drought or frost. Each farm family must take primary responsibility for coping as best it can with these hazards. Farmers understand there is no escape from the harsh realities, no excuse for bad management. In short, farmers know that they must carry their weight, take their own risks and live with the consequences.

Every independent businessman must maintain that sort of attitude towards his or her enterprise. The federal Government recognizes, however, that there are some aspects of the agriculture industry that are unique. There is the vulnerability to the weather and to international political and economic forces, for example, all of which require Governments to adopt special support programs for farmers.

These support programs are not designed to guarantee every farmer a living, but rather to ensure there is an economic environment in which farmers may prosper. They also ensure that Canadian consumers have a continuing supply of high-quality food at reasonable prices. In addition, government support programs enhance the agriculture industry's contribu-

tion to the national economy, a contribution that is substantial, I might add. In terms of trade, for example, the agriculture industry contributes some $4 to $5 billion annually in surplus foreign exchange.

Federal and provincial Governments have adopted a wide range of programs to help the agri-food industry. In total, at the federal level, nearly $2.5 billion annually is spent on agriculture. In ballpark figures, this includes $60 million in stabilization payments, $300 million in dairy subsidies, $160 million for crop insurance, and that will be closer to $186 million this year, $250 million on research, $220 million on inspection and regulation, $650 million through the Crow benefit, and $110 million through the Western Grain Stabilization Act. Then there are the many market development programs, including advance payments for crops, which provide around $450 million a year in interest-free cash advances to farmers. There is also feed freight assistance to feed-deficient areas.

There are also the federal-provincial agricultural subsidiary agreements under which we encourage market development, technology transfer, and improvements to the natural and human resources of agriculture. Designed in co-operation with the provinces, these programs are tailor-made to deal with problems that are specific to each region of the country.

Let me return for a moment to crop insurance. It is one of the best examples of federal and provincial Governments and the producers co-operating to provide support where it is most needed. While most areas of the country enjoyed reasonable growing conditions last season, the Prairies were hit by a combination of serious drought in most areas and floods in some areas.

Last year more than 118,000 farmers insured 37 million acres of crops, for a total of $3.4 billion. Premiums, with the producers paying half, came to $331.2 million. Payments to farmers for 1984 crop losses exceeded $521 million. In other words, for an investment of about $165 million, farmers ensured a cash flow of more than $521 million. Needless to say, most of that went to prairie farmers hit by the drought, $257 million to Saskatchewan, $205 million to Alberta, and $29 million to Manitoba.

At the same time, a Government must remain flexible to deal with special situations. The severity of the conditions on the Prairies last summer warranted extra action, and we entered into agreements with the provinces for a Prairie Livestock Drought Assistance Program to help some 30,000 livestock producers affected by the drought. This program pays $48 per head for cattle and $10 per head for sheep in zones designated as being severely affected by the drought, and $30 and $6 per head in moderately affected zones. Producers will share some $63.5 million in benefits, with the federal Government paying half of the costs.

Similarly, we are sharing with the provinces the cost of flood support programs that will provide about $15 million for farmers in northeastern Saskatchewan, and we are working out details for a similar program in Manitoba. A program for 1983 forage crop losses in Quebec has already been announced.

Crop insurance has been successful because it is the kind of program that farmers share in and understand. It is voluntary and it is contributory and leaves the farmer free to make his decision based on his own management style and resources.

Producers have indicated they would prefer that same system for stabilization programs. Amendments have recently been introduced to the Agricultural Stabilization Act to reflect that view. Even a cursory examination of the present stabilization program shows its flaws. Farmers do not know how much support they will get under the program until long after they have made their production and marketing decisions. It is a case of justice delayed is justice denied. Furthermore, under the present program, farmers often receive their stabilization payments just at the time when market prices are recovering. That is not only bad timing, but it can also distort production decisions.

The new program, which Members will be able to discuss in detail before the Agriculture Committee very soon, will be prompt, it will be voluntary, and it will provide an improved level of support without costing the federal Government much more than the current program. In short, the new approach to stabilization will be in keeping with the whole thrust of this Government's fiscal strategy to spend smarter, not more. That same approach will be reflected in amendments we propose for the Western Grain Stabilization Act. An interim payment in the spring will help farmers with cash flow at the critical time when they are making their planting decisions.

To summarize, it is clear that farmers understand their fundamental responsibility for the success of their operations. Secondly, an extensive system of supports is already in place. Finally, new, innovative programs and policies are being developed by this Government to provide more effective protection and encouragement for farmers, but in a more economical fashion.

Mr. Deputy Speaker: Are there questions and comments? If not, we will resume debate.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, very simply, let us go to what this debate is all about. It is designed to spur this Government into some form of action. The time has come for all the paperwork, all the rhetoric, all the grand promises and exaggerated commitments to come to an end and for the Government to do what it was elected to do, which is to take some action on behalf of farmers who are facing some very immediate, very critical short-term problems.

It is all right for the Hon. Member for Prince Albert (Mr. Hovdebo) to talk about the need for some far off global strategy to solve ultimately and finally the problems of the farmers. However, at this very moment, farmers in various regions of Canada are facing very specific and immediate problems and they are looking to this Government to provide some leadership which, until this point, has been totally lacking. It has not been lacking because of any great sins of commission; the Government just has not done anything. It

has not begun to address the issues about which it spoke with great flourishes during the summer. Government Members said that they were going to be the great helmsmen of the agricultural community. We need only look at some examples to see what has really happened.

● (1620)

We should look at the paper put forward on tax issues in agriculture by the Department of Finance. What does it say about all the commitments the now Prime Minister (Mr. Mulroney) made last summer? It says that they will not really work. We have heard all this gobbledegook from the Department of Finance before. We know that it can find all of those answers to questions over which members of the Conservative Party rose in wild indignation during our tenure in government. Here they are coming up with exactly the same thing. There has been no change. The same paper has been put forward by the Hon. Minister of Finance (Mr. Wilson). He is a Tory, I believe. The paper is in his name and it contains such things as why agri-bonds will not work and why capital gains cannot be established. The most effective critique of Mr. Mulroney's promises come from his own Minister of Finance.

We cannot expect the farmers, who have been waiting in grand expectation since the summer for Mulroney and company to get their act together, suddenly to pick up this paper that was produced by the Minister of Finance and say—

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

Mr. Deputy Speaker: Order, please. The Hon. Member for Mississauga South (Mr. Blenkarn) rises on a point of order, which I believe will be that the Hon. Member should not name the Prime Minister (Mr. Mulroney) by name.

Mr. Blenkarn: Mr. Speaker, the Hon. Member knows that when he is addressing or speaking of other Members of the House, he must address them by their constituency or by their office.

Mr. Deputy Speaker: I am sure the Hon. Member knows that.

Mr. Axworthy: I beg the pardon of the Hon. Member for Mississauga South (Mr. Blenkarn). I would not in any way want to denigrate the Prime Minister by calling him by his last name.

I would say that the Hon. Prime Minister has one more time been befuddled and betrayed by his own Minister of Finance who contradicted everything he has said in this white paper. Either that is so or it is the Minister of Finance who is really telling it as it is and it was the Right Hon. distinguished, esteemed gentleman who occupies the seat of the Prime Minister who does not know what the hell he is talking about. It is probably closer to the point that the Prime Minister simply made a commitment that he had no intention of fulfilling. He was up on that platform about which most farmers know a great deal because they know exactly what cows produce. That is the platform on which Tories stand when they make agricultural promises.

Let us look at another very critical issue, Mr. Speaker. The Government was going to deal with the immediate cash crisis of the western farmer. When our Leader spoke in Prince Albert, he said that the very first piece of legislation that would be brought into the House would be an amendment to the Western Grain Stabilization Act so that western farmers would have cash in their hands on discretion either before the new year or after the new year, depending on their tax positions.

This House opened the first week of November. The "associate-we're-not-sure" Minister responsible for the Wheat Board—and I will return to that in a moment—has said consistently, "any day now, mañana". I think he took his parliamentary lessons from the Minister of Employment and Immigration (Miss MacDonald) who keeps making promises—

Mr. Redway: That's right.

Mr. Axworthy: Oh, there is one of our distinguished agricultural representatives from the City of Toronto sitting in the corner.

The fact of the matter is that the Government had every opportunity to bring in that change to the Western Grain Stabilization Fund at the very beginning of this Parliament. It is now the first week of February. Where is that change? As a result, many farmers do not know what choices to make in terms of purchases of fertilizer and in terms of making their commitments to the future, because they do not know what kind of refund they will receive from that fund.

For Government Members, it is simply called action, Mr. Speaker. It is simply called deciding that they are now a Government and are not here to act Henny Youngman or Lenny Bruce and do a stand-up comedy routine in the House of Commons every day. Government Members should be trying to provide some leadership on major agricultural problems. We know that nothing is more important than getting cash in the hands of the farmers at a time when they need it. That time, Mr. Speaker, is now. Farmers need that money now, not after some consultation and not after another white paper.

I can only suspect that the real strategy of the Conservative Government is to help the pulp and paper industry. All of this is designed to bring employment back to the pulp and paper industry. No Government in the history of this country had produced so much paper read by so few people containing so little that no one knows about what they are consulting.

A constituent of mine went to the Queen's Printer and asked for one of the Government's consulting papers. The Queen's Printer said that that would cost $18. We know with whom Government Members are consulting. They are consulting with their own bagmen and friends who can afford to pay that kind of price. They have no interest in consulting with the general public. They are not prepared to hold public hearings.

They are not prepared to use House of Commons committees. The Minister of Regional Industrial Expansion (Mr. Stevens) will consult by taking a piece of paper to his friend in Toronto in the dark of the night and slipping it under a door, thereby saving his friend $18. That is the kind of consulting that is going on. Government Members are not prepared to get into a public debate.

We on this side of the House are using our time in opposition to bring those issues forward so that the Canadian public will know exactly what it is that they can expect. It is interesting to note that the Ministers are so seriously committed to this issue that the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer) have not quite found it possible to spend this day in the House listening to agricultural issues.

Mr. Thacker: That's because they are meeting with farm groups. You never, ever met with them.

Mr. Axworthy: It is about time that Ministers of this House learn that their first responsibility is to this House.

I would like to correct the Hon. Member. I was in his riding this weekend and met with farm groups there. The Hon. Member had better go back and check on those groups because they are not too happy with what he and the Government have been doing.

We are beginning to sense some of the reasons why the Government is behaving in this manner. I would like to raise a particular point which came to light yesterday in very interesting testimony before the Agriculture Committee. We have always paid proper respect to the necessity of having a Wheat Board with its own Minister with his own independence and his ability to provide for the direction of an agency which is very clearly responsible for much of the important work done in western Canada. I would have to say, as would some of the western Conservative Members if they were allowed to speak, that we have always been concerned that the Department of Agriculture has had designs on the Wheat Board. It did not like the fact that the Wheat Board was deciding about and representing the marketing and export interests. We discovered yesterday that the new Government, which says it is so reflective and representative of western interests, has now substantially altered the relationship between the Wheat Board and the Department of Agriculture. According to the organizational chart, the Wheat Board now reports directly to the Deputy Minister and Minister of Agriculture. The poor Minister of State for the Wheat Board is stuck way off in the far left-hand corner behind a dotted line, the meaning of which we are not sure. It probably means that he gets to see the Minister of Agriculture at least once a month. I think that that is the definition of a dotted line.

This is no laughing matter, Mr. Speaker. This is a very serious matter for western Canada. It means that the Department of Agriculture has taken responsibility for the Wheat Board and has basically made the Minister of State for the Wheat Board into a kind of a glorified Parliamentary Secretary. The Wheat Board is under the thumb of the Department of Agriculture, a Department which has its own very different interests. I can testify to the fact that those interests are not necessarily ones which will promote the activities of the Wheat Board.

This is a very serious change and one that totally dilutes and diminishes the powers and responsibilities of the Minister responsible for the Wheat Board. There is no longer any point in asking him any questions because he is reporting back to the Minister of Agriculture. We confirmed that by questioning the Minister of Agriculture, who we know is an honest and upstanding gentleman and one of the few such gentlemen on the front benches. Yesterday he said, "Yes, indeed that is the case". He said that he is basically running the show.

I think that that kind of merger carries with it very serious implications for the Wheat Board's ability to make judgments required in order to carry out its responsibilities. To compound the problem, we also found that the grains group is reporting to the Deputy Minister of Agriculture. God forbid! There is a serious problem in that organization. It means that the Wheat Board has seriously compromised its ability to represent western grain interests with regard to marketing exports. It would be far more beneficial to western Canada if the Wheat Board were more closely tied to the area of export marketing, because that is where the action is. That is where the responsibility resides. I hope that the Right Hon. distinguished, esteemed, plenipotentiary Prime Minister—and I hope that satisfies the Hon. Member for Mississauga South—will take a look at the organizational chart, which probably escaped him because he is so busy rehearsing his comical lines, and recognize that he has not lived up to the responsibilities of the Prime Minister, which is to run the Government and to ensure that all regions are effectively represented and that the agencies serve their purposes.

• (1630)

A major and fundamental change is taking place in the United States with respect to agricultural policy. The policies of Secretary of Agriculture Block and the new budget which was put forward by President Reagan basically wipe out all farm subsidies and supports. That is the proposal which Congress is considering. It has an important implication for Canadian wheat growers, and especially grain growers, because Secretary Block has said that he will get the money from the farmer by marketing in the most ruthless manner possible. We have seen the results of that. We have seen how the Americans have used their tremendous capacity in the grain export market to keep prices low or to drive the prices down.

Canada is in a situation which is compounded because of the problems of the existing drought and the loss of export markets. We are now in the position where we should be playing hardball with the United States. However, from what we have experienced so far, this Government does not want to play hardball with the Americans. In fact, it likes to play cream puff with them. The Government is not prepared to knuckle down and deal with the United States. We have seen time and

again that when the United States President says, "Jump", our Prime Minister says, "How high?"

Western farmers will be faced with intense competition from the U.S. agricultural department, which will use the wonderful techniques, subsidies and marketing devices to keep the international grain market at a low level and to flood and dominate that market. Ultimately, Canada will be forced to make a tough response.

I am pleased to see that the Secretary of State for External Affairs (Mr. Clark) is in the House because, at least in a titular way, the responsibility is on his shoulders. He will have to ensure that Secretary of Agriculture Block's pronouncements do not come true. We would much prefer to have the Canadian Wheat Board more closely aligned with External Affairs' activities in the trade area, to ensure that our western commodity interests are properly protected.

If we looked carefully at the trade paper—that grand design which amounted to 32 pages of regurgitated old material—we could ask ourselves what it said about the grain trade and the commodity markets. In Winnipeg we use a wonderful Ukrainian expression which means "there is nothing there". There is nothing which would enable western farmers to recognize that this Government is taking seriously the necessity to address the very major turbulences in international grain developments.

The Wheat Board does its job—it markets. But the number of countries in which Canada has been marketing has been shrinking substantially over the years. That is partly because we are being driven out of foreign markets. I would also suggest that it is partly because we are not taking full advantage of the opportunities which many of the new specialty crops provide in the export area. It is very important that another trade paper be developed which will deal specifically with the strategy, intentions and programs which will support extended export markets for commodities, specialty grain crops and staple grain crops.

When in government we did our part. We changed the grain transportation legislation to ensure that there would be an efficient and effective transportation system. A lot of decisions are still outstanding because of those changes, and we will be watching with interest to see what the Government intends to do when the report is received on the method of payment question. I hope it will learn how to take a stand, because that Party did not take a stand during the several months of debate on that legislation. The Government will be required to make a decision, and it is very important for that decision to be aimed at expanding our export market.

In addition, this Government has not taken a stand on the question of minimum compensatory rates for canola crushers who have severe problems in western Canada. The problem is one of uncertainty. If a decision is not made, then the ability of the canola crushing industry to provide for new capital investment, to develop markets, and to look at new opportunities as an industry will be left in limbo. Once again, it is simply a plea for action.

Decisions have not been taken because the Minister of State for the Canadian Wheat Board has been cut adrift and no longer has agency responsibilities. Agriculture has been pushed aside because of consultation papers, grand dreams and promises. In the meantime, there is a lot of hurt and a lot of uncertainty, which will ultimately work to the detriment of the entire Canadian economy.

I would like to mention another issue, which is vital to western Canadian agriculture, upon which we expect action. It is the major problem of soil erosion and water. The Liberals established a major water commission which is due to report. The previous administration also held a number of negotiations and consultations in which the Hon. Member for Davenport (Mr. Caccia) was very effective. We have seen year in and year out the inconsistency of the grain growing belt which is affected by major changes in climate, particularly the availability of water. There are approximately 200,000 hectares a year which are taken out of major grain production because of soil erosion in the southern parts of Alberta, the central and southern regions of Saskatchewan and parts of the Province of Manitoba. In order to respond to the predicament of our major grain growing area we will need capital. It is the responsibility of the federal Government, in co-operation with the provinces and industry, to provide the dollars which are needed for major water projects. The Government cannot avoid that responsibility. Yet the Minister of Finance and his cohorts are preaching the theology of deficit reduction. They do not recognize that governments from time to time must invest. Government has a direct public responsibility to invest in better production, improved facilities and infrastructure. In western Canada there is no more important a priority than investment in the area of soil and water development. But we cannot do this with nothing. It is very important that the point be made now before the budget comes down in several weeks. We must ensure that the Minister of Finance and his Cabinet colleagues include a provision for investment in major water projects in western Canada so that we can begin to stimulate the provinces in order that they will be able to respond. That is the kind of public expenditure which I think all Members of the House can endorse. It is an effective investment, designed to increase production and ensure protection for western farmers and the agriculture industry. I hope that those who are so quick to latch on to the new theology, the neo-conservatism in the prescriptions of the Minister of Finance, will, at least in this area, recognize that this kind of pound foolish philosophy has no place when it comes to dealing with these problems in western Canada.

● (1640)

In this opposition motion we are simply saying that this is the Government now. Members opposite cannot keep blaming the past and rewriting history. They are the ones with the responsibility, they must make the decisions. The western Canadian farmer is waiting for those decisions, and so are we.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Thacker: Mr. Speaker, my friend gives a fine speech in opposition and he will be there for many years. Would he agree that, in the international sphere, the EEC is really the bad boy when it comes to agricultural subsidies and international marketing? The United States will retaliate nose to nose, and Canada will be in a very difficult position because we lack the financial clout to compete with those big boys. That is primarily because of the huge national debt and the amount of revenue necessary to service that debt. Why did the Liberals run up the deficit so high? It is now affecting our ability to make the investments he talks about. Why did they so consistently kick the United States in the shins and insult them in every possible way? As a result, we are now having difficulty reaching agreement with them. Why did they not sign an international agreement giving a base price for wheat? Why did they increase the input costs of agriculture so high? I am referring to fuel costs and transportation. Why did they not enact plant breeders' rights so that when the new varieties come out it would have a multiplier effect on our economy? Why was there no action for over 20 years on soil erosion and loss of agricultural land in western Canada? Why, for 20 years when they were the Government, was nothing done?

Mr. Axworthy: Mr. Speaker, I would certainly agree at the outset, and that is where the agreement will stop, that there is a very major problem with the EEC in international marketing. This is particularly true in coming to grips with the subsidies and supports they provide. We would be far more effective if we had some joint strategy. But what I have been trying to say through the course of my speech is that there was nothing in anything the Government has done, particularly in its trade paper, to indicate it was addressing the issue. It did not demonstrate what the Government was doing, what kind of intervention it was prepared to make, or whether it was endorsing or adopting the same kind of response the Americans were going to make. We are simply saying that the opportunity was there and if the Government did not want to use it, then it had better come out with another paper right away so that we know where it is going.

The Hon. Member has engaged in a form of mental gymnastics which I find is peculiar to the acrobatic school, *causa Conservatus*, which relates everything back to the deficit. The fact is that government expenditures provided job training, major innovations in transportation, and export development. They were used for major investment in regional development. I remind the Hon. Member that one of our initiatives which this Government, to its credit, has continued to support, was the establishment of the economic regional development agreements. They incorporated a number of agricultural agreements with the provinces. In my own Province of Manitoba we signed a $23 million agricultural agreement to provide for new research and development. There were new initiatives in water research and development and irrigation projects. We also signed a $200 million program, part of which went for a major restoration of the Port of Churchill, so that there was an alternative deep sea prairie port. We will have the opportunity tomorrow in committee to determine if this Government is going to fulfil the requirements of that agreement. For the first time in the history of western Canada we took the decision, under that agreement, that grain cars would be manufactured in western Canada.

We used the power of expenditure, which he was so concerned about, to do exactly what I was talking about. We were investing in the future. We were putting in place the kind of research and development infrastructure which would allow the agricultural community, through those projects, to improve itself. That is why we are now in real danger of committing some serious mistakes given the approach the Minister of Finance takes when he says you cannot afford to spend on anything. In fact, in the economic statement of November, the Government added substantial new charges for farmers. Some $32 million was added to the cost burden of farmers. In some cases, in provinces like Prince Edward Island, charges have increased from $15 to $50 for the inspection of potatoes. This comes at the very time we are saying it is important to try to reduce costs. The Minister of Finance is adding to those costs, adding to the burdens of the farmer, not trying to relieve them.

Mr. Greenaway: Mr. Speaker, I listened with interest to the Hon. Member's speech, as I did to the speech of the Right Hon. Leader of the Opposition (Mr. Turner) this morning. He mentioned Section 31 of the Income Tax Act, and unfortunately I was not able to ask him a question about that. I think the Hon. Member will agree that for a number of years now Member after Member in this House raised the issue of Section 31. Finally, last spring, the previous Minister of Finance agreed that he would set up a consulting group to go out and bring us back some answers. I cannot find any history of that group. There are no recommendations. We do not even know who made up the group. I would like to know from the Hon. Member what the present position of his Party is on Section 31. What does he propose we should do with that section?

Mr. Axworthy: Mr. Speaker, I am somewhat intrigued by the Hon. Member's question. He should really he asking that question of his own Minister of Finance. The position of our Party is that we are going to be very interested to see what the answer is. It is quite true that a number of Members spoke to this issue. Our Government indicated we would set up a consultative group to look at it, and now what has happened is that we have had these grand promises for legislation. This goes back to our basic thesis that you cannot make promises and then, all of a sudden, do a double flip-flop and say, "We are now going to study it". It is now back in committee for examination and we think it is very important that the Government take a stand. Let us see the colour of the eyes of the Minister of Finance. Then, my hon. friend, our critic on agriculture, will be more than happy to respond.

Mr. Riis: Mr. Speaker, I have a supplementary question. The Hon. Member suggested that the previous Minister of Finance planned a consultative committee to look into the whole matter of problems associated with Section 31. Did he ever get around to doing that?

Mr. Axworthy: I think that is a very appropriate question to ask of the Minister of Finance whose Department is responsible. We discovered several cases where we had initiated reviews, as in the case of the Manitoba equalization, that the Department of Finance was not quite so anxious to follow up until it saw what happened on September 4. It is now quite satisfied because nothing is happening, so its own basic biases are being supported.

Mr. Clark (Yellowhead): Still blaming public servants.

Mr. Blenkarn: Mr. Speaker, I come from the same kind of rural riding as the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). I was wondering if he could comment on the question of financial help for farmers. I was wondering why he did not compliment the Government on the change in the tax on petroleum products. After all, that was a massive reduction of taxes on the farming community. It certainly complied with the promise to give financial support to farmers. Why did he not comment on the reduction by our Government of interest rates through the FCC from 16.75 per cent, which he and his colleagues demanded farmers pay, to 12.75 per cent?

● (1650)

What new program should he be advocating the Government undertake in view of this motion? After all, surely it is the obligation of the Official Opposition to present alternative programs to the Government which need to be discussed and examined. There is nothing in this motion except the condemnation of the Government with no alternative being suggested.

Mr. Axworthy: Mr. Speaker, I will be very pleased to answer the question. I find that the Member for Mississauga South has not outgrown old habits. Like an old dog he still plays old tricks. He has not quite got used to the idea that he is now a Member on the government side of the House. In this Parliament the Government is responsible for coming forward with the proposals. We in opposition are always pleased to provide along the way whatever helpful advice we can. If the Hon. Member was listening, which I know he does raptly to everything I say, he will have heard that we did suggest that it is time that the Government got on with business and brought the stabilization fund forward, which could have provided close to $800 million of new cash flow for western grain producers. We have been waiting around since November for the Bill to be presented in the House. We made a very clear commitment to provide for an immediate cash flow to enable farmers to start their plans under the stabilization fund.

All we get from the Government is promises, promises, promises. That makes a good title for a Broadway play but it makes a lousy agriculture policy. The whole thrust of our motion is to say that there is a new Government now and it is about time it recognized its responsibility. It is about time it made decisions on these commitments. It does not do much if, at the same time as it is reducing taxes on excise fuel, it is adding service charges that end up costing the farmers more.

The Acting Speaker (Mr. Charest): I regret but the time for questions and comments is now over.

[*Translation*]

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, my riding includes many constituents who are farm producers. In the riding next door . . . I am surprised at the comments of our Liberal friends. They are starting before I have even started my speech. Some Liberal Members are starting to interrupt instead of listening to what we have to say. They have not yet realized the shoe is now on the other foot, although they should, the figures are clear enough. If we look at the number of Liberal Members in provincial legislatures across Canada and in this Parliament, they represent a grand total of 16 per cent. A little more realism and everything should be fine.

The Acting Speaker (Mr. Charest): The Hon. Member for Shefford, on a point of order.

Mr. Lapierre: On a point of order, Mr. Speaker. I realize my colleague from Mégantic-Compton-Stanstead (Mr. Gérin) has just been elected and may not be aware of the rule that provides that his speech must be relevant to the motion before the House. I do not think we have a motion on the number of Members elected in provincial legislatures. In fact I think the problem of farm financing is much more important. I therefore suggest that, at the invitation of the Chair, the Member for Mégantic-Compton-Stanstead should speak to the motion before the House.

The Acting Speaker (Mr. Charest): The Hon. Member for Shefford also knows perfectly well, since he has been in the House for a number of years, that when a Member begins his speech he is allowed an introduction, especially since the Hon. Member for Mégantic-Compton-Stanstead was indeed interrupted by one of your colleagues. The Hon. Member for Mégantic-Compton-Stanstead.

Mr. Gérin: Mr. Speaker, it is their ignorance of agricultural problems that brought about the national landslide that reduced their numbers from 980 to 162, while we have 579 Members across Canada, including this Parliament. Ask anyone, that is what producers are going to tell you, including hog producers.

We have been listening to practically everything that is being said about our hog producers. The subject came up in connection with the Hon. Member for Joliette (Mr. La Salle), who was absolutely right in doing what he did, and he still is today. Hog producers across the country, and I know what our own producers are saying, will tell you they are well aware there is a major problem with the United States, and if it is dealt with too hastily, we might be hit with export restrictions, and that is something our hog producers want to avoid. I think we will be able to find a political solution to the $13 million question. Not a solution of confrontation, as you have always

advocated for much too long—which explains why we have reached the point where we talk about two Opposition parties here. A policy of consultation, that is what it says in the document of the Minister of Finance (Mr. Wilson), and that is a document for consultation. Pay close attention to the last paragraph on page 67: "The Government expects to hear from all interested individuals so as to know their views on these issues concerning the tax treatment of the agricultural community, in light of this document and of the principles contained in the Agenda for Economic Renewal". That's it!

Mr. Speaker, my riding is predominantly agricultural. There are dairy producers, hog producers and sheep producers. They know the agricultural community is experiencing difficulties. They want to hear what Hon. Members have to say about the real problems in agriculture. We all know what those problems are: a problem of overproduction, a problem of increasingly difficult exports caused by worldwide surplus production, a problem of surplus equipment, and a problem of indebtedness compounded by steep financing charges.

Today we are debating the issue of financing. Mr. Speaker, I wish all Hon. Members could have been in Washington where, in a non-partisan approach, the Hon. Member for Algoma (Mr. Foster), for instance, and my colleague from Mississauga South (Mr. Blenkarn) played an active role in the discussions in an attempt to find sound solutions to various agricultural financing problems. And after three days in Washington, there seemed to be unanimity, a consensus to the effect that we should not earmark less money for agriculture. All parliamentarians agreed that funds have to be set aside to help some categories of Canadian farmers. The idea was to find the most effective formula, the most profitable, rather than pick one at random only to admit later on that we made a mistake. We were there to draw inspiration from the American experiment. It is a new program.

When the Ministers of Agriculture attended the federal-provincial conference, there was no way to benefit from that American experiment. Now we can, and that is why the agribond program might be altered, solely with a view to finding the best way to finance farmers, particularly those who are just starting out in the business and others who are facing difficulties.

It is because there are so many of those farm producers in my constituency that I spend the greater part of my time here trying to identify the problems, trying to find with them what those problems are exactly, trying to identify them and find the most adequate solutions.

Farmers also are prepared, Mr. Speaker, to go beyond the mere question of farm financing. They know it very well because they have experienced and are still experiencing problems left over by the previous administration, the problem of too large a deficit, of too much government, a government that too often meddles with their lives as with the lives of all Canadians. They too are prepared to make sacrifices. They did not resolve to complain just for the sake of complaining. They want us to help them find a long-term solution, with government action aimed not only at solving one immediate problem but at solving a long term problem. And the long term problem, Mr. Speaker, . . . I hear again the Hon. Member for Shefford (Mr. Lapierre) who is trying to interrupt me rather than making a positive contribution in this House! They know the problem is related to their production costs. If he calls on the milk producers in his constituency, they will all tell him the problem is related to production costs. They would like to get a price close to their production costs, the everlasting problem. They will not have anything else to tell him.

Mr. Speaker, the only way is to proceed through consultation, ongoing consultation as this Progressive Conservative Government has been doing for a number of weeks, trying to get the best answers by way of consultation. This Progressive Conservative Government has been using a new approach to the question of farm financing. A co-operative approach, with an attitude conducive to closer work between the various parties involved, including the Provinces which must be taken into account, as I say to my Liberal friends.

● (1700)

At this moment, the Farm Credit Corporation is involved in financing programs in several Provinces. It is interesting to note that such programs are generally directed at helping young farmers go into business or expand their operation. We are directly co-operating with provincial financing programs in British Columbia, Saskatchewan, Quebec, Nova Scotia and Ontario.

The officials of the Farm Credit Corporation are constantly looking out for new methods to increase the level of co-operation. They are experts, and I often urge my constituents to call on those experts and seek their advice. The 20 per cent of farm producers who are in difficulty can often find the solution to their financing problems simply through an orderly and intelligent discussion with the Farm Credit Corporation experts.

The Farm Credit Corporation has persistently set as a major goal for the coming year the putting into place of new programs that will help farmers in real need in a more aggressive and better adapted way.

There are indeed a great many farmers in my riding. They call me on the phone, they write to me and they are prepared to sacrifice almost anything to survive these difficult times. If there is anything I want to say about the part the Government should play in farm financing, it is that we have worked very hard since the election to help farmers. Those who were stuck with interest rates on their loans of more than 16 per cent—more specifically 16.75 per cent—saw them reduced to 12.75 per cent per year a few days ago, which was certainly a step in the right direction; these farmers know now that this Government has made agriculture one of its top priorities.

This Government has been elected and given the mandate to consider problems with a fresh look and from a new point of view. I can assure the House that our Government has the firm intention not to shirk its responsibilities. We have helped farmers finance their operations and we will continue to do so, Mr. Speaker.

I should like to repeat what I feel is the major message the Government is trying to convey to the Canadian people: with your help, we can improve the well-being of the Canadian people.

The Government expects all interested parties to express their views on tax issues related to agriculture in light of this document and of the principles put forward in the economic statement. Mr. Speaker, I have asked for 1500 copies of this document that I intend to send to all farm producers within my riding.

The Acting Speaker (Mr. Charest): Questions and comments? The Chair recognizes the Hon. Member for Shefford (Mr. Lapierre).

Mr. Lapierre: Mr. Speaker, I want to congratulate the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) on his speech and to tell him that, basically, the only words we heard from him were consultation, new approach, and so on. This is all very nice. He can send 1,600, 2,000 or 5,000 copies of his speech to the farmers of his constituency. This will help the printers, but it will not be of much help to the farmers.

I want to ask the Hon. Member for Mégantic-Compton-Stanstead something. I know that he has a lot of imagination and that he did not come to Ottawa only to listen to others. When he entered politics, he had answers. Well! Not a single one was mentioned in his last speech. He spoke of the problem when going to Washington, and we all know why the Right Hon. Prime Minister (Mr. Mulroney) sent him to Washington. There have been many newspapers articles about the trips of Conservative Members of Parliament abroad. I am not certain that the purpose of this particular trip was to solve the problem of farmers; he might have been more interested in solving his own problems.

Mr. Speaker, this is what I want to know. The Hon. Member talks about consultations. The UPA does not accept the figure of 12.75 per cent. They think it is too high and affects only a minority of producers. They think that the Hon. Member should rise in this House and ask for a much lower interest rate. What does he think?

I would like his comment because he spoke of his trip to the United States earlier and nearly fell into the trap set by the Minister of Agriculture (Mr. Wise) by saying that the $13 million put aside for Quebec pork producers should not be released immediately because this might upset the Americans. Does the Hon. Member for Megantic-Compton-Stanstead agree or not that the Government should meet the commitment made by his colleague from Joliette (Mr. La Salle) and immediately send to the provincial stabilization fund the cheque for $13 million which he promised to the federation of pork producers? There are sheep farmers in his constituency. Does he want the $400,000 due to these producers in his constituency to be paid directly or is he afraid of upsetting the Americans? This is what I want to know. I also want to know whether the Government will soon introduce the tax reform which his Minister of Finance (Mr. Wilson) has just postponed indefinitely. Will his Government exempt farm transfers from one generation to the next from capital gains tax? Does his Government intend to act in this matter instead of being satisfied with consultations?

Mr. Speaker, if you bow down too much, you run the risk of getting stuck in that position, but I am certain that a man like the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) will not bow down before all the useless papers produced by his Government.

The Acting Speaker (Mr. Charest): The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

Mr. Gérin: First of all, Mr. Speaker, concerning the study session in Washington which began at noon on Tuesday and ended at four o'clock on Thursday, where we heard a dozen odd speakers, I would point out that it was not intended as a make-work exercise for backbenchers: we went there with open minds to listen and to learn. That was our motivation and perhaps it explains why the Liberal Member for Algoma (Mr. Foster) and the Liberal Member for Trinity (Miss Nicholson) joined our delegation. It was a non-partisan effort. Time is running short, unfortunately, but I think I might give the Hon. Member for Shefford (Mr. Lapierre) an idea of what we learned down there; I am sure he would be interested. Indeed, I would even suggest that he might express different views after a briefing, for he too is an intelligent man, Mr. Speaker. If he were to read the document made public by our Minister of Finance—your Minister of Finance, in fact, the Minister of Finance of all Canadians—he would see on page 64 a full report on agribonds which practically sums up everything we learned down there. That is the problem. It would be an easy thing to do.

I can tell you that if the Liberal Members are not prepared to consult or would rather skip that essential consultation process, there is no way, of course, I can settle the problem all by myself. Perhaps the Conservative Members might share this task. As for me, I will order an additional 1,200 copies of that document and send them to my constituents of Shefford. I would like to know what they think, and the reason I do not know is that Members to my immediate left never did bother to consult those producers. I think that is what I will do.

The Acting Speaker (Mr. Charest): The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I listened very closely to the remarks of my colleague, since he probably has farms in his riding, part of which are also in mine.

Here is my first comment to him. Last September 4, the people of Mégantic-Compton-Stanstead did not elect a Member to make studies; they elected a Member expecting him to act and find solutions to their problems. Now, I would have a number of very specific questions that can be answered by either yes or no. The learned Member said earlier that pork, mutton and hay producers were willing to make sacrifices. Must I understand, in the first instance, that they are willing to give up those $13 million for their pork, those $450,000 for their mutton and those $40 million for their hay? Secondly, I would appreciate having his comments on the response obtained from Mr. Proulx, who is not just anybody, when he said that the decrease in interest rates on the one hand was unacceptable, and on the other hand, would benefit a mere 700 farmers in Quebec. He went even further. He suggested it was discriminatory, because the interest rate reduction applied to a short period only. I would therefore appreciate having the Hon. Member's comments.

The Acting Speaker (Mr. Charest): The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

Mr. Gérin: It is still better to go and learn, Mr. Speaker, than to talk nonsense. I think that my colleague from Richmond-Wolfe (Mr. Tardif) should know that. I wonder what he was doing, while I was studying during the recess. But as soon as I went back, I told producers in my constituency, at three different meetings with something like 400 persons, about the results of that trip, and that gave results. His constituency borders on mine, Mr. Speaker, and indeed I have called one such meeting to be held in Bury next Sunday, and I invite him to attend. This will be an opportunity for him and his colleague from Shefford (Mr. Lapierre) to profit from our experience.

Concerning those $13 million, I will ask him the question again, because there is something else that concerns me. He was a member of the previous Liberal Government. They are responsible for the awful situation in which the pork producers find themselves. But now that we face the problem, a year later more or less, I am going to ask him: "If the Government were to pay out $13 million, how much of that amount would go directly into the pockets of the Quebec pork producers?" He should tell that to the pork producers, and discuss the issue with them. But he should first study the question. Therefore, Mr. Speaker, I think the answer to the question is obvious.

• (1710)

[*English*]

Mr. Henderson: Mr. Speaker, I see that time is running out, but I would like to ask the Hon. Member a question. He does not need to give a long answer. My question concerns the cost recovery program on food products and products produced on the farm. As the Hon. Member knows, subsequent to the Wilson document in December, $32.3 million was identified in the Department of Agriculture for a cost recovery from that Department basically on inspection fees. First, does the Hon. Member agree that potato producers or producers of agricultural products should be paying inspection fees rather than inspection fees coming out of general revenue, because inspection basically serves the consumer? Does the Hon. Member agree that farmers should be paying their share of inspection fees?

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin). He should be reminded that there is but one minute left.

Mr. Gérin: Do I have only one minute left? It would take me more than a minute to answer my colleague's question. I will repeat what I said earlier. Farm producers are aware that the Liberal Government has created for us some terrible conditions. Farmers are ready as all Canadians to take part in the collective efforts necessary to correct such conditions. Such efforts will have to be made not only by the industry or wage-earners but also by farm producers and they know it. Cuts will not be made at the CBC only. Too many millions of dollars have been wasted. We have to pare spendings almost everywhere. We have to do it. We have to re-examine just about every thing from the very beginning. As you know, the accumulated deficit has reached $200 billion. It is shocking. Farm producers are quite aware of it. They are aware of the disastrous economic conditions. All kinds of reports constantly refer to the disastrous economic conditions to be corrected. This will require some sacrifices. However, I think that farm producers are quite conscious of that.

The Acting Speaker (Mr. Charest): The period for questions and comments has expired.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure for me to rise to speak to this opposition motion indicating the inadequate response to the growing financial crisis in the agricultural sector and identifying the Government for its failure to provide sufficient support and services to farmers who face severe economic difficulties in all regions of the country.

I am fortunate to represent a constituency in Canada that has a substantial number of farms, to be precise, 1,200 farms, of which 50 per cent are cattle ranches, 30 per cent are in various field crop opeations, 10 per cent are in fruit and vegetable growing, and 10 per cent are in specialized and mixed farming.

I am not going to make a speech today, but instead I shall reflect on three or four issues facing the agricultural sector that I feel are of particular importance today.

When you look around the world today, Mr. Speaker, and you recognize the trends internationally, you see that farming

communities in Europe, often heavily subsidized, are competing now directly with Canadian exports. In many cases those crops and products are so heavily subsidized that fair competition does not exist any longer. We see the situation in other countries, such as Argentina. Argentina in a sense is dumping its wheat on world markets, prepared to sell it at any price, not so much that Argentina is in the wheat sale business but it is in the business of obtaining foreign currency. The much needed American dollar in that part of South America motivates its pricing system for grains.

When you consider that in the United States today the Government is determined to protect a number of its sectors to subsidize heavily its agriculture sector, we face a very difficult international trading community when it comes to agricultural products.

Here at home with a new Government there is one concern that overrides all others, namely, that of the deficit. I am not confident at this point that the necessary support and assistance will be given to ensure that not only viable agriculture continues in Canada but, more important, that family farm or family ranch in western Canada continues as a viable producting unit. I see us as being at a crucial point today as a result of the financial crisis where we will be making decisions in the next number of weeks that will determine whether agriculture in Canada goes the way of the family farm or the family ranch or whether it goes in the direction of large-scale corporate agricultural business.

In terms of the future of Canada, it seems to me that it would be appropriate for the Government to take steps that would ensure that the family operator remains a viable food producer and not take steps that would inevitably see the rapid drift into the hands of corporate agriculture where we would have large commercial farms perhaps run by breweries, oil companies or petrochemical companies with very little interest and commitment, if at all, to the real agricultural community.

I have been fortunate enough to be part of a New Democratic Party action group on jobs. We have been touring the country over the last number of weeks. We have been to all parts of Canada, from Atlantic Canada to western Canada, to central Canada, through Ontario and Quebec, and if there is one thing that has been made perfectly clear at every single session, whether held in rural areas, in small communities or in large metropolitan areas, it is that there is a profound interest and a deep concern for what is happening to agriculture today.

What about farm bankruptcies? They continue to increase year after year. In 1980 we had about 200 farm bankruptcies. In 1984 we had about 600 farm bankruptcies. In 1985 it is predicted that in excess of 1,000 farms will experience bankruptcy. Those numbers, when you consider the number of farms in existence, may not be particularly problematic, but we should recognize as legislators that this is only the tip of the iceberg. For every farm that actually experiences the bankruptcy proceedings and the personal horror attached to that, there are hundreds and hundreds and thousands more farmers who are simply giving up. People simply give up and walk away because they can no longer make a living from the operation.

The Farm Credit Corporation informs us that 39,000 farms at the moment are facing serious financial difficulty. Nearly 2,000 farms are on the brink of financial collapse. That is why we are here today. That is why the Opposition has decided that it is appropriate to discuss the seriousness of the situation in an effort to encourage government Members to use whatever powers they have with the Minister of Agriculture (Mr. Wise) and the Minister of Finance (Mr. Wilson) to ensure that the necessary steps are taken. We can no longer afford to do nothing. We can no longer afford only to consult and discuss the situation. For years and years, as I recall, farm groups representing every possible area of the country and every possible sector of the agricultural community have been making their concerns known to Members of Parliament and to the Government, past and present. The problems being faced by food producers today are not a mystery to anyone. The problems are clear and, perhaps more appropriately, the solutions are relatively clear.

• (1720)

I became a little disconcerted when I received a discussion paper on tax issues in agriculture from the Minister of Finance. I, like all of us, am very interested in the taxation system as it touches the agricultural community. Yet, when I read this recently released report, page after page, I did not see any particular conclusions. I did not even see any real options provided. I saw three or four options provided, but they say that two will not work or will cause all kinds of problems and that they are not sure about the other one. I am not particularly encouraged by Section 31, which has profound influence in my constituency. Half the ranchers and farmers in my constituency are required to seek income off their operation. They have been harassed unbelievably by the Department of National Revenue. These people are now considered to be part-time farmers when some of the ranches have been in the family for three generations.

One of my most saddening experiences as a Member of Parliament, in my brief career here, happened the other day when I visited a small cattle ranch. I suspect that traditionally it would be running 250 to 300 head of cattle. It was run by a young family with three children in their early teens. Both the husband and wife had grown up on ranches, one on that ranch and another on the neighbouring one, as had their parents and their grandparents. They had just lost the family ranch, despite relatively sophisticated management practices and good equipment. They had worked for 12 months of the year, probably 18 hours a day. The entire family had worked—the mother, father and three children. They lost the ranch. The bank decided that it was appropriate to take over that operation. The tragedy was that if that family had mismanaged its operation, if it had not put up adequate hay, or if it had not looked after its cattle properly and some disease or whatever had infested the herd, that would be one thing. However, the family lost that ranch because of interest rates, an item over

which it had absolutely no control but over which the Government has control.

I noticed an article in *The Globe and Mail* the other day which was headlined: "Farmers are experiencing the worst time since the 1930s". On the opposite page it read: "Bank profits in Canada the world's best". On one hand our financial institutions now rank among the most profitable in the entire world, and on the other our farmers are experiencing financial difficulties like they did in the 1930s. What is the Government doing about that? In my estimation—and I know certain Hon. Members opposite would disagree with me—the Government is not taking any steps to reduce the deficit.

Just today we have seen the Canadian dollar dip below that important psychological level of 75 cents. I am afraid that the natural response of the Liberal Government will now be taken by the Conservative Government and interest rates will be increased to bring up the value of the dollar. I want to indicate that if that is the response of the Government to a decreasing dollar, which has other problems attached to it, it will be one of the most devastating moves the Government could take because of the fragile recovery that is out there. Farmers across the country welcomed a change of government. That Government promised to do a number of things. Farmers had said, "I suppose nothing could be as bad as it is now with the Liberal Government; we have nothing to lose". When Hon. Members opposite and the Prime Minister (Mr. Mulroney) said that the new Government would do certain things, there was a sense of hope. I suspect that, to a certain extent, that hope still exists. However, if interest rates go up next Thursday and on successive Thursdays, we will see not 1,000 bankruptcies in 1985 in the farming community but substantially more. I suspect hundreds of thousands will just walk away from operations to which they had dedicated their entire lives, as had their parents and grandparents before them. That is a very critical point. I must say that the discussion paper of the Minister of Finance is a disappointment. I personally—and I know it was the case with my Party—was certainly hoping for much more action than that publication suggests.

We must take action to reduce interest rates. I know the Government has an aversion to taking action to reduce interest rates. I guess it is quite content to spend hundreds of millions of dollars week after week to buy up our own currency to buoy up interest rates. That is an expenditure which I guess people do not mind.

Mr. Althouse: They do not see it.

Mr. Riis: I ask the Government to take the matter of high interest rates seriously and to recognize that real interest rates in Canada rank among the highest in the world. I do not think we need that status much longer. Quite frankly, the status I would like to see would be that of a viable food producing community of family farms and family ranches, people producing from the soil.

Mr. Fulton: Where they own their farms.

Mr. Riis: As the Hon. Member for Skeena (Mr. Fulton) just indicated, where they own their farms. That is the kind of Canada we would like to see. Barring a lack of interest or a lack of commitment to reduce interest rates across the board, there are other alternatives. The agri-bond alternative is one to which all Parties agreed at one time. It is something worth looking at. That is why I was disappointed when I read this. I do not think the Government will now move on agri-bonds, unfortunately. Originally we suggested that the Farmers' Creditors Arrangement Act could be reintroduced as another method. While that worked back in the 1930s and the 1940s, I realize that it would have to be modified to work today. However, it is an option open to us now. As I said, not many months ago all Parties agreed to at least look at it seriously. I would like to see that initiative taken by the Government again.

I should like to refer to the whole matter of the set aside program. I want to remind all of us—and particularly Hon. Members opposite—that in the United States the Farmers' Home Administration has been authorized to set aside without interest for five years as much as 25 per cent of the debt owed by farmers in distress, up to a maximum of $100,000. Private lenders willing to write down a portion of loans to reschedule repayment obligations can apply to the Farmers' Home Administration for a guarantee on the remaining outstanding debt of up to $400,000 for operating credit and $300,000 for real estate. That Government recognized that it had to do something to help farmers who lost equity in their operations and that one way to do it was to set aside a certain amount of the debt, to be dealt with at a time when the farm was more of a producing unit. That is another alternative.

We have to look at something else, which is very serious for those of us who are interested in cowcalf operations or feeder operations. We have to look at introducing some type of beef stabilization program based upon the cost of production. A stabilization program based upon the averaging of prices does not help many people. Today, when the prices for beef are in fact lower than the cost of production, making that into a major guiding factor will not be of much help. A beef stabilization program to help provide that kind of support would enable the family farm or ranch to be successful.

I do not suppose there is much hope that the new Government will reconsider its position on Canagrex. Time and again the Minister of Agriculture has said that Canagrex is history in this country, something of the past, nothing to do with the present, and certainly nothing to do with the future.

• (1730)

Let us look at what Canagrex did over a very short period of time. Up to October 31, 1984, the total expenditures to set up Canagrex were $2,659,000. Canagrex arranged $16 million in sales and had an additional $100 million in sales that it was planning to wrap up by March 31, 1985. It had found and developed $160 million in sales in that short period of time. By the way, those figures are taken from *Hansard* where the Minister was answering a specific question.

If there is one thing that Canada must do, not only in agriculture but in other areas, it is to seek out and develop new markets much more aggressively. Never before has international competition been so difficult and yet important for Canada.

People in the farm community thought that Canagrex could play a very important role in certain areas. Some sectors were doing an excellent job. They were marketing our agricultural products extremely well. By and large, as in other areas of our economy, that was and continues to be a weak point. Canagrex was one of those operations that could have supported a lot of agriculture in Canada, particularly the newly developing agriculture where we are developing new crops and export potential.

I am a little hesitant to hark back to the old Government, but when you look at some of the deals we got under the last GATT agreement you, have to laugh. Our negotiators are out there to negotiate a great deal for Canada. I hope my Liberal colleagues will find some humour in this. Our negotiators managed to raise the tariffs on a whole set of our exports. That was supposed to help us, but I could never figure out how that would work. They reciprocated and said that we would lower the tariffs on all imports. That is not the kind of negotiation we were hoping for when they were negotiating on agricultural commodities, but so be it.

I want to close today, after having had an opportunity to say a few words about the problem facing agriculture, particularly in western Canada, by saying that the critical aspect is our shipping rates. Canada is the second largest country in the world. We have to ship many of our products a long way. That is why we fought so hard to keep the Crow rate to assist western grain producers.

The other day I happened to come across some information regarding the transportation costs on a case of corn being shipped out of Ontario. It cost $1.36 to send that case of corn to Japan. When the corn leaves here, it goes through the port of Vancouver and on to Japan. To send that same case of corn to Vancouver costs $1.63. In other words, it costs more to send it to Vancouver than to send it to Japan. It will cost 76 cents to send that same case to Germany. However, it will cost $1.22 to send it to Newfoundland. One of the critical areas in which we must work, if we are going to support a viable agriculture sector, is in the re-examination of transportation charges on agricultural goods.

I hope the Government realizes the seriousness of the situation. Opposition Members made the case today that we have a financial crisis in our agricultural community. Unless something is done very quickly, we will see the beginning of a massive demise of agriculture, more particularly of the family farm and family ranch.

Mr. Henderson: Mr. Speaker, I certain enjoyed the speech of the Hon. Member for Kamloops-Shuswap (Mr. Riis). He made a lot of points and stressed the serious nature of the agricultural community today. Is he aware of the cost recovery programs that were announced in the Wilson economic statement of November 8? Also, is he aware of a letter that was sent to different organizations involved in the marketing of food products, especially the potato industry in my Province of Prince Edward Island and in the Province of New Brunswick? The proposal, to be made effective on April 1, 1985, less than two months from now, is for an inspection fee of 33 cents per hundredweight to be set on all table stock potatoes for human consumption shipped out of Prince Edward Island or New Brunswick.

In Prince Edward Island the average crop yield is about 200 hundredweight per acre. This means that the inspection cost would be $66 per acre. The average potato farmer on Prince Edward Island grows 200 acres of potatoes. Therefore, he is looking at something around $13,000.

A seed inspection is also proposed of $25 a hectare for field inspection. That works out to $11 an acre. In my province, the Province of Prince Edward Island, 86 per cent of potatoes are grown as seed potatoes. However, less than 50 percent, probably 42 per cent, are sold as seed and the rest go into table stock. There could conceivably be a double inspection fee. Approximately 40 per cent of the production on P.E.I. would be subject to these proposed fees. That will involve $77 or $78 an acre.

That letter was read to me last night by the chairman of the P.E.I. Marketing Board. I read it back word for word to see that I had my facts straight. It was signed by the Deputy Minister, Mr. Quesnel.

I wonder how the agricultural community in my province could survive that sort of a huge price increase. The present cost of producing potatoes in P.E.I is six cents a pound. We get 4.5 cents a pound FOB P.E.I. so we are already selling them 1.5 cents below the cost of production. No farmer can operate very long that way. This is very discriminatory. If you look at the production of potatoes in the Province of Ontario, you see that most potatoes grown are sold within the Province of Ontario. Therefore, they would not be subject to the inspection fee. Areas like Prince Edward Island and New Brunswick are totally reliant on shipping out of province or to the export market. I see the Minister is now here. I hope that he will make some comments regarding this very serious situation about which I am speaking.

● (1740)

If the Government goes through with this measure, this to me would spell the end of agriculture as we know it in the Province of Prince Edward Island. I would like to hear the Hon. Member's comments on that.

Mr. Riis: Mr. Speaker, I appreciate the elaborate question put by the Hon. Member, as well as his deep concern. Those same letters went out to people not only in Atlantic Canada but to people across Canada generally. I believe that the Hon. Member's calculations were $77 or $78 per acre. Our calculations, as best we could make them out, were in that same area. As the Hon. Member has indicated, I think that what this does

is to spell out the end of agriculture as a viable sector in Prince Edward Island.

A similar argument can be made as well for a whole number of areas. I tend to concentrate on the beef industry in which the situation is the same. The costs are greater than the prices people are receiving. That is why I say that we have come to a critical point at which we as legislators must make a decision regarding whether or not we want agriculture in P.E.I. and other areas as well to continue as a viable way of life. By imposing those kinds of fees on producers, the industry will obviously not continue. By failing to take action on a whole variety of fronts, including the financial front, agriculture will begin to fail across the country.

Countries like Japan, for example, have taken it upon themselves to say that they believe that agriculture is critical for their countries. Self-sufficiency in agriculture is their goal. We have no goal like that. As a matter of fact, if we are to identify a goal based upon the point made by the Hon. Member, the goal would be to phase viable agriculture in Canada out of operation. That is why we must decide whether or not potato growing in P.E.I. will continue as a viable economic activity. From our point of view, we must take steps to ensure that it will continue.

Mr. Henderson: Mr. Speaker, I have a further question for the Hon. Member. I agree that we must have a goal, but I am wondering about the Hon. Member's views on the inspection fees themselves. I believe that inspection is a protection for the consumer and that the cost of inspection fees should be borne solely by general revenue. It should not be levied against the producers who are already very hard pressed. It is a protection for the consumer. I wonder how the Hon. Member feels about that.

Mr. Riis: Mr. Speaker, I suppose I can only say that I support the view held by the Hon. Member that inspection fees exist to protect the consumer. We are here representing the consumer. Obviously those costs ought to be paid from general revenue. Logically, it seems to me that that would be the only legitimate source of those funds. To go to the producer for that type of support seems to be an illogical approach.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I appreciate the opportunity to address this motion. I heard the Hon. Member for Egmont (Mr. Henderson) speaking of the dilemma regarding inspection fees facing our potato farmers. I know that the Minister has also heard of that and I believe that he has sent some 60 letters out to groups affected by inspection fees and that 40 of these groups have replied. No Minister, and particularly this Minister of Agriculture (Mr. Wise), would allow a viable agriculture industry in any region of the country to be hurt in any way by inspection fees. I am sure he is prepared to negotiate those fees if they do pose a problem in his region or in any other region of the country. That is an important discussion and I can understand the Hon. Member's concern.

I have a great deal of difficulty with the speech made by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), however, and I feel an obligation to respond to some of the things he said. I will begin by dealing with his suggestion that the consultation paper costs $18. That is a good place to begin because that is completely false. Any person wishing to receive this paper can phone the distribution office and receive a copy. If that person would like more copies, he can then phone the Department of Agriculture and receive more copies, free of charge, of course.

I know that members of the Liberal Party, and particularly the Hon. Member for Winnipeg-Fort Garry, have a lot of trouble with consultation. When the Hon. Member for Winnipeg-Fort Garry was Minister, he knew all the answers. He did not have to consult with anyone because he knew all the answers. When we who were in opposition at that time were consulting with our constituent farmers across the country, we asked the then Minister legitimate questions about things that were hurting farmers' viability. His response was that the Government knew what it was doing and that it had the answers. That is why, as we put forward papers with suggestions—not policies but suggestions—the Hon. Member has a great deal of difficulty with that and calls it something that assists the printing industry.

We have no difficulty with that. These are policy positions that we discussed during the election campaign. We want to make sure that the farm community of the country has the opportunity to respond to those suggestions. We put forward some alternatives. We have not put forward all of the alternatives. We hope that some other suggestions will come forward to allow the Minister of Agriculture and the Minister of Finance (Mr. Wilson) to put in place the kinds of policies that are up to date and will suit the continuing viability of agriculture in the country. That is why we are committed to discussion papers. As a Member who participated often on the Standing Committee on Agriculture as it crossed the country discussing various issues, I know that those parliamentary committee reports always contained good advice to the Government, advice which was often taken.

The Hon. Member for Winnipeg-Fort Garry had the audacity to speak of the Western Grain Stabilization Fund and to chastise the Minister responsible for the Wheat Board for not yet bringing in an amendment to the Western Grain Stabilization Act. If the former Minister who was responsible for this Bill had accepted our amendment at that time, an amendment which was requested unanimously by opposition Parties, we would not have to amend the Bill. Our amendment requested that an interim payment be allowed at the discretion of the Minister. That would then allow the Minister, when he felt a need for a payment on the Prairies, to make that payment in advance of the date specified by the Bill. No, the Hon. Member for Winnipeg-Fort Garry, the Minister at the time, would not heed that suggestion. The present Minister is now forced to deal with the situation, and he will deal with it. He will meet that promise and it will be put in place before the farmers plant their crops this year. You can be assured of that,

Mr. Speaker. The situation on the Prairies is desperate and many farmers are depending on payments from the Western Grain Stabilization Fund for cash to put their crops in the ground this year.

I agree with the statement made by the Hon. member for Kamloops-Shuswap (Mr. Riis) that we in government must look seriously at alternatives that will assist us in keeping family farms all across the country viable. I know that when this Party sat down before the election and deliberated on policy, it had that in mind. If we look at the record of this Government, in the short time that it has been in office, we will find that the Government has adhered to more promises in that short time than did the last Government with two Ministers in five years. I could go through the policies which have been implemented, but other Members have already done that. Those policies have assisted in lowering the cost of production to many farmers. It has given farmers an opportunity to be optimistic about being able to meet their payments and to put in their crops in 1985.

● (1750)

There is much financial distress as a result of what happened from 1970 to 1981. During that time land prices increased dramatically and the cost of production increased together with inflation. The cost of production perhaps increased even more rapidly than inflation. At the same time, the price of agricultural production was also increasing. When the 1980s arrived, Governments were not prepared for the results. Interest rates skyrocketed as agricultural prices leveled off, and in many cases became depressed. At the same time, the cost of production also increased rapidly. Lending institutions, including the Farm Credit Corporation, were lending money to farmers based on increased equity. The lending institutions were looking through rose-coloured glasses in anticipation of higher prices for farm products. Those higher prices never resulted.

We cannot blame the farm managers for getting wrapped up in the escalating war for land, or for trying to plant crops and getting a reasonable return. The best advice in the country was telling them to do that. If we look at the statistics, the farmers who produce most of the food in the country are also the farmers who are most capital-intensive. In most cases they are farmers who have the potential for getting into financial stress if everything does not work properly.

We know the difficulties in agriculture. Even those who live in the cities probably had fathers or grandfathers who were in agriculture. We know that weather can be a determining factor. It is a factor which will not be found in other businesses. Nothing is more distressful than to see a farmer being removed from his property. He is also removed from his home. There is something good about being close to the soil. When farmers are forced off their land, it is a very serious matter. In a lot of instances the land has been in the family for a number of generations. Factors which are different from those in the business sector come into play. Even the best managers can experience bad weather and be forced from their land because they are unable to make payments. Governments have a responsibility to bring forward the kind of policy which will keep farmers viable across the country.

Many Members have spoken about the difficulties in getting our produce into world markets because the United States and the EEC are presently battling over markets. But Canada has a good record in that regard. The Progressive Conservative Government of the 1960s was able to get into the markets in Russia and China and lead the way in getting Canadian agriculture products into those markets. We now have preferential treatment when our grain is moved into those markets. Even in these competitive times, the Canadian Wheat Board was able to sell, in the last four or five years, all the grain which our transportation system has been able to get to port. It is an excellent record upon which the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) will build.

I am pleased that the Minister of Agriculture (Mr. Wise) has dealt with the Farm Credit Act and has allowed the farmers who were locked into high interest rate loans to bring them down by 4 per cent or 5 per cent. That practice is assisting more farmers in Canada than the set aside policy of the United States. I believe there are 8,000 farmers in the United States who are being assisted, but there are 6,000 or 7,000 farmers in Canada who are being assisted by that policy. If the Minister's policy can be adopted, it is worth looking at. I believe a number of banks are responding to it.

There was a situation in my constituency in which a cattle feedlot company was in financial difficulty. It went to the bank to seek a solution to its difficulties. The company had $1 million in debt which it had accumulated over the past three or four years because of stabilized cattle prices and increasing costs. After much deliberation, the bank was able to work out an agreement. The bank bought half the shares of the cattle company and set aside half the loan for five years. The company will pay the loan on the other half. That will allow the company to get back on its feet and, hopefully, to repurchase the shares which are now owned by the bank.

Financial institutions are now prepared to write down some farm loans. Perhaps the farm financial review boards which are now operating on an experimental basis in two counties in Ontario will find the same kind of success as they bring farmers in distress together with financial institutions in an attempt to work out solutions which will allow those farmers to stay on the land. As the Government brings forward policies to assist in the lowering of the cost of production and in getting more agricultural produce into world markets, farmers will have a much brighter outlook and they will be able to deal with the loans which they have accumulated.

Earlier today the Minister of Agriculture mentioned the 12 significant policy changes which have been made during the past four months. In my constituency, the average farmer will now save approximately $1,000 on fuel costs when he puts in his crop this year. It is a significant cut in the cost of production for farmers. That was one of the policies which was brought forward in the economic statement. The Minister of

Finance in the economic statement made important cuts in order to deal with the deficit in a number of departments. However, in the Department of Agriculture the cuts were less than in other departments. As well, the economic statement included a fuel reduction of $100 million. That shows the kind of emphasis which the Government immediately placed upon the agriculture industry.

In conclusion I would like to note that while we had a motion which was put forward by the Liberal Party, very few suggestions were made by that Party as to how the Government should proceed. Therefore, I assume that the provinces—

• (1800)

Mr. Foster: I rise on a point of order, Mr. Speaker. I just wanted to ask the indulgence of the House because of the circumstances today where we heard the Hon. Member for Wetaskiwin (Mr. Schellenberger) rather than the Hon. Member for Richmond-Wolfe (Mr. Tardif). Since it is our Opposition Day and we have only had three speakers while the Government has had four or five, I wonder if we might not see the clock for 15 or 20 minutes so the Hon. Member for Richmond-Wolfe might have an opportunity to make his speech.

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Mayer: Mr. Speaker, I understand what the Hon. Member is saying. The combined Opposition has 70 Members and they had six speakers. The Government has 211 Members, close to three to one, and we had five speakers. I think that is a very fair distribution. If you wanted to go proportionately, we could have gone very much the other way and had more speakers on this side.

The Acting Speaker (Mr. Charest): There is not unanimous consent.

Order, please. It being six o'clock p.m., it is my duty to inform the House that proceedings on the motion have expired in accordance with Standing Order 62(11).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

Adjournment Debate

ENERGY—VENTURE OILFIELD PROJECT. (B) NEGOTIATION OF OFFSHORE DEVELOPMENT AGREEMENT WITH PROVINCE OF NEWFOUNDLAND

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to discuss a question that I asked on November 26 and the answer I received from the Prime Minister (Mr. Mulroney). It concerned two very important matters, that of the Venture project off Nova Scotia and the Hibernia project off the coast of Newfoundland. I was really not satisfied with the answer the Prime Minister gave, and since then the situation grows increasingly more confused with respect to the Government's policy on these two very important projects. These projects have the potential to create and maintain many jobs in the hard-hit Atlantic region of this country where unemployment is a tremendous problem and getting worse all the time.

The main reason this lack of direction exists, Mr. Speaker, is that there is no intention on the part of the Government to put forward a fiscal regime for these two very important projects. I asked the Prime Minister, concerning the Hibernia problem, when the agreement would be signed. What was the situation? He referred in his answer to an accord being worked out. An accord, Mr. Speaker, had been worked out. It had been agreed to in June, 1984, between the then Leader of the Opposition, now the Prime Minister, and the Premier of Newfoundland. This was an accord between two buddies who supposedly are so enamoured of each other that they feel there is no problem in reaching an agreement. We had that accord in June and a second one in December, but we have yet to get the agreement. Where is this agreement? Supposedly the federal Government offered the Province of Newfoundland everything it wanted, yet there is still no agreement. This is taking far too long. The Government is not coming forward with answers to the question regarding Hibernia. It sloughs it off completely.

On a subsequent occasion we asked for the environmental impact study, and the Prime Minister said he would provide it. In response to subsequent questions from my colleague from Corner Brook someone in the Government said that there was not an environmental impact study and that all COGLA had was a draft of the environmental impact study. We are not getting answers to these very important questions. If these two accords between the two Parties are so unanimous, why do we not have an agreement at this stage?

• (1805)

This situation has now extended to western Canada. The federal Government said that there is now an era of compatibility and there will not be any problem reaching new agreements with the three western provinces. Yet on two occasions the deadline set by the Minister of Energy, Mines and Resources (Miss Carney) has been extended. The Minister has undertaken to use the energy sector as an engine for growth. I agree that this is an extremely important aspect. If the Government looks upon this as an important aspect, why has there not been more of a concerted effort to reach agreements with the Province of Newfoundland and the three western prov-

inces? There have not been negotiations with the Province of Nova Scotia since the agreement with the Province of Newfoundland was signed. There has yet to be a meaningful dialogue with the industry.

With these things in mind, Mr. Speaker, I would ask the Government to make more of a concerted effort to bring these very important questions to a meaningful consensus.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it bothers me greatly to see the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) so perplexed. I am going to set his mind at ease right now so that he will have a wonderful evening and can relax.

On the matter of the Venture gas field, as the Prime Minister (Mr. Mulroney) explained when the Hon. Member raised the question of the fiscal regime last November, the Minister of Energy, Mines and Resources (Miss Carney) has advised the companies associated with that important development that the Government will ensure a favourable fiscal regime that will not place companies at a disadvantage in any way *vis-à-vis* anything that might have been available in the past.

It is incorrect to infer, as the Hon. Member did, that there is no fiscal regime in place to govern the Nova Scotia offshore. The Canada Oil and Gas Act, which was passed by the Thirty-second Parliament in December, 1982, clearly establishes an offshore fiscal authority which is applicable to Nova Scotia. That Act provides for a 10 per cent basic royalty on the value of production, as well as a progressive incremental royalty on 40 per cent of new profits over a certain level.

In addition to this framework, last June the previous federal Parliament passed the legislation formalizing the Canada-Nova Scotia agreement for offshore oil and gas resource management and revenue sharing. I am sure the Hon. Member remembers that, and he is probably briefing the Member for Hamilton East (Miss Copps) on that very agreement. That agreement provides for a mechanism to ensure that Nova Scotia receives, with the exception of federal corporate income tax, all revenue from adjacent offshore activity until the province's per capita fiscal capacity reaches 110 per cent of the national average.

That answers that part of the question. There is a fiscal regime in place for Nova Scotia. In addition, and of most importance, there are provisions for Nova Scotia to substitute for the present agreement any agreement made by the federal Government with another province which would be more favourable to Nova Scotia. The agreement, to be reached shortly with Newfoundland, and relevant provisions from forthcoming agreements with the western provinces, could be considered under this most favoured province clause of the Canada-Nova Scotia agreement.

• (1810)

With reference to Newfoundland, may I say at the outset that the Government remains firmly committed to the formalization of the Atlantic accord with Newfoundland. There is no problem with it and things are going swimmingly, as they might say in Newfoundland. We are very pleased with what is happening with the agreement.

Since our Government assumed power, the Minister of Energy, Mines and Resources has met twice with her counterpart in very fine meetings. There is not the acrimony that we saw with the previous Government. As a matter of fact, both sides have shown a determination to work co-operatively and expeditiously to finalize these very complex and vital arrangements. I do not believe the Hon. Member would want them to rush and make a poor agreement that would be detrimental to Newfoundland or to the people of Canada.

I can tell him that a third meeting between the Newfoundland Minister of Energy and the federal Energy Minister will take place this Thursday. We are most hopeful that great progress will be made. The negotiations that are taking place now are being held in the best of atmospheres. Progress is being made, and I know Canadians will be very pleased at the results which I am sure we will hear in the not too distant future. In the meantime, the people in Newfoundland, the oil and gas industry and Canadians as a whole will benefit from all the agreements that the Government is carrying out in a very conciliatory atmosphere.

I must say that my constituents and people to whom I have talked throughout the country are happy to see that. They do not want to see the provinces fighting with the federal Government as we have seen over the last number of years.

[*Translation*]

SOCIAL SECURITY—LA RÉGIE DES RENTES DU QUÉBEC—CANADA PENSION PLAN—INJUSTICE TO PUBLIC SERVANTS IN THE NATIONAL CAPITAL REGION

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, on December 6, 1984, I asked the Minister of National Health and Welfare (Mr. Epp) a question to which I did not receive a reply, a question that is of considerable importance to the region as it concerns the Régie des rentes du Québec and the Canada Pension Plan. My question was that the Government of what used to be "la belle province" has changed the regulations for the Régie des rentes du Québec and lowered the pensionable age to sixty, provided the individual is no longer in the labour market and agrees to a certain penalty, a decision that affects, and I think Hon. Members will agree, thousands of public servants in the Ottawa-Hull region.

I read, because this is quite subtle, that "if an Ontario resident works all his life on the Quebec side, he is eligible for benefits under the Régie des rentes du Québec, while a Quebec resident who has worked all his life in Ottawa or Ontario is eligible only for benefits under the Canada Pension Plan which does not operate in the same manner as the Régie des rentes du Québec in this respect."

In other words, Mr. Speaker, this means that there has been injustice. I do not know whether this flaw could have been

detected or even existed when the plan was established. It seems that when the Province of Quebec decided to set up its own plan, it was to be identical to the Canada Pension Plan. That was one of the basic criteria established at the time.

Previously, I put this question to the former Minister of National Health and Welfare (Miss Bégin) in March 1984. I could not do so before that time because what used to be "la belle province" changed the legislation on the Régie des rentes du Québec as of January 1, 1984. The injustice apparent here is something we do not find anywhere else, where people in border areas are concerned. That is why I would like to know whether the Minister of Finance (Mr. Wilson) and especially the Minister of National Health and Welfare (Mr. Epp), in the course of conversations with their provincial counterparts, intend to find a way to remove this injustice, these inequities for contributors to the Canada Pension Plan and the Régie des rentes du Québec.

Of course, a person who lives in Quebec all his life and observes the rules and regulations laid down by the Province of Quebec and who wants to stay in Quebec, but is in a position where he has to work in Ontario all his life, cannot take advantage of such benefits as the province provides for its fellow Quebecers.

Mr. Speaker, that is why I asked the Minister whether he was willing to deal with this flaw in the Canada Pension Plan and the Régie des rentes du Québec. We must remember that this was done unilaterally, and that there were no consultations, as far as I know, between the authorities of what used to be "la belle province" and the federal authorities with a view to amending this legislation. So this was done unilaterally, and the question I want to put to the Minister is whether he is willing to meet with his provincial counterparts to talk about this very considerable flaw that has developed over the years, especially during the past year, with a view to eliminating this injustice, these inequities that are affecting hundreds of thousand of federal public servants, Ontarians working in Hull and residents of Hull working in Ontario, and get rid of this very discriminatory situation. That is why I wanted to get an answer from the Minister. It is not because there is any loss of money involved, because I hope the Canada Pension Plan reaches the same conclusion as the Quebec Pension Plan, because we put more people in the market and it does not cost the Treasury a cent more, for the simple reason that a condition, a penalty is added, I think it is 5 or 6 per cent between sixty and sixty-five and at sixty-five there is no increase in the normal rate. The cut remains until you are no longer drawing a pension. And the other condition too, the criterion as I said, is that the individual must no longer be in the labour market.

• (1815)

So I hope ... I see the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand), the Member for Brome-Missisquoi. I hope she will be able to provide an answer that will satisfy the hundreds of thousands of Canadians who are caught in a situation that could easily be remedied.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, at the outset I would like the Hon. Member for Hull-Aylmer (Mr. Isabelle) to note that in his comments he used the word "injustice" many times as well as the expression what used to be "la belle province", and I want to point out to him that the province of Quebec is still a "belle province". In reply to his question, I can say that we are indeed aware of the amendments made by the Quebec Government to the Quebec Pension Plan, making the payment of pension benefits available at age of 60, with an actuarial adjustment. You explained it quite well. This change, which has been in effect since January 1, 1984, allows contributors to the plan to receive early retirement benefits provided they leave their job. The pension of those requesting their benefits before age 65 are reduced by 0.5 per cent for each month remaining until they reach that age. It is very important to note that, because of the actuarial reduction factor, the amount of the benefits paid out over the lifetime of those who opt for early retirement is equivalent to the amount of unreduced benefits which would have been paid to them had they waited until the age of 65 to retire.

Since the establishment of the Canada and Quebec Pension Plans in 1966, there have always been differences between the two plans. Early retirement is only one example of this. However, in spite of these differences, the two plans have always been considered basically similar.

As for determining under which plan the benefits should be paid, the rules are quite simple. Someone who has contributed only to the Quebec Pension Plan is protected by this plan wherever he or she resides. By the same token, someone who has contributed only to the Canada Pension Plan is protected by this plan, wherever he or she resides. For people who have contributed to both plans, there is an agreement between the Canada and Quebec Governments dealing with the payment of benefits. Under this agreement, a contributor to both plans who resides in Quebec at the time of his application for benefits is subject to the provisions of the Quebec Pension Plan. On the other hand, if he resides in a Canadian province other than Quebec at the time of his request for benefits, he is subject to the Canada Pension Plan.

I find it quite fair that all those who have contributed to a plan can equally benefit from it. This is why I do not see any need to amend the rules for the payment of benefits.

As for the question asked by the Hon. Member for Hull-Aylmer, I believe that his suggestion would be quite welcome in the context of the reform of the Canada Pension Plan which we supported during the election campaign and which would recognize provincial jurisdictions.

• (1820)

[*English*]

MULTICULTURALISM—IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS. (B) ABELLA COMMISSION REPORT—DATE OF PRESENTATION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, on November 14 I asked the Minister of State for Multiculturalism (Mr. Murta) a couple of questions dealing with the report of the Special Parliamentary Committee on Visible Minorities, and I followed with a query about the awaited report from Judge Abella. Admittedly and understandably the answers I received were quite tentative. I requested then the opportunity to speak further on the matter. Now, about two and a half months later and more than twice as far into the life of the present Government as we were at that time, it is appropriate to consider the record of the Government to this point. Also it is appropriate to inquire about the possibilities of early action and to press for that early action which various members of the Canadian community, visible minorities of all sorts, have been hoping for so long.

The report *Equality Now* focused on the need for action in a great variety of areas, but I want to focus particularly on the employment recommendations. Of course, the Abella report contained concerns about equity in employment. That was its main focus.

The record of the Government to this point has not been very reassuring. The recommendation to establish a Department of Multiculturalism never had the support of the Conservative Party. Presumably it will not be a policy of the Government now. That is to be greatly regretted because it is important to have someone responsible, a minister with a department and substantial resources, in order to achieve the ends for which so many Canadians hoped. Whether we will have a standing committee perhaps is not entirely in the hands of the Government. It is likely that recommendations 25 and 26 of the report will not be acted upon. One is tempted to conclude that we are likely to see the same contrast between rhetoric and reality which characterized preceding Liberal Governments ever since the policy of multiculturalism was enunciated in 1971.

Another area of concern is that of appointments to various boards, commissions and other offices which the federal government control. An assessment of the actions of the new Government, whatever the protestations of the Prime Minister (Mr. Mulroney) have been, again have been disappointing. There were precious few appointments of people from the visible minorities, from the ethno-cultural diversity of the country. However, I am pleased to see that Francophones and women fared rather better in appointments.

Recommendation 21 of the Commission still awaits action. The activities of the Minister of State for Multiculturalism *vis-à-vis* the National Association of Japanese Canadians in the last few weeks, focusing on recommendation 33 of the report, again arouse concern. There is no readiness to negotiate a very narrow concern about redress for that aggrieved community. I only hope that my expression of concern proves to be unjustified.

These particular decisions by the Government in past weeks leave one concerned about the extent to which there will be action in areas of employment. Surely employment is ultimately the area in which there has to be action if the report *Equality Now* and the Abella report are to mean anything at all to Canadian society in general.

• (1825)

The various recommendations in *Equality Now* call for the early establishment of a five-year program by the federal Government with regard to the various corporations and institutions that it was involved with, a well formulated five-year program designed to achieve a measure of voluntary compliance and tests of it. As far as corporations doing business with the Government were concerned, the report called for contract compliance provisions to be established.

These recommendations in the *Equality Now* report were reflected in the Abella report in various ways, focusing on means by which equity in employment might be achieved. The judge has done a magnificent job in clarifying means in law and in institutions, in new provisions designed to smooth the way for a broader participation in employment among Canadians. These recommendations have had the support of various important bodies. The Canadian Ethno-Cultural Council and the Canadian Human Rights Commission have both recommended actions along these lines. I await the response of the Parliamentary Secretary.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): I wish to thank the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) for his observations and to assure him that this Government is committed to ensuring that there is equality of economic opportunity for all racial and cultural minority groups in our society.

I want to inform the Member that the Minister has submitted a number of recommendations to be included in the forthcoming government response to the Abella report *Equality in Employment*. As he may be aware, a number of those recommendations dealing with the employment sector have also been identified in *Equality Now*, the report of the special parliamentary committee on the participation of visible minorities in Canadian society. These dealt primarily with barriers which impede the full participation of visible minorities in the employment sector.

The results of a recent study in Toronto entitled *Who gets the Work?*, which was funded by the Multiculturalism Directorate, demonstrates that job barriers faced by visible minorities as a result of racial discrimination are major factors in the job search for individuals from these communities.

I want to say at this time that this Minister and this Government are strongly opposed to any form of racism and will direct the necessary energies to combat it with all the means at our disposal. Indeed, I can say that with the conviction of one who represents a riding in Hamilton with a

multiplicity of ethno-cultural groups unmatched anywhere in Canada.

Specifically, this Government will work co-operatively with the private sector to encourage the elimination of discriminatory practices in training and promotion. With respect to programs offered by Employment and Immigration Canada to the private sector, consideration will be given to the designation of visible minorities as a target group. In the public sector, the implementation of special measures for visible minorities will be introduced where necessary, following a survey of public service employees in the spring of 1985.

Of course, since any policy dealing with the elimination of discriminatory barriers involves more than just the federal Government, a strategy which includes provincial, municipal and other non-government agencies is being developed.

The Minister of State for Multiculturalism (Mr. Murta) has already started consultations with his provincial counterparts in order to have included in the forthcoming federal-provincial conference on multiculturalism a broad discussion dealing with the area of attitudinal and institutional change aimed at addressing a number of issues of major concern to Canada's cultural and racial minorities.

In conclusion, the Minister's multiculturalism officials have already developed a number of initiatives with the Federation of Canadian Municipalities and the Canadian Labour Congress to develop specific programs to overcome attitudes and practices that create limiting and unjust situations.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6.30 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, February 6, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

DISASTER RELIEF FUNDS

Mr. Maurice Foster (Algoma): Mr. Speaker, as if Canadian farmers are not worried enough about increasing farm costs, they now have an additional worry, the announcement by the Conservative Government that *ad hoc* disaster relief agreements with the provinces will end.

Instead of special disaster relief funds involving the federal Government and provincial Governments, farmers will be forced to absorb extraordinary disaster relief through higher crop insurance premiums.

While disaster could strike any part of Canada, the impact of this new Conservative Government approach, which amounts to disaster relief for the provinces, not farmers, will have its greatest impact in western Canada.

Presently, crop insurance programs are not comprehensive. Although efforts are being made to extend crop insurance programs to all crops, the special needs of feed producers and of livestock producers have yet to be met.

More than just damage to crops, disasters such as drought or floods damage the land itself through erosion and other problems which affect not just crops in the ground but crops yet to be planted.

Major disasters such as spring flooding in Manitoba, drought in Saskatchewan, and late flooding in northern Saskatchewan, have required extraordinary relief needs, which were provided in conjunction with the provinces by previous Liberal administrations.

This amounts to disaster relief for the mostly Tory provincial Governments and higher costs for farmers, particularly farmers in western Canada. It is unacceptable. The Government is abandoning the farmers of this country.

RAILWAYS

VARIABLE FREIGHT RATES

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I rise to address an issue of serious concern to thousands of Saskatchewan farmers and their families. CN Rail and two grain companies have applied to allow special, lower freight rates at certain times in my home town of North Battleford and two other western communities.

On the face of it, this appears to be an incentive to farmers. However, Mr. Speaker, I am suspicious and gravely concerned that this is merely the first step toward variable freight rates. Lower rates being used at certain locations will have a drastic effect on smaller communities, farmers, and grain movement. Variable rates will sound the death knell for many of the small towns and farmers who use local shipping points. I ask that the Canadian Transport Commission hold extensive, full, and open hearings to let producers voice their opinions on this application. We don't want variable rates.

* * *

FISHERIES

WEST COAST SALMON SPORTS FISHING LIMITS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, recently the Vancouver *Sun* newspaper reported that the Minister of Fisheries and Oceans (Mr. Fraser) had reached an agreement with sports fishermen in the Province of British Columbia.

This agreement indicates that he is prepared to allow them a catch limit of 20 fish per year. For 400,000 sports fishermen this amounts to 8 million fish. Assuming they fish with children under the age of 16, we could expect to double that figure to 16 million Chinook. Since the Americans are only going to allow us, under the treaty the Minister signed, 275,000 Chinook in total in the Gulf of Georgia, would the Minister please present to this House a plan on how he intends to allocate those sportsfish between the sports fishers, the Gulf trollers, and the incidental net catch fishers?

A suggestion from this side of the House would be that the Minister either explain the plan, take remedial arithmetic, or present to the House a piece of legislation that would indicate, one, that he is able to allocate the salmon resources of British Columbia and, two, how he intends to do that, before he imposes the treaty?

S.O. 21

CROWN LANDS

DUNCAIRN COTTAGE OWNERS, SASK.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, Duncairn Dam was constructed by PFRA in the early 1940s. The reservoir thus created is located in southwestern Saskatchewan, some 20 miles upstream from the city of Swift Current. Some 30 years ago a number of local individuals placed summer cottages on Crown land on the shore of the reservoir. These Duncairn cottage owners were left alone, and no serious attempt made to remove them until the Department of Justice, at the request of the PFRA, began court action in 1981 to reclaim possession of the land on which the cottages are located. The cottages do not cause the Crown any problem in terms of water quality or supply. I am advised the cottages cannot be flooded because they are situated at levels higher than the top of the dam.

The PFRA apparently fears that setting up such resort areas would be an open invitation to other potential cottagers to do likewise around other reservoirs. PFRA also says there is no jurisdiction in the Prairie Farm Rehabilitation Act to permit such developments.

These cottagers are causing no harm to the Crown. They pose no risk. It appears that the public good could be well served if the cottagers were left alone. It should be noted that recreational shoreline in southwestern Saskatchewan is scarce indeed and, considering the lack of water recreation in the area, it might well be advantageous if additional development were permitted.

It is time to seek an amicable solution to this long-standing problem.

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CONSUMER AFFAIRS

PROTECTION SOUGHT AGAINST TAX REBATE DISCOUNTERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, we know that at this time of year ice hogs emerge from their holes in the Canal in Ottawa during Winterlude. But all across Canada a certain species of shark also emerges, the kind that preys on the economically disadvantaged. These sharks charge a fee to provide cash advances for tax rebates. If you annualize the fee of 15 per cent they charge, it comes to as high as 90 per cent. Sixty-five per cent of those who use these services have incomes of less than $8,000. Forty-two per cent are women receiving the Child Tax Credit. Fifty per cent to sixty-five per cent of the clients are unemployed or on welfare. This year close to one-half million Canadians will pay out $43 million to these people.

I have raised this matter with the Government before, and so have groups such as the National Anti-Poverty Organization. Two provinces have outlawed the practice. But across the country this practice is mushrooming, and the ripoff of lower income people and the Canadian taxpayer is enormous, and growing. I call on the Government to implement the recommendations of my former colleague, Judy Erola, and immediately bring in steps to outlaw the practice, or somehow stop this ripoff of lower-income Canadians.

Ms. Mitchell: You were the Minister who did nothing.

* * *

ENERGY

REQUIREMENTS FOR CREATION OF POSITIVE INVESTMENT CLIMATE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, Canada's energy sector, if properly stimulated, can provide immediate and long-term employment which will contribute to economic growth throughout Canada without aggravating the current government deficit.

• (1410)

Since the introduction of the disastrous Liberal National Energy Program, the industry has suffered an erosion of internally generated cash flow due to front-end taxation. The energy industry is unique in Canada in that it is taxed on gross revenues rather than on net profits.

The Minister of Energy, Mines and Resources (Miss Carney) is now formulating the new Conservative energy program. It is important in this new program, first, that we move to market pricing for oil and gas; second, that we phase out PGRT; and, third, that we phase out PIP. These three items will create a positive investment climate here in Canada.

I urge the Minister of Energy, along with the Minister of Finance (Mr. Wilson), to treat the resource industry the same as other industries, by moving to a profit-based system of taxation and giving the industry a long-term program to enable management to set realistic goals and budgets for its future operations and investments.

* * *

CANADA COUNCIL

RESTORATION OF BUDGET CUTS URGED

Mr. Neil Young (Beaches): Mr. Speaker, during the election campaign the Progressive Conservative Party proposed an increase in funding to the Canada Council which would at least keep up with the rate of inflation.

As deserving as any other industrial sector in Canada, the arts deserve the promised increase. The arts are the eleventh largest of the manufacturing industries in the country, and first in terms of size in employment and labour intensity. Yet its workers form the second lowest income group in Canada, next to pensioners. At a time when everyone acknowledges unemployment as the single greatest domestic problem, it makes good sense to foster an industry which is part of the solution.

Aside from the economic importance of the arts, I should like to stress the value of the contribution which the arts play in creating a cultural identity for Canadians. The quality of life in many cities across Canada is immeasurably enriched by the contribution of artists. Public support of the arts is an investment in the cultural lives of all Canadians.

The Canada Council is the only entity which provides direct aid to artists. The recent cuts in funding to the Council should be reconsidered and restored, and the inflation-based increase that was promised should be honoured.

* * *

CANADIAN TRANSPORT COMMISSION

TRANSPORTATION OF AGRICULTURAL EXPORTS—TREATMENT OF APPLICATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, if there is anything that Canadians can't stand, it is bureaucratic red tape. Hundreds of entrepreneurs during the Liberal regime became so frustrated that they either put their money in the bank or invested it in another country. Our Prime Minister (Mr. Mulroney) and our Ministers have told the world that investment under our laws is welcome in Canada.

If our country is to employ the thousands of unemployed, we will have to increase our world trade immensely. For example, western U.S.A. and Pacific Rim countries want our agricultural products, but at the present time there is no Canadian transport dedicated to moving such cargo. Canadians saw this gap, formed a world cargo international company, and already have a potential minimum one-year contract involving 5,000 revenue hours. It is a large agricultural sale, in excess of $15 million.

The application to provide this full-time service was received by CTC early in January, and CTC was asked to move as quickly as possible. When informed that the $15 million contract would be lost if the CTC took too long to consider it, CTC asked: "How many foreign carriers have you checked with in order to send this cargo?" Foreign carriers! We want the jobs for Canadians which will come with the realization of this great potential in world trade. If the bureaucrats can't change, let's change the bureaucrats.

Some Hon. Members: Hear, hear!

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): "Mr. Speaker, the Prime Minister should apologize to the people of this country for having made these horrible appointments", so said the Leader of the Conservative Party on July 25, 1984, in reference to appointments made by the Liberal Government. So far, after five months in power, this same double-talking Leader has already appointed hundreds of his own cronies. This is the same man who said, and I quote: "The overriding criteria for an appointment will be competence and a willingness to serve Canada".

Remember when the Prime Minister (Mr. Mulroney) said that Liberal appointments were "a fraud, a deceit and a sham"? I dare him to stand up in the House and repeat these words now. I ask the Prime Minister: where is the promised patronage reform? Where are the criteria for quality appointments? Where is the screening committee? If the Prime Minister was sincere about his promise during the campaign, why did he not wait until all of those were in place before making his appointments? This is a Prime Minister of Marie Antoinette in reverse. Let them all eat pork is what he says.

• (1415)

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

CHALLENGE '85—FUNDING OF STUDENT SUMMER JOB PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Employment and Immigration. It relates to her statement outside the House about an hour ago. She, with her colleague, the Minister of State for Youth, just tried to pull off one of the biggest public relations stunts in the history of this country, at the expense of our youth.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Last summer the Government dedicated $200 million to summer jobs. In November the Minister of Finance specifically cut $215 million off student programs. This afternoon the Minister and her colleague restored $205 million, for a net shortfall to the students of $10 million. It was cut by the Minister of Finance, and restored to a partial extent by the Minister of Employment and Immigration. Why did she not have the guts to tell the students and the young people of this country that she really meant to cut their programs?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, for the Leader of Party which allowed only $85 million—

Mr. Axworthy: That's not true.

Miss MacDonald: The Liberal Government allocated only $85 million to Summer Canada this year. We, I am proud to announce, have put $205 million into that program for this year. The name of the game is really not the amount of money. The name of the game is the number of jobs that will be

created. This year there will be 95,000 jobs produced from that program, and a great many more will be provided by the private sector.

MINISTER'S ANNOUNCEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister in her announcement had no commitment from the private sector whatsoever, no allocation to the constituencies of the country. I repeat that in November the Minister of Finance cut Canada Student Loans, General Industrial Training, Young Workers' Exchange, Environment 2000, The Young Entrepreneurs Programs, Parks Canada employment, and even cut Katimavik. Will the Minister of Employment and Immigration acknowledge that her announcement this afternoon was purely an exercise in public relations and a cruel attempt to hoodwink the young people of this country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think that 95,000 jobs is very significant to the young people of this country who are looking to the Government.

Some Hon. Members: Hear, hear!

Miss MacDonald: That approach is substantial. It is not the smoke and mirrors that the Leader of the Opposition tried with First Chance. This is substantial. It will provide jobs for young people this summer. What is more, it will encourage the private sector to take up its responsibility, something which the Leader of the Opposition did not think was necessary in the programs he put forward.

ACQUISITION OF JOB TRAINING AND EXPERIENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister mentioned the First Chance program, which was a program—

An Hon. Member: Last chance.

Mr. Turner (Vancouver Quadra): It will be the last chance for you over there if you don't put it back, I can tell you that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If they feel like they are getting roasted this afternoon, wait until the young people of this country really look at this program. The Minister mentioned the First Chance program, which was a program of the Government which would build up to 100,000 training jobs per year for our younger people, to fill in that gap between school and a job. It would give them some experience for their résumés.

• (1420)

Would the Minister be specific in telling us what she will do to fill this training gap and provide what we attempted to provide in concrete terms and in co-operation with the provinces, the private sector, and labour, that would give our young people some training on the job? What does she have that will answer that question?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sorry that the Leader of the Opposition has not had a chance to review the program that we have announced for this summer, but I would encourage him to do so at the first opportunity. This program will provide young people with opportunities for career-related employment this summer. They will be able to get jobs that will take them back into school but will provide work experience for their CVs. It will help them get permanent jobs. That is one benefit of the program, and that is the method the Leader of the Opposition spurned earlier. He did not want to work with the provinces and the private sector. We believe in that kind of co-operation, and it will be for the benefit of young people this summer.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

MODERNIZATION OF POLLUTING INDUSTRIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister. As you know, Mr. Speaker, the outcome of yesterday's meeting of Environment Ministers in Montreal hinges entirely on one key commitment which can only be given by the Prime Minister of a Government which is regrettably prone to cuts. Can the Prime Minister give this House, the Canadian people, and the concerned provincial Governments, an ironclad assurance that there will be no cuts to the Industrial Regional Development Fund in order to ensure that the modernization of the polluting industries, in conjunction with the private sector, gets under way?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, yesterday an agreement was concluded with all provinces, an agreement qualified by our Quebec counterpart as a historic one, under which funds will be allocated to the provinces for the purpose of reducing acid rain. We also agreed, this in reply to the Hon. Member's question, that the responsibility for paying the cost of cleaning up pollution lies with industry, but that considering present market levels and depending on individual circumstances, there must be a measure of participation by the provincial and federal governments.

[*English*]

INDUSTRIAL REGIONAL DEVELOPMENT FUND

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if the Right Hon. Prime Minister declines to answer this question in light of his strong commitment, then I must ask my supplementary question of the Minister of Regional Industrial Expansion, because I did not get an answer. Will the Government give an ironclad commitment to the House, to Canadians, and to affected provinces, that there will be no cuts in the allocation to the Industrial Regional Development Fund that will permit the modernization of the non-ferrous smelter industries?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am rather surprised that the Hon. Member would be seeking ironclad assurances after there was such a sad, sad reflection on that term when his Party was in power. In answer to the Hon. Member's question, I would like to assure him that he received a very forthcoming answer from my colleague, and I do not think that any further assurance is needed.

* * *

• (1425)

EMPLOYMENT

CHALLENGE '85—PROGRAM FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct a question to the Minister of Employment and Immigration concerning her announcement today of the summer job program. Last year a Liberal Government, faced with record levels of unemployment amongst young people, announced a sum of money that the Conservatives, then in opposition, said was totally inadequate to meet the task. Why has the Government now, which was then in opposition, produced the same amount of money for jobs which last year it described as inadequate? Why is that amount adequate this year when produced by the Tories, and why was it totally inadequate when produced by the Liberals?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is an entirely different approach.

Some Hon. Members: Oh, oh!

Miss MacDonald: This measure provides a wage subsidy program—

Some Hon. Members: Oh, oh!

Miss MacDonald: I know that some Liberals will not be able to understand this, but it is a wage subsidy program which will encourage the private sector to participate. I would like to bring that home to the Leader of the New Democratic Party. It encourages the private sector to take part in the program, so that the program will be extended by the involvement of the private sector, and the involvement of the provinces, which goes over and beyond what the federal Government itself is prepared to do.

ROLE OF COMPANIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the amount of money is totally inadequate. We in this Party, who know that students want jobs, and want to be able to save for their education, also believe that a Government ought to be able to make work available to them when they want work.

Since the Minister has said that the details of the program have been changed, is she aware that companies in Canada now have more than an average 30 per cent of employees on lay-off. Why in heaven's name, when they already have lay-offs, will they want to hire students? The Government is leaving students out there swinging, and the Minister knows that.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can advise the Hon. Member that I did something last evening which I do not believe he could have done. I met—

Some Hon. Members: Oh, oh!

Miss MacDonald: I am sure you will understand.

Mr. Axworthy: Explain!

Miss MacDonald: There's lots I can do and he can't do. Nevertheless, I met with the chief executive officers of eight major corporations last night and asked them if they would be prepared to assume some responsibility in this regard, over and beyond what the federal Government is prepared to do. Jointly, they are going to create 10,000 jobs. That will add to the number of jobs which will be available to young people this summer.

Some Hon. Members: Hear, hear!

REQUEST FOR MORE FUNDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I was very interested to hear how the Minister spends her evenings. However, I think the Minister had better go back and do her homework again, because that is fewer jobs than were announced by an equal number of corporations last year, and we ended up with 180,000 unemployed students. Unemployment is no easier for students when it comes from the Conservatives than when it came from the Liberals.

I would like to ask the Minister a very straightforward question. When she sat on this side of the House she expressed great concern, not only about students, but about the poor and other groups of Canadians who needed assistance. Why can she not get some compassion and care into this uncaring Cabinet, to get more money for students who want to work?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is because of those very characteristics, which are shared by every member of this Government, that the announcement has been made today—$205 million; 95,000 jobs—which shows our concern for young people.

I can tell the Hon. Member, and all Members of the House, that while we are working to get commitments from the private sector at the national level, with national organizations, I hope the Hon. Member will take the opportunity to go into his riding and do the same kind of work with business, corporations, and community groups, so that they too will help to create jobs for young people.

Some Hon. Members: Hear, hear!

* * *

● (1430)

RESEARCH

SIZE OF GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister is aware that his Government's cut-backs and indecision regarding research funding are threatening the lives of hundreds of young Canadian scientists. While the Minister of Employment and Immigration talks about new approaches, the reality is otherwise. According to a prominent neuroscientist, we are in danger of losing a whole generation of young scientists—

Mr. Crosbie: Question.

Mr. Mazankowski: Question.

Mr. Berger: —because of the dithering of the Conservative Government. When will the Minister make a decision regarding funding for the Natural Sciences and Engineering Research Council and the Medical Research Council? Is he waiting for these young scientists to move to the United States to join the Prime Minister's friend, Mr. Reagan?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I believe the Hon. Member rather over dramatizes the situation.

Some Hon. Members: Oh, oh!

Mr. Siddon: In fact, Mr. Speaker, he knows that NSERC receives in excess of $300 million in funding this year. This Government is committed to a continuation of adequate funding and stability of funding in support of post-graduate research in all of our Canadian universities, and I will be submitting shortly to Cabinet the next five-year plan to ensure that funding is realized.

[*Translation*]

SCIENCE AND TECHNOLOGY

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL OF CANADA—SUPPLEMENTARY ESTIMATES—MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, the Minister informed the Committee on Miscellaneous Estimates on December 4 last year, and I quote:

> It should be clear to everyone that the current uncertainty surrounding the total budget of the Council must be resolved, and resolved quickly. I will do everything within my power to be back before you with further supplementary estimates—

My question is a very simple one. We are still waiting to hear from you. When are you coming back to the Committee?

[*English*]

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the appropriations for the present fiscal year are being honoured by this Government. If there had been an opportunity for additional supplementary funding, it is rather puzzling that our predecessor did not put that through Cabinet in the earlier part of last year when it had that opportunity. I would remind all Hon. Members that when certain financial measures were announced on November 8, there were absolutely no reductions in the levels of funding for research within our Canadian universities.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

CHALLENGE '85—STUDENT SUMMER JOB PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Minister of Employment and Immigration said that the name of the game is the number of jobs created by, I gather, faith, hope, and "wait and see". She also admits that she is having difficulty with the process of consultation on the question of ensuring jobs, and wants us to join in. Why would the Minister not stick with the program which was project oriented last year which could guarantee jobs this year as it did then?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can understand where the Hon. Member is coming from and, obviously, he will take a number and say that is all that can be done. We don't believe that. We don't follow that logic. We think that there can be more jobs generated in the private sector by working with it, not by ignoring it as did the project approach last summer.

ROLE OF PRIVATE SECTOR

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, no one dismisses the possibility of private sector co-operation, but what we have here is the Minister challenging the

private sector to do her job, and what we are concerned with is jobs this summer.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Right.

Mr. McCurdy: I ask the Minister again, what guarantees does she have from the private sector that those 80,000 or more jobs that she speaks of are actually going to be produced?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the 95,000 jobs which we have determined for this summer will be in place because of federal Government projects. But we are not satisfied with that. We want to see more. That is why we are going out and challenging the private sector. That is why we are taking a wage subsidy approach which produces two jobs for one, which is different from the approach which was taken previously.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. BRIGITTEA DAHL, MINISTER OF ENERGY, SWEDEN

Mr. Speaker: May I interrupt the proceedings to advise Hon. Members of the presence in our gallery today of the Honourable Brigittea Dahl, the Minister of Energy for Sweden, and her delegation.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SUPPLY AND SERVICES

MARINE INDUSTRIES LIMITED CONTRACT—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Minister of Supply and Services and concerns employment.

There has been a lot of talk about historic agreements, and I think we are indeed making history this week in the House of Commons: the Progressive Conservative Government is getting ready to shaft the province of Quebec a second time in a row, the first having been on Monday, when the Minister of Regional Industrial Expansion brought an industry to his riding without giving Quebec a chance to make an offer. Today I would like to ask the Minister of Supply and Services whether it is true he intends to cancel the contract on which Marine Industries Limited was working in Sorel and which it can no longer fulfil because of a strike, and whether it is true that instead of awarding the contract to the second lowest bidder, Canadian Vickers Limited in Montreal, the Minister intends to put out a new tender at the request of his colleagues who want to give this contract to another province?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I want to assure the Hon. Member that there are no shipyards in Calgary bidding for the work.

Some Hon. Members: Oh, oh!

Mr. Andre: I would also like to tell the Hon. Member that the Department of National Defence requires the *Saguenay* to be outfitted for manoeuvres next winter so we can meet our commitments to NATO. While we do not in any way want to intrude ourselves into the labour dispute which is presently going on, it may be necessary for the Government to take action to ensure that our defence commitments can be made. When that action is taken, it will be done in a way which will preserve the jobs and ensure that the taxpayers receive proper value. I believe the Hon. Member is jumping to a conclusion in assuming that any decision which might result in the jobs being transferred to Calgary, or any other shipbuilding area, has been taken.

BIDDING INQUIRY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, perhaps there is none in Calgary, but I know there are shipyards in the province of the Minister of National Defence. If at this time the Minister is about to ask for some new bids, it is going to be unfair to the second bidder because its price is already in the market and a competitor will know that tender of Vickers Canada Inc. I know that Vickers is willing to do the job for the same price. Will the Minister guarantee to the House of Commons that he will do nothing to undermine Vickers and the workers in the shipyards in Montreal?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I intend to ensure that Canada and Canadian taxpayers are well done by. The Hon. Member is taking an accusatory stance. He has created a straw man on a decision which has not been taken, and is flailing away at the straw man. I can assure the Hon. Member that if—and I say "if"—and when any decision is taken to have the *Saguenay* refitted in another yard, that decision will stand up to scrutiny and will be defended and, indeed, applauded, by taxpayers from coast to coast.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

CHALLENGE '85—APPLICATION IN NON BUSINESS REGIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. This afternoon we witnessed a most incredible political shell game. After two months of delay

and procrastination we have a student summer employment program with less real dollars this year than it had last year, and more money being directed to the big business sector than to the voluntary non-profit sector. How does the Minister intend to provide work for students in those parts of the country where there is not a big business sector, such as the Maritimes, the Gaspe, northern Quebec and Manitoba? What about the students in those areas?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I had sent a copy of the release and the details to the Hon. Member well in advance of Question Period and I thought he might have read it, but he will have noticed that there is the same allocation of funds this year, or more, to every province in the country. That means that that money is going to be allocated and, as the release points out very clearly, if it is not taken up in the private sector, it is there for municipal Governments and community organizations to use, and it is there for groups right throughout all sectors of society to use in creating jobs this summer.

SCOPE OF PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, while the Government is diddling around looking for jobs in the private sector, it will be summer. The summer will be all over by the time the money is available for these other community organizations to use. The Minister knows there is not the private sector strength in those areas to hire those students during the summer. I am asking her—and we have all Conservative Governments down there in the Maritimes and in the West—what about the thousands of children who were taken care of in summer day camps? This not only benefited students but it benefited community organizations, the handicapped, the blind, and senior citizens. How does she expect her program not only to help students but to help those people in need?

● (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): I can only reiterate, Mr. Speaker, that the Hon. Member should reread the press release. Community organizations will be able to participate. What is more, they will receive a 100 per cent subsidy in order to allow them to do so.

KATIMAVIK PROGRAM FUNDING

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in the absence of the Secretary of State my question is directed to the Prime Minister. It was announced today that Katimavik has been cut from $50 million to $19.7 million. This is a community-based program, and in many of the constituencies across the country we do not have the benefit of large corporations. The program is also bilingual, and provides equal opportunity for women workers. Can the Prime Minister give us the assurance that he is prepared to reconsider this disastrous step of cutting Katimavik?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member will again read the release he will see that community organizations are addressed in this program.

Mr. Broadbent: A small part of the money.

Miss MacDonald: The people he talks about, women, young people, and the disadvantaged, will have a very real opportunity to take part in this summer program.

AFFIRMATIVE ACTION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the Minister's nocturnal admissions with the corporate leaders, we know who is being screwed in the process.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I want to ask the Minister—

Some Hon. Members: Order!

Some Hon. Members: Shame!

Mr. Rodriguez: I want to ask the Minister what provision—

Some Hon. Members: Sit down!

Mr. Rodriguez: I want to ask the Minister—

Some Hon. Members: Boo!

An Hon. Member: Why do I have to be sitting here?

Mr. Rodriguez: If you will just settle down over there, I want to ask the Minister—

Mr. Hnatyshyn: Apologize!

Some Hon. Members: Out!

Mr. Axworthy: We're getting a lot of hot air from over there.

Mr. Hnatyshyn: I suppose you think that is funny, Lloyd?

Mr. Rodriguez: I want to ask the Minister what provision there is in this announced program for affirmative action to make sure the increase for post-secondary institutions for women—what provision is there for some affirmative action to ensure they get their fair share of the jobs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I make no apology for my nocturnal activities when I can come out of a meeting with 10,000 additional jobs for young people.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, the programs which have been announced will be extremely helpul to women because they do not rule them out of so many programs as they did in

the past, programs which were directed particularly to construction activities where they were not allowed or not able to participate. What this program does is to allow them to be involved in wage subsidy programs, in businesses large and small, and they will have a more than adequate share of what comes out of this summer's program.

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[*Translation*]

ACID RAIN

INDUSTRIES—GOVERNMENT POSITION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question directed to the Minister of the Environment. Yesterday, an important federal-provincial conference on acid rain was held in Montreal, and our Government must be delighted with the outcome of this meeting which represents a major step towards improving the quality of life of Canadians. Could the Minister inform the House whether specific measures were discussed with her Quebec counterpart to provide assistance to industries like Noranda Mines which are a major source of pollution in my riding?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I wish to thank the Hon. Member for his question. Quebec has made a commitment to reduce sulphur dioxide pollution by 600,000 tons by 1994, and our financial input will depend on the discussions we have with Quebec and Noranda Mines. In any event, the federal Government will be taking part in this collective effort to reduce acid pollution.

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[*English*]

CONSUMER AFFAIRS

INCOME TAX DISCOUNTERS—REQUEST FOR PROTECTION OF LOW-INCOME PEOPLE

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. The Minister will know that at this time of year tax discounters arise to prey on low-income Canadians. He knows that between 50 per cent and 65 per cent of those Canadians are on welfare or unemployed, and 42 per cent are women receiving the child tax credit.

Ms. Mitchell: Why didn't you do something about it, then?

Mr. Rompkey: The Minister has had recommendations put together by the former Minister, Judy Erola, since last spring. Will the Minister now act on those recommendations and stop this rip-off of low-income Canadians?

Mr. Crosbie: Why didn't you do something?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to thank the Hon. Member for his question. In fact, what we have here is legislation that has been in effect since 1979, and I am referring to the Tax Rebate Discounting Act. We are now negotiating with provincial representatives and a majority of the discounters involved, and as soon as the consultation process has ended we will be in a position to issue a definitive policy on the subject.

[*English*]

Mr. Rompkey: Mr. Speaker, it is time for the Minister to stop consulting and act. Two provinces have brought in legislation to outlaw this practice, and the Minister should do the same thing.

* * *

INCOME TAX

PAYMENT OF REBATES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): My supplementary is directed to the Minister of National Revenue. If the Minister of Consumer and Corporate Affairs will not bring in legislation to outlaw this practice, will the Minister of National Revenue take steps to speed up the delivery of the child tax credit and other tax rebates to low-income Canadians so that this swindle of low-income Canadians and Canadian taxpayers can be stopped?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the Hon. Member quite correctly understands that obviously any direct action has to be taken by the Minister of Consumer and Corporate Affairs. However, with regard to the Hon. Member's question to me, I have good news for him.

In contrast to the delays there were when he was Minister of National Revenue, we are taking steps to speed up the processing of cheques. This year we are going to be starting the processing of cheques one week earlier than last year, which means that on error-free returns Canadians will be receiving their cheques at the earliest date in history.

* * *

EMPLOYMENT

CHALLENGE '85—PRIVATE SECTOR CO-OPERATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister responsible for employment. In her earlier comments she indicated that 95,000 jobs would be created as a result of her initiative today. She would also recognize that more than two-thirds of those jobs would look to the private sector to be willing, and more probably able, to provide that opportunity.

The Minister knows that the private sector in most parts of Canada is operating at between 60 per cent and 70 per cent of

capacity. Major plants have laid off employees. What guarantee does the Minister have that the private sector will be able to co-operate to the levels she is anticipating?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, prior to this announcement today there was a great deal of consultation with the private sector on what they would be prepared to do in order to further this very worth-while program. We do think it is worth-while and it will be successful. We do, because we have faith in the private sector of this country, something which the NDP should learn about.

• (1450)

PRIVATE SECTOR CAPACITY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, will the Minister admit that what she is really saying is that at least two-thirds of the jobs that she is promising to 95,000 Canadians today depend on the ability of the private sector to produce those jobs? Will she not agree that in many parts of Canada, even if the private sector is quite prepared to provide those job opportunities with the 50 per cent subsidy, it is simply unable to because it is operating at 60 per cent to 70 per cent capacity and cannot expand when its own employees have been laid off for many months?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, no, I do not admit to that. I simply will not take that kind of interpretation which the Hon. Member chooses to put on it, because the money has been allocated for summer jobs beginning in April or at the end of April this year. That money will be going into summer jobs.

As the Hon. Member says, there may be parts of the country where the private sector is not able to pick that up. That means it will be going into jobs created by municipal Governments, created by community organizations—

Mr. Broadbent: It will be too late then.

Miss MacDonald: —created by groups across the country.

Mr. Broadbent: It's too late then.

Miss MacDonald: The Leader of the NDP Party says that it is too late. If he thinks it is too late in Oshawa he should let me know, and I will go to Oshawa and make sure that it is not too late for them.

Some Hon. Members: Hear, hear!

Mr. Broadbent: You will get a phone call, Flora.

[*Translation*]

TRANSPORT

INQUIRY WHETHER VIA RAIL WILL PURCHASE ROLLING STOCK FROM BOMBARDIER CORPORATION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. Yesterday the Minister announced that additional funding would be allocated to VIA Rail for the purchase of rolling stock. Could the Minister give the House the assurance that VIA Rail's first purchase will be made from the Bombardier Company in Quebec?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the budget for the acquisition of new rolling stock will be made from that which is already proven and established, and it will be Canadian.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the Progressive Conservative Members from Quebec were asking why. Thanks to the Hon. Member for Champlain, we now know that Progressive Conservative Members from Quebec are all a bunch of "deuces of spades". I would like to get from the Minister of Transport the assurance that he will not again send his Minister of State, his "jack of spades" to Montreal to announce that VIA Rail's first orders will be placed with General Motors, rather than with Bombardier.

[*English*]

Mr. Mazankowski: Mr. Speaker, let me advise the Hon. Member that there have been a number of discussions with Bombardier and other suppliers. The discussions have been very fruitful and productive, and the acquisition of new rolling stock and new equipment will be fair to all parts of Canada.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—FEDERAL-PROVINCIAL AGREEMENT ON CONTROL MEASURES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Prime Minister. It concerns the agreement on acid rain reached yesterday between the federal Government and the provinces. As it stands, the agreement reached yesterday is a reconfirmation of previous agreements with the provinces. In fact, as it stands, it is only an agreement for a 42 per cent reduction instead of a 50 per cent reduction.

When will the Canadian public know just how much the federal Government is prepared to pay, what it will require of the polluters, and what will be expected of the provinces, so that we can know what action is contemplated, as well as intentions?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I would like to correct a few things just referred to by my hon. colleague. It is true that 50 per cent of acid emissions were to be reduced by 1994. The very difficult aim was to allocate emissions to each Province. That tremendous difficulty was overcome yesterday in a co-operative spirit and if my hon. colleague will have enough patience, we will shortly announce the Canadian Government's participation in that area.

[*English*]

FEDERAL GOVERNMENT FUNDING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my supplementary question is also directed to the Prime Minister because it is the Prime Minister, not the Minister of the Environment, who will be meeting with Mr. Reagan on March 17. Does the Prime Minister not think it would be useful for the Canadian public as well as the Americans, to know by that time just what the Canadian Government is prepared to put up, with respect to acid rain? When will the Prime Minister put our money where his mouth is, not just for our sake but for the sake of our negotiating position with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the Canadian public knows that for the first time the national Government of Canada is taking the calamitous problem of acid rain seriously has indicated its capacity to reach an important accord with the Provinces of Canada in a short period of time, and is committed to the resolution of the problem. I am honoured to tell my hon. friend that the thrust of our activity has met with approval across Canada, including the Coalition on Acid Rain.

* * *

ENERGY

MULTINATIONAL OIL COMPANIES' PROFITS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The combined profits for Imperial Oil, Texaco Canada, Gulf Canada, and Shell Canada are 42 per cent above the profits for 1983, or $1.42 billion in total.

In her discussions with these four multinationals, has the Minister received an undertaking from them that they will reinvest these profits in new developments in the energy sector in this country, and not for other purposes such as buying up Canadian-owned companies, or sending the profits to their head offices outside Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to thank the Hon. Member for his endorsement of Conservative oil pricing policies. He was recently in Calgary—imagine a Liberal in Calgary—

Some Hon. Members: Oh, oh!

Miss Carney: —where he was advocating an oil pricing agreement with a fiscal framework that would be conducive to increased energy activity. Of course, that is what we are doing. He joins his colleague, the NDP critic, the Member for Vancouver-Kingsway, who was in Edmonton—imagine a New Democrat in Edmonton—

Some Hon. Members: Oh, oh!

Mr. Waddell: We are the opposition in Alberta.

Miss Carney: He was advocating a safety net for consumers.

Mr. MacLellan: I would like to thank the Minister for her travelogue. I want to say to her that she better get used to Liberals in Calgary.

Some Hon. Members: Hear, hear!

INVESTMENT OF PROFITS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, does the Minister have absolutely no concern for the unemployed, or does she not care where the multinationals are putting these profits? Has she received that undertaking from these four multinational corporations?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the question is not whether we have to get used to Liberals in Calgary; it is whether Calgary will get used to Liberals there.

Some Hon. Members: Never!

Mr. Andre: We have a spare telephone booth.

Miss Carney: I can only add to my comment that it is essential to our negotiations with the producing provinces that the economic activity, or investment activity, is increased.

* * *

EXTERNAL AFFAIRS

PLIGHT OF CANADIAN IMPRISONED IN NEW JERSEY, U.S.A.

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Many Canadians across the country have been expressing concern over the case of Bruce Curtis, an 18-year old boy from my constituency of South West Nova, who was sentenced to one of the harshest prison terms in New Jersey court history. Would the Minister inform the House what actions have been taken by his officials to ensure that justice has been carried out in this case?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for the

question about Bruce Curtis. That is a case that has attracted the interest of Members throughout the House.

The Department of External Affairs, the Government of Canada under three administrations, I believe, have been working assiduously to try to ensure that the interests of Bruce Curtis were fully protected in court proceedings in the United States. It is the view of this Government that those court proceedings were proceeded with in a way that fully followed American law. A decision has been rendered.

It is the view of this Government that it would be as inappropriate for us to interfere in the judicial proceedings of the United States as it would be for us to accept interference in judicial proceedings in Canada, by the United States.

Mr. Speaker: One question. The Hon. Member for Comox-Powell River.

* * *

● (1500)

NATIONAL DEFENCE

FRIGATE CONSTRUCTION PROGRAM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of National Defence. It concerns the Canadian frigate program. Would the Minister confirm to this House that the frigate patrol program's management and production are in the hands of Americans from Bath Iron Works, and that the services provided by Bath Iron Works will run in the order of $100 million or more? Since the last Government made a commitment that there would not be any financial overruns, could the Minister—

Mr. Speaker: Order, please. I asked the Member to put one question. I cannot, therefore, allow him to put three. The Minister of National Defence.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, there was a report to the House last week in relation to the situation of the Canadian Patrol Frigate Program. The people at Saint John shipyards have indicated to my departmental officials that they have made some additional rearrangements in their operations. They will be reporting back to my departmental officials in early March, and at that time I will be in a position to provide additional information to the House with regard to that program.

* * *

CLERK OF PETITIONS' REPORTS

CANADIAN WILDLIFE SERVICE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Westmorland-Kent (Mr. Robichaud) on Tuesday, February 5, 1985, meets the requirements of the Standing Orders as to form.

MAIL DISTRIBUTION IN SAINT-MICHEL-AHUNTSIC

Mr. Speaker: The petition presented by the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) on Tuesday, February 5, 1985, does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

REMARK OF MR. RODRIGUEZ DURING QUESTION PERIOD

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a point of order. I regret having to rise at this point after the Question Period, although it is the appropriate time to raise a point of order which I think casts a serious reflection on the proceedings in this House.

I draw reference to the remarks during Question Period made by the Hon. Member for Nickel Belt (Mr. Rodriguez), which I consider, and I am sure most Members in this House consider, to be in the nature of a vulgar and sexist remark which is unacceptable in this House of Commons.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: This is a serious place and profanity has no place in the House of Commons. If you look at Beauchesne's Citation 319(3), Mr. Speaker, it states that in the House of Commons a Member will not be permitted by the Speaker to use any profane or indecent language. What I have to say I say with some sadness because I respect the Hon. Member and the Party that he represents, but when a Member of the New Democratic Party stands up and utters what I consider to be a sexist and obscene statement on the floor of the House of Commons, I think it is incumbent upon him to stand in his place and withdraw those remarks unequivocally.

Some Hon. Members: Hear, hear!

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on the same point of order. I have already sent a note to the Minister in which I clearly pointed out that there was no insult meant and that no casting of any aspersion on the Minister was intended. It is an unfortunate remark and I apologize to the Minister.

Some Hon. Members: Hear, hear!

Hon. André Ouellet (Papineau): Mr. Speaker, I rise on the same point of order. The Government House Leader—

Mr. Speaker: Order. Once a Member has risen in his place to withdraw the offending comments, the matter is normally regarded as over. I say normally.

Some Hon. Members: Hear, hear!

Mr. Speaker: A point of order of that sort is normally regarded as over. Does the Hon. Member for Papineau (Mr.

Ouellet), however, have some comment on a separate point of order?

Mr. Ouellet: I rise on a similar point of order, Mr. Speaker. I take great exception to the Government House Leader standing here in this House and asking the Hon. Member for Nickel Belt (Mr. Rodriguez) to withdraw his remark.

A similar type of intervention was made earlier this week by the Minister of Labour (Mr. McKnight) against the Hon. Member for Hamilton East (Ms. Copps). If the Government House Leader is going to adopt this type of attitude, namely, citing remarks made during Question Period, I would ask that he counsel his own Minister to make sure that he does not utter sexist remarks, as he did earlier this week.

Mr. Speaker: I accept that the Hon. Member for Papineau had a point he wished to make to the Government House Leader, but if there was language used earlier this week that he thought was improper, I suggest to him that it was his right and in some ways his duty to bring it to the attention of the House at the time.

I take it we may regard the matter as closed.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

CANADIAN WILDLIFE SERVICE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, once again it is my duty to bring before this House another petition from the people in Sackville who view very seriously the cuts announced to the Canadian Wildlife Service, and those people once again are asking the Minister of Environment to reconsider her actions and reinstate the programs.

NUCLEAR DISARMAMENT

[*English*]

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have the honour to present a petition on behalf of some of my constituents in the riding of Sarnia-Lambton who are concerned with Cruise missile testing. They ask that Canada be declared a nuclear weapons-free zone and that Canada be actively involved in working for the multilateral de-escalation of the arms race.

TAX BREAKS FOR CORPORATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of Canada who request this House to amend the income tax laws so that large corporations will receive the customary tax breaks only in proportion to the number of net new jobs they have created or have guaranteed to create, and that the number of jobs created by each corporation and the tax breaks will be reported quarterly to Parliament.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following question will be answered today: No. 207.

[*Text*]

PRIME MINISTER'S OFFICE

Question No. 207—**Mr. Henderson:**

Does any relative of the Prime Minister hold a position in the Prime Minister's office, either in Ottawa or in his constituency and, if so, what is the salary of that employee?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): There is no relative of the Prime Minister holding a position in either the Prime Minister's Office or in the Prime Minister's constituency office for whom a salary is paid by the Government of Canada.

[*Translation*]

Mr. Dick: Mr. Speaker, I ask that the remaining questions be allowed to stand.

[*English*]

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. I draw the attention of the Parliamentary Secretary to question No. 93 on the Order Paper which has been there since November 19. It inquires with respect to the scale of fees which the Government proposes to charge for those setting up camps on Parliament Hill. As the summer approaches, perhaps if that fee schedule were announced, those intending to protest would determine where to apply and what fees are to be paid.

Mr. Dick: This is a very complicated matter, Mr. Speaker. I am sure the response will come soon.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

S.O. 30

MOTION TO ADJOURN UNDER S.O. 30

EMPLOYMENT-CREATION PROGRAMS

Mr. Speaker: I have received notice of an application under Standing Order 30 from the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, pursuant to Standing Order 30, I move, seconded by the Hon. Member for Shefford (Mr. Lapierre), that this House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the Government's late and inadequate employment creation programs, including those for youths in the summer of 1985.

Mr. Speaker: As is customary and as I said, the Hon. Member for Notre-Dame-de-Grâce-Lachine East has given me notice of his application for an emergency debate.

As Members know, Standing Order 30 provides a procedure for:

—the purpose of discussing a specific and important matter requiring urgent consideration—

What is envisaged is a sudden emergency of such importance that the national interest calls for its immediate consideration by the House. The adequacy of programs designed to create employment is a matter which has been with us for a long time and is ongoing. It is a matter of continuing debate. Standing Order 30(5) requires the Speaker to have regard to, and I quote again:

● (1510)

—the probability of the matter being brought before the House within reasonable time by other means.

Four allotted days remain during the current supply period and the subject could be chosen for debate on one of those days. As to whether the Government's employment-creation programs are, to quote the Hon. Member, "late and inadequate", this is a matter of political judgment. It would be difficult to find that a difference of political opinion could form the basis of an emergency debate within the meaning of the Standing Order.

Therefore, I am unable to agree that the Hon. Member's application meets the requirement of Standing Order 30.

Mr. Allmand: Mr. Speaker, I rise on a point of order. It seems to me that if we do not deal with this today and change that program, or convince the Government to change that program, there will not be adequate employment for students this summer. That is an emergency for the youth of the country.

Mr. Speaker: I will not take that as a comment on my ruling. I will simply recognize that the Hon. Member was getting his point on the record. I understand why he rose.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*English*]

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, in terms of House business, I have informed House Leaders of the Opposition Parties that the order of business for today and tomorrow, until further notice, will be the Bill with which we dealt on Monday with respect to the spousal allowance, Bill C-26. If it is concluded today, we would then deal with Bill C-20, the one relating to the CRTC.

Mr. Lapierre: Forget it.

Mr. Hnatyshyn: The Hon. Member of the Liberal Party says "forget it". The people of Canada want the Bill regarding spousal allowance passed so that the seniors of the country will have more equity than they had under his administration.

I simply want to point out that tomorrow we will deal with the Bill relating to the Small Businesses Loans Act, and if by chance we do not reach the conclusion today of the Bill relating to the Old Age Securiuty Act amendments, then we would carry on with the consideration of that Bill after concluding the one relating to small business loans.

Mr. Deans: Mr. Speaker, I should like to ask the Hon. Government House Leader whether I understood him correctly when he said that we ought to hasten passage of the Bill dealing with the old age security improvements. Might it be his intention to put them into force before the month of September, when they are intended now to come into force, if we pass the Bill more quickly?

Mr. Hnatyshyn: I appreciate the Hon. Member's question because it shows that he is following the debate. I should like to have the Bill dealt with in an expeditious fashion so that Canadians would know the effective date and we would have the legislation in place. Then people will in fact be entitled to benefits which they would not otherwise have had, were it not for the election of this Government.

[*Translation*]

Mr. Lapierre: On the same question!

Mr. Speaker: On the same question. The Hon. Member for Shefford (Mr. Lapierre).

Mr. Lapierre: Mr. Speaker, in my opinion, what the House Leader of the Government has just done to me is indicative of the tyrannical attitude of the majority. We have had one day of debate on this bill. We want to improve it. We want to convince the Government that what discrimination there is, is the one being incorporated in our Canadian laws. We want to ensure—

[*English*]

Mr. Speaker: Question! I regret to interrupt the Hon. Member but I know exactly what is happening. What is happening is debate on the Bill and its progression.

Mr. Gauthier: Well, he started it.

Mr. Speaker: I appreciate how it started. My dilemma is that if the House business question starts being used as a time for debate on the progression of a Bill, we are introducing an entirely new procedure with regard to the business question. If the Hon. Member for Shefford has a question on House business, I will allow him to put it.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have a question for the House Leader of the Government. I want to ask him whether he would agree to widen the scope of the bill so as to extend the benefits to previously married or divorced people. If he were, we would be willing to agree to the bill immediately.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, of course, I am not the Minister, but he has said to me personally that he can hardly wait to have the Bill before committee so that we can hear the wonderful suggestions of all Members of Parliament and in fact bring forward the best Bill possible for the people of Canada.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed from Monday, February 4, consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am pleased that we have resumed debate on this legislation. I must say that it was rather comical to hear the Government House Leader suggest that he would like the benefits to arrive on the doorsteps of old age pensioners much more quickly. However, he showed a distinct reluctance to change the legislation so that it could come into effect earlier. If he really wants the benefits to get to people more quickly, why not have the legislation say that it will come into effect in March? If these calls for quick action from the government side are to mean anything, then they should put something behind them.

Indeed it is a pleasure to speak in this debate. While I must say that we support the measure which the Government has brought in, it is a limited one. I want to reiterate just briefly what I said on Monday when I started my speech. When we discuss pensions in the House, it is only proper that we pay tribute to the work of those who have gone before us. I am thinking of the former Hon. Member for Winnipeg North Centre, the Hon. Stanley Knowles, and his predecessor, J. S. Woodsworth. I want to assure Hon. Members of the House and people in the country in general that we in this Party will continue the fight for adequate pensions for seniors started by these two gentlemen.

Just as I began my remarks on Monday, it was five o'clock. Thereafter I talked with Mr. Knowles and he described to me the very severe conditions in which elderly people lived when he was a young man and began the fight for an adequate pension system in the country. From his description of conditions then, I must say that we have certainly made considerable progress as a country in providing decent pensions in retirement years. Obviously the job is not finished because large numbers of Canadians, even though they receive pensions, still live below the poverty line.

The measure before us today will extend benefits to spouses. This is welcome, particularly by those approximately 85,000 individuals who will receive them. It will be of real benefit to them, and this is why we support the measure.

At the same time it is sad that senior citizens who are experiencing the same need will not be receiving the benefits simply because they have not been married. Clearly that is a discrimination on the basis of marital status and something which we would deem to be unacceptable today. It would make eminent sense for the Government to extend these benefits not only to spouses but also to older single women who never married. This would not be a major step on behalf of the Government and it would not bankrupt the country. It probably would not even add to the deficit because these people need the money and, when they received it, they would spend it immediately. Therefore economic activity would be stimulated, and it would be to the benefit of the Government in that money would come back in the form of taxes. I would recommend most strongly that the Government give immediate consideration to extending these benefits to single women as well as to married women. It is a modest proposal but one that would eliminate discrimination on the basis of marital status which is inherent in the legislation before us.

● (1520)

I hope the Government gives this matter serious consideration and that by the time it passes through this House that discrimination will have been eliminated from this proposal. It is not simply incremental change or modest proposals in terms

of pensions that we need. We need much more fundamental change in our pension system in order to bring about a situation in which all Canadians can enjoy adequate pensions and security in their old age. This notion is not just something I or the Members of my Party believe or something that the Members of the Liberal Party are now advocating. It is something which Members of the Government caucus have recognized. They recognize there is a need for fundamental change in pension plans in order for people to have an adequate income in their old age. They certainly recognized this when in opposition.

I want to remind the House of the remarks of the present Minister of Employment and Immigration (Miss MacDonald) when she was in opposition. It would appear that when the Hon. Member was in opposition she had a heart and now in government she has lost that heart. This is what she said in a motion that she moved on May 10, 1984:

> That this House profoundly regrets the two-year delay of the Government in bringing promised legislation to improve guaranteed income supplements for low-income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

She made a few comments to support her motion which are relevant to the debate today. For example, she made the observation on May 10, 1984, while in opposition, that "there is still no sign of legislation to address the pressing needs of Canada's 600,000 elderly poor". She recognized there were 600,000 elderly people in this country living in poverty. She is now part of a Government which is taking action for only a small fraction of those 600,000 poverty stricken people, some ameliorative action for 85,000 elderly women who are in need. However, even after this action is taken, those people will continue to live below the poverty line.

She went on to describe the inaction of the Government in very descriptive words. She described the lack of action of the Government with regard to those 600,000 elderly Canadians as "a national disgrace", as an "indictment of the Government". She went on to describe the Government as "bereft of ideas, drained of decency, and unable to recognize the priorities" of the country.

It is strange to see Members of this House who less than a year ago recognized the circumstances of 600,000 elderly Canadians living in poverty and who now in government fail to take action on this priority. The Hon. Member for Kingston and the Islands went on to say: "We know what the priorities of the Government are". She was talking about the Liberal Government. I suggest these words can apply to the present Conservative Government. She continued:

> For the people who have, throughout their lifetimes, worked for and contributed to the development of this great country, there is only a promise trotted out time and time again that some day, some time, they too will become a priority.

The circumstances and the needs of 600,000 Canadians who live in poverty were recognized and these people were given promises when the Conservative Party was in opposition, when it was seeking office and seeking power. Now that they are in government, the interests of these people are swept under the rug and they continue to be ignored. That is a sad commentary on this Government which has developed quite a reputation as a flip-flop Government, a political Party and a group in this House who in opposition would say one thing and now in government do something altogether different. If there is one thing that has characterized this Government it is the fact that what they called priorities in opposition they ignore when in office. While we need fundamental pension reform, what we have been getting from this Government is a series of questions about social programs.

We have had doubts sown across the country by the Government about the notion of universality in social programs. They recently backed away from this as it affects pensions. It is obvious they did that because they started to feel the heat of public opinion. When the public said it did not want them to fool around with their heritage or the fruit of the labours of people such as J. S. Woodsworth and the Hon. Stanley Knowles, who fought for justice for elderly Canadians, under the heat of public opinion and public pressure the Government backed away from questioning universality in pensions.

Rather than questioning the universality of social programs and pensions, the Government could have questioned the tax expenditures which the Government makes. Governments give out billions of dollars to the private sector by way of tax write-offs for various purposes. The Government should look at those tax expenditures and make a distinction between those which result in employment for people and those which have no visible impact upon the level of employment in this country. Having examined those expenditures and made the distinction, we could use the savings that we reap to buttress and increase the social programs that we need. Those saved dollars could be used to help the 600,000 Canadians in their retirement years who continue to live in poverty.

I call upon the Government to come to its senses, to remember the statements it made while in opposition and to realize that we need fundamental reform in the area of pensions. As a short-term measure, it could extend the benefits it is now proposing for people who were married to those who have never married. Why continue with this discrimination against single people? All elderly Canadians need financial support to give them real security in their retirement years. Let's cut out the discrimination and realize that we need fundamental reform in the area of pensions.

• (1530)

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Mr. Speaker, I would like to ask a question to the Hon. Member. I know that he is aware of the situation and that he works hard for his constituents. In his speech, he said that it is the single people who are left out in this bill. He is certainly aware that there are not only 80,000 single people in Canada, but also previously married people, who for personal reasons are now separated or divorced and who will be

completely excluded from this legislation. Can the Hon. Member tell us his position in this regard?

[*English*]

Mr. Keeper: Mr. Speaker, I would like to thank the Hon. Member for elaborating on the weaknesses of this legislation. Clearly, those weaknesses need to be redressed. The Government is taking some incremental, piecemeal action which, of course, deserves support because whenever we can extend benefits to those in need, we should do so and do so expeditiously. I would like to thank the Hon. Member for pointing out additional faults and gaps in the legislation to which I did not refer in my speech. I believe those gaps needed to be closed as well.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

[*Translation*]

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, in rising to speak in today's debate on Bill C-26, an Act to amend the Old Age Security Act, I wish to express, first of all, my full support for this legislation.

The Bill embodies the policy announced in the Throne Speech on November 5 of last year, by extending the income tested spouse's allowance to widows and widowers aged sixty to sixty-four regardless of the age of their spouse at death. The objectives of this legislation have been defined, first of all, in terms of improving the financial situation of a particularly vulnerable group of Canadians.

Mr. Speaker, the Bill before the House today is a very important one and is to be seen as a measure that will improve our universal system for the basic old age security pension and also as a way to encourage low-income taxpayers. The purpose of this amendment is to ensure that the Government's social policies are adapted to the constantly changing needs of our society. By tabling this Bill the Government has shown it is concerned above all about redirecting programs to make them of greater benefit to those Canadians who are most in need.

To do so, the Government is reconsidering tax exemptions which today mainly benefit the wealthier taxpayer. In the case of programs for the elderly, it was obvious that this amendment was necessary. Mr. Speaker, we must not forget that the Government has no intention of cutting benefits to low- and middle-income Canadians who are retired or are about to be. We are not only concerned that our social policy should be in line with the needs of these people or groups of people, we must also ensure that our income support programs are in line with our socio-economic objectives.

Bearing in mind the fact that the universal old age security pension is only part of the Federal Government's system of benefits and advantages provided for our senior citizens, we are fully aware that considerable improvements remain to be made to the system itself so as to provide for a better distribution of funds allocated under existing programs. Since the Government intends to consider carefully what is involved in each element of the system of benefits and advantages provided for the elderly, there is certainly no question of betraying the social commitment we made to the Canadian people several months ago.

Canadians have a three-tier pension scheme: the OAS program, the Canada Pension Plan—or the Quebec Pension Plan—and private pension plans. Since the OAS program was launched over thirty years ago, the Government has always urged Canadians to consider the basic old age security pension as a starting point on which to build their retirement income, and all our private or public retirement plans have been designed in light of that principle. That explains why most Canadians expect to get the old age security pension since they have contributed to the pension fund of others who have retired before them. We intend to make sure that people who are now planning for their retirement will also be able to rely on that source of income, like others who are now retired.

Anxious as we are to improve the benefit sharing formula which elderly Canadians now enjoy under our system, I want to say today that I fully agree with this progressive measure, Bill C-26. Mr. Speaker, I should think that most Members see nothing untoward in the purpose of this Bill to amend the Old Age Security Act. To understand the significance and scope of this amendment, one must compare the proposed and the existing formulas.

Now then, what exactly is the existing spouse's allowance program? It is a monthly allowance subject to a means test and offered to the 60-to-64 spouse of a retired individual who receives the basic old age security pension and the guaranteed income supplement.

Mr. Speaker, I should point out that the allowance is geared to income, in the sense that the higher the income, the lower the allowance. A recipient of the spouse's allowance who becomes a widow or a widower is entitled to the allowance until age 65.

Under Bill C-26, eligibility for the spouse's allowance program would be extended to a category of people, mostly women, who are most in need. Under the existing provisions, as we all know, the allowance can be paid only to the spouse of a pensioner, alive or deceased, who receives or has received the guaranteed income supplement. Estimates and recommendations in that respect made by the task force on pension reform show that 85,000 Canadians should benefit from this amendment.

Mr. Speaker, I should like to take this opportunity not only to express my support for this bill but also to answer the allegations make by our colleagues opposite who suggested that the bill is both discriminatory and incomplete. However, I remain convinced that, when they hear the arguments put forward during our sittings, our Liberal and NDP friends will

support Bill C-26 if they sincerely want, as they have always claimed, to assist our most needy citizens.

Of course, this amendment does not go far enough. However, we should not forget that this bill is only a substantial stage in the improvement of social justice and it should be emphasized that we are taking this step during a period of economic restraint.

The cost of such amendment which is supposed to come into force in September 1985 is estimated at $190 million for the next fiscal year but it is an expenditure that we have to make even if we remain conscious of the fact that the program is only a complementary measure consistent with the comprehensive development of our social policies. Under the present circumstances, we had to accept that partial option if only for two main reasons. First and foremost, we have to give recognition to those people in the 60-to-64 age bracket who have limited financial resources, but who made a very worthwhile contribution during their more productive years by coping with the daily problems of their families.

• (1540)

Besides this strictly humane consideration in the Bill, which is aimed at a group of married people whose needs can best be defined as being urgent, the Bill also has a political and social connotation. The extension of programs already existing within the structure of our system, derived as they are from the Old Age Security Act, is the fulfilment of our political commitments as well as the reflection of our obligations towards the less fortunate among our fellow Canadians.

Mr. Speaker, I was pleased to make these few remarks today, and I take this opportunity to congratulate my colleague the Minister of National Health and Welfare (Mr. Epp) on responding to the expectations of thousands of people whose daily existence is highlighted by hardships. I commend him as well for having had the courage to take action in spite of the precarious economic context, and to propose such major amendments to the social benefit structure. Most Canadians will welcome this initiative, for they realize that those changes are long overdue. The new provisions will cushion the impact of the increase in the cost of living and, in keeping with a more equitable redistribution of social benefits, give less fortunate Canadians another chance to raise their standard of living.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I have listened attentively to the fairly well written speech which was read by the Hon. Member for Duvernay (Mr. Della Noce) and which, obviously, was mostly aimed at praising the government for the legislation it is about to adopt. I have no basic objection to the fact that the Hon. Member wants to support Bill C-26. He sits on the government side. However, his speech had a major flaw in that he has failed to mention this bill's major shortcoming, namely, that single, separated or divorced persons and those who are not widowed will not be eligible for these benefits. I wonder whether the Hon. Member has no such people in his riding and whether he has not been pressured by such people who feel treated as second class citizen because they are excluded from the benefits of Bill C-26.

Mr. Della Noce: Mr. Speaker, I should like to reply to my hon. colleague. First of all, my riding of Duvernay is not so poor or unorganized as all that. One is fortunate to have the privilege of representing such a riding. I want to indicate to the Hon. Member, however, that I have not had many opportunities to discuss this issue with my constituents. I shall certainly discuss it with them, and that is the reason I am interested in this bill.

Yet, Mr. Speaker, I want to say that in view of the means at our disposal, it is a beginning and a step in the right direction. I indicated in my remarks that this was not yet quite enough, that this is only a beginning which we will be able to improve upon with the cooperation of all our colleagues, and I see an Hon. Member behind him who is very much interested in this issue. Moreover, Mr. Speaker, this requires money, and as soon as we have some . . . I agree that we should not penalize anybody.

[*English*]

Mr. Blaikie: Mr. Speaker, I was interested to hear the critical tone of the Hon. Member with respect to the role of the NDP on pensions. I wonder if the Hon. Member has taken enough interest in the history of his Party to know that in 1926, when the first pension was introduced, the Conservative Leader of the day, Arthur Meighen, remarked that it was a social evil and that we would all come to regret the notion of pensions and providing income for the elderly. That is the historical inheritance of his Party. It is an attitude which has not completely disappeared.

The Hon. Member acknowledged that there was more work to be done. I regret that he was not more specific. There are a number of areas in which the Government could have acted. One area which comes to mind is the improvements which could be made to the pensions for CNR and CPR pensioners. We are all aware that the Standing Committee on Transport is looking into this matter and will either have a subcommittee or the whole committee look at the question of railway pensions.

Time and time again CN pensioners have made a good case for having the status of their pension fund, and the need to be able to get more out of that fund, reviewed by the Government. CN pensioners have received support for that stand from Members on all sides of the House. The same is true of the position which was taken by the Canadian Pacific Railway Pensioners' Association. CP pensioners also need to have the status of their pensions reviewed. Many pensioners who retired 10 or 20 years ago are in bad shape with respect to the ability of their pensions being able to match the purchasing power that those pensions once enabled them to have.

I know that the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) has given support to that cause in the past. I hope, now that he is on the government side, that he will have the opportunity to make representations and to get action with respect to Canadian Pacific pensioners and Canadian National pensioners. Over the years those pensioners contributed a great

deal to the building of the country. Many of them are very elderly and in need. We owe it to them, through any sense of justice which we might collectively hold, to get the CPR and the CNR to loosen up the purse strings and provide those elderly pensioners with the income they deserve.

Mr. McKenzie: Mr. Speaker, I would like to respond to the comment which was made by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). As of yesterday, I received a communication from the Minister of Transport (Mr. Mazankowski) which indicated that action will be taken on the railway pensioners' situation. The Minister is quite familiar with the problem. I think there have been enough studies on railway pensioners; therefore I am pressing for fast action with respect to CN and CP pensions.

Mr. Della Noce: Mr. Speaker, I would like to respond to my hon. colleague from the NDP. I have only been here for four months. I am sad that my colleagues in the Opposition always talk about the past. I was not even born in 1926. I am surprised that his Party criticizes the Government as it does. I believe the NDP should be the first to join us in something positive. The NDP should not be concerned with 1926. I am concerned about 1985 and 1986, because I too have old people in my constituency.

[*Translation*]

Mr. Speaker, I can repeat what I said earlier, namely that it is a beginning. It is certainly not enough. I find this initiative interesting and I am sure we could do more if we had more money, but this first step represents progress, and I am ready to defend my party. I am proud of being here to do so.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I recognize that the Hon. Member for Duvernay (Mr. Della Noce) has some talent in the field of energy, but he did not impress us today in the area of social legislation. He had a good speech prepared by the Library, but I would like to ask him one question.

● (1550)

I would like to know, and this is the question that I ask all Conservative Members of Parliament, how, in all conscience, the Prime Minister could decide that a widow or widower aged between 60 and 64 with a very low income could be facing more hardship than someone else in the same situation who is only separated.

I understand that the Minister of Consumer and Corporate Affairs (Mr. Côté) could make a compromise to please everyone where the metric system is concerned, but this bill deals with human beings. I am convinced that this legislation affects people even in the constituency of Duvernay as it concerns a total of 80,000 people, including 30,000 in Quebec. In all conscience, how can the Hon. Member say that he will help only half of them this year? Would it not have been better instead since he is an energy expert, to take the increase of three cents a litre on the price of gasoline and use it to help these 80,000 people? Would this not have been better?

The Acting Speaker (Mr. Charest): The Hon. Member for Duvernay (Mr. Della Noce).

Mr. Della Noce: I will speak briefly, Mr. Speaker. First of all, I would like to thank my colleague for his kind words. It is a fact that I worked for 20 years in the energy area trying to make a positive contribution. I would now like to reassure my colleague that my conscience is perhaps more at peace than his own. I can also tell him that the last increase in the price of energy is not 3 cents but only 1.1 cent. If you want to go back to 1942, as my colleague did, it is another matter but if you refer to the tax last year, it is also a different thing. You have been here for a very long time and you may have more experience than I do on the matter, while I have more in the energy sector, but we are now dealing with Bill C-26. What did you do in the past to improve the program? We are trying to improve it and you had the opportunity to state your views. Perhaps if I had been here for 8 or 10 years, gas would not now be that expensive in Quebec.

[*English*]

The Acting Speaker (Mr. Charest): The period for questions and comments has now expired. We will resume debate.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am delighted with this opportunity to contribute to the debate on Bill C-26, whose purpose is to extend the spouse's allowance by providing a similar allowance for widows and widowers. We agree that widows and widowers in this country between the ages of sixty and sixty-five, many of whom are in need, certainly deserve and need Government assistance. That is why our Party is in agreement on the principle of the Bill and will support a measure to have this allowance paid to widows and widowers in this country. However, Mr. Speaker, although the Bill as such is a good piece of legislation, it is incomplete. As other Hon. Members mentioned earlier, there are many Canadians in the same age group who are just as much in need and are facing problems similar to those faced by widows and widowers, and I am referring to people who are single, separated or divorced or have any status other than that of widow or widower. They will be getting nothing. In fact, the numbers involved are quite considerable. Bill C-26 will benefit about 85,000 widows and widowers in this country. However, there are 80,000 Canadians who will receive absolutely nothing as a result of this measure. That is why we on this side of the House say it is a discriminatory measure.

I advise all Members of this House, and especially those on the Government side who are supporting this Bill, to listen very carefully to their constituents. What are people talking

about in homes for senior citizens, at senior citizens' clubs and meetings of the AQDR? What is being discussed around the bridge table? One woman says to her friend: You are lucky to be a widow because on September 1, you are going to get an allowance. Why is the Government doing this? My income is less than yours, and just because I am single, I will not get the allowance. The elderly do not understand. They do not consider that their marital status should make a difference. To us, this measure is extremely discriminatory because it only helps half of the people who should benefit from it. Even the Government Members who support this Bill agree this is true. The Hon. Member for Duvernay (Mr. Della Noce) who spoke earlier said in reply to a question by one of our Members: It is a good Bill but it is not enough. It certainly is not enough if we are going to neglect part of the population in favour of another.

For instance, why are so many elderly women in this country living below the poverty level, in utter poverty? Because in most cases, these people on low incomes depend on welfare. Hon. Members are aware that welfare benefits provide less money than old age security benefits or the spouse's allowance. This means that all senior citizens between sixty and sixty-five who are not receiving allowances and are living on welfare are looking forward to the day they turn sixty-five, when they will be eligible for a federal pension.

What about the philosophy of the Progressive Conservative Party which the Prime Minister has expounded so many times in this House and which, if we are to go by his words, is to help those who are in the greatest need? Can we identify in our society people who are in greater need than those people on low incomes, between the ages of sixty and sixty-five, most of whom are women? If the Government is serious when the Prime Minister says that his priority is to help those who are most in need, the Government would extend these allowances to cover, without exception, Canadians who are single, separated or divorced, as well as those who are widowed. On the Government side they will say it is a matter of money. Of course, the whole Cabinet and the whole Conservative Party have been mesmerized by the sharp knife being wielded by the Minister of Finance (Mr. Wilson) in an orgy of cutbacks.

The Hon. Member for Duvernay said that it would already cost $190 million to make the allowance available to widows and widowers. Clearly, the question we are entitled to ask is this: If we want to include those who are single, separated, divorced and so on, where are we going to find the money? Well, Mr. Speaker, I can suggest one way of finding the money that is fast and fair in my view.

When the Minister of National Health and Welfare (Mr. Epp) recently introduced his white paper adorned with a blue cover, to redistribute the money that goes into family allowances, child tax credits and exemptions, he started with a fiscal attack on middle-income citizens, withdrawing the equivalent of $571 million in benefits and redistributing only $161 million to the people most in need, to the families in need. The Opposition criticized this action saying that it was giving a meagre 48 cents a day to those really in need. Something must be kept in mind however, namely that out of the $571 million which the Minister will be taking from the pockets of Canadians, of average workers, only $161 million will go to the neediest. Where then is the balance going? Well, the federal Government is saving $80 million and the Provinces are getting $330 million.

Those $410 million are more than enough to extend benefits to those people who are single, separated or divorced. Why give $330 million to the Provinces, which are mostly run by the Conservative Party? In my view, a much better use would be made of that money if it were directed to senior citizens who are now subjected to crass discrimination by Bill C-26. So let not the Progressive Conservative Party pretend they do not have the money needed to extend the allowance to people who are not currently covered by the legislation.

In fact, since the Minister is about to launch his $571 million fiscal attack on middle-income workers, he should redistribute the benefits he will reap to those who need them, including our senior citizens, rather than funnel most of the funds to his Conservative friends in the provincial governments.

• (1600)

Mr. Speaker, eventually we will be referring Bill C-26 to committee. We will do so because we want associations representing senior citizens, such as the AQDR, to be able to appear before the committee and explain to the Minister of National Health and Welfare (Mr. Epp) how discriminatory his legislation is because it only gives benefits to half of the people who deserve them.

We are certainly not impressed by the threats and claims being made by the Government House Leader who says that we are trying to delay the implementation of this measure. In any case, the Government does not expect the cheques to reach senior citizens before September 1. In fact, we think that is far too late, and we will certainly have finished talking about the subject well before September 1.

As soon as we manage to make Hon. Members on the other side of the House understand that half of the people who should benefit from this measure will not, one of the first questions I would ask is: Why wait until September? This measure could be made effective at an earlier date.

We want the Bill to go to committee because we intend to propose changes. However, considering the changes we wish to see, namely that single, separated or divorced Canadians will also be eligible for the allowance, it will be difficult to propose amendments of this kind, in committee, to Bill C-26 as it is now, with a royal recommendation that only covers those who are widowed. We will not be able to propose an amendment to

include others who are not covered by the measure because this would require a change in the recommendation.

I think the Government House Leader . . . the Minister of National Health and Welfare should consider this aspect and change the Bill here in the House by providing a new royal recommendation, so that the Bill can be referred to committee in a form that is equitable and non-discriminatory.

Mr. Speaker, I warn the Government that we on this side of the House, and especially the Liberal Members, are looking into ways to ensure, by proposing amendments or through any other form of parliamentary action, that this Bill is changed, because although we are in favour of giving allowances to widows and widowers, we do not agree that people who are separated, single or divorced should be excluded. I warn the Government that this Bill will not be given an easy passage through Parliament unless the discriminatory aspects it contains are removed and this is done before the Bill goes to committee. Those were my comments, Mr. Speaker.

The Acting Speaker (Mr. Charest): Questions and comments.

[*English*]

Mr. Stackhouse: Mr. Speaker, I listened with great interest to the passionate plea that the Hon. Member for Saint-Jacques (Mr. Guilbault) made in his argument. It must have been very discouraging for him to make it in the name of the Liberal Party when no member of his Party was present until one came in during the last few minutes of his speech. Nonetheless, he made his speech with enthusiasm but I had to wonder why the enthusiasm was so long delayed.

He kept asking: Why is this benefit not extended to people who have suffered marriage breakdown or separation and living on their own? I suppose the answer could be, for the same reason his Government could not provide that benefit during the long years it was in office. The Canada Pension Plan has been in existence since the mid-1960s. It existed during years of government surpluses. Now we have a deficit. Yet during all the years of prosperity his Government enjoyed, it did not once expand this benefit to cover the people for whom he is now the self-appointed advocate.

We are doing our best as a Government, Mr. Speaker, during a time of great deficits. We could have a very strong case to make for not doing anything at all in view of the financial needs of the country. In spite of that, this Government is taking to heart the needs and claims of people in their sixties who require this kind of social assistance. Instead of ending his speech with the threat or warning he gave, I wish that, on behalf of those people, he might have ended with an assurance of support for this Bill.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, it is indeed funny that the Hon. Member would have the nerve to rise in this House and accuse the Liberal Government of having done nothing for the elderly in this country. The seniors of this country know better than that. They know that successive Liberal Governments passed legislation for their benefit and improved on that legislation year after year. What he is telling the seniors of this country in his remarks is simply that we are not going to do it because the Liberals did not do it. If that is his answer to the people of this country, let it stand on the record.

As far as we are concerned, we are doing our job in the Opposition. We are not on that side any more. If I was on that side I would plead for the seniors of this country, the same as I am doing here. But I am doing it from the place the electors of this country have given me.

The Conservatives accused us during the whole campaign of not doing right for years and now the Member is saying they are going to do just like the Liberals and not help the singles, divorced, the separated and so on. Let that be his stand, Mr. Speaker.

Mr. Stackhouse: Mr. Speaker, the fact is we are not taking a stand-pat policy. This Bill is taking us further, even further than the financial situation might justify if we wanted to take our stand there. We are going beyond those limits and taking this country into a social program where it could have been years ago if the Liberals had had that social consciousness when they had the opportunity.

[*Translation*]

Mr. Malépart: Mr. Speaker, after listening to the remarks of the Hon. Member who has just spoken, I would like to make a comment and ask a question to my colleague. Obviously, he does not know anything about social issues. Among other things, he asked why the Liberal Government did not do anything.

I will enlighten the Hon. Member and tell him why the previous Liberal Government did not do anything for people living alone and aged 60 to 64. It is simply because, between 1980 and 1984, people aged 65 or more and living alone were below the poverty line and, unlike the Progressive Conservatives, the Liberals did not see any point in taking half the benefits from poor people to give them to other poor Canadians so that they would all be equally poor. The first thing to do would have been to use the guaranteed income supplement to increase the income of people aged 65—people living alone or couples. I would remind him that the Government raised the guaranteed income supplement by $35 in 1980, $17.50 for each spouse, and in the last budget there was another $50 monthly increase in the guaranteed income supplement and the spouse's allowance for people living alone. I might also point out that, contrary to what the Hon. Member has just said, the Liberal Government promised during the election campaign that all needy individuals—married, couples or people living alone—would be eligible at age 64. That was a commitment.

It so happens that the Bill has been introduced by the Progressive Conservatives. The Hon. Member might honestly answer this question: Why would a widow suffer more hard-

ships than a single person with a similar income? Why that person? Some 165,000 Canadians are in the same situation, their standards are identical, so why make a distinction? As far as the money is concerned, would he not agree that instead of spending $36 million to change the colour of the uniforms of our—

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), but he knows very well that his questions ought to be directed to the Hon. Member for Saint-Jacques (Mr. Guilbault), not to the Hon. Member for Scarborough West (Mr. Stackhouse). I take this opportunity to draw this to your attention, and give you a chance to "redirect" your questions if you wish. The Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understood that the question was for me because I made the main speech. To reply to my colleague from Montreal-Sainte-Marie (Mr. Malépart), I can obviously not speak for the Progressive Conservatives and tell the Hon. Member why they took such action. They tried to improve a program introduced by the previous Liberal Government. The spouse allowance is basically a Liberal initiative introduced by the previous administration. We are not blaming the Members opposite for taking a step in the right direction. The reason for our criticism is that they are not taking the second necessary step.

When introducing social legislation in this House, the Liberal Party of Canada never proposed discriminatory amendments and this is what is happening now. What we find objectionable in this bill, and this is why we are trying to improve it, is its discriminatory nature. Otherwise, we believe of course in giving money to widows and widowers, Mr. Speaker.

The Acting Speaker (Mr. Charest): Still on questions and comments? The Hon. Member for Gaspé (Mr. Marin).

• (1610)

Mr. Marin: Mr. Speaker, I found it interesting and enjoyable to listen to the comments made by the Hon. Member for Saint-Jacques (Mr. Guilbault). These comments were all the more interesting since his speech seemed to deal more with the facts than with the circumstances. Naturally, like everyone else in this House, the Hon. Member for Saint-Jacques is aware of the problems facing Canadian men and women between the ages of 60 and 65. He suggested, which I found interesting, a means to take what he called the second step. It would seem that this was not considered to be the best option by the Minister of National Health and Welfare (Mr. Epp). However, it would be interesting to know whether or not when it is impossible to take two steps at the same time, it would be better to stand still. I believe that following the studies and initial consultations of the Conservative Government it was decided that it would be better to take a first step and do something for widows and widowers between 60 and 65. Why that particular group? I could perhaps simply reply with a rhetorical question. It is perhaps because it was in the interests of justice to provide widows and widowers with some of the social benefits earned by their spouses during their lifetime.

The Acting Speaker (Mr. Charest): Questions and comments are now over. The Hon. Member for Lotbinière (Mr. Tremblay).

Mr. Maurice Tremblay (Lotbinière): The Chair is very kind, and I am most grateful.

Mr. Speaker, it is of course with very great pleasure that I join previous Hon. Members in support of the proposal in Bill C-26 dealing with the spouse's allowance.

First I would like to remind the House that this is not really a new piece of legislation, but rather an amendment to an existing statute. Clearly, the Bill implements the policy outlined in the Throne Speech of November 5, 1984, by extending the spouse's allowance to all low-income widowers and widows aged 60 to 64, irrespective of the age at which their spouses deceased. Of course this proposal is aimed at improving the financial situation of a group of Canadian men and women who are specially vulnerable. It is estimated, as was said earlier, that some 85,000 people will benefit from it or, it is important to stress it, something like 72,000 widows and 13,000 widowers. Also, this group represents some 61 per cent of all widows and widowers in that age group.

For the fiscal year 1985-86, that measure will entail extra expenditures totalling $190 million, and for 1986-87, that is a full fiscal year, totalling $350 million. Most widows and widowers close to 65 years of age and not entitled to old age security pensions are in urgent need. This is a tremendous step forward, an improvement—and I stress the word—in the help provided to people nearing retirement age.

In the speeches that have been made today on this Bill, we have heard the Official Opposition yelling at what they chose to call discrimination. Mr. Speaker, clearly as the Government Party we have many lessons to learn. But for the Official Liberal Opposition to try to teach us lessons in that way, is going a bit too far! Talking about discrimination, apparently they are referring to the meaning in their dictionary. And to that same extent, not being in power but in opposition would also amount to discrimination. Or again, how else can one explain that the Act we are amending with this proposal needs to be amended? Was there discrimination before?

I would remind you that it was in 1979, under a Conservative Government, that the spouse's allowance program was amended in order that all widows in need should keep on getting the allowance until age 65. Mr. Speaker, they had every opportunity to get rid of that "discrimination" they are referring to. They are bringing the debate down to a level that

suits them well, a very low one. Either wilfully or by ignorance, they make no difference with the concept of discrimination in the legal sense of the term. A distinction must be made between a right and a service. Otherwise, discrimination can be seen everywhere.

Mr. Speaker, it is all too easy to refer to particular cases encountered in our ridings and say that so-and-so, being separated or divorced, is not eligible for the spouse allowance. It is all too easy to underestimate the scope of the legislation and raise a special problem or the case of a citizen who will not be eligible. What we should consider, Mr. Speaker, is the bill in its entirety. As mentioned by other speakers, a move in the direction suggested by the opposition would represent a $1.5 billion cost in a single year.

I would remind the Liberal party that in February last year, their Minister of Finance realized that the treasury was empty. He announced that, from last October, if I am not mistaken, the sales tax would be increased by 1 per cent. Already in February, the government knew that their coffers were empty. At the beginning of the election campaign, they realized they were in trouble—I will refrain from referring to their shameless waste—that they were going to be beaten. The Canadians, who witnessed the whole thing, literally evicted the former government.

Mr. Speaker, we are proposing a series of social and economic measures, because it is fine to set up the best social structure in the world but without a sound economic system, short term measures will not go far enough. A moment ago, the Hon. Member for Saint-Jacques (Mr. Guilbault) said that we were providing funds to the provinces. We said from the start, and it can be confirmed now that we are in power, that we would go through a period of consultation.

• (1620)

As I have expressed or stated on previous occasions, Mr. Speaker, there is no magic formula to any system. There are, on the other hand, favorable attitudes and resolves. In short, what is needed or what we think is needed is to convince the various levels of government to reach a consensus and pull together in the same direction with all interested parties being involved, so that we can truly improve the economic framework and, ultimately, update our social legislation accordingly.

I would be delighted to deal today with a bill that would include all the people who are currently excluded from this bill, but we must realize that this laudable objective must be supported by reality; in view of the situation we have inherited, we have chosen to act in a reasonable way. There is something which becomes clear when we return to our own ridings: the Canadian people are aware that this Government is trying to act in a responsible way, because of the manner in which we administer the country and the direction we set for all Canadian men and women. I have had opportunities and I will have more opportunities to meet with senior citizens and discuss with them the legislation from which they will benefit or not benefit. When we explain to them how things stand in a calm way, not in the vociferous way which the opposition seems to prefer, when we take the time to examine the situation and explain the development and progress, first of the situation we have inherited, and second the steps we have taken to improve this situation, the people are all for us, they congratulate us, and one can sense a feeling of hope which we will not disappoint.

In this context, Mr. Speaker, I should like to congratulate the Minister of National Health and Welfare (Mr. Epp) who, in spite of very difficult circumstances and within a very short time, has managed to put an end to the old discrimination imposed by the previous government. We are gradually opening the gate, and from the legal point of view, this is no longer a form of discrimination, but rather a breakthrough toward short and middle term improvements which we aim to bring to full achievement.

I am pleased, therefore, to support the provisions of this Bill and I am sure that my colleagues will do likewise.

The Acting Speaker (Mr. Marin): Questions and comments. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has the floor.

Mr. Malépart: Mr. Speaker, I have been listening to the Hon. Member who just spoke, and I must say that I miss the former member for Lotbinière, as do the people in his riding, I am sure, because he was not here simply to sell the Government's wares. He was here to truly defend the interests of his constitutents.

Mr. Speaker, the comments I have just heard . . . He said he removed one discrimination and created two others, Mr. Speaker. This is true Tory policy. I know that in Quebec, all those Members are not true Tories, because some of them happened to be last-minute Conservatives. But not the Hon. Member who just spoke. He is a Conservative to the core. He could easily live in the West with all those Conservative Members. I would like the Hon. Member to tell us when he goes to his constituency office, when he goes calling on senior citizens' clubs, how he is going to respond when someone says to him: "I have worked all my life, I have raised children, I have paid taxes like everyone else, but it so happened that I have had to separate." We know there are programs and initiatives for the benefit of battered wives. That someone will tell him: "Should I have stayed on and kept being battered in order to qualify? How come you, the Member of Parliament for Lotbinière (Mr. Tremblay), did not stand up and fight for me? You said you were taking a short step forward. Then how come the Minister of Justice said: "We are going to increase the judges' salaries, they only earn $100,000?" What will the Hon. Member for Lotbinière answer to that?

Mr. Tremblay (Lotbinière): First, Mr. Speaker, I would like to say this, if I may: I have never heard the Hon. Member for

Montreal-Sainte-Marie (Mr. Malépart) strongly object to his personal salary increase effective as of January 1st of this year. Never! He has not uttered a word in that regard.

About his question concerning separated people, as I said a moment ago, Mr. Speaker, obviously we would prefer to extend this allowance to them as well, and we are working towards that. However, circumstances are such that we have to consider the situation as it comes. I would like to point out to the Hon. Member that he and his colleagues have had every opportunity in the past, having been in power not just for six months but for a good many years, to amend the Old Age Security Act and eliminate all those discriminatory provisions he has been referring to. That benefit was already extended to the widow under 65 years of age, providing her husband had been receiving it. However others did not get it. So that was discriminatory, according to his own way of thinking. And speaking about women who are separated from their husbands as opposed to widows, you know full well, Mr. Speaker, that short of knowing the future or being instrumental in that decision, widowhood is a state that occurs unexpectedly, without warning. It is an act of God which is beyond one's control. Things are altogether different with those who are divorced or separated. I do not know what the Hon. Member for Montreal-Sainte-Marie is referring to, whether he is personally in this situation or friends of his are, but one thing is sure, our ultimate goal is to improve the situation of those people. But right now, we must choose our priorities. Considering the limited financial resources available to us at this time as a result of the situation we have inherited, we believe that those widows and widowers should benefit without delay from this spousal allowance, even before those who are separated or divorced from their spouses.

Mr. Malépart: The Hon. Member is entirely mistaken when he says that I never discussed my salary. When I was a Member of the Quebec National Assembly in 1973, there was a debate on a salary increase, and, my colleague could bear me out, when the vote was held I recall that the six P.Q. Members at that time acted like hypocrites in voting against, only to pocket the increase afterwards. What did I do? I took the salary increase cheque voted under Robert Bourassa and gave it to community groups in my riding. That answers his first question.

Mr. Speaker, I find it shocking to hear him say a widow is more sorrowful. He does not know anything about this legislation. He says that one becomes a widow overnight. Mr. Speaker, there are widowed men and women who have been in that situation for ten years and will become entitled to the benefit; this will not come as a surprise to them. As for divorced people, divorce is no more surprising, people are not unhappy. As for single people—Come on, stop joking! Since when should we draft a social legislation on the basis that "this particular group of people is more distressed"? That's going back to the 1880s!

• (1630)

I would like to know what the Hon. Member thinks, and whether he still maintains that the woman who has been a widow for the past ten years is in for a surprise on September 1.

Mr. Tremblay (Lotbinière): Mr. Speaker, even if it means repeating myself, again, it has nothing to do with the number of years that one has been a widow or a widower. I simply said that one becomes a widower or a widow through the whims of fate, it is a factual matter. It it not the same for people who are separated or divorced, even though again we are aware of their status and we are concerned about them. When the Minister introduced or tabled the Bill, he actually said that. We want to correct this situation eventually but at present, we give priority to widows and widowers who need it. As a Government, we have set that priority just as the people have set the priority for the Progressive Conservative Party to lead the country and for the Liberals to be in opposition.

Mr. Tardif (Richmond-Wolfe): Mr. Speaker, first I should like to tell the Hon. Member for Lotbinière (Mr. Tremblay) that I would gladly do without the 2 or 3 per cent raise we received in January if he is ready and willing to vote against that bill.

Second, I totally agree with the Hon. Member that this legislation could be wonderful in theory if it were fair and equitable. But in its present form, it is perfectly scandalous and totally discriminatory. I believe the Hon. Member is a lawyer. Although I do not have any figures, he will probably be able to demonstrate that separated or divorced women are probably in a worse financial situation than most of the widows. What should you answer to these separated or divorced women when they ask you why they are not eligible?

Mr. Tremblay (Lotbinière): Mr. Speaker, you have been kind enough to recognize me again. I will make the best of it although it is not enough to repeat oneself to get through to the opposition.

I would remind the Hon. Member that even before this Bill is adopted, our legislation contains a provision granting the spouse allowance to widows under 65 years of age whose husband received the old age pension. In a way, it is a discriminatory measure according to either the French or the English definition of the word, but it should be considered in the context of its social and legal definition. My hon. friend seems to be a bit confused, and it is quite normal since some Hon. Members are boasting and claiming that they are ready to give up their 2 per cent. But they have been getting it for a few months, two months to be exact, but as soon as we push them a bit, they suddenly agree to give it up. But it is too late and too little!

Mr. Malépart: Mr. Speaker, the Hon. Member should first understand what is the currently available spouse allowance.

This allowance is not meant for the widowed, otherwise we would have no need to introduce a bill. He is a lawyer and I am a "people's lawyer". So, I imagine that I have a better understanding of the world. At the present time spouse allowances are being paid when one spouse gets the Old Age Security Pension and the Guaranteed Income Supplement and the other, between 60 and 64, is eligible. We are the ones who introduced the spouse allowance and it was not meant for the widowed persons. Moreover when he speaks of the Opposition's role, let me tell him that without the work of the Opposition Members, both Liberal and NDP, and of certain groups, the Tories would have put an end to the universality of old age pensions.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in my years as a Member of Parliament I have not very often spoken on the question of pensions because until the election of 1984 my friend and colleague, the former Hon. Member for Winnipeg North Centre, was the one Member among all Members of Parliament, and certainly of our Party, who spoke most often on this issue. He put the case for improving the lot of senior citizens, of those who were retired, if not every day, certainly it was every week.

I am pleased to participate in this debate. The pension plan was begun in Canada in 1926 because of the efforts of the then labour Members of Parliament from the constituencies of Winnipeg North Centre, then represented by the Hon. Stanley Knowles, and Winnipeg North, then represented by Mr. Heaps. After the election in 1926, no Party had a majority, so those two Members wrote to the then Leader of the Conservative Party, Mr. Meighen, and the then Leader of the Liberal Party, Mr. King. They said that they would support whoever of them promised to bring in a pension plan for retired people. Mr. King responded to that proposal and brought in a pension plan. It was $20 per month for people aged 70, with a means test. It was a very small beginning, but it was the beginning.

The pensions of retired people were very low for many years. It took continuous agitation by members of my Party and its predecessor, the CCF, and the threat of elections to get Governments to improve pensions. In the 1960s we urged the then Liberal Prime Minister, Mr. Pearson, to increase pensions to $75 per month. Mr. Pearson was loathe to do it because he said that the country could not afford it. From my experience in Parliament I do not think we ever made a more important improvement in the lives of people than when we indexed pensions during the minority Government of 1972-74.

Mr. Dick: It was a Conservative initiative.

Mr. Orlikow: I hear the Hon. Member. It was a Liberal minority Government and the New Democratic Party—

Mr. Dick: Bob Stanfield suggested it first.

Mr. Orlikow: It was NDP Members of Parliament who told the then Liberal Government that unless it brought in the indexation of pensions, it would be defeated. Indexing pensions or tying them to cost of living increases has been the salvation of pensioners. Without it pensioners would still be waiting from year to year or would still be running hat in hand to whichever Party formed the Government to obtain the improvements they needed.

We have indicated quite clearly that we will support the Bill, although it meets only a small part of the needs of older citizens. It extends the benefits now provided to elderly Canadians to widows and widowers in the age group of 60 years to 65 years. That is an improvement. We support it. As was indicated by members of my Party who spoke earlier, this has been advocated by us for years and it was ignored and rejected by previous Liberal Governments. I find it passing strange that Liberal Members have risen during this debate to ask the Conservatives why they are only taking the first step and not taking the second step to cover people between the ages of 60 and 65 who were never married or are separated. The Liberals would not even take the first step when they formed the Government. Now they are saying to the Conservative Government that it should take the second step. We are where we have always been. We say that the people between the ages of 60 and 65 need to be covered by these programs, not just those who are widowed and widowers, but all those in that age group, including those who were never married or who are separated.

• (1640)

The problems of older women include poverty, loneliness, poor health and poor housing. Increasing the pension as we are doing only meets a small part of the problems and difficulties of older Canadians. The Canadian Council on Social Development estimated that the poverty line for a single person in 1982 was $7,925 a year. All those whose income was below that live in poverty.

We know that 600,000 older Canadians receive income below the poverty line and that more than half of them have incomes at least 25 per cent below that. Women are much more likely to be included in that group than men. Very often women have no pension at all, no insurance and no income except welfare because they have only worked in their homes raising their families.

I am sure I am not the only Member of Parliament who received letters on this. Approximately two years ago I received a letter from a woman in my constituency. I want to place part of that letter on the record. I quote:

> I am over 60 and a widow. We did not pay into the pension fund as we did not earn much. My husband was sick for quite some time. He died one month before his sixty-fifth birthday in 1975. I was told we have to draw the line somewhere. I happen to be on the wrong side of the line.

She could not get the assistance we felt she was then entitled to because the Liberals did not believe the country could afford it. We get the same argument today from the Conservative Government, saying "We cannot afford now to give this benefit we are giving to widows and widowers to people who were never married or who are separated". Women nearly always worked at jobs in the lowest paying sectors of society. Almost always the employers provided no pension plan. Our

pension system still leaves a great deal to be desired. We in Canada like to think that we are generous, that our country does the most for our seniors citizens. Nothing could be further from the truth. We are way behind most countries in western Europe. They do much more for their pensioners than we do.

Less than half of all working Canadians are covered by private pension plans. Only 38 per cent of full-time employed women are covered by such plans. If you look at our present pension system, you see that while the old age security, guaranteed income supplement, and the Canada Pension Plan are indexed and tied to the cost of living, private pension plans are not indexed. People retire, the cost of living goes up sharply and no adjustment is made. Most private pension plans are not vested, so people who change jobs lose most of the benefits they should have earned.

Private pension plans do not help women who earn less and work fewer years than men. Only one-third of those who receive Canada Pension Plan benefits are women and their benefits are about 40 per cent less than the benefits received by men. That is why we are so concerned about this legislation and why we say it does not go far enough.

We have been told again and again by Conservative Members of Parliament including the Minister, that this is the first step, that this is all we can afford now. That is not what Conservative Members of Parliament were saying before the election. They did not say they would move very slowly. I wish to put on record a few of the promises made by Conservative Members of Parliament. *The Toronto Star* for August 16, 1984, just a few months ago, quoted the Prime Minister (Mr. Mulroney) as saying:

—many elderly women live in poverty "and it is the obligation of the state that we provide more than just subsistence against poverty . . . and that's why this matter . . . should be addressed in the very highest priority at the next session of Parliament."

Now we have this legislation. It improves the lot of widows and widowers between the ages of 60 and 65. Let us compare what it does with what the Prime Minister was saying last August. After this legislation is passed, most people who will benefit by it, and I do not question that they will benefit, will still be living in poverty.

Let us look at a speech made by the Hon. Member for Kingston and the Islands, now Minister of Employment and Immigration (Miss MacDonald), on May 10, 1984, when she moved a motion of non-confidence in the then Liberal Government dealing with the plight of elderly Canadians. I wish to read a few excerpts from that very eloquent speech in which she put the case for helping seniors in this country. She painted a picture of the plight of our older citizens much better than I can do. I will put on record a few sentences from the speech. I quote:

The fact that we have 600,000 elderly Canadians living in poverty in a country as rich and bountiful as Canada, in a society supposedly as compassionate and humane as ours, is a national disgrace.

It was a national disgrace in 1984 under a Liberal Government and it is a national disgrace in 1985 under a Conservative Government. The only thing that has changed is that the Conservative Members who were then on the opposition side of this House have moved to the other side and are now the Government. She further states:

For the people who have, throughout their lifetimes, worked for and contributed to the development of this great country, there is only a promise trotted out time and time again that some day, some time, they too will become a priority.

Those words were true when she described the attitude of the then Liberal Government. Those words are still true under this Conservative Government. Since bringing forward this legislation, the Conservatives have been saying time and again that they are taking this small step and making this improvement now, but some day, some time when the money is available and the economy is better, they will move another step or two. It reminds me of an old World War I song which said "You will have pie in the sky when you die". People will have pie in the sky if they wait for the Conservatives to do much for the pensioners. She then said, apropos the then Liberal Government:

We condemn it not only for its failure to introduce legislation that would meet the current needs of today's elderly poor, but also for its failure to bring about long overdue pension reform of the whole system so that we can ensure that the poverty of today will not be meted out to those who will be senior citizens in 10, 20 or 30 years' time. We must begin to come to grips with this issue and reverse what is happening.

● (1650)

Those were very, very eloquent words. The Minister was enunciating a very important principle.

The fact that the Minister has moved from the opposition benches to the government benches has not lessened the importance and truth of what she said less than a year ago. The position of our senior citizens is as bad now as it was then. As she said then, 600,000 of them are living in poverty. I would ask how many fewer will be living in poverty as a result of this relatively minor change we are debating today.

We will support this proposal as we have, over the years, supported any proposal which would bring the slightest degree of improvement to those retired Canadians. We say, as the Minister said a year ago, that senior citizens have worked and contributed to the building up of this country. They have contributed toward building one of the most prosperous countries in the world. They contributed whether they worked on a job or in the home helping to raise their families. They made their contributions and are entitled in their retirement years to live in comfort and dignity. Too many of them do not live that way. We say that while we will support this Bill, it simply does not go far enough.

Let me conclude by indicating some of the measures which we think are required if we are to provide for retired citizens the kind of life to which we believe they are entitled. Community care facilities like adult day centres, home care and community health centres should be financed and expanded as practical alternatives to the expensive institutional care we have now. Housing for older Canadians is still far from satisfactory. Despite the efforts of the Government and of non-profit organizations, thousands of older citizens still live in

single rooms. We need to increase accessibility to non-profit housing for older Canadians. Last, and this will not solve all of the problems of senior citizens, we need to amend and improve the Old Age Security Act. The amount paid to a retired citizen must be raised so that no retired Canadian will live in poverty as so many of them do now. We need to increase the amount paid to pensioners and the pension must be fully indexed. Until that is done, members of this Party will not be satisfied with the proposals made by the Government.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Stackhouse: Mr. Speaker, I listened with great appreciation to the speech of the Hon. Member and especially to the historical discourse he gave at the beginning of his speech. I certainly join with him in acknowledging the significant contributions made to the history of pensions in Canada by the late James Woodsworth and by Mr. Stanley Knowles. However, to be complete and accurate, as I am sure the Hon. Member would want us to be, he should have acknowledged at least two other significant contributions. One of them was the leadership given by the Right Hon. John Diefenbaker. In 1957, after having been elected partly on his commitment to increase old age pensions to a reasonable amount, he carried forward expeditiously the fulfilment of that promise, raising pensions from the inadequate $46 with which the Liberal Government had been content to $70 a month. That may not seem to be much to us now but in terms of 1957 dollars, it was an impressive amount.

I would also want history to include the very important contribution of the Hon. Robert Stanfield. In the election campaign of 1972, it was Bob Stanfield who introduced to Canada the idea of indexing old age pensions so that old age pensioners would not be the victims of inflation and so that the Government would not make a profit on inflation. During the campaign, that idea was derided by the Liberal Government of the time but—

Mr. Blaikie: Not the NDP.

Mr. Stackhouse: Maybe not, but the idea was introduced and pioneered not by the NDP but by the Progressive Conservative Party and its Leader. The idea received such approval and support from the media and the Progressive Conservative Party came so close to winning that election and forming the Government that the Liberal Party, clinging to office by the skin of its teeth, was shamed into introducing a proposal that it had derided during the election campaign. That was a very important addition to social improvement in Canada and it ought to be included in any record of such improvement.

Mr. Orlikow: Mr. Speaker, in the few moments I took to put on the record the parts played by two Members of Parliament from the part of Winnipeg which I represent, Mr. Woodsworth and Mr. Heaps, in getting our pension system started, I of course did not deal with all the people who worked for improving pensions over the years. I would never suggest for a moment that ours was the only Party and that NDP Members were the only people who advocated improvements in pensions. What I did say and what I will maintain is that we were the first and we have been consistent in that support.

Of course Mr. Diefenbaker improved the pension system. I wish that there were Progressive Conservatives like Mr. Diefenbaker in the present Government. I do not see many of them. What I see are Conservatives but I see very few if any progressives. As a matter of fact, I tried to indicate the difference between Progressive Conservative Members when they are in opposition and Progressive Conservative Members when they form the Government by putting on the record the speech made by the present Minister of Employment and Immigration when she was a member of the Opposition and comparing it with the actions of the present Government of which she forms a part.

There were Liberals like Mr. Paul Martin and Senator Croll who were great advocates of pensions. Of course, when one looks at the history of the pension system, one should give credit to all those people. There were many outside of Parliament who contributed as well. One of the most honourable and important roles in the fight for better pensions over the years as well as today was and is played by the trade unions of the country which have been among the foremost advocates of improving the pension system.

I am prepared to give credit where credit is due. I would say to the Hon. Member for Scarborough West (Mr. Stackhouse) that if and when the present Government brings in the kind of improvements it promised when it was in opposition, I will be very quick to support it and give it credit for that. However, I am afraid that given the state of the economy, in which I do not see any real improvements in the next few years, we will hear the usual excuses from the Conservative Government that we used to hear from the Liberal Government, which is that the economy is just not good enough to allow the Government to make those improvements.

Yes, we have difficulties. Yes, we have a deficit. Although this is not the time to go into it in great detail, I would say that there were over 8,000 Canadians who had incomes of over $50,000 a year who did not pay a penny in income tax. There are corporations which have hundreds of millions of dollars in deferred corporate taxes, taxes which some of them have admitted they will never pay. I do not agree with those Conservatives who have suggested that they know that what the Government is proposing does not do everything but that it is a first step and the Government cannot afford to do more. I say to the Hon. Member for Scarborough West that if the Government wanted to do more, it could do more. If it taxed the people who would be paying the taxes, the money would be there.

• (1700)

Mr. Skelly: Mr. Speaker, I would like to direct a question to the Hon. Member for Winnipeg North (Mr. Orlikow). The serious problems which senior citizens in the country face are important. In my riding there is a serious problem which pertains to the Minister of State for Science and Technology

(Mr. Siddon). In my area many senior citizens have a problem with income, but they also have a problem maintaining meaningful involvement in the community. I wonder if the previous speaker could provide me with some guidance in this matter.

Three senior Cabinet Ministers come from the Province of British Columbia—the Minister of Fisheries and Oceans (Mr. Fraser), the Minister of Energy, Mines and Resources (Miss Carney) and, of course, the Minister of State for Science and Technology. It is unfortunate that many senior citizens' groups which have been working on major projects have not been able to meet with or get a response from the Ministers who represent British Columbia. Those Ministers are not only responsible for their own specific Ministries, they are also responsible for representing the people of British Columbia and its senior citizens in Cabinet. I wonder if the previous speaker could provide me with some guidance on how we might be able to persuade Conservatives, particularly the three Ministers I mentioned, to pay attention to the general needs of senior citizens, and what might be done to encourage the Government to respond to their requests for meetings. Could the Hon. Member comment on the integrity of such a Party and its concerns about the senior citizens of the country, in particular those who live in the riding of Comox-Powell River?

Mr. Orlikow: Mr. Speaker, I wish I could give my hon. colleague some advice, but I do not have any more information than he does as to why Conservative Cabinet Ministers will not meet with concerned citizens—seniors or any other group. I find it passing strange that the Cabinet Ministers in the Government who speak so much of consultation will not consult with the people in their respective provinces who have problems which they want to discuss.

The Acting Speaker (Mr. Charest): The period for questions and comments has expired. I will now recognize the Hon. Member for London East (Mr. Jepson) on debate.

Mr. Jim Jepson (London East): Mr. Speaker, as I rise in the House today to make my maiden speech, I feel both pride and humility at the responsibility which was entrusted to me in representing the citizens of London East. At the same time I would like to thank the voters for the support and confidence which they showed on September 4. At this time I would like to reaffirm my commitment to upholding their interests in Parliament. It is a goal which I pursue with confidence, a confidence that can only come from being a member of a decisive, strong and open Government.

I would also like to congratulate the Minister of National Health and Welfare (Mr. Epp) on the sensitivity and competence with which he is carrying out his responsibilities. I commend him for wasting no time in presenting this Bill which is of such importance to women and older citizens, two groups who have not always enjoyed credit and opportunity commensurate with their contributions to society.

It is very satisfying for me personally, in the first debate in which I am taking an active part, that the subject is one of such immediate concern to senior citizens. London cannot adequately be described without reference to a vitality which reaches all sectors of the community. The City of London is the southwestern Ontario regional centre for the three pillars of our economy: services, retailing and manufacturing. It has many small businesses which, as we all know, form the heart of our economy. London's educational and cultural resources rival any city which is twice its size. Its ethnic and religious organizations give a rich and varied character to the city. One exceptional quality of the city which comes to mind today is its broad array of facilities which address the needs of senior citizens. We are privileged to have several senior citizens' residences in the riding, as well as Parkwood Veterans' Hospital, and many service clubs and organizations which work closely with the senior community. They give London an outstanding record and bring credit to the people of London.

In the interests of social justice and, even more important, on account of its significance to a great many citizens of London, Ontario, I welcome the opportunity to speak today on a subject which badly requires reform.

Bill C-26, an Act to amend the Old Age Security Act, cannot be faulted on either its logic or its substance; both are consistent and well thought out. This proposal will extend the spouse's allowance to widows and widowers between the ages of 60 and 64 who are trying to live on a very low income. It will make no difference when the applicant's spouse died. The legislation will assist approximately 85,000 widowed persons, which represents over 60 per cent of the people in that age bracket who have suffered the loss of their spouse.

Those 85,000 people, in all likelihood, are having an unfortunate amount of difficulty trying to make ends meet. To relieve this burden from so many older people, Bill C-26 allows the Government to keep a very specific promise which it made to senior citizens during the election campaign. More important, through passing this legislation, we can demonstrate to the Canadian people the seriousness of our commitment to a comprehensive system of financial assistance to help the disadvantaged. I feel strongly that Bill C-26 is a very effective piece of legislation. I am glad to see that all Parties of the House have recognize that.

Some opposition Members have expressed faint criticisms regarding the Bill, in terms of what it does not do. I would like to spend time addressing those concerns. Legislation which is drawn up carefully and responsibly has very precise limits. There are both logical and natural boundaries to the effects of the policy instruments which the Government chooses in any particular circumstance. That is certainly true in the case of Bill C-26.

Both the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Hamilton East (Ms. Copps) have tried to seize moral high ground by pointing out that the Bill does not address the problems of older people because it does not tackle the issue of high unemployment due to technological and economic readjustment. I share their concern for what is one of the largest social issues which faces industrialized nations. It is my sincere hope that the Government can address, in a comprehensive way, the increasingly severe eco-

nomic hardships which are experienced by the older people in the labour force. However, to criticize the Bill for not solving this distinct, larger and very much more complicated issue, represents a failure to recognize that the point of Bill C-26 is to provide a solution for one very serious and specific problem. As only a few members of the Opposition have suggested in their remarks, this piece of legislation can only be judged in terms of how effectively it relates to its clearly stated goal. To do otherwise is irresponsible and does a great disservice to the thousands of needy Canadians who will benefit directly from the implementation of this amendment.

In the remainder of my remarks I shall attempt to describe the natural scope of the legislation and explain why Bill C-26 effectively targets financial assistance to one particular group which has a legitimate need.

The Government is trying to adjust the spouse's allowance provision of the Old Age Security Act. Opposition Parties should examine that fairly obvious point more closely. The purpose of the Bill is to amend or correct imperfections in an existing piece of legislation. Since the part of the existing legislation which is affected is the section that establishes the spouse's allowance, it is logical and consistent for us to address our remarks to the difficulties faced by a particular group in society, namely spouses. Clearly, divorced and single people are not spouses, although they have problems similar to those experienced by widows. However, enough differences remain to justify the decision of the Government to try to reduce the particular difficulties encountered by widows and widowers of advancing years.

• (1710)

If members of the other Parties choose to continue using the very negative sounding word "discrimination" to describe this legislation, I will be disappointed. This would reveal an insensitivity to the unique position which the spouse has in the marriage and in society. Our society is changing very quickly, Mr. Speaker, for better or for worse. The role of the family and of the parents is no longer as clear as it once was. This point applies particularly to mothers. In my riding of London East over the past five years, the number of men in the workforce has decreased marginally while the number of working mothers has jumped by well over 10 per cent. There is no alternative for this Government but to recognize that it must adapt its legislation and its policies to quickly changing circumstances.

I rise today with a concern that must not be kept from a debate on a subject like this. It is a message that, in a slightly disoriented society, is not always remembered. It concerns the important contributions of the family throughout Canada's history and the significance it holds today. It is particularly relevant to say this in the debate on Bill C-26 because it is a Bill which implicitly recognizes that many men and women today are members of families which are organized along traditional lines. In this circumstance, one spouse, usually the wife, is very often totally dependent upon the husband in terms of her economic well-being. I praise Bill C-26 because, in a sense, it protects this traditional arrangement which has been the building block of every stable civilization. I do not hesitate in supporting this Bill that, while allowing people to conduct themselves as they choose, removes one of the misfortunes that can result from a commitment to the family unit.

Among the elderly women in our society, the group that is the most dependent and vulnerable surely consists of those who have committed themselves to staying in the home to raise a family. It is only because of the self-sacrifice to their families that many of these women may not have a marketable vocation with which they can support themselves. Today, through Bill C-26, we have the chance to extend some relief to the most needy of this group, those bearing the burden of widowhood. To delay this decision because other poverty-stricken individuals are not also helped is at best a case of misplaced good intentions.

I would now like to talk briefly on the subject of another matter that comes to mind in consideration of this Bill. Whenever we look at government legislation, particularly the implementation or expansion of a social program, it is natural to evaluate it from a cost benefit point of view. Hon. Members of the Liberal and NDP Parties must have some concern that due consideration be given to efficiency and effectiveness in the dispensation of government money. To expect good management and financial prudence from a Government, a charity, a business or a household is not unusual; it goes without saying. Even so, financial responsibility seems to have been forgotten in Canada for the last 20 years. We see from the mandate of the new Government that people have finally got tired of listening to political Parties which would solve all social problems by throwing money at them, while fostering dependence on the state and plunging it into debt.

Our new Government has committed itself to financial responsibility. You would think, Mr. Speaker, this would be an easy task with so much room for improvement. However, it is easier said than done when you are carrying nearly a $200 billion debt on your back. I have to say, therefore, that it is not easy extending the spouse's allowance to some 85,000 widows and widowers. It is not easy but in this case it must be done. This is representative of our Government's firm commitment to the Canadian tradition of looking after the less fortunate. As a Government, we will never overlook the need for initiatives such as expanding the spouse's allowance plan.

As the House supports this measure, it must also recognize and support the context in which it is put forth. The Government can propose legislation like this, and in the future it will continue to do so because we are confident that the resources will be there when we really need them. This can only be a reality through responsible Government. Control over government spending does not mean spending $35 billion more than revenues allow. Controlled spending means reducing the deficit.

I hope that everyone in this House who supports the need to expand the spouse's allowance will also support the measures the Government is taking to generate real economic growth and jobs, and to return honesty and good management to

government. When the next generation, our children, are running the Government, they will be able to do a lot more for their senior citizens or unemployed youth if we leave them a debt of $30 billion and not $300 billion. Now is the time to work toward this goal.

I would like to say in conclusion that I am indeed very happy that we will very quickly be able to provide some badly needed assistance to elderly people since it appears that we have the support of all Parties on this Bill.

In the course of this debate, some well deserved attention has been given to the needs of the older part of our population. Bill C-26 is a good and substantial start on the Government's intention to address the host of problems of this nature which confronts society. I am optimistic and confident that a number of other issues will be dealt with by this House in such a constructive and expedient manner. Hon. Members of all Parties have used the occasion of this debate to draw attention to the serious questions that must be dealt with to ensure that our seniors enjoy full and equal participation in society. I will take this opportunity publicly to urge my caucus to continue its consideration of measures designed to assist older members of the labour force who, because of changing technologies and demands for skills in the market, often find themselves dislocated from employment. These people are legitimately concerned that they will not find some way to contribute to society and earn a living from the skills they have relied on for so many years.

Finally, I will say that I support this Bill with great enthusiasm because of the recognition it gives to our collective obligation to widows and widowers. It is good that so many people undergoing hardship at this time will have their problems alleviated, and I am happy that this Bill has allowed the Government to recognize those who have sacrificed so much in contributing to their marriages and families. Over the next few months and years of this session it will become obvious that the tradition of this Government is one of responsible stewardship, with a conscience for those who are truly disadvantaged.

May I also say, Mr. Speaker, that we should not look to Government alone when addressing the needs of those who are in financial need. Let each of us ask ourselves what we can do to help a disadvantaged brother. Are we not our brother's keeper? I hope that all Hon. Members of the House will join me in supporting this very thoughtful, compassionate and practical piece of legislation.

Mr. Blaikie: Mr. Speaker, I would like to congratulate the Hon. Member on that triumph of piety over precision and ask him whether or not he holds the same view about throwing money at problems when it comes to our economic problems. I notice that the Hon. Member, like many other Conservatives I have had the opportunity to listen to over the years, is always very quick to criticize the throwing of money at social problems. In fact, when I asked the Minister of Finance (Mr. Wilson) a question in the House the other day about the corporate tax sector, he said, "We don't believe we can just throw money at the environment". But we never hear from Conservatives about the habit which has developed in this country over the last ten or 20 years, or even before that, of throwing money at the corporate sector in order to create jobs with no guarantees that those jobs will be created. There are no performance guarantees, no strings attached. We do not see any indication from the Government at this point that it is prepared to stop throwing that kind of money at problems. There are no strong indications there will be tax reforms so that we will stop throwing money at the rich in the form of reduced tax rates and enabling some of the wealthy in this country not to pay any taxes at all.

Is the Hon. Member against that kind of throwing money at problems? If he is, will he give us a commitment, as a colleague and an Hon. Member of the House of Commons, that he will go after his Government to stop that kind of throwing of money at problems, which, I might say, amounts to a heck of a lot more money than we are talking about when we are talking about pension reform?

• (1720)

Mr. Jepson: Mr. Speaker, I would like to thank the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for his question. As one member of the Conservative Government, I want to see responsible stewardship with accountability to all Members of the House for the Government's programs and spending. In addressing the allocation of funds to areas of legitimate need, I have observed over the years that the NDP is all "spend", but I do not see any emphasis on finding where the dollars are to come from.

I happen to be an individual who has a great deal of confidence in the free enterprise system. I believe our corporate citizens make a great contribution toward the wealth and stability of our country. I have every confidence that the business community, if properly and responsibly encouraged, can be and is the only vehicle for the growth needed to make dollars available for the programs so desperately needed. I hope that answers the question.

Mr. Blaikie: Mr. Speaker, the Hon. Member is obviously practising for the day when he will be in Cabinet because he did not answer the question at all. I asked him whether or not he was against throwing money at the wealthy in the form of tax concessions and loopholes. He says the NDP is in favour of spending. Well, it seems to me that over the years we have developed a great way of spending that is not always recognized as spending. It is called tax expenditures. The last time we had an accounting of tax expenditures in this country was in 1979. To its credit, the Progessive Conservative Government of the day produced a tax expenditure account. Those expenditures were in the neighbourhood of some $32 billion. At that time the yearly deficit was, I believe, around $14 billion. There we were in the position of having an annual deficit of $14 billion while not collecting some $32 billion. That is a form of spending.

What I want to hear from the Member, if he is truly concerned about government spending, is why he does not stand in his place and reject the kind of hidden spending that goes on every time the Government allows taxes to be

deferred, allows tax loopholes, shelters, write-offs and depreciation allowances and all the other ways in which the corporate sector in this country has the nerve to be on welfare while criticizing ordinary Canadians who happen to be the beneficiaries of social programs at which the Hon. Member does not want to throw money.

Mr. Jepson: Mr. Speaker, I can assure the Hon. Member, as a member of the NDP, that he does not have to worry about ever having to prepare for a Cabinet post.

I hear this same political rhetoric from the NDP on corporate tax rip-offs—

Mr. Blaikie: Get used to it because you are going to hear a hell of a lot more of it.

Mr. Jepson: —and all the figures about which they rant and rave and which they throw about. However, I am not yet convinced, Mr. Speaker. It is easy to cite figures.

Mr. Blaikie: Answer the question.

Mr. Jepson: If the Hon. Member would like to discuss this with me on a private basis—

Mr. Blaikie: It is a public issue. Answer the question.

Mr. Jepson: No, you are throwing figures at me—

Mr. Blaikie: Your figures.

Mr. Jepson: —and it is very easy to bounce figures around when you are making speeches. You show me, my friend, and I will be glad to sit down. But I suggest that if you want to do it in a public forum such as this, your motives are transparent. You are trying to score political points rather than making legitimate and constructive criticism for the best interests of Canadians.

Mr. Blaikie: I can't help it if you are not prepared.

[*Translation*]

Mr. Malépart: Mr. Speaker, in his speech, the Hon. Member said that he was happy and pleased that his government had decided to help people in need. I would like him to explain to me why there are in Canada 165,000 people who share the same need for help, the same age, who live alone, in an apartment, who have the same income . . . and I shall give him figures for Quebec; I do not have the figures for the other provinces.

Some people between 60 and 64 now receive $427 a month, whether they are widows, widowers, separated or divorced. This is an allowance that safeguards human dignity. How can the Hon. Member boast that he is pleased, that he helps people in need, that he is going to help half of them on the basis of their civil status. Is it not a move backward to the time when the help given was a handout and the dignity of the individual was not taken into account? Can the Hon. Member explain that when people have the same income, when they are in the same situation?

[*English*]

Mr. Jepson: The Hon. Member reminds me of someone walking up to someone else and saying: "Isn't it a beautiful day?" The answer you get back from the Liberals is, "Yes, but it must be raining somewhere else". No matter what positive initiatives the Government takes, it seems the natural response from the Liberals is that it is not enough. Well, on September 4 the people said it is enough and they gave us a very decisive mandate. They saw a Government that was not willing to show responsible stewardship, a Government that indiscriminately threw money at everything it could. This was not in the best interests of the people but it was in their own best interests.

I say to you, Mr. Speaker, that this Government will not take that posture. This is a Government that will do what it can within its means and, hopefully, it will achieve a financial position in the very near future that will allow more revenues to go to those many people who are still suffering economic hardships, those people we would all like to help. As this Bill indicates, we are covering a very specific sector and we are pleased to be able to do this. But we are just not going to throw money around indiscriminately in the hope that when we go to the well, it will not be dry. The well is dry and it is time we started filling it up again in order to allow us those opportunities in the very near future to meet needs far greater than those that exist today.

[*Translation*]

Mr. Tardif (Richmond-Wolfe): Mr. Speaker, the Hon. Member seems to condemn harshly all divorced and separated men and women. He said they are not spouses. Later on, he praised the united family, and rightly so, but it seems to me, from his speech, that the Hon. Member believes these people are second class citizens. I would appreciate his comments on that particular aspect of his speech.

[*English*]

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is a pleasure for me to speak today to a Bill I think is very important and which should not be considered along party lines. I think it is one of those Bills that all Members of this House should examine with a great deal of humanity and sensitivity, in order to produce a measure that is fair and equitable and respects the dignity of the individual.

If we look at the Bill's definition, what exactly do we have now in terms of security programs for senior citizens? There is the old age security pension, which is universal. We have the guaranteed income supplement for people in need, and something was done for couples when one spouse was sixty-five and eligible for old age security pension and guaranteed income

supplement and the other spouse, being between the ages of sixty and sixty-five, would normally not be eligible for any benefits. The age criterion discriminated against the person living alone. The Liberal Government introduced the spouse's allowance. The Conservative Government has now decided to extend the spouse's allowance, part of our old age security programs, to any person in need and living alone, between the ages of sixty and sixty-four. I can only applaud this. However, the Government decided, and perhaps people who know more about the subject could check this—I think it is the first time in the history of this country that a Government has added a criterion based on marital status, a criterion that raises the question whether we should help people because the spouse died ten years ago, and she was married, or whether we should penalize people who are separated or people who have decided not to get married at all.

• (1730)

Mr. Speaker, the program had three criteria which were acceptable: age, living alone, and income. Now they are adding the widow and widower criteria, in other words: marital status. At the present time, to be eligible for the spouse's allowance, no marriage certificate is necessary. It is not necessary to have had a civil wedding. The law is humane. The two parties must sign a form and acknowledge that they had been living together for a year. That is it. The law does not intrude in people's private lives. But the amendment that the government wants to bring in might give rise to a class struggle. In my opinion, from a human point of view, some thought should be given to this matter. I do not want to put the blame on the government and suggest that it acted in bad faith. I know that it is a technicality and that any well-meaning person in a hurry is liable to forget the technical aspect and cause discrimination as in the present case.

Mr. Speaker, as I was saying, I think that this bill concerns all members and should be above political partisanship. In its present form, it will have an impact on other social measures, because it may be found in the future, regardless of the government in power, that according to statistics there are 100,000 aged married couples, while there is only enough money available to help half of them. It will be decided, since there are fewer women and more men, to help men first, then women. I suggest that we are on shaky grounds with that kind of criterion, because we have Conservatives in office now, but tomorrow it might be the NDP or the Liberals, and they might be tempted . . . We ought to think it over before adopting that criterion. I think we should be realistic.

Mr. Speaker, this Government has been bragging about consultation. Fine, I have nothing against consultation. But it now has an opportunity to show whether it consults only to dictate its own views, or if this consultation process is just another way of lending an ear to the big shots. Let us admit for a moment that the Conservative Members and the Minister think that the NDP or the Liberals do that for political motives. Let us suppose that such is the case. I have here letters from various organizations in Quebec, Prince Edward Island, Sault Ste. Marie in Ontario, organizations concerned with elderly people and women. To this day, all those organizations are asking and urging the Government to make any person living alone eligible for the spouse's allowance.

I also have a copy of a letter, and I think that the Minister of National Health and Welfare (Mr. Epp) bragged about being anxious to meet with various groups, he would rather wait before making any changes in other social programs about which we will be talking later on, family allowances and old age security pensions in general. I have a letter dated October 4th that was sent to the Minister of National Health and Welfare (Mr. Epp), on behalf of the Standing Committee on National Health and Welfare, by Mrs. Yvonne Raymond. This letter was sent after October 4th, and that committee was set up to advise the Minister, October 4th is later than September 4. On page 12, it says:

> The Council recommends that the spouse's allowance be replaced by benefits determined following a means test and equivalent to the combined guaranteed income supplement and the old age security pension, for all low-income men and women, aged 60 to 64, whatever their marital status. That last detail is important: the spouse's allowance is extented to certain low-income spouses and certain widows and widowers aged 60 to 64, but not to many other Canadians in the same age group who are also in need, and this is creating difficulties. The Conservative Party's election promise to extend the spouse's allowance to all the 60,000 low-income widows and widowers aged 60 to 64 is a major step forward, but it will not help the 190,000 single men and women in the same age group who also need financial help. Of course we know that some reforms are too costly to be implemented overnight, but we are asking you to give them your special attention in coming years as they represent a fundamental part of an overall pension reform program.

Mr. Speaker, I have here a telex from the Quebec organization which fights for the rights of pre-retired and retired people, an organization with branches in all of our ridings and whose mission it is to fight for the rights of senior citizens. I think all Hon. Members will agree that senior citizens are not the noisiest people, or the most vocal protesters, and that they are not the group of citizens in our society that has the best structures needed to make himself heard, as opposed to the workers' unions struggling against industry, as opposed to the farmers who are a lot better organized and in a better position to come here to do what we call lobbying and get their points across.

I think everyone will admit that senior citizens need the parliamentary support of their representatives in this place.

Mr. Speaker, if we had wanted to play politics and make political gain, we would have let the Government pass this legislation and we would have blamed it for four years. The debate began long before the Government introduced its legislation because we knew quite well that, when the Government had made up its mind and decided to freeze certain funds, it would be impossible to make any changes. We in the Liberal Party said: This is not a partisan debate; it deals with

human issues and we shall start immediately to try to prevent the Government from doing this. As I said earlier, the various groups also advised the Government against such action before it introduced the bill.

What does this represent in monetary terms? We hear that it means a lot of money. Granted. If we look at what the Government is paying out to these 85,000 widows and widowers, we find a figure of $325 million, but what the Government is not saying is that there are now people between the ages of 60 and 64 who receive social welfare benefits which is also a social program, but whose costs are shared equally. As far as the benefits to these 85,000 people are concerned, the federal Government is saving $20 million and the provinces another $20 million.

There are still 80,000 people who need our assistance. If the bill is not amended, 80,000 people in Canada will be forgotten, which means about 30,000 in Quebec. This is a lot of people. It would cost $300 million to provide assistance to these 80,000 people. As far as the benefits to these 80,000 people are concerned, the federal Government is saving $18 million and the provincial Governments another $18 million. What is the income of these people? I shall take Quebec as an example. What is the present income of these people? They are not wealthy. We are not talking about extending the universal pension benefits.

• (1740)

They are now receiving social welfare benefits of $427 a month. What would they be getting tomorrow in concrete terms if we made them eligible for those benefits? Would we make them rich overnight? Would they be sitting pretty, as some Conservative members would like us to believe, if we granted them those benefits of $533 a month, or $106 more than they are getting? It would mean a lot to these people although they would still live below the poverty line. I am not asking the government . . . If I wanted to play politics, I would tell the government to grant this allowance to all those in need between 60 and 64 years of age, whether they live alone or with their spouse. In his speech, on Monday, the Minister quoted the figure of $1.5 billion. That is how much it would cost to give benefits to single people and couples. I do not want to score political points with that issue any more than any other member either New Democrat or Liberal. The government has made up its mind and we respect it. After all that party was elected on September 4 and it decided to help the people who live alone.

The Liberals had promised during the campaign to help all those in need, by first reducing eligibility age to 64. It is matter of choice and I am not going to question it. I respect the decision the Conservative have made. What we do not accept, however, is that you should stop half way, and this is where the discrimination lies. The strange thing about it is that not so long ago, the Minister of Justice (Mr. Crosbie) tabled some amendments to various Bills so that they would be in accordance with the Charter of Rights which was passed in this House to prevent discrimination. This is the reason why I still hope that the Minister will reverse his decision or consult with his Department's officials to get a clear picture of the situation. Quite frankly I do not understand why he should insist on a discriminatory approach Mr. Speaker, in monetary terms what Liberals Members were asking for would not have amounted to that much money. I have met privately with some Conservative Members and I am convinced they would agree, but I am not expecting them to come forward and admit it here. My party has been in power before and I know that it is easier to make one's mark at caucus meetings than by delivering a speech in the House. Now the Conservatives are in power, their speeches reflect the Ministry's wishes. Some Conservative Members, in fact a good proportion of them, are worried about this legislation and would like the Government to reconsider. We are only short about $200,000,000 or $250,000,000 not billions of dollars. I could be partisan and say: what is 36 millions? I believe that is more or less what Canadians said about changing the color of military uniforms; we do not need long consultations, everybody would agree to transferring that and 36 millions would be found easily.

During the campaign, I believe all leaders had promised to levy a minimum tax on people making $50,000 or more, who pay no tax thanks to tax shelters. $200 million could be netted and that would settle the matter.

I, for one, am convinced that if the Minister of Finance (Mr. Wilson) wants to look into . . . I am convinced that the Minister of National Health and Social Welfare (Mr. Epp) would like that. But I believe that the Prime Minister should be sensitized to it because he will have to make the decisions. During the debate on universality who decided to flip-flop? The Prime Minister. I believe he alone can change that legislation. If he does not want to be remembered in future as the man of injustice, he will have to reflect on that, to reconsider his position and then he will certainly find those $200 million.

The Canadian Government could have reduced its advertising budget by $40 million. I think that every Canadian and every member of this House could examine the budget and make cuts . . . In my opinion, it is a humanitarian question. I could play politics and name the members who said: "What were the Liberals doing for older people when they were in power?" It is quite easy. If you want to know, you only have to refer to the blue book tabled by the Minister of National Health and Welfare on programs for children and senior citizens. Look at the series of dates and years and put names beside. You will eventually find a Tory measure.

I congratulate the present Minister of Indian Affairs (Mr. Crombie) who, with respect to the spouse allowance, did right a wrong even if a Liberal government was involved. But I admired that minister who was not like his colleague, unless this one changes his mind. Indeed, when the bill was before the

committee, we reminded him that some people would not be eligible unless his proposal was made retroactive. The minister did not try to hide behind the statement of the Hon. Minister of Finance (Mr. Wilson). And he did not pretend either that the government had no money. He said that we were right, that he would try to do something about it. And when he returned, he had won his case. But he was a minister as dedicated as Mrs. Bégin. I do not think anybody in Canada could question the honesty and the work done by Mrs. Bégin.

But the then Minister of National Health, who is now Minister of Indian Affairs, had taken seriously his role as spokeman and advocate of the rights and needs of middle and low-income citizens. Without exception, he would side with senior citizens, with families and children, and he would defend the health system. But, unfortunately, the present Minister of Health, unlike all his predecessors, is only a spokesman for the Minister of Finance. That is not his job. The Minister of Finance and the executioner at Treasury Board can manage by themselves. Within the Cabinet, we need someone who is concerned, someone with guts. If the Minister of Health cannot play that role, he should change jobs with the Minister of Indian Affairs and Northern Development, because his colleague could do the job. I think he will make his mark.

I see the Parliamentary Secretary. I trust her. I think she is a kind person, who knows life, who has political experience, who knows her riding and I am confident, I am convinced, that she will try to do her best to persuade the Prime Minister (Mr. Mulroney) or the Minister of Finance (Mr. Wilson) to come up with a solution, not givaways but an honourable solution. As I said, it should be remembered that in each of our ridings, when the legislation . . . After all, there is no urgency, we do not have to pass this legislation tomorrow because, anyway, it will not become effective until the 1st of September. So, why pass it right away? People will not have more money. It is only on the 1st of September that they will get anything. Is it to silence people that we are trying to pass this bill so quickly? We Liberals say no. We will not let the bill pass unheeded.

I think it is important that each and every Hon. Member think it over. Over the holidays and weekends, we will return to our ridings; perhaps it would be important to raise the issue with our constituents. Let us forget the financing factor. I am sure that if we look carefully into the expenditures of all departments, we can find the money to behave in a humane manner.

Remember that if we allow this bill to pass without change, an elderly women may visit your riding office and say: "I am 62. Being on social welfare, I do not live below the poverty line, but under the distress line. I have raised a number of children and I meet all the requirements. Yet, when I went to the Old Age Security office, my application was turned down." You will ask: "How is it possible?". And she will say: "Well, you see, I separated from my husband a number of years ago". She will feel that the House is penalizing her once again. Perhaps she will feel guilty for not putting up with her husband who was beating her. We are trying to assess what it is worth in dollars and cents. Is a widow more deserving than a single or separated woman? I think there are Hon. Members representing rural ridings . . . How many people here have had to support dependent children—

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member, but the 20-minute period is now over. Questions or comments! The Hon. Member for Lotbinière (Mr. Tremblay) has the floor.

Mr. Tremblay (Lotbinière): Mr. Speaker, I listened to the last words of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) who was referring to a potential cause for divorce. I would like him to tell us whether it is widespread, whether most divorces and separations come about as a result of the kind of situation he referred to. I would also like him to explain why during his last term, from 1980 to 1984, when he was in power . . . the Government did not improve the situation of the widow who received a spouse allowance provided her husband had previously received the Old Age Security Pension. That being, according to his definitions, discriminatory, why did the Government not then extend the application of this provision in order to do what he is suggesting today?

• (1750)

Mr. Malépart: Mr. Speaker, he is asking me: How many persons? I am not the one . . . I am not an expert nor a lawyer, but I have the figures from the Department. There are 80,000 separated and divorced people in Canada, 30,000 in Quebec. So, I do not need to know whether the woman who is separated deserves more than the single one. I think it is inhuman, and I am even humiliated to be forced to debate the question in these terms. I think it would be preferable to say that we will help the persons who are on their own. They have the priority, although there are couples as well who are not a lot richer, but I understand that the government cannot find $1500 million. I think that we have to be realistic and say that this applies to all persons on their own, whatever their status. Is there going to be a police investigation? What you don't know is that a divorced person will not be eligible, but a separated person will become eligible when the spouse dies. Have you thought about all the problems caused by this? Have you thought about how it will be applied? Have you considered the human dimension?

The second question was: Why was it not done before? I will state again for the Hon. Member the reasons I have given earlier: In 1984, we fought to have the Minister of Finance grant funds to increase the guaranteed income supplement for people 65 and over living alone, because it was under the poverty line by $70. Unlike the Hon. Member who looks like a true Progressive Conservative, we were not in favour of keeping people poor and of taking the money to make

other people poor. You remind me of the review, on the subject of family allowances. Take the money from poor people and give it to other people. It is like your $1 billion . . . The Minister of State for Small Businesses (Mr. Bissonnette) boasted that he had a $1 billion for job creation. He cut $4 million from projects which created jobs and he makes $1 billion from that and says: What do you think of my $1 billion? Well, it does not make sense.

Mr. Tardif (Richmond-Wolfe): Mr. Speaker, first of all, I would like to congratulate the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for his eloquent speech in favour of a class of citizens who are extremely poor. I understand he made a vast operation of consultation on that subject. I would like to know whether in those consultations he met one person or one group, that is in favour of the bill under review.

Mr. Malépart: Mr. Speaker, in answer to my hon. colleague, I can tell him I did meet . . . In the Province of Quebec, we have three federations, three organizations dealing with older citizens, representing thousands of people. They are FADOQ, AQDR and the Forum des citoyens du troisième âge. I met with these groups during the Christmas recess. There is no doubt these three organizations are opposed to any discrimination. I really cannot understand . . . if a journalist asks a Member of this House "Are you in favour of discrimination?", I do not think any Member, assuming he is not stupid, will answer "Yes". These three groups have asked questions. I mentioned earlier a telegram sent by one of them, but the other two groups as well made representations to the Prime Minister.

I think Members should visit groups of older citizens and meet with them. We are talking of 80,000 this year, but some people are going to turn 60 next year and will suffer the same discrimination because it will not end this year.

[*English*]

Mr. Dick: Mr. Speaker, I should like to put a brief question to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). Will he vote against the Bill or for it?

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member probably does not know my style. At 12, I went on strike as an altar boy. I am 46 now. You surely remember that in those days it was unheard of, but I won. I was getting 5 cents a mass, but I immediately got the quarter I wanted, and I was kept on—I learned something then. I am not fighting for the sake of glory, I never do. I got through the worst Conservative landslide in my riding. I was not fighting for votes, but I had something on my mind. Whether or not my party was going to win the election was not the main issue for me. The issue was that I wanted to fight to avoid discrimination against 80,000 Canadians. I call upon all Hon. Members, whatever their party, to join in that fight. If they do, nothing can stop us!

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to make a few comments on Bill C-26, an Act to amend the Old Age Security Act. Like other members of my Party, I have no intention of holding up the legislation because it provides some relief for one small group of senior citizens who are not covered by previous legislation. It extends spousal benefits to low income widows and widowers between the ages of 60 and 65. It is important to emphasize, as my colleagues have done, that the Bill does nothing for people who were never married or for people who are divorced. In fact, it does nothing for couples between the ages of 60 and 65, neither of whom has reached the age of 65. It illustrates illogical discrimination on the basis of marital status and is indicative of the patchwork approach of the Government toward pension reform. It really follows what the last Government did. It is a patchwork approach rather than a comprehensive one.

I should like to refer to some of the history of our pension system. When they were first introduced in 1926, they provided for a pension of $20 per month for seniors over the age of 70, with a very strict means test. It was not much, but I was more than those people had before. We are proud of the founder of our Party, J. S. Woodsworth, in securing that for senior citizens of Canada. Through his efforts and the efforts of his successors, Stanley Knowles and others within the CCF and the NDP, as well as the efforts of other Parties, as has been pointed out, improvements have been made since then. The means test was abolished in 1952. During the sixties the age was gradually reduced from 70 to 65. I remember that my father was in the cross-over period, and I think he finally received the pension when he was 67. He was very thankful to get it. Later we introduced a partial means test for spousal allowance for those aged 60 to 65. Now we are extending that, as I pointed out, to widows and widowers who can pass an income test. This is well and good, but it does not go far enough.

The Government missed a golden opportunity to bring in the kind of comprehensive pension reform for which the Conservative Party called when it was in opposition last spring. Last May the Minister of Employment and Immigration (Miss MacDonald) introduced a motion of non-confidence in the Liberal Government. She did well to do so. She condemned the Government for its failure to deal adequately with the real needs of Canada's seniors and for not bringing in a comprehensive program.

I should like to read the following few lines from what she said at that time:

> Is it any wonder, Sir, that today we condemn the Government? We condemn it not only for its failure to introduce legislation that would meet the current needs of today's elderly poor, but also for its failure to bring about long overdue pension reform of the whole system so that we can ensure that the poverty of today will not be meted out to those who will be senior citizens in 10, 20 or 30 years' time. We must begin to come to grips with this issue and reverse what is happening.

The Acting Speaker (Mr. Charest): It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, February 7, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. André Bissonnette moved, for the Minister of Regional Industrial Expansion, that Bill C-23, to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

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

Mr. Bissonnette: Mr. Speaker, it is a great honour for me to table in the House today, on second reading, on behalf of the new Progressive Conservative Government, Bill C-23, to amend the Small Businesses Loans Act. Hon. Members will not be surprised that one of the first steps taken by this Government at the beginning of a new year should be to table an extension to this legislation.

In 1961, the Small Businesses Loans Act was passed for the first time under the Government led by the Right Hon. John Diefenbaker. Hon. Members will therefore note that it was a Progressive Conservative Government that initiated this action to protect the interests of small businesses in Canada.

The legislation is a clear example of a policy aimed at establishing a favourable climate for the generation and growth of small businesses in Canada, a vital sector of our economy too often neglected by the previous Government.

Mr. Speaker, this Government intends to enable small business to play its role as one of the key factors of economic growth and job creation. The Government is firmly resolved to support small businesses and to do so through consultation, not confrontation, by providing assistance and support instead of raising barriers, and by restoring hope to those who had lost confidence in the future.

Canadians expect their Government to lead the way towards economic renewal. This Bill is one step, and an important one, in this national process, because it will help small businesses participate in our economic recovery.

In April 1983, Parliament provided for a two-year extension of the SBLA, the Small Businesses Loans Act, setting the lending ceiling at $1.5 billion. Unfortunately, as a result of the rapid and sustained rate of increase in the number of applications under the Act during the past year, the ceiling was reached at the beginning of January, two months before the previous extension was due. This means that unless the ceiling is raised immediately, the Government will have to stop approving loans. The lending institutions have been informed of the new approach where lending ceilings are concerned and of the Government's intention to table as soon as possible a Bill that will raise the lending ceiling for the current period as well as extend the legislation for a subsequent period.

I would therefore ask Hon. Members to show their co-operation and make an effort to have this Bill passed as soon as possible. The legislation before the House will make it possible to raise the present lending ceiling by $300 million, thus bringing it up to $1.8 billion, from $1.5 billion. Thus financial intermediaries will be able to provide loans under the Act until March 31, 1985, the date on which this lending period expires. Furthermore, the Bill provides that the lending period will be extended by five years, starting on April 1, 1985 and ending March 31, 1990.

This Government is engaged in a process aimed at creating a favourable climate for the generation of new businesses. The new lending period which is to extend over an unprecedented five years will give entrepreneurs and lenders greater stability for planning purposes, in line with the Government's new approach to providing for this country's economic renewal.

The period of time covered by the new extension clearly demonstrates this Government's commitment to help small businesses. It will also mean a considerable reduction in the departmental and parliamentary resources that would otherwise be involved if the Act were extended for several shorter periods. The lending ceiling for the next period will be set initially at $1 billion. However, it will be changed in accordance with the Appropriations Act.

• (1110)

Consequently, Parliament will still carefully review the loan ceiling throughout the estimates preparation process. Instead of trying to forecast the total loans over a five-year period, this amendment will provide the Government with more leeway in fixing the ceiling because, under the program, loan rates fluctuate along with the vagaries of the economic situation. Henceforth lenders and borrowers will no longer be uncertain about the loan ceiling.

The existing legislation provides that eligibility under this program is restricted to businesses whose annual sales are less than $1.5 million. The Bill contains an amendment aimed at raising the eligibility limit to $2 million. This amendment is our response to requests from lenders and interest groups that have taken up the cause of small businesses. The eligibility limit has remained unchanged since 1977 and the increase I am proposing today will partly offset the impact of inflation since that time. The $2 million limit will also keep the definition of small business more in line with the one used by Statistics Canada and the small business secretariat. The amendment will therefore make it easier to reconcile the statistical profile of businesses which take advantage of the Small Businesses Loans Act program with the basic data used by Statistics Canada and the small business secretariat; thus we will obtain a more accurate statistical analysis of that sector.

According to the existing legislation, a borrower may apply for loans whose overall amount must not exceed $100,000 at any time. Consideration was given to a higher limit, but since the average loan in 1984 was only $28,888, such an initiative does not seem to be justified for the time being. However, an exemption concerning that limit is provided under the Bill should a group of borrowers decide to amalgamate. If at least two businesses with outstanding loans under the Act opt for amalgamation and their aggregate loans are over the $100,000 limit, a new clause stipulates that, in such a case, the Minister will not reject any request for repayment by arguing that total loans outstanding under the Act exceed the $100,000 limit, which would be the case of a single borrower.

The amendment also provides that those amalgamated businesses will again be eligible for additional loans under the existing program as soon as the total of outstanding loans drops below $100,000, with the understanding, of course, that the annual sales of the amalgamated business are not more than $2 million and that it does not contravene the other provisions of the Act. This legislative amendment will eliminate an anomaly in the existing program.

Businesses which have received loan assistance and expanded through amalgamation are often small businesses on their way to becoming medium-sized or large companies. This Government is committed to promote the expansion of small businesses and, thanks to the proposed amendment, such growing businesses will no longer be penalized.

With a view to explaining the latest amendments featured in this Bill, Mr. Speaker, I should like to describe briefly the various loan activities since the Small Businesses Loans Act became law. Before 1978, borrowers could ask for an interest rate which was set twice a year and which was often lower than the prime rate.

• (1115)

In 1977, all loans totalled some $96 million, while all claims paid by the government to financial institutions because of losses incurred following defaults totalled $600,000. In 1978, the formula for determining the interest rates lenders were allowed to charge was changed from a fixed rate to that of the prime rate plus 1 per cent. Following the application of this new formula, the number of loans made available under the Small Businesses Loans Act increased tremendously, for it made it more financially interesting for banks and lenders to participate in this program. The actual loans made available increased from $96 million in 1977 to $180 million in 1978. Following this amendment, the claims paid by the government also increased tremendously. In fact, they more than doubled in one year to reach $1.4 million.

Since then, both loans and claims have been on the increase, so that some $900 million were made available in 1984 under this program. The government received that year claims totalling $43 million. Moreover, even if the program was cancelled now, we would still have to compensate lenders in the months and years ahead for losses incurred due to defaults in the past few years. The greatest flaw of the Small Businesses Loans Act, in its current form, is that the government assumes full and complete responsibility for the losses thus incurred. The government is satisfied with the way financial institutions have administered the program, but the tremendous increase in loans as well as good sense seem to dictate that lenders should assume part of the risk they are willing to take. Lenders have an edge now because they are being paid interests of 1 per cent over the prime rate on these nearly risk-free loans and participate in a program which is a precious marketing vehicle.

Originally, the program had been established as an incentive for chartered banks to offer term loans. Here is why. In 1961, chartered banks did not have the power or authority to lend money on mortgages or against the various instruments of today. Because lenders are now competitive enough in this area, they should naturally be willing to assume part of the risk. Accordingly, the bill which I introduced today provides for the sharing of losses between the government and various lenders and will apply naturally only to loans granted after April 1, 1985. It suggests a 90-10 government-lender loss-sharing ratio.

Our aim in drafting this bill was to establish an equitable and fair loss-sharing ratio which would not jeopardize the program while transferring part of the responsibility for the losses incurred to the lending institutions. Mr. Speaker, it is of utmost importance to continue offering incentives to private lenders to encourage them to offer voluntarily this program which promotes a climate which is conducive to the creation and development of new businesses in Canada.

• (1120)

Like the loan ceiling, the cost-sharing ratio will be amended pursuant to the Appropriation Act. This way, the Government will be in a position to readjust the ratio, subject to parliamentary approval, based on the changes in the economy and the financial needs of businesses.

The last major amendment to the Small Businesses Loans Act provides for only one fee equivalent to one per cent of the amount of the loan allowed under the Act. Let me explain. When a business borrows $50,000, the bank or lender will have to pay one per cent just once, upon granting the loan and applying to the Government for a guarantee. That fee will cover part of the cost of the program to the Government and will ensure that the program is continued in the private sector. It is quite reasonable to ask for a fee on a loan guarantee, and the Small Businesses Loans Act is one of the few such programs not requiring a fee. That one per cent fee will not be prejudicial to the small businesses which take up loans under the program. They will still be paying the same rate of interest as provided for in the Act, namely one per cent over and above the prime rate. Assuming that the loans level stays at its current figure at about $900 million a year, that fee will bring in some $9 million a year to the Government, to cover for loan losses. The overall impact on the lenders' rate of return over that period or over the term will be minimal. The volume of loans should not therefore experience a significant decrease.

The review made by the Department before the drafting of the amendment pointed to certain small administrative problems in the Act. Accordingly amendments are proposed in order to clarify the registration requirements for loans and payments in respect of applications, and to give the Minister the authority to make regulations as needed for the proper administration of the Act.

Mr. Speaker, Members from every party in this House are aware of the importance and of the significant contribution of small businesses in the Canadian economy. Further more, 95 per cent of Canadian businesses have a yearly turnover of less than $2 million and they contribute one-third of the private sector's gross national product. They also account for 25 per cent of jobs in Canada. Between 1978 and 1982, they created just about all the new net jobs in Canada. A large number of small businesses are owned and operated by Canadians. Therefore, they do create economic activity in every city, town and village and make a major contribution to regional economic development and to import replacements, to local economy diversification and to innovation. Also, we feel that the growth and vigour of small businesses are essential to the long-term viability of the overall Canadian economy. The provisions in the Bill I am introducing today make up the most complete overhaul of the Act since it came into force some 25 years ago.

The $300 million raise in the loan ceiling for the current period will ensure that loans are granted until April, when the new loan period begins. The new loan period will extend over five years, as of April 1st. This proves this Government's commitment to the needs of small businesses. Moreover, raising the maximum qualifying turnover figures will allow a larger number of small businesses to obtain loans under the program.

The new rules dealing with joined borrowers will remove an artificial obstacle to the growth of small businesses. Moreover, a ratio for the sharing of losses and low security costs will reduce the total costs incurred by the government and will more equitably divide loan losses while maintaining that efficient and popular program in the private sector. The minor amendments will make for a more rational management of the program by spelling out more clearly the Minister's responsibilities and powers under the legislation.

Considering that the loan ceiling and the ratio of loss sharing will be established under the Appropriation Act, the government will have more discretion to alter the parameters of the program and submit them to the approval of Parliament.

The traditional commitment of the Progressive Conservative government to small business is once again clearly shown in a spirit of co-operation and consultation with all Canadians.

This new national government has made a clear choice to give Canada a renewed prosperity, Mr. Speaker. It has also initiated an economic renewal and a new prosperity for all Canadians in November last, when my colleague the Minister of Finance (Mr. Wilson) introduced some measures to simplify the income tax of small businesses and today with the bill now under consideration.

Mr. Speaker, I encourage all hon. members to support our policy aimed at bringing about the changes demanded by Canadians on September 4 last and more particularly I ask them to pass swiftly that timely and necessary legislation which will be of direct benefit to small businesses and the Canadian people.

• (1125)

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the Conservative Government has introduced a Bill, allegedly to extend financial support for small businesses. Yet, Mr. Speaker, the provisions of this Bill go against the very spirit of a statute which for many years has contributed to the development of small businesses in Canada.

This legislation, which was tabled without any real consultation or concern for the needs of small and medium sized businesses, is another example of the mismanagement and irresponsibility of this Government, which manages the nation's business by approximation rather than with the ability required to govern a country such as ours.

Although the Government keeps on telling us that it believes is consultation, it had no hesitation in introducing in the House

a Bill which is obviously ill-designed and which does not meet the needs of small businesses.

Consultation with whom? What does the word "consult" mean for the Conservative Government? For the Liberal Party, it has always meant that the input should come from the users who benefit from the services provided by legislation.

This Government seems to prefer working in secret, behind closed doors.

The Bill to amend the Small Businesses Loans Act is a measure which will make the Canadian economy move backward and cause many problems and headaches to small businesses while, in theory, it should be promoting the development of our industries and businesses.

Mr. Speaker, this ill-designed Bill should simply be withdrawn if the objective of the Conservatives is really to promote the growth of small businesses in Canada. The amendments which the Government wants to make to the Small Businesses Loans Act are clearly unacceptable to our Party and to the organizations representing the small business community.

Let us consider one by one these amendments stemming from a simplistic analysis of the situation of small businesses. Even though the $1.5 million ceiling for the yearly gross revenue has not been increased since 1977, this Government, in what it calls a major review of the Act, increases the ceiling only by half a million dollars in Clause 1. As for Clause 2 of the bill introduced by the Government, it goes against the spirit and the letter of the existing Small Businesses Loans Act whose purpose was to encourage lenders to grant term loans to small businesses thus allowing them to upgrade and modernize their equipment and facilities and ultimately increase their productivity. Mr. Speaker, it seems that this Government wants to discourage any new loan by creating unacceptable new requirements for lenders. We must ask ourselves whether the Conservative Government does not simply want to ruin the Small Businesses Loans Act by making it unacceptable for lenders. Such a strategy, camouflaged in provisions which any serious analyst would obviously find unacceptable, would cause serious harm to the Canadian economy.

We cannot believe that, to keep the unrealistic promises it made during the electoral campaign, any Government would dare sabotage deliberately a piece of legislation which is one of the cornerstones of Canadian economic development. However, Mr. Speaker, if this is not a manoeuvre aimed at making the law inoperative, nothing justifies the provisions contained in the various sub-clauses of Clause 2. In view of the guarantees required from lenders and the essential purpose of the legislation, the new loss-sharing ratio seems simply aimed at limiting the number of loans. While basically the Government participation under this legislation must be to stimulate the economy by encouraging the granting of loans to develop small businesses, this will create a climate in which the lenders will become suspicious of businesses. It is obvious that this Act was passed in 1961 to encourage lenders to finance businesses which could not otherwise afford certain other programs usually offered by lenders. By using an extremely cautious formula and by taking into account the maximum losses sustained in a year, the Government can expect to recover a maximum of 0.7 per cent of the total value of loans thanks to the new loss-sharing ratio proposed in the bill.

A cost-benefit analysis of this bill would establish that potential revenue is insignificant since hundreds of millions of dollars in loans will probably be refused to small businesses by lenders who will worry about the appearance of the loss-sharing ratio. The refusal of 10 per cent of loan applications would mean a loss of investment capital for small businesses. It seems obvious that, at a time where economic growth is essential, the legislation proposed by the Conservative Government is irresponsible and dangerous for the Canadian economy. In addition, the clause requiring the banks to pay a premium of 1 per cent on the total value of each loan granted is also unacceptable.

● (1130)

Moreover, representatives of small- and medium-sized businesses have made it clear that this obligation will destroy the legislation and make it inoperative. Mr. Goeffrey Hales, vice-president of the Canadian Organization of Small Businessmen stated in response to this Bill, and I quote: "If lending organizations have to pay such a premium, they will withdraw altogether from the program provided under the legislation." In the same spirit, John Bulloch, president of the Canadian Federation of Independent Business, said recently that it would be foolish to charge such a premium to banks. Whom did the Conservative Government consult before introducing such amendments to the legislation which are totally unacceptable to all partners in the business world?

We have seldom seen such a consensus against a provision in a bill. Once again, we have to ask the following question: Is the Conservative Government trying to destroy the Small Businesses Loans Act by imposing unacceptable conditions? If so, it is taking the necessary means to that end.

Is the Government really so unaware of present economic conditions in Canada that it is ready to put aside an act which has promoted the growth of our small businesses for 23 years? The Liberal Party will never allow the Conservative Party to hinder the development of our small businesses. Through its legislative program, our Party has always encouraged their growth. The Liberal Party knows that strong small- and medium-sized businesses are essential to provide sustained job creation and economic growth in Canada. We know that this sector has provided 70 per cent of jobs in Canada between 1979 and 1980 and practically all jobs created between 1979 and 1982. The Liberal Party knows that at least 90 per cent of businesses in Canada are small- or medium-sized and that they account for more than 30 per cent of the Gross National Product.

Faced with such an irresponsible piece of legislation as this Small Businesses Loans Act, it might be appropriate to remind to Conservatives of the measures which a competent Government responsive to the needs of small- and medium-sized businesses has introduced in the past years. From 1980 to the 1983 budget, the Liberal Government has taken many steps to help the small business sector:

Program to promote subcontracting with Canadian companies (August 1980): The purpose of this program is to provide greater opportunities for small Canadian businesses to bid on subcontracts for major projects awarded to the federal Government's main suppliers.

Lower tax rate for small businesses: Small businesses are taxed at a rate lower than the rate applicable to major companies.

Small businesses investment grants: This measure was announced in the June 1982 budget. Grants were made to cover 4 percentage points over a two-year period and paid to the financial institutions by the federal Government on behalf of the borrower.

To promote even further the expansion of small- and medium-sized businesses, the Liberal Government gave them priority in the budgets of April 1983 and February 1984.

In April 1983: Investment Tax Credit: The budget provided a special refundable tax credit for small businesses investment recovery. In addition, companies that made investments and issued new equity shares were authorized to transfer to the purchasers any investment tax credit earned after April 19, 1983.

Research and Development Tax Incentives: The budget provided for the replacement of the 50 per cent tax deduction for increased research and development by an additional tax credit of 10 percentage points for all research and development expenditures, up to 30 per cent for the Gaspé area and the Atlantic provinces, 35 per cent for small businesses and 20 per cent for other businesses.

Carry over of losses to past or future years: The budget allowed for an extension of the period for carrying back or forward losses other than capital losses so as to reduce taxable income for past and future years.

Recovery Export Fund: The budget established a $180 million special recovery fund and an additional $20 million to be administered by the Export Development Corporation to help small- and medium-sized businesses win larger export contracts.

Shared wage costs: According to the budget, the new NEED program and the Youth Internship program of wage subsidies were to enable businesses to hire the required staff and share the cost with the Government.

Then, Mr. Speaker, we find the following in February 1984: Simplifying taxes for small businesses: the Budget contained proposals to simplify and shorten the tax form for businesses, to reduce the costs of applying the tax rules, to increase tax savings and to cut the small business tax legislation by two thirds.

Improving the fairness of tax administration: The Budget proposed a number of immediate initiatives to lighten the administrative burden of taxpayers and make the tax system fairer.

Employee profit-participation plan: The Budget proposed a maximum credit of 10 per cent of profits as an incentive for employee profit-participation plans.

Aid-Trade Fund: The budget proposed the creation of a fund to ensure closer coordination of development assistance and export financing policies.

● (1140)

While, throughout the years, we were able to propose measures to promote the development of small businesses, the Conservative Government, after all its promises, can only introduce in this House a bill which, according to small business representatives themselves, will, in effect, simply sabotage the Small Businesses Loans Act. The irresponsibility of this Government is such that it jeopardizes the development of many small businesses. Ladies and gentlemen on the other side, we suggest that you do your job, that you examine all these Liberal initiatives which were able to meet the needs of small businesses and that you come back to the House with a realistic bill which will truly meet the needs of Canadian small businesses. As we say, Mr. Speaker: "Do your homework." The Canadian people have a right to expect their representatives to show a modicum of ability. You have no alternative but to withdraw an irresponsible and harmful bill. The Liberal Party will never agree to legislation which would harm the economic development of our country.

Mr. Speaker, in the few minutes which I have left and I should like to mention the confusion created by this Government. We now have before the House a bill which, in practice, could slow down the activities and the development of small businesses because of the two provisions dealing with the 10 per cent share which the banks or lending institutions must guarantee, and the fact that these institutions must pay a fee of 1 per cent of the loan when the loan is registered.

Mr. Speaker, I read with surprise the following excerpt from the speech which the Hon. Minister of Finance (Mr. Wilson) delivered on January 28 before the Canadian Club in Toronto. I quote from page 7:

> Nobody can contribute more than the small business to the recovery of the economy and the creation of new opportunities. It has created most of the new jobs in Canada over the past few years. What is more, it has the greatest potential for creating new jobs over the next few years. If we really want to entrust the private sector with the economic growth of our country, we must see to it that entrepreneurs are rewarded for their spirit of enterprise and risk-taking. We must also take every possible step to eliminate all obstacles to the development of the small business.

This means seeking ways and means to ensure small businesses have access get the capital they need, especially when starting operation.

It is not a backbencher who said that, Mr. Speaker, but the Hon. Minister of Finance (Mr. Wilson). He said that small businesses need loans and capital to pursue their development; and yet, the Minister of State responsible for Small Businesses introduced today a bill which for the most part will cause problems for small business people who statistics indicate are those who avail themselves most of this program.

Mr. Speaker, another fact remains: Since mid January, small businessmen have been unable to obtain loans because the maximum ceiling has been reached.

I ask the Hon. Minister of State (Small Businesses) (Mr. Bissonnette) to divide this bill in two, so that banking institutions may continue right away to grant loans until March 31 and we can continue to examine his proposed amendments to the Small Businesses Loans Act.

If the Hon. Minister believes in the development of small businesses, Mr. Speaker, he must divide this bill and amend it so that small businesses in Canada may plan their operation and requirements.

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is with great pleasure that I rise today to lead off my Party's participation in the debate on the Small Businesses Loans Act. I want to say at the outset that I find it interesting that the Conservatives in government are acting no differently from the Liberals in government. They are bringing in a Bill in a rush and saying that they have to have it passed now. The Conservatives have known for quite some time, I am sure, that funds might not be available and that there was a need to top up the amount of loans available.

I want to say to the Minister responsible for this Bill that we will be supporting it reluctantly. I say that because we think it is an imperfect vehicle to support small business, but it is the only one available realistically this day nationally. We will support it and we will support the fine-tuning of the Minister.

I find it interesting that the Liberals, on the other hand, are trying to have it both ways. First, the Liberals want to have the Bill withdrawn but then maybe they want it split, I am not sure. Perhaps the Minister is not even sure what exactly the Government wants to do with this Bill.

I am quite happy to speak up in support of small business. As we all know, small business is the only sector creating real jobs in Canada today. Small business is the only sector that is creating jobs in our smaller communities. Small businesses are the only ones who are able to respond to changing economic situations in a way which protects themselves and their communities. They are the sector which tends to buy Canadian, to do its work in Canada and to share its profits in Canada. I think we have to support them. They also tend to be Canadian controlled and locally controlled so that whatever decisions they make are important to neighbouring communities. They do not, with the viciousness we have sometimes seen on the part of large corporations, make arbitrary decisions which eliminate the jobs and livelihoods of many people in smaller communities. They deserve to be supported in a non-interventionist manner.

• (1150)

Governments do not have to own small businesses, but we as legislators have a responsibility to ensure that we establish a climate which allows them to survive, to grow, to create wealth and therefore to share wealth within the context of Canadian society. We have seen that happening. We have seen in the last number of years that the only growth in employment has been in the small business sector.

The Canadian Federation of Independent Business, in a submission to the Macdonald Commission, showed very clearly that the percentage increase in employment was greatest in the smallest firms. Those firms with from zero to four employees had an increase of almost 76 per cent in the period from 1975 to 1982; those with five to nine employees, 28 per cent; those with 10 to 19 employees, 19.1 per cent; those with 20 to 49 employees, 9 per cent; and those with 50 to 99 employees, about 2 per cent. However, those firms with over 100 employees saw a decline of almost 3 per cent in jobs available, and big business saw a decline of 2.5 per cent.

When we look at the future, we see that between the years 1983 and 1990 there will be very little growth in the large corporate sector and that there will be no growth in the public sector. But there will be considerable growth, projected to 1999, in small- and medium-sized enterprises in the country. We have to foster that.

The Small Businesses Loans Act which we are debating today is one such vehicle. At least it is a vehicle which is in place. With the improvements being made by the Government, these loans will be more appropriately used. May I say that the banks accept, at least in part, their responsibility for the provision of capital to the small business community.

As I said before, we should be doing all we can to direct government assistance to the private sector and orient it toward the small business community. The amendments proposed in this Bill are definite improvements. The topping up by $300 million for this fiscal year to allow the program to continue is clearly an excellent move. Perhaps I would have been happier had this Bill been presented to us in the fall instead of demolishing the Foreign Investment Review Agency, because it is something we can support and work toward. We are now in a catch up situation. We are trying to put money in place because we have run out. We reached our ceiling two or three weeks ago, according to the Minister. It is clear that we should have been doing this last fall. We on this side of the House would have been happy to insist and ensure that the money was in place when it was needed.

The extension of the new lending period from two years to five years makes much more sense. We on this side have always demanded that the Government extend its sights beyond a year or two and develop some long-range plan. While there has to be a yearly allocation of the ceiling, it makes more

sense to have the Act in place for five years. I caution the Minister that perhaps some of the things he is doing in the Act should be tied in some way to the cost of living.

For instance, in terms of the definition of small business, the Minister admitted in the material which he distributed that the increase to $2 million will partially deal with inflation. It would make more sense to build into the Act some inflationary component so that two or three years from now, if we have an accumulation of 10 per cent or 15 per cent inflation, we do not have to come back to make an amendment. It should be a mechanism which automatically works its way along and reflects conditions in the market-place.

It will also allow for more stability in the small business sector. Applicants will know that for five years the funds will be there, assuming the Government is prepared to ensure that the ceiling is high enough. However, we question whether the legislated $1 billion limit is adequate. We are clearly reaching $900 million per year now, and with the improvements in the Bill there may be further demand. I would appreciate hearing from the Minister later as to the annual indication of how much the ceiling will be so that we will know whether or not $1 billion in terms of a legislated floor is something which perhaps should be improved now rather than finding out a year or two from now that there is a problem with it.

One aspect which we on this side of the House really like is the fact that finally the banks of the country will be forced to take their responsibility for supporting small businesses. In terms of the 90-10 split, perhaps we would have used a different ratio; perhaps it would have been 80-20 or 70-30. However, I think the principle is important. Although they accept their share of the responsibility, they are demanding collateral from applicants. In effect, they are being insured twice—once by the Government and once by the applicant. I recognize that there is a need for collateral. Perhaps the Minister could address this subject at a future point, that is, the relationship between the Government insurance aspect and the kind of collateral which the banks are demanding. Sometimes I think they demand too much and put small business persons in the situation of not being able to take advantage of other aspects of the market-place because they have had to lock up everything with banks for capital expenses even though they are insured by the Government. Then they do not have any equity to acquire operating or inventory financing which they may desperately need in order to survive. I encourage the Minister to look at that to see what impact it has and whether or not an improvement could be made in committee.

The most controversial aspect of the Bill is the user fee. The Minister proposes that the banks should pay the Government a fee to help offset the cost of defaults which may occur. The Canadian Federation of Independent Business and the Canadian Organization of Small Business have both suggested very strongly that that change will give the banks an excuse not to play ball or to avoid using the Small Businesses Loans Act. While I share their concern—and I have spoken to the Minister about this—we have to ensure that they are not allowed to withhold their funding under the Small Businesses Loans Act.

• (1200)

However, I disagree with the suggestion by those two organizations that the small business people should be paying the fee. The last thing they need is yet another expense on top of the cost of borrowing and the cost of running a small business in this day and age. They do not need a fee of 1 per cent or 1.8 per cent up front on their total capital request to add to their economic burden.

I encourage the Minister not to accept the arguments of the two small business organizations in the context of not placing the burden on the applicant. It rightfully belongs with the banks. As I indicated before, they have to accept their responsibility as well. If we were debating amendments to the Bank Act as opposed to the Small Businesses Loans Act, we could suggest mechanisms that would require the banks to set aside a chunk of their capital, earmark it for the small business sector and make it available at realistic rates of interest and on realistic terms. That Bill is not before us so we have to work within the context of this Act.

We did a quick survey of the co-operative financial institutions of this country. Although they are not exactly excited about the prospect of having to pay this fee, they did indicate quite clearly that they would not use it as an excuse not to participate. They believe that the Small Businesses Loans Act is a good vehicle for them to support people who come to them.

I suggest that the Act should be broadened. It now restricts the availability of capital to acquisitions and, therefore, cannot use capital for operating or inventory. As my colleague from Kamloops-Shuswap (Mr. Riis) indicated in this House quite some time ago, we would be pleased to see that provision changed so that they could use the insurance aspects to gain access to operating capital.

There is something else we would prefer to see. I am in a quandary because I will have to say glowing things about the Conservative Government of Ontario in doing so. What is worse, it was the Hon. Claude Bennett who initiated this program. The Ontario Development Corporation with branches of the Eastern Development Corporation and the Northern Ontario Development Corporation provides funding to small and medium size enterprises throughout the province. One of its key programs is the provision of financial assistance at a fixed rate of interest for a fixed period of time, that is, 15 years. The rate established is the going rate of the day, but they can guarantee those small businesses that for the next 15 years they will not have to pay anything more than the market rate of the day. There is that long-term planning capability. They will know from today until 1999 or 2000 what the payments will be.

The other positive aspect of that program is that if the market rate drops below what you are paying, you have the option to pay off the loan with no penalties. That is in Tory Ontario. As part of the discussions we will be entering into with the discussion paper the Minister will be presenting later today, we should look at that option as a means of supporting the small business sector of this country. During the recession a lot of businesses went under, not because they were poor

managers or because the market disappeared, but because the banks told them they could no longer afford the new high interest rates that they were having to pay either for capital or for operating.

No one knows what the future will hold in terms of interest rates. This Government and the previous Government would not take the necessary steps to intervene directly in the interest rate sector to ensure that rates stay down. We have to provide some protection for the small business community to ensure that they remain viable and have a long-term planning capability.

Something we would want to address if one of the other Acts were before us—this is something a number of us have been encouraging the Government to do—would be the matter of taxation, how we tax the small business community on one hand and inappropriately tax the large corporations on the other. No matter how often we raise that question in the context of making sure the big corporations pay their fair share, Ministers who respond suggest that we want to tax the small business sector at a higher rate. Nothing is further from the truth.

Small businesses in this country now pay more than their fair share whereas the corporate sector, the big companies, pay much less. It is the big corporations which get the tax breaks. They have billions of dollars of deferred taxes outstanding. Not many small businesses have deferred taxes outstanding. They do not get those kinds of breaks. We should look at how we deal with that.

There was an excellent editorial in the January 30 edition of *The Toronto Star* which I want to enter into the record. It deals specifically with tax breaks for the corporate sector. The editorial is entitled "Wasteful corporate tax breaks". I quote:

According to the Income Tax Act, corporations are supposed to pay 36 per cent of their profits in federal income tax. In 1980 the corporate sector actually paid about 18 per cent. The difference—accounting for more than $8 billion in lost federal revenue in 1970 alone—was the legacy of years of corporate income tax breaks.

This $8 billion price tag represents a 400 per cent increase in federal tax breaks for the corporate sector since 1972—the year in which Canadians first heard the slogan "corporate welfare bums." This suggests that in producing corporate tax "incentives," the federal Department of Finance has itself been running one of the growth industries in Canada for the past several years.

But in strengthening our economy and promoting job creation, are corporate tax expenditures really effective? Was the $8 billion spent in 1980 a down payment for the resiliency and the technology that our economy so desperately needs? Study after study has shown that on both count, the answer is: probably not.

In a 1980 Canadian Tax Foundation study, for example, Richard Bird, Director of the Institute for Policy Analysis at the University of Toronto and one of Canada's leading authorities on tax incentives, concluded that "we know amazingly little about the efficiency and effectiveness of the investment incentives we employ so profligately. What little we do know suggests that these incentives are neither efficient nor effective in achieving most of the objectives for which they were supposedly introduced."

One of the most popular tax breaks of the 1970s—super-depletion—underscores how inefficient tax expenditures can be. With super-depletion, for every $100 companies spent searching for oil, the government paid $105. As a result, super-depletion was less notable for the energy finds it financed than for the profits that were made. If the government had so allowed, it would have been profitable under this scheme for oil companies to drill at Bloor and Yonge.

Since tax expenditures improve the "cash flow" of business, they are supposed to provide a key source of funds for expansion. But in examining the effects of cash flow on investment, a Carleton University study of 70 manufacturing firms found that where demande for the output of the firms was strong, the lack of cash flow did not impede investment; where demand was weak, additional cash flow was not channelled into plant and equipment. In other words, for these firms, tax breaks had little to do with investment.

● (1210)

It is ironic, but at the same time as corporate tax expenditures were proliferating in Canada, they were being significantly curtailed by the Japanese. In describing this trend, Keimei Kaizuka of the University of Tokyo pointed to his findings that "we could not find evidence demonstrating the effect of tax preferences on economic activities. We could only mention the undesirable consequences of eroding the tax base."

Why have tax expenditures become the principal fiscal instrument for economic development in Canada? Most, if not all, corporate tax expenditures are a testimony to the good intentions of the governments which introduced them. In budget after budget, one finance minister after another has used them to pursue such laudable goals as increased employment, investment, productivity, international competitiveness, modernization, research and technological progress, in addition to more balanced regional development. Perhaps the unassailability of these objectives has served as an impediment to the scrutiny which these tax expenditures deserve. Perhaps it is the administrative simplicity with which they can be introduced.

But more likely, the steady proliferation of corporate tax expenditures has to do with the "politics of appeasement"—finance ministers are supposed to keep the business community happy. The aftermath of former finance minister Allan MacEachen's November, 1981 budget bears witness to this rule. After MacEachen launched his assault on tax preferences, business coalesced and MacEachen was through. In an effort to make peace with the corporate sector, Mr. MacEachen's successor at Finance, Marc Lalonde, introduced in his first budget almost $1 billion in new corporate tax breaks.

The essential problem with tax expenditures is that there are just too many of them. Each tax expenditure was introduced to encourage a particular type of activity. But the effect of any tax expenditure dissipates when many activities are rewarded at the same time. In his study of tax incentives, Bird concluded that "The more incentives are given, the more are needed to achieve the differential impact presumably sought in the first place."

With $8 billion in corporate tax concessions, the time has come for a major review. Since it is business that so desperately wants to see government spending cut, it is business that should be encouraging Finance Minister Michael Wilson to re-examine the effectiveness of each of these hidden "spending" programs. Instead of pointing to social programs, the corporate sector should begin scrutinizing its own set of books.

Those are very thoughtful words, Mr. Speaker, words which we should heed and look to as a method of bringing economic fairness to this country. We must foster the business community. In part, that means taxing it fairly.

There have been suggestions of allowing legitimate new small businesses—and we must be careful because often a business simply changes its name and starts all over again—to go for one or two years with a reduced tax rate or even with no effective tax rate as a means of allowing entrepreneurs to get established. It is worth looking at.

I think there are a number of other possible ways we can deal with this situation. However, I think the important thing is that we look at this Bill to see if we can improve it further. We should look to see if we can firm up its support and put in place mechanisms that will ensure that the concerns of the small business community regarding the banks avoiding the use of this program are met. Perhaps the Minister already has some mechanisms in mind in terms of regulations. We should make sure that that support exists and that the small business

community has access, not just in the major centres but in the smaller communities throughout our hinterland, to those mechanisms. We should make sure that a delivery system is in place.

As well, following a full discussion of the options that the Minister will place before the people of Canada in his discussion paper, the Minister should make a commitment to bring the Bill back to the House within the next six months to a year if there are some indications of further changes that could be made to the Small Businesses Loans Act. If that were to happen, then we would finally have a vehicle that is all-encompassing and will ensure the continued growth and survival of the small business sector in the community.

I thank you for your patience, Mr. Speaker. I look forward to the continuation of the debate and we will see what the final product will be.

Some Hon. Members: Hear, hear!

Mr. Weiner: Mr. Speaker, I would first like to compliment the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on his very excellent presentation. As a small businessman, having been involved in retail pharmacy for the last 20 years, it is very heartwarming to hear of the kind of support that we are getting in the community. As well, it gives me an opportunity to say how thankful I am to the Minister of State for Small Business (Mr. Bissonnette) for his efforts in helping me survive as a small businessman.

I have one or two small items to raise with the Hon. Member for Thunder Bay-Atikokan. I would like to know whether or not the user fee will act as any kind of a deterrent to the bank. My own experience with bankers has been that a small business loan is primarily offered to the bank's regular customers, the people they already know and with whom they already do business. It is a no-risk loan because, as you know, Mr. Speaker, it is not only guaranteed 100 per cent and even 90 per cent by the Government but is also secured on the other end because that is one of the requirements of the law. Prime rate plus 1 per cent is not a bad fee to be charging because that easily gives the banks a four or five point differential over what they are paying for their money.

As for whether or not this measure should apply to inventory or operations, those of us in business traditionally have a line of credit which is pegged to the inventory which is then pegged to the operation. If we are at all successful, we can certainly operate and live within those constraints. We get ourselves in a bind when we want to purchase, build or modernize premises, if we want to buy land for expansion or if we want to get involved in any capital improvements. We then find that the banks' very stringent requirements do not allow additional capitalization. The availability of a small business loan is what gives us the assurance that we can proceed.

I remember very fondly the year 1963 when I opened my first pharmacy in Dollard des Ormeaux. I practically had to mortgage my family's and my wife's family's assets to be able to raise any money with the bankers. I then saw a development that began during the time of the Hon. John Diefenbaker in 1961. At that time, small businessmen could go to the banking system almost like their big business brethren could and ask for a certain type of consideration. At the beginning that consideration was perhaps only $25,000 but today it can go up to $100,000.

We have come a long way and I will probably make a few more comments regarding that later. However, I would like to say that I am very thankful for the comments made by the Hon. Member. I have noted them very carefully. Again, I thank him for his consideration.

Mr. Deputy Speaker: I now recognize the Hon. Parliamentary Secretary for debate.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it gives me great pleasure to speak today on the Small Businesses Loans Act. This Act is important to the unknown number of small businesses that need a little extra help as they expand and adapt to the needs of the market-place. No sensible person can deny the success rate attributed to this Act in the past. Over the years from 1961 to 1983, this Act has enabled 140,380 small businessmen to expand their facilities, to purchase equipment and to modernize their plants. In my own particular case, it allowed me to go from partnership in one drugstore to a small chain of six, each and every time with the assistance of the Small Businesses Loans Act.

Indeed, this happened with a success rate of 98 per cent, there being only 2,878 claims paid in that 22-year history. This only offers further proof of the reliability of small businessmen and their tenacity if one looks back at the difficult period they have come through over the last 10 years or so.

Significant changes have been made in the past, changes that highlight not only the need for this Act but the need for us to be flexible. We must adapt the conditions of the legislation, the terms which we impose on the borrower, so that they are realistic and meet the needs of today's small-businessmen. I heartily endorse the proposal to increase the gross revenue allowed from $1.5 million to $2 million, because there has not been an adjustment since 1977 and there have been considerable periods of inflation. That increase will not only permit an additional number of small businesses to apply, but it will ensure that those businesses which need that kind of volume in order to survive will be able to qualify. In addition, it will not penalize the small businesses which have been successful and exceeded the old limits. I believe that small business is and will continue to be the engine of economic growth. We must continue the process of strengthening the small business sector and the Canadian economy.

• (1220)

This program has a successful track record yet, in cases where a claim is made, it is most unfair to expect the Canadian people to absorb 100 per cent of the losses. Instead this legislation proposes a 90:10 Government-lender loss-sharing ratio. Lending institutions should be made to share some of the

responsibility for the loans which they have approved, since they are profiting from them.

At the same time, while we demand some accountability from the lending institutions, we are not being unreasonable because the Government will not reject a bank's claim in cases where Small Businesses Loans Act borrowers amalgamate and their combined loans exceed the $100,000 limit. Accountability is important, as it should be whenever public funds are involved. As such, it is perfectly natural and just for Government, as guardian of public moneys, to insist that a lender respect and comply with the regulations or be liable for the full claim.

Dollard riding contains one of the most heavily industrialized cities in the Province of Quebec—Ville Saint Laurent. The city has a population of 65,000. It has 3,900 businesses, 1,800 of which can be construed as small businesses in the confines of the legislation. Overall, the businesses employ 78,000 workers. In addition to that, there are many other ancillary businesses and services which have been built up and which will continue to build because of the energetic leadership of Mr. Charles Robitaille, who is the Director of Economic Development for Saint Laurent. Through his leadership, Saint Laurent has been able continually to attract new industry and businesses, which gives small business an opportunity to flourish. The regulations which this legislation contains will provide more money to business so that they can locate close to the industries. Major industries cannot exist alone in a vacuum. Sustaining them and their employees are a myriad host of service industries which account for 40 per cent of the loans.

At the same time, the riding of Dollard has a broad multicultural base. Fifty per cent of the population comes from visible minority groups from various multicultural backgrounds. The Bill of Rights has enshrined true equality in Canada, but we need only examine the upper strata of big business, both in the public sector and the private sector—be it at the municipal, provincial or federal level—to discover that ethnic representation is practically non-existent. It is obvious to people who have businesses in Canada that the ethnic community still has not taken its rightful place in our society.

However, the ethnic community does play a very important role in small business. There have been a number of instances in the last few weeks in which members of the ethnic community have come forward with applications for small businesses. One case involves a man who owns a garage which employs five people. He wants to modernize and expand that facility and in doing so he will be able to create an additional five jobs. Another case involves a man who owns a cleaning establishment. That man also wants to expand his facility and create another five jobs. That type of activity makes up the cornerstone of our community. The majority of the jobs which are created in my area are created by small-businessmen.

From these communities have come a new generation of small-businessmen. They are hard-working and dedicated to their dream of building a new and prosperous life in their chosen home, Canada. They often require financial assistance when initiating their new enterprises. Those enterprises are creating new jobs for Canadians and this legislation offers them the assistance which is needed to purchase equipment or expand their premises.

I support this Bill. It will encourage the entrepreneurial spirit, aid some of our most progressive and innovative businessmen, and help to ensure more jobs for Canadians and a successful economy. No greater powerhouse for economic renewal than the small-businessman exists. We must remove the obstacles and permit small-businessmen to grow.

The Hon. Member for Thunder Bay-Atikokan (Mr. Angus) has already mentioned several instances upon which I would like to expand. We could look at simplifying the tax and regulatory environment. Small-businessmen are burdened with paperwork which has become an unsurmountable obstacle. Small-businessmen should insist that the Government reduce the amount of paperwork. Small business must have access to the necessary equity capital, and this legislation will provide that. As well, I hope the Government will look at the effect of unemployment insurance premiums. It is a contentious issue; however, it is a payroll tax and a deterrent to job creation.

Canadians must expect less of Government and more from the private sector. There must be a better balance in the Canadian economy between the public sector and the private sector. We must restore confidence and commitment to sustain economic renewal, and it must begin with the small-businessman.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member?

Mr. Riis: Mr. Speaker, I appreciated the speech which was made by the Hon. Member for Dollard (Mr. Weiner). He said that we must separate business from government and, in essence, get government off the back of business. Could he explain the type of government which should be taken off the back of business? Could he be precise as opposed to general?

Mr. Weiner: Mr. Speaker, it is an interesting concern. In many instances government has become an active competitor with small business. For example, the recent takeovers in the oil and gas industry. In one case, Petrofina became an active competitor with small business. Sometimes that is done with practices and methods which are not available to small business, such as marketing and the costs which are disbursed through bureaucracy. That is one particular instance but I believe there are many others to which I could refer.

Mr. Riis: Mr. Speaker, the Hon. Member made a variety of points in his speech and often referred to the fact that more emphasis must be placed on the private sector. I think that people would generally agree with that. He mentioned the fact that there were too many government restrictions and that we should look at the unemployment insurance premiums issue. Is he suggesting that Petrofina should be eliminated? Can the Hon. Member give us two or three examples of present

government programs which in one way or another affect business and should be eliminated?

● (1230)

Mr. Weiner: There are a lot of Crown agencies in this country and there are a lot of businesses which the Government is now running and administering. Parts of those businesses were previously in the hands of private entrepreneurs. I know that we have now reached the point where the whole situation should be discussed and looked at carefully. I do not want to simplify it. I will just say that it should be the object of a more careful examination, just to make sure that those areas where private and small-businessmen have flourished and have given adequate and proper service remain their exclusive domain. I believe care should be taken before those areas are removed from them.

In terms of the small-businessman, I was also referring to the amount of red tape with which we are involved. The forms and paperwork are really on top of us. I know that the Minister of National Revenue (Mr. Beatty) has already taken some steps to put small businesses in a position where, even if there is going to be an audit, it can be construed that they are innocent until proven guilty.

I can tell the Hon. Member that a few years ago when our family business had an audit, a team of people came in in September and stayed with us until Christmas. They were with us from 9 a.m. to 4 p.m. daily except for the hour and a half or two hours when they went to lunch. During the four-month exercise they found absolutely nothing. I am not saying that the Income Tax Department was wrong to request the information, but I think it was abusive. With the type of requests it made and information it wanted it just sat on top of the situation. I think we have to find ways of putting across the idea that small business is innocent until proven guilty with respect to tax situations. Small businesses are ready to give us all the information we require but I think we have to be less oppressive in the way we handle their tax matters.

Mr. Orlikow: My colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), has already indicated that we support the major principles of this Bill. I would like to ask the Hon. Member a question with regard to what seems to me to be the main problem of small business.

In recent years, because of the recession and because of the high interest rates charged by the banks, when small-businessmen want to borrow money either for operating expenses or for expansion the banks have dealt in a very tough way with them. If we look at the large number of bankruptcies in recent years, we find that it is the small-businessman who has been forced into that situation. I compare that with the very generous treatment given to large businesses, some of which have borrowed hundreds of millions of dollars from our banks and have not been able to pay either the interest on their loans or the principal. We have over $8 billion in non-performing loans, mostly to the large corporations. I wonder if the Hon. Member would tell us whether the Government is giving some consideration to this problem, not in the sense of passing legislation but in discussing with the banks the idea that they should be much fairer and easier on the small-business person and treat him in the same way as they treat the large corporations?

Mr. Weiner: Mr. Speaker, I thank the Hon. Member for the question because it is certainly an issue which is very real and alive in my thoughts. The feeling I have is that there is a different kind of pressure and regulation exerted on the small-businessman. We are almost on our knees with our hats in our hands in discussions with our bankers. We do not have the same familiarity with the boardrooms and the first-hand contact which has been developed because, as the Hon. Member knows, very often loans are made on the tip of a hat or a nod. We can have a document as thick as our hand but if we don't get the right nod, we don't get the right approval.

I recognize the kind of pressure which is put on the small-businessman because he has no other option. He has no other method of financing his operation. On the other hand, the big-businessman has other means of raising capital and cannot be blackmailed in the same way. I am concerned with that attitude. I do not know how to answer it.

As recently as last Tuesday morning, I had the pleasure of visiting the head office of one of our banks. It was a very friendly meeting. I have been less than actively involved in a business since September because the electors of Dollard have given me another job and, happily, the Government has also asked me to be the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Clark). However, my brother still runs the family business. The meeting at the bank was frank and open but I felt that the bank was exerting a pressure which was not as applicable to big business. It still went along with most of our suggestions. We asked for a little more time to provide the documentation, and so on, which big business would have at its fingertips. It is a real problem and I don't know how we are ever going to solve it.

With respect to the usury kind of interest rates, I can remember the day when, if we wanted to buy equipment, the bank would not finance it so we would do it through the company which was selling the equipment. Of course, we ended up paying at least double the interest rate, which meant that at the end of a three-year or five-year period we probably paid three times the price of the equipment.

What is done now with the Small Businesses Loans Act is that small business can buy the equipment at a rate which is even better than the regular rate that it is paying the bank because normally the small-businessman is paying prime lending rate plus two. He does not get the prime rate plus one-quarter as does the big guy. So we are making it easy and giving the businessman a rate at prime plus one with a five-year to ten-year pay-back. That makes it very easy for him to expand or modernize his business. It makes him better able to handle the market-place and to become more successful in what he is doing.

Ms. Mitchell: Mr. Speaker, I notice the Hon. Member and other Hon. Members of this House are referring to business people as "businessmen" very consistently. I would like to ask

the Hon. Member if he has any comments on the fact that not only are more women going into small businesses, but, indeed, they have a very good success rate. Yet they often find that there is much more discrimination, if you like, or difficulty in getting loans or financing from the banks. I wonder if the Hon. Member would care to comment on those points?

Mr. Weiner: Mr. Speaker, I thank the Hon. Member for the question. I do want to comment. First, I hope the Hon. Member will excuse my use of the term "businessman". I do it without any malice, in the same way as I might refer to a "chairman" when I should refer to a "chairperson". Perhaps we should have a new vocabulary which incorporates those terms.

I would like to relate a true story. My wife is an active member of the business community. She is a very successful businesswoman in her own right. She runs a very large travel agency in Dollard-des-Ormeaux. But I do have the feeling that in any relationship she has with her bankers, there is still that unspoken suggestion: "Well, why don't you drop in with your husband? Why don't you show me your husband's statement at the same time? Why don't you use his assets as a back-up for what you are asking?" She does not want to do that. She has made it in her own right. She has her own assets and her own equity to show. She is able to stand on her own feet.

I think this is a problem somewhat similar to that which my ethnic constituents are facing. We have to come to grips with the reality that we still do not have true equality, that we must continue to work for it. The positive and affirmative action which we need in that sense, with proper incentives and initiatives, must be taken here as well. I can only say that I have not yet had the pleasure of dealing with a female bank manager. Perhaps they exist, but they too, like the ethnics, must have their rightful place in this society.

Mr. Deputy Speaker: We shall now resume debate.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased with this opportunity to speak briefly in the debate on Bill C-23.

Mr. Speaker, I am rather surprised the Government should have waited so long to table Bill C-23 in the House. I see the Minister across the way and I am sure he would have preferred to table the Bill before the "well ran dry". I am positive, Mr. Speaker, but I suppose he does not have enough influence on . . . He may not have enough money either—I do not know since I am not familiar with his personal finances. But he definitely does not have enough influence on his colleague, the Government House Leader, because we know, Mr. Speaker, that the well has run dry, as I mentioned earlier, and that instead of tabling this Bill at an earlier date and helping small businesses, this Government preferred to help the big U.S. multinationals by spending much of this session on the Investment Canada Bill. Why set a higher priority on Investment Canada when we could have been helping small businesses?

I would like the Minister to answer that later on, Mr. Speaker, because it is very important for us to know what the Government's commitment is to small business.

Perhaps the Minister could also indicate why the Government is so keen on having the Investment Canada Act, which I think will reduce opportunities for small business. When small businesses, with their very limited resources, must compete with the multinationals, obviously things are going to be very difficult for them. I am convinced that my Progressive Conservative colleagues in the House will agree, since they see themselves as the friends of small business.

However, Mr. Speaker, we know this is not so. They are friendly with big business, with the big U.S. corporations, and especially with the U.S. Government, and, as we know, they have very little concern for Canadian small businesses.

Mr. Speaker, while we are on the subject, I think we should remember the promises this Government made during the election campaign, promises with respect to small business.

• (1240)

[*English*]

I have with me a document, Mr. Speaker, containing promises made by the Conservative Party. I am sure you will recall that the Conservative Party made quite a few promises during the last election campaign. We in the Liberal Party have tallied up some 338 promises, but of course we know there are far more, such as the bouncing rubber cheques to producers of Quebec and so forth. If you add them all up there are probably 500 promises.

I have here a list of Conservative promises to the small business community. It is an authentic list because it was prepared by the Prime Minister's office. I am sure you will agree that it is a very authentic document, as authentic as the Prime Minister (Mr. Mulroney) would like it to be. Let us review this list in order to familiarize ourselves with all the promises the Conservatives made to the small business community, recognizing that five months later, once the funds had run dry under the Small Businesses Loans Act, only then did the Government choose to introduce a Bill in this regard. It chose first of all to help out its big business American friends with the Investment Canada Bill and worried about small business much, much later. Of course, that is not what they said during the election campaign. Here is what the Government said. It was going to reduce the burden of excessive regulation and reporting requirements. I do not know what the Tories have done yet to satisfy that particular election promise, which was made on July 26 by the Prime Minister himself, then Leader of the Opposition.

The Tories also said they would rationalize and improve access to a variety of small business assistance programs offered by the federal Government. Again, nothing done. They would review Government purchasing policy and ensure that small and medium size enterprises obtain a fair share of government business. Another empty Conservative promise. They would encourage capital investment in small and

medium size enterprises and improve financing options for small business. That one is rather interesting, Mr. Speaker, in view of the amendments we have to the Bill today. I would like to know from the Government how reducing the component from 100 per cent to 90 per cent is going to satisfy the promise of improved financing options for small businesses. Obviously it is not going to do that, it will do the opposite.

Would you believe it, Mr. Speaker, the Conservatives are going to actually break a promise. This is the first time it has happened in the last 15 minutes. It is something like breaking patronage appointment promises. They are known to have done that once or twice in the last 24 hours. Once or twice every day since they were elected, in fact.

However, let us follow through on more promises. I notice I am starting to wake up some of the Tory back-benchers and the book-ends. That is a good thing. Let us review some more promises. This seems to be grabbing the attention of some Conservative Members.

An Hon. Member: Stick to the Bill.

Mr. Boudria: Well, we are discussing small business and this Government's commitment to small business. Maybe the Minister of Agriculture (Mr. Wise) and others are not interested in the commitments they made to small business, but I am. The small business community of this country is interested in their promises, especially the ones which have not yet been fulfilled. That is to say, exactly 100 per cent of the promises to small business have not been fulfilled. Let me continue.

They said—"they" being the Conservative Party, which I am sure you will recognize, Mr. Speaker, being the non-partisan person you are—they would increase the amount of management assistance to small businesses through such vehicles as the Counselling Assistance to Small Enterprise programs. In other words, the CASE program. What is going to happen with that program? What will happen when this Government abolishes the Small Business Development Bank, as we know it is proposing to do? That is no secret. We know the Tories want to abolish the SBDB. We know this is another promise that will be broken again. That is two promises they have broken in about 30 seconds. They do not have a very good batting average, you must admit.

They said they were going to broaden and better define the role of the federal Government to lending institutions, to augment and complement the role of private financial institutions serving small businesses. What are they augmenting? Since when does reducing from 100 per cent to 90 per cent augment anything? Would you believe it, Mr. Speaker, they have again broken another promise to the Canadian people. It is a very sad state when we have a government which is really not interested in observing the commitments it made. But we have to enumerate these promises to the people. They need to be reminded of the broken promises of this Government. I see this is waking up some of the Members across the way again.

Mr. Gormley: You are reminding them of why they voted you out.

Mr. Boudria: Listen to this promise: to facilitate the introduction and adaptation of new technology and encourage the spread of technical knowledge in businesses through adequate information and training programs and so forth. Well, I think it is about time we looked at the Government's cut-back book to see what it has done to fulfil that particular promise to small business. I venture to bet we are going to have another broken promise very shortly.

Let us look now at a $4.4 million cut-back in research and technology. Would you believe it?

[*Translation*]

Mr. Speaker, this Government, which has just promised us it is going to help small business, has just cut $4.4 billion from the research, science and technology program and a program that was providing support for research projects by small businesses. It is hard to believe that the Government has once again broken a solemn commitment, a sacred trust as a well-known Progressive Conservative has been heard to say. It is hard to believe this could happen and that this Government could renege on its commitment.

I have here a document from the Prime Minister's Office which contains the reply Ministers were supposed to provide in response to the budget cuts announced on November 8. Somebody drafted some nice little replies, so that when a certain question is put to a Minister, all he has to do is consult this document. The paper is called "Announcement of expenditure reductions", Ministers' document, secret, and so forth. This document was prepared by the Prime Minister's Office and provided to Members of Cabinet so they would know what to say.

It is important that the Ministers should know what to say, Mr. Speaker, or more important still, what to read when they do not know what to say. The Minister opposite seems a bit concerned, but I must tell him that he himself has no cause for concern, because he was expected to say nothing. The document makes no reference to that, so it is clear the Minister was expected to say nothing on that.

But I would like to refer to the next matter. Here is a question, a "potential" question that a reporter was supposed to ask the Minister. "With the increase in fees for small inventors' patents, are these people expected to disappear?" The minister is supposed to answer this: "No, the fees will be significantly reduced in some cases". And then: "How much will be the increase?" Then the Minister would answer: "The increase will be from $550 to $4,000. This is a Conservative bargain for small businesses. Patent costs will be increased to $4,000 from $550 to $4,000." I wonder how the Minister (Small Businesses) could explain this bargain which he is offering the small enterpreneur who wants to register a patent. I am anxious to hear his answer.

• (1250)

An Hon. Member: You will not have to wait for 20 years!

Mr. Boudria: No, I know we will not have it in the next 20 years, because we never get any answer from the Tory Government on almost anything, Mr. Speaker, and I am in total agreement with my colleague here who just said the Conservative Government offers nothing and answers nothing.

Mr. Speaker, I have another question which was supposed to be asked and it reads as follows: "How can you justify the increase in incorporating fees, when your Government boasts of supporting small businesses?" This is what the reporter is expected to ask, and the Minister should answer: "Fees have not been increased for years, and in any case incorporating fees are but a small fraction of the costs of doing business".

Mr. Speaker, since our small entrepreneurs have that much difficulty right now, I wonder whether the Minister personally feels—and I am confident he will say frankly in a few minutes whether he is personally in favour of increasing those fees, the incorporating fees—whether he feels that such an increase is reasonable, and whether it is by overburdening small businesses that we are going to help our small Canadian entrepreneurs.

Mr. Speaker, along with my colleagues, I think that this Government since it came to power has proved to be totally unconcerned and unwilling to help our small businesses. They have had five months to do so, and to this day they have done just about nothing.

[*English*]

I am glad I woke up another Hon. Member on the other side who is asking me what the Liberals have done for small business in 20 years. I am glad to hear the question. I am glad that the New Democratic Member praised the Ontario Development Corporation. As the Hon. Member knows, that was a joint federal-provincial program begun six years ago. I would like to thank the New Democratic Member for mentioning that. I am sure that all my Liberal colleagues will be pleased to read that in *Hansard*.

I will indicate some of the improvements that Liberals made to the law. The law was established in 1961 and was improved in 1971. The amount that could be borrowed was increased from $25,000 to $50,000. In 1977 the amount was increased to $75,000. Those are major strides made by Liberal Governments. I am glad that my colleagues in the Conservative Party asked what the Liberal Government did. We Liberals are proud of the things we have done for small business. We did not wait until the very last hour and then try to slip the Bill under the door with regressive clauses in it in order to get our way. We introduced those Bills in due time and we will continue to do so.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker. I think the Member for Glengarry-Prescott-Russell (Mr. Boudria) mentioned a Bill or a change in the legislation passed in 1961—

Mr. Boudria: The answer is no.

Mrs. Mailly: —because in 1961, the Government—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member but this is not a point of order.

Mr. Rossi: On a point of order, Mr. Speaker. There is a ten-minute question period provided after the Hon. Member's speech, so I think she should save her question for those ten minutes.

Mr. Deputy Speaker: I told her it was not a point of order, and neither is this a point of order. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, as usual you are absolutely right. Not only was there no point of order, but the point was not a good one.

What I said was, that the legislation was passed in 1961 and improved subsequently by various Liberal Governments. Now that we have established that, I imagine the Hon. Member for Gatineau (Mrs. Mailly) will get her facts straight next time.

I got as far as 1978, when further Liberal improvements were made to this legislation, Mr. Speaker.

[*English*]

In February of 1978 the formula establishing the maximum interest permitted was changed from a fixed rate and established semi-annually at the prime rate of the chartered banks plus 1 per cent. In April of 1978 the responsibility was transferred from the Department of Finance to the Department of Industry, Trade and Commerce. In July of 1980 the maximum total indebtedness outstanding was increased form $75,000 to $100,000.

As you can see, Mr. Speaker, the Liberals have a very good record of assisting small business and a very good record over-all for governing the country. The record of the Liberal Government is much better than the Conservative Government's will be after four years.

The issue which affects small business in the country the most right now is the price of gasoline. The increases which the Government has perpetrated on the small businesses of my riding are nothing short of scandalous, as my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), so aptly said. Those issues are very important to the small-business people in my riding. They are very concerned with the price of gasoline. The Tories want to increase the price even more, Mr. Speaker. How will this assist small business?

The Government has not earned the trust of small business and will not do so in the next few months when it gives priority to large businesses instead of small ones. It has not acted in a proper manner to gain their confidence. The small-business people of my constituency are not pleased with the Government. I would venture to say that small-business people across the country do not like the Government. It has led the population of the country into error. It has made promises which it is not fulfilling.

[*Translation*]

I mentioned several promises that this Government failed to keep. I should add that not one of the promises made to small business has been kept, and this after more than six months. On the other hand, it is surprising that big business and the President of the United States and others were promised that we would have an Investment Canada Bill, that it was put first on the priority list and that small business was moved down to second place.

A Government that has betrayed small business does not deserve its support.

Mr. Speaker, may I call it one o'clock?

Mr. Deputy Speaker: There will be a period for questions and comments after Routine Proceedings. Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSIONS

RECOMMENDATIONS OF NATIONAL PENSIONERS AND SENIOR CITIZENS FOUNDATION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, recently the National Pensioners and Senior Citizens Foundation, representing some 400,000 pensioners and senior citizens, presented a brief to the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson), and the Minister of National Health and Welfare (Mr. Epp), with a number of recommendations of interest and concern to senior citizens.

Some of the important points raised, which I believe are worthy of support by this Chamber, are that the Government should provide adequate and equitable pensions for all Canadians and increase the guaranteed income supplement benefits; that recipients of old age security on limited incomes be exempt from having to forward income tax quarterly; and that the Government, in co-operation with the provincial Governments, build small, accessible, publicly-owned rental developments, with tenant participation in the management process.

I would ask the Government to give favourable consideration to these and the other recommendations as they represent the views of the vast majority of Canada's senior citizens. This body has represented the seniors well in the past, and if

these recommendations are adhered to by the Government, I am certain that it will be for the benefit of all Canadians.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

EFFORTS TO RECOUP OVERPAYMENTS

Mr. Alan Redway (York East): As you know, Mr. Speaker, the Unemployment Insurance Commission is seeking the repayment of alleged overpayments of unemployment insurance benefits made to approximately 350 Canadians, not because of any fault or dishonesty on their part, but rather because the retroactive effect of an income tax court decision to which they were not parties and at which they were not represented.

In one of these cases an unemployment insurance board of referees has stated that the Commission's efforts to recover $21,120 from a constituent of mine offend the principles of natural justice. Notwithstanding that, the Commission has appealed the board of referees' decision.

There are three solutions to this problem. First, the Unemployment Insurance Commission can withdraw the appeal and not proceed with any appeals on similar cases. Second, under Section 60 of the unemployment insurance regulations, the Commission has the right to waive any attempt to collect overpayments in cases of undue hardship. Third, the Unemployment Insurance Act itself can be amended.

I know that the Minister of Employment and Immigration (Miss MacDonald) is most concerned about this very disturbing problem. I am sure all Members of the House will co-operate with her in dealing with it in a just, reasonable, and compassionate manner.

Mr. Speaker: I regret to advise the Hon. Member that his allotted time has expired.

* * *

EMPLOYMENT

CHALLENGE '85—LEAD TIME FACTOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to raise some concerns with regard to the Government's youth employment program announced yesterday. I want to suggest that it is entirely possible, with sufficient lead time and somewhat improved economic conditions, that the direction in the program the Government has announced could work. I do not think anyone would deny that that is a possibility. I do, however, believe that there is not sufficient lead time to allow for that program to work effectively this year. I think if it were announced now for next year, and the private sector, which the Government is calling upon to respond, had enough time to work the program into its hiring practices and to look at projects, it would be possible that by next year it might in fact prove to be effective.

S.O. 21

I want to suggest to the Government that it should go back to the job creation type of programs to which we have been accustomed, for two reasons. One, because they have worked and they have provided job opportunities for many young people. Second, because they have provided opportunities for municipalities, community groups, and voluntary organizations to provide a service to their communities a service that otherwise would not have been provided. The Government, therefore, would do better this year recognizing that is so, that it is not fictional or fictitious, and that if the Government would leave in place the program which it now has, and then work toward a greater degree of involvement from the private sector—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

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HARBOURS

STRAIT OF CANSO—ANNOUNCED CLOSURE OF EDDY POINT MARINE CENTRE

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, in my constituency we have one of the finest ice-free harbours on the eastern seaboard of North America. I am speaking of the harbour at the Strait of Canso. Into this harbour have sailed the largest ships afloat. The Port of Mulgrave has been used over the last 15 years at various times to service off-shore rigs. The entrance to the harbour is Chedabucto Bay. This Bay is busy with marine traffic, including deep sea trawlers, freighters, barges, and other marine traffic.

This harbour is one of our greatest resources. It is an important part of our effort to attract employment related initiatives.

It is therefore with concern that I learned of the decision to close the Eddy Point Marine Centre. I want to call upon the Minister of Transport (Mr. Mazankowski) to review this decision by departmental officials, with a view to continuing this important service to the marine traffic that uses this high traffic area. Such a decision by the Minister would be a strong vote of confidence in the area and would ensure the continuation of a valuable service to our marine industry.

* * *

[*Translation*]

EMPLOYMENT

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS

Mr. Raymond Garneau (Laval-des-Rapides): After hesitating for a long time, Mr. Speaker, the Government has finally made public its student summer employment program.

My first comment about it is that the Province of Quebec got the short end of the stick.

In 1984, the Liberal Government had allotted $44.5 million to create summer jobs for Quebec students—$36.8 million for community projects and $7.7 million for the "Career-Access" summer program.

According to the decision announced by the Conservative Government, $41.9 million will be set aside for Quebec, a cutback of a little over $2.5 million. While the Quebec budget is slashed, Alberta's has gone up by $5.5 million. I commend the Members from the Province of Alberta for looking after their own, and I would urge the Quebec Conservative Members to do the same thing and make sure that Quebec students are not penalized this year and, if possible, that Quebec's budget for this program be increased on a par with the higher funding granted to the Alberta students.

My second comment has to do with the so-called "Student Entrepreneurs" project.

Does the Minister of Employment and Immigration have the legal authority to administer such a program? If not, which federal department will be responsible for the administration of those loans and through which agency?

I would also urge the Minister to make public as soon as possible the application forms to be used by municipalities and community organizations and, finally, to establish clearly the rules of the game and the selection standards.

Hardly ten weeks remain until students complete their school term, so it is imperative that all administrative details be made public if we want—

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—FEDERAL-PROVINCIAL AGREEMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I want to express my delight at the recent agreement between the federal and provincial Governments regarding acid rain.

The provinces affected by this environmental brute are closer than ever to actual pollution cut-backs. We must be sure to follow through the proposal to cut back harmful emissions by 50 per cent in the next 10 years.

Our new Minister of the Environment (Mrs. Blais-Grenier) has shown her mettle in dealing with her provincial counterparts at the Montreal talks.

I sincerely hope the cost of this important initiative will be treated with some priority by the Government. Few investments this decade will yield greater benefit to the people of Canada. The federal-provincial agreement is the cutting edge for negotiations with the United States.

I would ask the Minister of the Environment and the Minister of Transport (Mr. Mazankowski) to redefine the standards for automobile emissions in Canada to meet the current, harsher standards used in the U.S. It would be

nothing less than politically prudent to have a commitment in place prior to President Ronald Reagan's visit in March.

Let us give our Prime Minister (Mr. Mulroney) the bargaining power to ask the President for cut-backs in the country he represents. We must have our own house in order before we ask others to do the same.

* * *

CONSUMER AFFAIRS

CALL FOR BANNING OF TAX REBATE DISCOUNTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, increasing numbers of tax discounting operations are preying on low-income Canadians by offering refunds on income tax returns in advance, at annual interest rates of more than 60 per cent.

• (1410)

Representatives from organizations such as the Quebec Association for Family Economy, and the National Anti-Poverty Organization have continually told the Minister that the tax refund business has grown by more than 600 per cent since 1981, that two-thirds of persons using discounters have average incomes of $8,000, and that 40 per cent of all users receive federal government child tax credits.

The Government intends to increase child tax credits substantially. This will only increase those exorbitant profits. The only way to stop the rip-off of low-income Canadians is to ban tax discounting and substantially speed up the processing of tax refunds.

We regret that the Minister of Consumer and Corporate Affairs (Mr. Côté) has not acted on this urgent matter, and further regret reports that his staff is promoting alternatives, such as a sliding scale interest rate charged on the size of the refund. It is time for the Minister to stop, to study, and to take some action.

* * *

POLITICAL PARTIES

HOCKEY MATCH RESULT

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, we must have pity on members of the Liberal Party. Not only have they lost their long-time Leader, their personal "PET", and the federal election, but yesterday they discovered that the Hon. Minister of Employment and Immigration (Miss MacDonald) could do something that they couldn't. The shock must have been totally devastating, because last night they couldn't even hold on to the puck. Yes, they lost that too, six to one. However, I noticed that by the end of last night's game a part of their anatomy was turning blue. Since they are now adopting the right colour, maybe there is hope for them after all.

Last night the PCs replaced the Liberal six and five program with our six to one victory. Maybe now they can see the light.

On behalf of all my colleagues I should like to extend our sincere appreciation and thanks to the National Capital Commission, and to the students of Carleton University, for a wonderful evening and a delightful reception.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ADMINISTRATION

POLITICAL APPOINTMENTS

Hon. André Ouellet (Papineau): Mr. Speaker, there is often quite a difference between what the Prime Minister says and what he does.

Last July, the Conservative Leader pretended to be shocked by the appointment of a Liberal minister in Rome. Today, he is appointing a former Conservative minister, Roy McMurtry, in London.

Last July, he promised to put an end to political appointments especially in Crown corporations. But now he appoints a defeated Conservative candidate, Mr. Lawrence Hanigan, Chairman of VIA Rail. That last appointment, Mr. Speaker, is pure patronage. The man who has succeeded in inflicting 20 strikes in 10 years to the Montreal Metro users will take the place of Harold Renouf, a competent and unbiased administrator who had managed within two years an important recovery at VIA Rail.

I say to the Prime Minister that he has failed to honour his election promises and is guilty of very bad patronage.

* * *

[*English*]

EMPLOYMENT

CHALLENGE '85—COMMENDATION OF MINISTER

Mr. William G. Lesick (Edmonton East): Mr. Speaker, yesterday at the Terry Fox Centre I had the pleasure of meeting and talking with about 75 young students from across Canada. These students are here in Ottawa as part of a continuing program to make our young people more aware of the machinery of government and of the people behind the scenes operating our many Departments and agencies. I was struck by their devotion to Canada, their nationalism, their understanding of and their appreciation for our national institutions. They represent the future of our country, and I truly believe that Canada will be in good hands.

Yesterday the Government announced a program which recognizes the industriousness and spirit of our young people. I commend the Minister of Employment and Immigration (Miss

MacDonald) and the Minister of State for Youth (Mrs. Champagne) for the innovative program which they have jointly developed. The Government has proven in this program that it wants to nurture and develop the entrepreneurial spirit of our young people, rather than simply devote dollars just to keep them busy for two or three months.

Young Canadians want to develop their skills. It is time that both government and the private sector co-operated together to ensure that the qualities which I recognized in the students I met yesterday will be developed and applied to their future careers.

ORAL QUESTION PERIOD

[*English*]

FINANCE

DATE OF BUDGET PRESENTATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am pleased that the Minister of Finance has arrived. He knows that the Statistics Canada leading indicator has declined now for three consecutive months. He also knows that the employment figures of which the Prime Minister has been so proud are in fact not 100,000 but considerably less. Even with arithmetical acrobatics, they cannot be rounded up from 88,000 to 100,000. He knows that the dollar has weakened. He knows that interest rates are moving up and, to top it all off, we find a waffle about the budget date. We suspect that it has to do with the provincial elections—perhaps Mr. Miller's, Mr. Lougheed's, Mr. Buchanan's—

Some Hon. Members: Question.

Mr. Johnston: I hope the Minister of Finance—and this is my question—will confirm the statement made in the House by the Right Hon. Prime Minister on January 30 when he said "—the Minister of Finance will bring down a Budget towards the end of April, as agreed". That statement is from *Hansard* of January 30. Would he confirm that it is still operative?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wondered if the question was ever going to come.

An Hon. Member: Now answer it.

Mr. Wilson (Etobicoke Centre): I will give an answer. I do not have anything different to say from what the Prime Minister has said on previous occasions in the House. As the Hon. Member knows, we are going through a very extensive consultation process. There will be the First Ministers' Conference next week. The following month will be the National Economic Conference in Regina. As soon as we are able to digest the multitude of good ideas which come out of those meetings, I will be bringing forward a Budget. I am still aiming for some time toward the end of April.

REQUEST FOR ECONOMIC STATEMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am relieved, and I hope Canadians are relieved, to hear that. The country needs a Budget. If there is any change in plan, would the Minister of Finance undertake—and even in the absence of a change in plan—to bring forward an economic statement at an earlier date?

An Hon. Member: Not another one!

Mr. Johnston: Clearly circumstances have changed dramatically from what was put forward in November. Along with that economic statement, would he undertake to introduce some immediate steps to control interest rates and to stimulate employment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to bring forward an economic statement, but I don't think it is quite appropriate to have an economic statement followed very shortly with a Budget. However, I might tell the Hon. Member that, if I did bring forward an economic statement, it would show an improvement in the economic forecast for this year. Interest rates are lower, economic growth is higher, and we are expecting that unemployment will be lower in 1985 than we had anticipated in the economic statement last November.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister ought to share his personal forecasts with the Members of this House. I therefore would like to put the following question to the Minister: The Canadian people gave this Government an overwhelming mandate to govern, to make decisions and to provide leadership for this country, none of which has materialized to this day. Is he really proud of his Department's performance, of his own performance and the performance of a Government that has done nothing about the economy or the direction that should be taken with respect to economic issues?

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker, I am very proud of our Government's performance, and when I bring down my budget in April, I think all Canadians will be proud of the decision they made on September 4.

Canadians have given us a mandate, and we have a mandate to consult with the Canadian people before we make any decisions, and that is what our Government intends to do.

● (1420)

[*English*]

EMPLOYMENT

CHALLENGE '85—FUNDING OF WAGE SUBSIDY PROGRAM

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Employment and Immigration. It is noteworthy that the Minister is advancing a new theology. Yesterday she advocated and extolled the virtues of the wage subsidy program. In fact 72 per cent of the money under Challenge '85 is directed toward wage subsidy programs. Will the Minister explain why, all of a sudden, a wage subsidy program will be the panacea for creating thousands of jobs among our young people when in fact, in this House on May 24, 1984, the Minister said, and I quote:

> Wage subsidies and employment tax credits will be of little value in these economically depressed regions.

Will the Minister explain this obvious contradiction?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the question of wage subsidies in economically depressed areas is something that the Hon. Member should really know all about because the wage subsidies in economically depressed areas will go to community organizations. This will go to support those groups and organizations that can produce community work, and they will be 100 per cent subsidized.

ALLOCATION OF FUNDS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, this is an obvious about-face by the Minister. It is very obvious. Will she explain to the House why, in real dollars, the people of Newfoundland, Nova Scotia, Prince Edward Island, and Quebec are receiving less money than they did last year? Will she explain to the House why?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I understand that there would be a certain amount of sour grapes on the part of the Opposition. I am sorry about that because, except for the 70 Members sitting on opposition benches, there has been positive response to this program all across the country, including the Canadian Federation of Independent Business, student groups, chambers of commerce, and labour unions all across the country. I invite him, as I have done other Members, to get in and work at it, and try to make this program successful from his point of view as well.

* * *

THE ECONOMY

CONFIDENCE OF PEOPLE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. At noon today we learned that the Canadian dollar dropped to its lowest level in history. About 18 minutes ago we discovered that interest rates jumped a full half percentage point, and more than 1.5 million Canadians remain unemployed. Considering that the Prime Minister was elected to get rid of the problems created by the Liberals instead of perpetuating them, what does the Government plan to do now to begin to bring confidence in the economy to the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the economic program that we set out last November will clearly bring the results that both the Hon. Member and we want, more jobs for all Canadians who were put out of work as a result of policies brought in by the previous Government. Yes, there has been an increase in the interest rate today, but I should point out to the Hon. Member that the interest rate went down for 20 or 21 weeks straight, mortgage rates came down, and about 100,000 jobs were created.

REQUEST FOR ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister cannot have it both ways. He took credit when interest rates went down in the fall. He now has to accept responsibility when the interest rate is going back up. He said in a speech he made in the House of Commons last fall that high interest rates lead inevitably to increases in unemployment. We have been saying that day in and day out, in fact year in and year out, on this side of the House. Now that the Minister has responsibility and can do something about interest rates, why is he not keeping them down and generating growth and confidence in the Canadian economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are talking about two weeks of increases against a background of four months of decreases. What has happened now is that we have record highs of the U.S. dollar against all industrial currencies. The Canadian dollar, unfortunately, cannot be immune from that. That has caused, unfortunately, an increase in the bank rate today, but we believe that the policies that were set in train back in November will, over a period of time, lead to a drop in interest rates, as has clearly been demonstrated since September 4.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, Marc Lalonde and Allan MacEachen could not have said it better. In fact, they used to say it just the same way.

My question is to the Prime Minister, if he is going to accept his responsibility and answer some questions about the economy. If not, I will direct it to the Minister of Finance. During the election campaign the Prime Minister said that he would not move to increase the interest rate in order to deal with the falling dollar because, as he pointed out, that leads to increased unemployment. Why has the Prime Minister reversed his policy? Why is the Government of Canada still pursuing the old Liberal policy of jacking up interest rates?

Why does the Government not accept its responsibility to get growth in our economy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we do accept our responsibility for creating growth in the economy. I suppose that I am no less concerned than my hon. friend when interest rates, notwithstanding an important and encouraging pattern over the last four and a half months, do increase. Any increases in interest rates, even for the valid reasons mentioned by my hon. friend, such as the record strength of the American dollar, inhibit economic growth, particularly for small business.

I know my hon. friend will remember that, apart from the ongoing circumstances with which we are called upon to deal, we also must in a parallel way, deal with 20 years of profligacy and the heritage left us by the Liberal Party. We have to introduce policies to deal with these structural deficiencies in the economy. I think that begins with a rebirth of confidence for consumers in the private sector and the labour movement, and that is going to create the strength we need in this country.

Some Hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—LAYING OF CHARGES BY RCMP

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Attorney General of Canada. In view of the assurances that the Attorney General gave last October that there would be no government interference in the Hatfield police investigation, and that he would follow the long-established practice in federal cases of leaving it to the RCMP to decide whether to lay charges, when to lay charges, and what charges to lay, did he, any law officers of the Crown, or any government officials outside the RCMP, give instructions to the Mounties about what charges to lay, when to lay them and, indeed, in front of which New Brunswick Judge to appear to lay those charges?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, in connection with the charges that were laid in the Hatfield case, these matters were dealt with in the normal way by the Department of Justice and the RCMP. The RCMP consulted the Department of Justice because this is a federal matter under the Narcotic Control Act. They proceeded in the normal course of events. They were instructed by me that I expected the case to be dealt with on the same principles that would be applied to any similar case. They assured me that they had arrived at their conclusion on that basis, and I accepted their advice and conclusions. That is how the matter was conducted. I can assure the Hon. Member that the integrity of the system of justice in this country was preserved absolutely in the matter of the prosecution of Mr. Hatfield. On the basis that I know the man and am a friend of his, I am happy that he was found not guilty.

• (1430)

INSTRUCTIONS INQUIRY

Hon. Bob Kaplan (York Centre): I do not have any difficulty with the idea of the RCMP getting legal advice or consulting senior officers about the question of whether or not charges should be laid before making its own decision. I am asking the Minister to confirm, for the sake of the integrity and credibility of the RCMP, that no instructions were given to the force from outside sources, including the Department of Justice officials who should not do so. I am asking the Minister to confirm that they did not give instructions about what charges to lay, when to lay those charges, and before what judge to appear to lay them.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have just told the hon. gentleman that the normal course of events was followed in this case. The RCMP, as it is entitled to do, sought the advice of the Department of Justice. The RCMP was not instructed by the Department of Justice to do anything. Members of the RCMP asked advice as to what they should do and how they should do it. They asked for the legal direction to which they are entitled from the legal officers of the Crown who, in every case, give them that advice with great propriety and a sense of responsibility, and without any interference at all on the political level.

* * *

THE ECONOMY

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. In Winnipeg on June 25, 1984, the Prime Minister said that if he were forced to choose between higher interest rates and a lower Canadian dollar, he would take a lower dollar. The Prime Minister promised the people of Canada that that was what the Government's policy would be. Is that in fact the policy of the Government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there has been no reversal in government policy from that which I set out on November 8. It was very clear, and has been very clear, that within the last four or five months we have had falling interest rates. I would expect that the Hon. Member would be congratulating us for our achievements during that period of time.

Mr. Broadbent: What did you do for five months?

Mr. Wilson (Etobicoke Centre): The Leader of the New Democratic Party cannot have it both ways. He says that I cannot take credit for the lowering of the interest rates but that now I must take full credit for the rising interest rates.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In the past four or five months, there have been 22 weeks of falling interest rates and two weeks of rising interest rates. Surely the Hon. Member should be pretty pleased with that performance.

ELECTION STATEMENTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the rise in interest rates today was a substantial rise in interest rates. There is now an uncertainty in the country. The investment community and the consumer community are very concerned. They are hearing different signals.

The Prime Minister said that if he were forced to choose between higher interest rates and a lower Canadian dollar, he would take the lower dollar. The Minister of Justice said that they as a Government would opt for a lower Canadian dollar and not higher interest rates which would ruin economic growth. That is what the Government indicated its policy would be. Is that the policy of the Government today?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I simply repeat the answer I gave the Hon. Member a minute ago. We cannot run economic policy in this country by looking at two weeks as the measure of the success of that policy. We have seen a policy which has brought interest rates down every week, week in and week out, since September 4. We have had two weeks of increases. Surely the Hon. Member can show a degree of patience and encouragement, and see that that is a good performance. He should be encouraging us to continue with that performance over the weeks and months ahead.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Right Hon. Prime Minister, and it too concerns the Richard Hatfield marijuana case. I would like the Prime Minister to advise the House of the exact date on which he first became aware that marijuana was found in Premier Hatfield's luggage. I would also like him to advise the House what instructions, if any, he issued concerning the case. Finally, can the Prime Minister indicate whether or not he or members of his staff communicated, either directly or indirectly, with Premier Hatfield regarding the discovery of the marijuana in his luggage?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can deal with these questions because I am the Attorney General and I—

An Hon. Member: Are you the Prime Minister?

Some Hon. Members: Oh, oh!

Mr. Crosbie: Are you a sleaze bag just like the other Hon. Member? An absolute sleaze bag.

Mr. Gauthier: Withdraw that!

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure the Hon. Minister did not mean to use the word he used, and would perhaps withdraw it now.

Mr. Crosbie: Yes, Mr. Speaker, if that is what you direct, I will withdraw it.

Dealing with this question, which is a sleazy question—

Some Hon. Members: Hear, hear!

Mr. Crosbie: —at no time in the conduct of the matter involving Premier Hatfield of New Brunswick has the Prime Minister communicated with me about the matter, nor have any of the people in his office. However, I of course have kept the Prime Minister advised at the proper time as to what was happening as is my duty.

INQUIRY OF PRIME MINISTER

Mr. John Nunziata (York South-Weston): Mr. Speaker, with all due respect, my question was directed to the Prime Minister. Surely Canadians have a right to answers from the Prime Minister. I would repeat my question and put it to the Prime Minister.

On what date did the Prime Minister first become aware that marijuana was found in Premier Hatfield's luggage? Was the Prime Minister aware that a meeting took place between the Solicitor General and Mr. Pat Ryan, the ATV correspondent, in Halifax, prior to charges being laid? Was a member of the Prime Minister's staff present at that particular meeting?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no idea of the second part of that lengthy statement. I suppose the Hon. Member would have to ask the Solicitor General in regard to that. I have no personal knowledge of the matters suggested by my hon. friend.

I may tell the Hon. Member that, to the best of my recollection, the Minister of Justice and Attorney General for Canada took me aside prior to a Cabinet meeting to advise me that a charge would be laid in the matter of the Queen and Mr. Hatfield, either that afternoon or the next morning. That was the first and only advice that I received of the fact that the matter would go ahead.

Mr. Rossi: That's all you're supposed to know.

* * *

EMPLOYMENT

CHALLENGE '85—SIZE OF FUNDING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration who, after months or procrastination, prevarication and puffery, has produced a masterpiece of sleight of

hand, in which her hands never even left her arms and, indeed, no new money left the treasury. Will the Minister admit that the new $205-million youth employment program represents nothing more than the reallocation of funds cut from previously existing youth programs such as Katimavik and Environment 2000?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the amount of money that was allocated to the summer program came from the $1-billion fund that was saved from government expenditures last autumn and reallocated to the job creation, training, and human resource development, on which this Government places a very high priority.

PRIVATE SECTOR ROLE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I suppose the answer to my question is yes. I will ask the Minister a different question.

Is the Minister of Employment and Immigration at all concerned about what she has heard today about the effect of high interest rates on small business, and the effect that that will likely have on this ambitious dependency upon the private sector and particularly small business, to create jobs, considering not only the short time period in which to implement the program but the deep concern on the part of potential employers about their own survival?

• (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know the Hon. Member is concerned. But I want to tell him that representatives from the Canadian Federation of Independent Business said today that they would play their part in making this program successful. Chambers of commerce across the country have said that they would play their part in making the program successful. I can tell him that the President of the Student Administrative Council at the University of Toronto said that the $205 million program was fantastic. He is one of a number of student presidents who have welcomed this approach.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would ask the Hon. Member to have as much faith as the students.

PROVINCIAL LEVELS OF FUNDING

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to direct a question to the same Minister, which concerns a region of the country where her reviews are not nearly as favourable. During the course of her press conference and in her statements in the House she said that no province or region would receive less funds than it did in the previous year.

The Province of Saskatchewan will have 1,000 fewer summer jobs than it did last year, and the Province of Manitoba will have 700 fewer jobs because of substantial cut-backs in the level of funding which was provided last year in the summer youth program. Obviously, the Minister has made a mistake. Will she now say that she is prepared to restore that funding so that the students will have the same jobs which they had last year?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when the Hon. Member was Minister of this Department he did not think to take into account the co-operation of the provinces and the private sector, and look at what their contributions could be, over and above that of the federal Government. When the program is fully funded, he will see that every province will do extremely well, and better than last year.

ROLE OF PRIVATE SECTOR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I regret very much that the Minister refuses to increase the level of funding to those two provinces so that the students in those provinces will have the same chance as they had last year.

Is the Minister aware that since last summer in the city of Winnipeg alone there have been up to 1,000 lay-offs in various plants? How does she expect the private sector in that area to respond to—

Mr. McKnight: They were from your office.

Mr. Axworthy: It is because of the cut-backs of this Government. We know the reason for the lay-offs. It is because this Government does not have the representation from Manitoba to bring in the kind of investment it needs.

Because of the inability of the private sector to provide that kind of response, will the Minister not reconsider and bring about a revision of her funding arrangements so that those provinces and their students will have the same chance, and the fair chance, that they had in previous years under Liberal Governments?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have said before that we will be working with the private sector. The private sector has given us a great deal of assurance that it will play its part in the program. The private sector was not prepared to play that part with the previous Government, simply because the private sector did not trust the previous Government.

Some Hon. Members: Hear, hear!

Miss MacDonald: That was evidenced on September 4, and it was evidenced in the latest Gallup poll which showed where the Hon. Member's Party stands. We will not use the funds in the way that the previous Government did to create a huge slush fund which could be handed out to Liberal Party friends.

Some Hon. Members: Hear, hear!

AGRICULTURE

POTATO INSPECTION CHARGES—EFFECT ON PRINCE EDWARD ISLAND FARMERS

Mr. Pat Binns (Cardigan): Mr. Speaker, my question is directed to the Minister of Agriculture. The Department of Agriculture has proposed cost recovery in inspection services for vegetables. Prince Edward Island potato producers could face major increases if the proposals which were recently announced by the Department are implemented. Combined inspection charges could cost a producer over $90 per acre or, put another way, over $18,000 for a 200-acre farm.

Since the potato industry has been facing severe financial difficulties, and since implementing these proposals, as is, would be a hardship which producers cannot withstand, will the Minister have his Department review the proposals, through consultations with the industry, and make changes with which both the Government and producers can live?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the Hon. Member's question and, indeed, I want to make it very clear to Members of the House that I share his concern.

I want to make it perfectly clear that the cost recovery results from our responsibility to make a contribution to the deficit reduction program of the Government. We are presently communicating with about 60 groups, and I want to make it clear that we are in no way advising these groups. We are now studying proposals. I share his concern and recognize that there are certain areas which are far more sensitive than others. We will consult and negotiate to arrive at a mutually satisfactory decision which will benefit all concerned parties.

* * *

[*Translation*]

YOUTH

KATIMAVIK PROGRAM—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too have a question for the Minister of Employment and Immigration about the Katimavik program. Could she tell us what criteria justify cutbacks from $50 million to $19 million in the Katimavik program? That is a very specific question.

Hon. Andrée Champagne (Minister of State (Youth)): In my opinion, Mr. Speaker, saying that there has been a cutback from $50 million to $19 million is an erroneous statement. The truth of the matter is that, in its 1983 budget, the previous government had set up a special additional fund of $40 million broken down as follows: $10 million for 1983-84 and $30 million for 1984-85. Since we do have to keep budget restrictions in mind, Katimavik will simply have to manage with its previous basic budget, something which Katimavik's executive director has been aware of for quite some time now.

EMPLOYMENT

YOUTH—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker.

Mr. Speaker, the Minister is aware of the fact that the new program announced by the Minister of Employment and Immigration is obviously designed for students. Here is my question.

Since the 4,500 Katimavik youths had already quit school—therefore they are no longer students—what new program did the Minister of Employment and Immigration or the Minister of State (Youth) establish for those young people who no longer attend school?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has raised the question of other young people who are no longer in school and who are unemployed. It is true that the program which was announced yesterday addresses itself to young people who will be returning to school. I can also tell him that the programs on which we have been working, both in my Department and in Cabinet, address themselves to the over-all $1 billion fund for human resource development and training. Coming from that, announcements will be made concerning other measures which will be taken to address the needs of the young people to which he so rightly referred.

* * *

EMPLOYMENT

CHALLENGE '85—DEADLINE INQUIRIES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister must realize that students need to count on a certain income to be able to go back to school. In her program announcements of yesterday she gave us no clarification as to the time deadlines. I would ask the Minister to give the students of Canada three dates: the deadline for private sector business to produce the job creation programs and projects; the deadline for students to apply; and the start-up date and the duration of the projects. When will the Minister give us those answers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be sending the details to the Hon. Member in a very short time. I hope that she will then undertake to communicate those details to all students in her riding, as I hope all Members will.

[*Translation*]

REQUEST FOR DETAILS OF FUNDS DISTRIBUTION

Mrs. Sheila Finestone (Mount Royal): The Minister said that the funds would be distributed at the provincial level, then she said it would be done on a regional basis. How will she make sure that there is fair and equitable use of the funds in our ridings? What does she mean by region. How will she make sure?

● (1450)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I informed the Hon. Member yesterday, as well as other Hon. Members of the House, the distribution of the funds will be allocated based on unemployment figures in regions and in provinces. The funds will, therefore, go to those who need the help most, to the place where there is the highest concentration of unemployment amongst student groups. I believe the Hon. Member would agree with me that that is fair.

* * *

TRUST COMPANIES

PIONEER TRUST COMPANY

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of State for Finance. In view of the fact that published reports have indicated that Pioneer Trust Company of Regina is in a financial situation serious enough to warrant the Government of Saskatchewan guaranteeing the purchase of some $30 million worth of preferred shares, will the Minister first confirm that an investigation by the Department of Insurance is under way? Second, will the Minister tell us if that report will be made public?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am aware of the situation about which the Hon. Member has asked. I appreciate his concern. My officials have bee monitoring this situation and, if there are any further developments, I will be happy to inform the Hon. Member.

PROTECTION OF INVESTORS AND DEPOSITORS

Mr. Simon de Jong (Regina East): Mr. Speaker, there is a tremendous concern in Regina as well among my constituents. The city is rife with rumours. Would the Minister guarantee that, whatever the findings are, those findings will be made public so that both the investors and the depositors in Pioneer Trust will be fully protected?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sympathetic to the Hon. Member's question. I have already informed him that I will let him know of any further developments.

INCOME TAX ACT

RHOSP PROVISIONS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I would like to address my question, through you, to the Minister of Finance. Would the Minister consider reviewing the legislation governing the use of funds saved under RHOSP, specifically the articles outlined in Part I of the Income Tax Act which define "owner occupied homes"? I have had a number of inquiries from elderly constituents who have been offered accommodation in a co-operative on a long-term lease basis. The terms of the lease would run 21 years and the complete term rental is payable in advance. This represents an immediate capital outlay of $55,000. These constituents have learned that their RHOSPs cannot be applied to this lease-purchase nor can they be converted into RRSPs, thanks to the legislation put in place by the Liberal Government.

Some Hon. Members: Oh, oh!

Mr. Speaker: I believe that is the question. I have already heard at least one question.

Mr. Blackburn (Brant): He has already heard the answer, too.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thank the Hon. Member for his question. He poses a very complex question, one which I would be pleased to discuss with him at some length. I think the Hon. Member should realize, though, that this is a matter which is the subject of a Budget. If any changes were to be made in the RHOSPs, they would be brought down in a Budget.

* * *

[*Translation*]

EMPLOYMENT

YOUTH—MUNICIPALITIES—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the Minister of Employment and Immigration. As we known, this Government's password seems to be "consultation", but we saw yesterday that those who are most concerned with summer employment, the students, the Canadian Federation of Students, had not been consulted by the Minister.

There is now another very important aspect to the program. This year municipalities will have for the first time to assume 25 per cent of the cost of students' salaries, plus 15 per cent for social benefits.

Before announcing the program, did the Minister consult, as she is committed to do, the Federation of Canadian Municipalities?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think it is recognized that I

consulted quite widely with student groups across the country, many of whom I heard from today, and I have consulted with individual municipalities such as the Municipality of Gander which is not one of, perhaps, the most affluent municipalities in the country. I was told that it would be pleased to put up 25 per cent of the cost if the federal Government was able to deliver 75 per cent. It is a response like that which I think is encouraging as far as this program is concerned.

[*Translation*]

Mr. Lapierre: Mr. Speaker, the Minister may try to delude us here in this House, but I will tell her that the Federation of Canadian Municipalities were not consulted, and it is now realized that her program will not work. I just spoke to them about the 25 per cent she is asking them to contribute, along with the 15 per cent for social benefits. Municipalities have already voted their budgets, Madam Minister, and at this point it is too late to add anything for this coming summer. Students will be paying for your failure to consult. I ask the Minister: Will she increase the federal contribution, to make sure that municipalities can participate? If not, her program is liable to fail, as I am told by the Federation of Canadian Municipalities.

[*English*]

Miss MacDonald: Mr. Speaker, I simply do not accept the statement that this program is doomed to failure. People from across the country have been getting in touch with my office today to ask how they could take part in the program, how they could become involved, and how they could be assured that they will receive some of the subsidy which the program produces.

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CONSUMER AFFAIRS

ACTIVITIES OF TAX REBATE DISCOUNTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister received a brief yesterday from the Quebec Association for Family Economy which pointed out to him that there has been a tremendous increase in the number of low-income families who have gone to tax discounters to get their income tax refunds paid in advance. The Association recommended that the Minister stop the discounting and repeal the legislation which permits it. Would the Minister tell the House when he is going to respond to that kind of proposal?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already indicated, I believe, that we are now consulting. We had intended to meet with our representatives from the Provinces over the coming weeks, and also with the discounters. As soon as we have completed those consultations and received those recommendations, we will take the necessary action.

[*English*]

COMMITTEE RECOMMENDATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this question has been brought before Governments for the last two or three years. We understand that the former Minister of Consumer and Corporate Affairs appointed an interdepartmental committee and that it has made recommendations that this process be stopped. Would the Minister table the recommendations made by the interdepartmental committee so that Hon. Members of the House, and the people affected, can see what those officials are recommending?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): To our knowledge, Mr. Speaker, the only recommendation or statement made under the previous administration was a statement in this House made on April 2, 1984 by the then Minister. It quite simply implied that there were to be meetings with the Minister of National Health and Welfare, after which recommendations, new provisions and amendments to the Act would be proposed.

* * *

[*English*]

AGRICULTURE

FARM CHEMICALS—REQUEST FOR DUAL MEASUREMENT LABELS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Agriculture, despite the fact that the Hon. Member for Regina West is sitting beside him. My question falls on the heels of the initiatives taken by the Minister of Consumer and Corporate Affairs which would make the metric system more palatable in Canada. Would the Minister now cause an action which would bring it about that manufacturers of herbicides, pesticides, farm chemicals, and fertilizers would use dual labelling? Because of the fact that the average age of farmers in Canada is nearing 50 years, labels in both imperial and metric would be advantageous to them.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly welcome that question because I am indeed receiving a number of similar inquiries from other Hon. Members of the House, as well as from those members of the agricultural community. I would just like to indicate to the Hon. Member, and to Hon. Members of the House, that the policy of the Government, which was enunciated by my colleague, the Minister of Consumer and Corporate Affairs—the policy which brought to an end the confusion and chaos of the food and petroleum industries—will apply to the agricultural industry as well—

Some Hon. Members: Hear, hear!

Mr. Wise: —in that we are currently looking to see whether or not it is necessary for us to change the regulation which would allow for manufacturers of chemicals and fertilizers, and the like, to provide the imperial nomenclature as well.

● (1500)

Mr. Speaker: One question, the Hon. Member for Eglinton-Lawrence.

* * *

EMPLOYMENT

KATIMAVIK PROGRAM

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister, and I am sure he will understand the reason for it. He is very aware of the very worthy and uniquely established program, Katimavik. This is a bilingual program which has been a great success and acclaimed by many people throughout the country. He knows that, with the present cuts taking place, some 2,700 students and 400 group leaders will be losing their jobs. Will the Prime Minister himself personally give consideration to continuing this program during this International Youth Year?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Katimavik program has not been terminated, has not been cut. It has been brought back to its normal basic budget. The Secretary of State and myself are very well aware of this marvellous aspect, but we both feel there will be more effective and cost-efficient ways to make young Canadians bilingual than adding another $30 million this year.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, February 6, 1985, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what his plans are for the business of the House for the coming week.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I thank the Hon. House Leader of the Opposition for the usual Thursday question. I want to advise the House that I would like to designate Tuesday, February 12, as the fourth allotted day in the current supply period.

With respect to the business for tomorrow and the coming days, it will be as follows: First, Bill C-26. When debate is concluded on that we will resume consideration of Bill C-20. Following that we will begin consideration of the Bill which my colleague, the distinguished Minister of Veterans Affairs (Mr. Hees), will be introducing in the next few minutes to amend the Pension Act. Once the House has completed consideration of that Bill, we will begin the debate at second reading of the Bill to establish the International Centre for Ocean Development. If the House has not completed consideration of second reading stage of the Small Businesses Loans Act amendments today, we will then resume consideration of Bill C-23.

* * *

HEALTH, WELFARE AND SOCIAL AFFAIRS

REFERENCE TO STANDING COMMITTEE OF CONSULTATION PAPER

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations among the House Leaders of each Party and I believe you will find there is unanimous consent for the presentation and passage of the following motion without debate. The draft order is as follows:

That the document entitled "Child and Elderly Benefits—Consultation Paper", tabled on January 28, 1985 be referred to the Standing Committee on Health, Welfare and Social Affairs;

That the Committee examine and report on the issues raised therein; and

That the Committee report its findings no later than April 1, 1985.

Mr. Speaker: Does the Hon. the Government House Leader have unanimous consent for the introduction of his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Does the House agree to the motion?

Some Hon. Members: Agreed.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

SMALL BUSINESS

TABLING OF CONSULTATION PAPER

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, pursuant to Standing Order 46(2) I am pleased to table in both official languages a copy of the Government's consultation with small business paper.

NAZI WAR CRIMINALS

ESTABLISHMENT OF COMMISSION OF INQUIRY

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to address a question of major concern to Canadians everywhere and which has been the subject of much controversy over recent days. I refer to the question of Nazi war criminals and the possibility that some of these war criminals may have entered or attempted to enter Canada. After working with the Solicitor General (Mr. MacKay) on this problem as directed by the Prime Minister (Mr. Mulroney), who is extremely interested in the question, we have reached certain conclusions.

We are all aware, Mr. Speaker, of the concerns recently expressed about the possibility that one particularly notorious war criminal, Josef Mengele, may have entered Canada or attempted to do so. The Government is very mindful of the atrocities alleged to have been perpetrated by this particular individual and is most anxious that if anything can be done within Canada to bring this individual to justice, that it be done immediately.

There have also been statements by a number of associations and their representatives interested in the bringing to justice of war criminals that there are indeed within Canada a considerable number of such criminals who may have escaped to this country in order to avoid prosecution for the crimes they committed or to avoid punishment for such crimes. It is stated by these associations that many war criminals have entered Canada through a variety of illegal or fraudulent means, and that many are still resident here and continue to avoid justice.

Mr. Speaker, these statements do not accord with the information that the Government has respecting these matters. The Government has the results of a number of comprehensive investigations into the activities and background of individuals either now or previously in Canada and suspected of having been involved in the commission of war crimes related to the activities of Nazi Germany during World War II.

In so far as the Government's knowledge extends, we understand from the Royal Canadian Mounted Police that there are relatively few persons living in this country alleged to have been involved in war crimes as described by some of the associations and groups I have referred to. These cases have been the subject of careful investigation by the Royal Canadian Mounted Police in co-operation with law enforcement authorities in other countries. The House will recall the extradition of Helmut Rauca to the Federal Republic of Germany. Other cases are under continuing investigation.

The Government has nevertheless concluded that statements by some of the groups and associations I have referred to pertain to matters of such importance that we must go to the very depths of the questions posed so that we may be assured that we are not, unknowingly, harbouring within our midst some of the individuals guilty of committing the horrible Nazi war crimes of World War II. These individuals must be brought to justice and to the extent that the Government can act to assist in attaining that purpose, we will do so to the fullest extent.

Therefore I wish to announce today the establishment of an independent Commission of Inquiry under Part I of the Inquiries Act to conduct such investigations regarding war criminals in Canada as are necessary in order to report to the Governor in Council upon recommendations and advice relating to further action that might be taken in Canada to bring such war criminals to justice. The terms of reference of the Commission are:

> To conduct such investigations regarding alleged war criminals in Canada, including whether any such persons are now resident in Canada and when and how they obtained entry to Canada, as in the opinion of the Commissioner are necessary in order to enable him to report to the Governor in Council his recommendations and advice relating to what further action might be taken in Canada to bring to justice such alleged war criminals who might be residing within Canada, including recommendations as to what legal means are now available to bring to justice any such persons in Canada, or whether and what legislation might be adopted by the Parliament of Canada to ensure that war criminals are brought to justice and made to answer for their crimes.

This Commission will have full power of access to personnel and all relevant papers, documents, records and books of any kind in the possession of departments and agencies of the Government in order fully to review and consider the information as it is presently known to the Government. The Commission will have the power to proceed as it may deem expedient for the proper conduct of the inquiry and it will receive sufficient staff and resources as it may require to meet its responsibilities. It will have the power to sit at such times and at such places within or outside of Canada as it may decide, and it is anticipated that its research and investigations will require it to undertake a considerable amount of work not just in Canada but also in other countries, and particularly those in which the activities of war criminals were carried out.

I would also refer at this time to the publication today of a working paper by the Law Reform Commission dealing with extraterritorial jurisdiction. In that paper it is stated that Canada's war crime legislation is outdated and ripe for review. The Commission will, in the course of discharging its mandate, consider this question very carefully and make appropriate recommendations. The Government will wish to proceed promptly on all phases of the recommendations and advice ultimately offered by the Commission. This, together with our wish to deal as soon as possible with the issues already raised pertaining to the presence of war criminals in Canada, has led the Government to stipulate a reporting date of December 31, 1985 for the Commission's findings and recommendations. We believe that time frame will meet the immediacy of the situation and permit the inquiry sufficient time fully to carry out its mandate.

● (1510)

I am pleased to announce the appointment of the Honourable Mr. Jules Deschênes, a Justice of the court of Appeal of Quebec and former Chief Justice of that province, as the Commissioner responsible for conducting an inquiry on war criminals. He is an exceptional jurist who, throughout his professional life as a counsel and Justice of the Court, has

earned the admiration and respect of all those who know him and his work. He has already rendered many years of service to Canada through his work in the Court of Appeal of Quebec. The Government is grateful that he has accepted this important challenge represented by the mandate that he is about to undertake. I am certain that all Members of the House will join me in wishing him well in the discharge of his responsibilities. We shall all anxiously await the results of this historic inquiry.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (York Centre): Mr. Speaker, like the Minister of Justice (Mr. Crosbie), I have very great respect for Mr. Justice Jules Deschênes. I am sure that he will conscientiously do the job assigned to him by the Government.

I am bound on behalf of my Party to express the concerns I feel about the course of action proposed by the Government at this time. In the statement which the Minister just made he drew a conclusion. He said:

> In so far as the Government's knowledge extends, we understand from the Royal Canadian Mounted Police that there are relatively few persons living in this country alleged to have been involved in war crimes as described by some of the associations and groups I have referred to.

The Government conclusion to which he is referring is drawn from a very considerable amount of work already done by the Government of Canada under the direction of the former Government. I am concerned that this inquiry will be a substitute for action by the Government for one full year, to December 31. I know that during the time of the former Government only one war criminal was extradited; only one trial occurred. I would like to remind the House that although only one was extradited, as the Minister indicated, there was a very considerable amount of work done by the Government to carry out investigations and to examine all of the Government policies and past practices to which the Minister referred.

I would like to suggest to the Government that it would have been more appropriate to have action. It would be more appropriate to continue in the direction of the former Government and to make public the information which the Government already had that I have discussed with the Hon. Minister and that he knows was more or less in a shape that, with very little additional time and effort, could have been made public. That information should be made public now rather than simply being given to the Commissioner and delayed for another year.

In addition, there were a number of investigations under way. Any one of them might have resulted in a case of extradition. Those should be continued. I do not think there should be a delay in extraditions during the course of this royal commission. I would like to remind the Minister and to tell the House that the former Government was prepared to begin a process, under the successive Citizenship Acts of Canada, of taking away the citizenship of war criminals who had come to Canada having misrepresented their pasts. I urge the Government not to wait until this royal commission is concluded to carry those matters forward.

There are other theories available for dealing with war criminals in this country and bringing them to justice. Last week a group sought to appear before the Justice Committee while we were amending the Criminal Code. They wished to propose to us a method by which war criminals could be brought to justice in Canada. The Government blocked the appearance of those witnesses before our committee on that question. I think they should have been allowed to appear. I think that the report of the Law Reform Commission should be referred to the Committee on Justice and Legal Affairs now while we are amending the Criminal Code to enable us to do these things now. I would have welcomed a commission like this years ago when there was an absence of information and an absence of a strategy for dealing with war criminals.

In closing, I would like to remind Members of the House and the Justice Minister that the horrors of World War II, the holocaust to which this policy is addressed, is not quite history yet. It is not history as long as there are still fugitives from justice at large in our country. It is not history as long as there are still victims in Canada of the crimes that were committed during World War II. However, it is rapidly becoming history. There are not very many more years in which it will be legally possible to bring these war criminals to justice. The matter is urgent. I think that a year is too long for inaction. I think a year is too long for study.

I would urge the Government to continue the policies that have been begun, to continue the prosecutions, to continue the investigations, and to examine all of the amendments that have been proposed by eminent jurists and by the Law Reform Commission for improving the laws we have now so that war criminals can be brought to justice at this time rather than in 1986. In 1986 it will be too late for many cases that could be brought in 1985. That should not be forgotten. The Government should continue to press forward with policies that will bring war criminals to justice now.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, 1986 is too late, 1985 is too late, and I must say that 1984 was also too late.

I would like to begin by commending the Minister of Justice (Mr. Crosbie) for taking the action he has announced today establishing a commission headed by a very respected judge to study all aspects of this very important and difficult issue. At the same time I would like to note that this opportunity must not pass without recognizing that it was the inaction of previous Liberal Governments which led to the admittance of Simon Wiesenthal on to Canadian soil. I need not remind the House as well of Canada's shameful record with respect to the immigration of Jews who were seeking to escape the tyranny of Nazism before and during World War II. I need not remind the House of who was in government at that particular time.

It is important, Mr. Speaker, that the commission which has been established by the Minister of Justice not be seen in any way as a substitute for speedy action by the Government. The Government must not put on hold the actions which have been started. Indeed, I would urge that the investigative unit of the RCMP, which has been established, be strengthened and that

its resources and staff be increased. Indeed, the Minister should consider the possibility of a special unit such as has been established in the United States to attempt to identify Nazi war criminals in Canada.

We must address another very fundamental question in the context of this issue. Having identified the possibility of Nazi war criminals on Canadian soil, there must surely also exist a mechanism in Canada to ensure that those war criminals who cannot be extradited to other countries, for whatever reason, do not escape their day of reckoning for the crimes that they are alleged to have committed.

For that reason I would strongly urge the Government to consider seriously implementing the recommendations of the Law Reform Commission on this question. We must establish a means of trying, with all of the legal safeguards which exist in the Canadian judicial system, those individuals in Canada who cannot be extradited to other countries. In that regard I regret the decision of the Government not to permit the possibility of an amendment to the Criminal Code which would have facilitated such trials in Canada.

● (1520)

It has been noted already that the passage of time cannot in any way erase the enormity of the crimes that we are dealing with here, and this has come into sharp focus recently. Many of the victims of the holocaust and their families are still alive. The trial in Israel has clearly documented the atrocities committed by Dr. Mengele. This Commission of Inquiry must have full access to all documents, including immigration documents, records of refugees who have come to Canada, and indeed must be able to look at Cabinet documents to ensure that there is no stone left unturned in our pursuit of justice.

Today there are those in Canada who would deny that the holocaust occurred, who would deny that six million Jews died. We in this Parliament must take every possible step to ensure, first that the perpetrators of those crimes are brought to justice; second, that there is an environment in this country which will lead to justice and not perpetrate the kind of anti-Semitism which was the seed of Naziism in Germany. When we see the burning of synagogues in my own area of Vancouver, when we see denial of the holocaust in courtrooms in this land and when we look at the possibility of Canadian Government complicity with respect to Josef Mengele, these are all questions that must be addressed by this Commission.

I welcome the decision of the Government, Mr. Speaker, as do members of my Party, to establish this Commission. I certainly hope that at the same time as the Commission is studying various alternatives the Government would press forward to examine carefully whether these Nazi war criminals are in Canada and to look at the possibility of prosecution of those individuals in Canada.

In closing, I would note, as has already been stated, that not only are the perpetrators of these atrocities still alive in many cases but so also are their victims, and not just in Canada but everywhere. It is our obligation, as citizens not only of Canada but of the world, to ensure that crimes against humanity are not left unpunished. To the extent that the establishment of this Commission will help to achieve this objective, we welcome it.

Mr. Speaker: Are there any questions?

Mr. Crosbie: May I respond, Mr. Speaker?

Mr. Speaker: No, it is not possible.

Mr. Hawkes: Mr. Speaker, Members will know that this past fall I had the honour of representing the Government at the United Nations as a member of the Canadian delegation. On the floor of the Third Committee I made a statement at one point which invited all member nations present to send to Canada and to the Canadian Government any information that might be in their possession on the subject of Nazi war criminals who might be resident in Canada.

May I ask the Minister of Justice (Mr. Crosbie) whether, if that information comes to the Government of Canada at this point or in the next few months, it will be passed on to the Commission? Second, does the Government of Canada or the Commissioner in his instructions have any intention of writing to other governments which might be in a position to provide information and advice to us on how best to proceed? Is there anything in those terms of reference that would broaden that inquiry in a deliberate way to seek information from other nations?

Mr. Crosbie: Mr. Speaker, the terms of reference of the inquiry are quite broad. There is nothing in the terms of reference that will prevent the Commissioner from seeking information from other countries. In fact, we contemplate he will visit other countries and authorities in other countries to see what further information he can obtain. If he finds that some alleged war criminals are present in this country, he will then follow up as to how they go into this country, and then naturally he will have to ask questions in other countries.

I am glad the hon. gentleman has asked me this question. He, at least, indicates that he approves of this inquiry. The Hon. Member for York Centre (Mr. Kaplan), who had been in government for four years, had the audacity to try to blame us for taking no action. For only nine months in 1979 and 1980 and for the past five months the Progressive Conservative Party has been in power, whereas for 22 years the Liberal Party was in power. For four years the Hon. Member for York Centre was in office. And he gets up today to criticize us for not taking action!

Mr. Deans: Ignore him.

Mr. Crosbie: I will pass that by because the critic for the New Democratic Party rectified his own sins of error and omission by welcoming the inquiry. I believe this is the way we can establish the facts. We can find out who is responsible for allowing alleged war criminals into Canada since 1945. We do know that of the 40-year period that has expired, 33.1 years were a period of Liberal government, four of them a period of time during which the Member for York Centre was Solicitor

General. I am glad the hon. gentleman is taking some interest in this matter because the Hon. Member for York Centre spoke and left. That is the extent of his interest in this question.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The answer to the Hon. Member is yes, we are expecting him to make inquiries abroad and if the Commissioner has any difficulties with the terms of reference we will amend them so that he will indeed have ample scope to look from 1945 onwards to see how the present situation happened to arise.

Mr. Robinson: Mr. Speaker, I would like to ask the Minister a question with respect to those individuals who are alleged to be Nazi war criminals in Canada but who are not subject to extradition. During the previous Government's term, the Member for Saint-Maurice (Mr. Chrétien) in 1981 said in the Standing Committee on Justice and Legal Affairs:

> I do not think, personally, it would be advisable to start having trials in Canada on actions that occurred in other nations—
>
> I do not intend to introduce a piece of legislation in Canada to deal with crimes committed in other nations some 35 years ago.

That, Mr. Speaker, was the position of the previous government. Is the Minister prepared to assure this House that he will consider as an option, as recommended by the Law Reform Commission, the possibility of trials in Canada, with all of the legal safeguards that exist with trials of other criminal offences, for crimes against humanity, bearing in mind the fact that the Charter of Rights does permit such trials in Clause 11 of the Charter?

Mr. Crosbie: Mr. Speaker, the Hon. Member has correctly pointed out that the Government of which the Member for York Centre was a part took the position that legislation to make war crimes, crimes against the laws of Canada, would be retroactive legislation and that his Government would not support it. That was the position when the Hon. Member for Saint-Maurice was the Minister of Justice and Attorney General. It was the policy up until that Government was defeated in the election on September 4, 1984. Members of that same Government are chastising us today for not taking action, after they failed to do anything in this direction for the last 30 or 40 years.

The answer to the Hon. Member is that I am prepared to consider the suggestion that there should be legislation of that type passed. It is one of the matters on which this Commissioner has been asked to advise us—as to whether he thinks legislation would be desirable and proper. When we receive his report we will make a final decision.

I am willing to listen to arguments for and against. There is the objection that this would be retroactive legislation in the criminal field, but because it is an extraordinary area and the nature of the crimes are so heinous, we certainly have to consider it. That is one of the tasks of the Commissioner, who will be reporting by the end of this year. We will act quickly once this report is before us. That is my answer to the hon. gentleman's question. The policy of the Hon. Member for York Centre (Mr. Kaplan) and his Government was that that could not be done. We will look at it with an open mind, and we hope to have the assistance of this Commissioner's report.

• (1530)

Mr. Gray (Windsor West): Mr. Speaker, I should like to ask the Minister of Justice (Mr. Crosbie) some questions arising out of his statement. There is no doubt that Members on all sides of the House are very concerned about, in fact, we are very desirous of, having prompt and effective action taken to deal with the possibility that there are in Canada people who have been involved in Nazi war crimes. For that reason I want to ask these questions of the Minister of Justice.

Will his Government allow to continue in existence the special unit in the Royal Canadian Mounted Police which was created by the Solicitor General who is now critic for the Official Opposition, the Member for York Centre (Mr. Kaplan), during the time of the previous Government? I am referring to the special unit of the RCMP which was given responsibility for investigating the possibility of there being people in this country who committed war crimes as part of the activities of Nazi Germany during World War II. I want to remind the House that it was the activities of that unit which enabled the successful extradition to Germany of Albert Rauca. Will the Government not only allow that special unit created by the former Government to continue in existence but in fact strengthen it and add further resources to it?

During the term of the royal commission which the Minister announced today, will the work of investigating cases which may lead to the extradition of other people resident in this country for prosecution in other countries for Nazi war crimes, be continued? Will the Government carry on the work already under way and begun by the previous Government of investigating the possibility that there are people in the country whose citizenship could be removed because they did not truthfully answer questions when they entered into Canada about their activities in connection with Nazi war crimes? Finally—

Mr. Speaker: With great respect, I have now heard approximately one question and seven supplementary ones. Therefore I ask the Hon. Member if he would allow the Minister to answer. There are other Hon. Members who wish to ask questions as well.

Mr. Gray (Windsor West): Mr. Speaker, I expressed my remarks in the form of questions. I could just as well have expressed them as a statement.

Mr. Speaker: No, with great respect, the Hon. Member could not have done so, since this is a time when Ministers may make statements and their critics may respond, following which all Hon. Members of the House have the right to indulge in a question period with the Minister. Given the Hon. Member's position in the House, I allowed his question and supplementaries, but I must ask him to allow the Minister to

respond at this point, given the number of questions he has asked.

Mr. Crosbie: Mr. Speaker, I should like to answer the Hon. Member's questions, as far as I can remember them. This unit in the Royal Canadian Mounted Police is still operating. We intend for it to continue operating. The Solicitor General (Mr. MacKay) and I have met several times to review its activities. Where matters now stand, there are active investigations under way. As the Hon. Member knows, there are many difficulties in respect of what kind of prosecutions can be launched. We are looking at any situation which involves the possibility of extradition. We are looking at possible deportation. One of the difficulties in that connection is that the records are not always available to show what answers certain people who landed in Canada made at the time.

There is one particular case where we may well be able to initiate a prosecution in that direction. Hopefully we will get the remaining necessary evidence in the next several weeks.

This work is continuing. It is our intention that this unit continue to operate. If satisfactory evidence is obtained, prosecutions will be launched while the present commission carries on its functions. There is no reason that that should not be the case. We are not proposing that the commission proceed and that all other activities cease. They will go on apace. Of course they will also assist the commission and turn over to him all information they have on hand. I assure the hon. gentleman that that work will continue unimpeded.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) is next, and then I will recognize the Hon. Member for Windsor West (Mr. Gray) for one further question.

Mr. Deans: Mr. Speaker, I have two very brief questions. First let me say to the Minister that I applaud the actions of the Government today. I think it is well past the time when the Government of Canada should have acted in this regard.

Is it the intention of the Governdment to give the commission full access to Cabinet documents in order that it can have all the relevant information it requires?

Also, how does the Government propose to maintain the confidentiality of information which may be forthcoming from citizens with regard to other citizens of Canada and their alleged involvement in Nazi war crimes? We must recognize that we are not only talking about matters which will turn out to be real but about the possibility of matters which may turn out to be inaccurate, information that in fact may not be accurate and could destroy the lives of people.

I think the Minister could tell me fairly quickly how we propose to ensure the necessary degree of confidentiality to enable people not to be victimized by what I suppose could be vindictive actions taken by others against them.

Mr. Crosbie: Mr. Speaker, these are sensible questions; it is a refreshing change.

Mr. Deans: Do you never give up?

Mr. Crosbie: Those comments were not for the hon. gentleman; just refreshing generally. With respect to the question concerning full access to Cabinet documents, the Commissioner will have full access to whatever documents a commissioner with the power of subpoena and so on is entitled to have. I cannot say that he will have full access to all Cabinet documents.

We all know the present contretemps. We all know the situation where one Prime Minister in a former administration agrees and some difficulties may arise. If the Commissioner says to us that he needs access to certain Cabinet documents because he thinks they may reveal x, y or z, then we will endeavour to give him access to them and do what we can to assist him.

I cannot commit myself more than that because there are some problems with Cabinet documents. However, he will have full access to all other government documents, such as immigration records, citizenship records, External Affairs records, Department of Justice records, RCMP files and personnel records.

The Hon. Member pointed out a real danger. We do not want people such as John X, an alleged war criminal, exposed in public when no one knows whether or not he is one. This could present a danger such as we saw in the Grange Commission. Of course the terms of reference direct the Commissioner that the proceedings of an inquiry be held in camera on all matters where the Commissioner deems it desirable, in the public interest or in the interest of ensuring the privacy of individuals involved in specific cases which may be examined.

The Commissioner will have to use his own good judgment and good sense in determining how he will deal with specific cases of individuals to protect their privacy. He will have to decide what criteria he will use. We certainly want him to be very careful in that respect. That is all that I can tell the hon. gentleman. A great deal will depend upon how the Commissioner decides to proceed in that regard.

Mr. Speaker: As I said a moment ago, I will recognize one supplementary question from the Hon. Member for Windsor West and then end it.

Mr. Gray (Windsor West): Mr. Speaker, I will be very brief. In view of the Minister's comments about not having matters slowed down which would otherwise continue while the royal commission is in operation, would he instruct his Parliamentary Secretary to propose at the next sitting of the Justice Committee a motion to reverse the decision taken by the Conservative majority in that committee not to hear Professor Irwin Kotler, past President of the Canadian Jewish Congress, and representatives of the Network Canadian Jewish Student Movement? These two groups were recommended by the steering committee to the standing committee as witnesses to be heard on the matter of amendments to the Criminal Code Bill before the committee, dealing with the issue of trying war criminals in Canada for activities which had taken place outside the country.

Pension Act

● (1540)

Mr. Crosbie: Mr. Speaker, the hon. gentleman is not properly representing what happened in that committee. The committee has not decided not to hear Professor Kotler and to deal with this issue. The committee has decided, as guided by the law clerk of the committee, that the matter is not relevant while considering the present Criminal Code amendments before the committee. It is going to hear interest groups, Professor Kotler and whoever else wants to be heard later, I think on some date in March.

I am astounded at this continous sniping partisanship which is a part of the Liberal approach to our trying to deal with this problem, which they failed to deal with for the last 40 years. It is a partisan, narrow attempt to get some little advantage, as they perceive it, for their Party by asking such silly and partisan questions in such an unfair, jejune and juvenile manner.

* * *

PETITIONS

EMPLOYMENT EQUITY

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I have the honour of presenting to the House a petition on behalf of the Canadian Ethnocultural Council. The petitioners call upon Parliament to enact employment equity and contract compliance legislation on an urgent basis and urge that employment equity planning in departments begin without delay, and that Parliament support the Abella recommendation for language training and those recommendations directed at the other designated groups, women, the handicapped and the native people.

* * *

PENSION ACT

MEASURE TO AMEND

Hon. George Hees (Minister of Veterans Affairs) moved for leave to introduce Bill C-28, an Act to Amend the Pension Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following question will be answered today: No. 198.

[*Text*]

GRANTS TO FOREIGN GOVERNMENTS

Question No. 198—**Mr. Stackhouse:**

In the past fiscal year, have any loans to foreign governments been converted to grants and, if so, what was the total amount?

Hon. Barbara McDougall (Minister of State (Finance)): There were no cases of loans to foreign governments being converted to grants in the last fiscal year.

[*English*]

Mr. Boudria: Mr. Speaker, I rise on a point of order. On December 5 I placed a question on the Order Paper asking very specifically what contracts had been let in the riding of Manicouagan since the election. One would think the Government would at least know what it was doing in the riding of the Prime Minister (Mr. Mulroney) and would have the decency to respond after two months. I wonder if you, Mr. Speaker, could assist Members in trying to get some answers from this Government, which is just not very forthcoming.

Mr. Stewart: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question as enumerated by the Parliament Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to Amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Speaker: At this point I am advised that the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had completed his speech but that the 10 minute period for questions and comments remains.

Mr. Lewis: Mr. Speaker, I listened with great interest to the comments of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). He rambled quite a bit, but he did touch on one very important point. I want to ask him a question since he is obviously very knowledgeable about these kinds of things. He will know that for some years the Small Business Develop-

ment Bank has caused problems in business circles. When a small business gets too big, it has to transfer its accounts to the Federal Business Development Bank, and when a big business gets too small, it has to transfer from the Federal Business Development Bank to the Small Business Development Bank. Has the Member given any consideration to an amalgmation of the Small Business Development Bank and the Federal Business Development Bank?

Mr. Boudria: Mr. Speaker, as interesting as this question may be, it has nothing to do with the Bill before us, as you have probably recognized, nor does it have anything to do with what I said in my remarks this morning.

Mr. Lewis: Mr. Speaker, the reason I raised the question was that the Hon. Member mentioned the Small Business Development Bank in his remarks. Did the Member realize there is no Small Business Development Bank?

Mr. Boudria: No, Mr. Speaker. I talked about the Federal Business Development Bank and the campaign promises in the document which I have in my hand. It came from the Prime Minister's Office. I would assume that the information in it has at least some semblance of truth in view of the fact that it comes from his own Leader's office.

Mr. Gormley: Mr. Speaker, many of us sat through the Hon. Member's speech this morning and heard him allude to the fact, as improbable and impossible as it would be, that this Government would somehow be reneging on its promises to business. As this Government is truly the representative Party in Canada, and I think that is beyond dispute, I would like to ask the member of a political Party which brought us FIRA, the National Energy Program, and the untold havoc they created, 22 per cent interest rates, 12 per cent inflation, an Income Tax Act that went to over 1,000 pages, excessive government regulations, 1.5 million people unemployed and other such economic indicators, if he can claim in fact any sort of commitment as a Liberal to small business or, in this case, the amendment to the Small Businesses Loans Act.

[*Translation*]

Mr. Boudria: Mr. Speaker, I am proud to answer the Hon. Member's question. I can certainly say that the Liberal Party has indeed always been committed to small business. I will even take this opportunity to provide you with a few examples.

First of all, in August 1980, the government established a sub-contracting promotion program for Canadian corporations. It also reduced the tax rates applicable to small businesses. These steps were initiated by a Liberal government in 1972 and improved upon in 1981. The Liberal Party also created the small business advisory council in 1982. Moreover, there have been small business investment grants provided for in the June 1982 Budget which reduced interest rates by as much as 4 percentage points. There has been also the 6 and 5 per cent committee for small businesses. The April 1983 budget also established an investment tax credit.

Mr. Speaker, I believe my hon. colleague asked me the following questions: What action has the Liberal party ever taken for, or what commitment has it ever made to small business? I am in the process of answering his questions. And as you certainly realize, Mr. Speaker, I will need a long time to do so, because the Liberal Party has done quite a lot for small business. I continue.

The April 1983 budget provided also for a research and development tax credit, as well as the forward and backward averaging of losses. There have been also the Export Development Fund, the sharing of labour costs, the amendment to the Federal Development Bank, and I am now coming to the February 1984 budget and all the measures that were taken at that time to improve the small businesses' lot. There have been the streamlining of the tax system for small businesses, a more equitable administration of taxation, the profit sharing program, the changes to the sales tax and, finally, the international trade assistance fund.

Yes, Mr. Speaker, in reply to my hon. colleague, I can say that the Liberal Party has done quite a lot for small business, and as soon as we return to power, we will continue to demonstrate to the Canadian people our commitment to small business.

The Acting Speaker (Mr. Paproski): Questions! The Hon. Member for Gatineau (Mrs. Mailly) has the floor.

• (1550)

Mrs. Mailly: Yes, I would like to make one comment in particular, Mr. Speaker.

In his review, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) overlooked the MacEachen budget which almost destroyed private enterprise. He also neglected to mention the legal action taken by the Department of National Revenue which involved putting a freeze on bank accounts of small businesses. He also forgot to mention the pressure of interest rates as high as 23 per cent felt by small businesses, especially during the summer of 1982. He also neglected to mention the fact that the small business development bond was a measure introduced by the Clark Government in 1979.

We have been in power only four months and we have achieved two very important goals. We introduced a measure which has improved the situation under the previous Government with respect to assistance to widows and widowers and old age security pensions. We also introduced the small business development bond which the Liberal Government, in an absent-minded moment of wisdom—and there certainly was not much of that during its 1980 mandate—included in the MacEachen budget, the only measure that was not changed, Mr. Speaker. There were forty-one measures in the MacEachen budget, and I think thirty-five were changed because

they turned out to be harmful, not only to small business but also to the average Canadian.

I therefore have a question for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

He was employed by the House of Commons under the previous Government. I remember him as the friend of the average Canadian. This was a man who was interested in the average person and who showed concern and sympathized with other people's problems. I think that what I want to say should be seen as a comment rather than a question. I would like to say to the Hon. Member that we admire him for what he is today, a Member of this House. We share his concern as a Member of Parliament who wants to represent his constituents, and we like to see his enthusiasm for defending his constituents. However, we are disappointed that he should be using methods that are perhaps not quite as honest as those he used to help his fellow Canadians when he was an employee of the House of Commons. For instance, at the very beginning of our mandate, in September, he asked this Government for a plaque to commemorate employees of the House of Commons who were killed in the Second World War, and we helped him in this endeavour. I remember that I offered him my support. So I just want to give him some friendly advice, as a fellow Member.

We want to improve the situation of small businesses because it is a sector that will have generated at least seventy per cent of employment over the last five years including this year. It was the only sector to do so because big corporations are struggling with spending problems and lack of capital. They have suffered tremendously as a result of the federal deficit—a deficit we inherited from the previous Government—which made it impossible for them to raise capital on Canadian money markets and forced large corporations to borrow abroad, with a weakened dollar. Government and business were facing major problems. Small businesses were—

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member but the time for questions and comments has expired. Debate. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a real pleasure to have the opportunity to rise this afternoon to make some comments regarding the Bill before us, a Bill to amend the Small Businesses Loans Act of Canada. At second reading, it is customary that we discuss the Bill in principle only, and that is what I will do this afternoon rather than look at the various parts of the Bill and deal with specific amendments to it. That will be done in committee.

I would like to say at the outset that the New Democratic Party feels that this particular Bill is an appropriate one and that it will provide some assistance to the small business community of Canada. We will support it in principle and we will have a number of comments to make and amendments to put forward when it reaches committee stage.

I would like to indicate first that we are talking about what is possibly one of the most important topics that we could be discussing in the House of Commons. It is important in the sense that we are talking about 900,000 businesses in Canada that are referred to as small businesses and are defined as small businesses by the Government of Canada. These businesses are 100 per cent Canadian-owned. Not only are these companies 100 per cent Canadian-owned, their commitment is 100 per cent to Canada. In fact, their commitment is usually 100 per cent to the community in which they are located. These are the businesses that cater to the minor hockey teams and various community organizations. These are the firms that source their products locally wherever possible. These are the firms that are represented on the local chambers of commerce and the local business associations.

The small business sector is the sector of our economy that is committed to Canada and to Canadians. This is also the sector that has created most of the new jobs which have been created in this country in the last five or six years. In excess of 70 per cent of all the jobs created in the private sector have come from the small business sector. I suspect that in the next decade, a full 90 per cent or more of the new jobs created in the private sector in Canada will come from the small businesses of Canada. In terms of finding ways to put 1.5 million people back to work, it is the small business sector to which we must look for that action. The small business sector must be assisted, encouraged and nurtured in every way possible to enable it to grow, to expand and to create those much needed jobs.

I think it is important that when we are talking about businesses that are 100 per cent Canadian, we are also talking about businesses that do the majority of the research and development that has occurred in Canada over the last few years. Not surprisingly, that research and development has come not from the large corporate sector but indeed from the small business sector. It is within the small and medium-sized business sector of Canada that the research and development through to production is being carried out. It is not being carried out in the large corporate sector because most of the large companies are branch plants by definition and their research and development is done back home at the parent company in a country other than Canada.

The important thing is that the small business community of Canada represents the dreams and aspirations of Canadians everywhere. In the large metropolitan areas, in the small cities, in the small communities and indeed in the rural areas, we find that small business person. I say "small business person" because all too often we refer to small business men. We do not mean short business men. However, today, most of the new businesses being created in Canada are being created by women who have entrepreneurial aspirations, dreams and ideas about opening up new ventures. They also have experience. Indeed, not only are most of the new businesses in Canada created by women but more of the successful small

businesses in Canada are headed by women. Interestingly, it has become clear that women are the successful business persons of the country and form the sector in which most of the energy is being focused in terms of creating new business opportunities.

When we talk about the small business community, we talk about the very life-blood of the community itself. I do not suppose that there are many people in the House of Commons today or many people who are watching the proceedings today who have not opened up a small business themselves in the past, who are in the process of doing so, or who dreamed of that day when they may open up their own independent business. It is part of the fabric of Canadian society. It is what built Canada.

• (1600)

I would totally eliminate what Liberal Members have said about small business in this debate. If we looked at what Liberal Governments did year after year, decade after decade, to support and encourage small business and the number of programs which were designed to cater to business, we would realize that there were only three programs out of 200 which were designed to help small business. The remaining programs were designed to help major business. It is clear by that where the Liberal priority has been.

During the past year, something in the neighbourhood of $30 billion was lost to the federal Treasury as a result of business tax breaks. We could talk about whether or not tax breaks are serving their appropriate role, but nevertheless $30 billion was spent to provide incentives to business. Of that amount, 80 per cent goes to the large corporate sector, which represents 1 per cent of all the businesses in Canada. That 1 per cent receives 80 per cent of the corporate tax breaks. So if we talk about the efforts of Liberal Governments it is clear where the priorities have been.

I suspect it is too early to criticize the present Government about the extent to which it will support the small business sector. However, I am concerned that the first major piece of legislation which was introduced by the new Government was the Investment Canada Bill. The Government told outside investors and foreign companies that Canada was open for business, even though Canada has more foreign control and ownership in its economy than any industrialized country in the world. That means that the large corporate institutions will move into Canada and provide more competition to existing small business firms. We could debate the merits of that and whether more of our economic future will be determined in Hong Kong, Houston, Texas, and New York. We could also debate the fact that, as a result of more foreign control and investment in our economy, more sourcing of goods and supplies will come from outside Canada. Small business in Canada buys locally and inevitably Canadian, but multinational or transnational corporations which operate in Canada by definition source from their parent companies in other lands or where their major interests lie, which, of course, is not Canada. The Investment Canada legislation indicates where the priorities of this Government lie, and it would seem that once again those priorities are not necessarily with the small business sector. However, as a caveat, I would suggest that it is still too early to say.

There is another indicator about which I am very concerned. If we want to provide support and assistance to small business, the most appropriate action the Government could take would be to reduce interest rates. It should forget the dozens of programs and the tax incentives which are of little value to the small business sector. After all, we could throw all the tax incentives we wanted at that sector, but for the first few years of a new venture no profits are realized. We want to encourage the new small business sector and the creative aspect of business. If small businesses do not make any profits, tax incentives will be of little interest to them. However, I suspect that the Government will provide tax incentives to those small firms which cannot use them.

Of course, the banks and the large corporate sector can use those incentives. Today it was indicated that oil company profits are up 50 per cent and that the banks had an 18 per cent return of equity this year. They can use the tax breaks, but the small business sector will not be able to. The way to assist the small business sector is through interest rates.

Today we witnessed a very disturbing fact. At two o'clock it was announced that interest rates in Canada had jumped substantially for the second week in a row. I suspect there is not an honest financial analyst in the country who would say that interest rates are not likely to continue to increase. Not only are increasing interest rates the sort of thing which will dampen small business expansion in the country, but it is the uncertainty of those interest rates that will have a major effect. This Thursday interest rates are a little over 10 per cent. What will the rates the next Thursday, five Thursdays from now or 16 Thursdays from now? It is that uncertainty which makes it difficult—and I suspect some would say impossible—for most small businesses to begin or to expand. If we are to assist the small business community, we must have stability in order that people can predict with some certainty what will happen in the next few months. If a small entrepreneur has no idea what the interest rates will be next Thursday, let alone six months from now, it makes it impossible to make predictions and do the necessary financial planning.

Other countries assist the small business community, and particularly the small businesses which are just starting up. I think it is fair to say that we do virtually nothing. Granted, we are talking about the Small Businesses Loans Act and the fact that the Government will provide more money. However, out of the 50,000 new businesses which started last year and the 900,000 businesses which already exist, only 25,000 made use of the Act. That is a small but important proportion.

However, the point is, are any changes really being made? We are not really making any big changes but two small changes are being made. One is that the government guarantee will be reduced from 100 per cent to 90 per cent. Over the years this legislation, which was introduced by the Liberal

Government, has been a money-making machine for the banks of Canada. The previous Government allowed up to $100,000 to lent to anyone who was starting a business and guaranteed that the bank would get paid. It did not matter if it was the goofiest idea in the world or if there had been any past experience or confidence in the business, the lending institution received a 100 per cent guarantee from the Government. We can imagine what the banks must think of us as legislators. I sometimes feel that we give a lot to the banks, but I suspect that if they were to pick a target, they would say that this is an unbelievable piece of legislation because the Government guarantees 100 per cent of any loan which is written under the Act. Obviously, it is something which had to be changed. Bringing the guarantee down to 90 per cent may be the proper route, but it could also be brought down to 80 per cent or 70 per cent. The banks must be assured that the Government is paying attention to a particular small business and that it will be making some effort to encourage and advise that small business on financial matters, but, with a 100 per cent guarantee, it does not matter if the business fails because the banks will get back the money.

Another aspect of the Bill which concerns me is the imposition of the user fee of 1 per cent which we are asking banks to pay. I am not suggesting that we should not ask the banks to pay that 1 per cent. The Canadian Federation of Independent Business and the Canadian Organization of Small Business have both said that the banks should not be asked to pay that. They feel it is unfair. If it is not enticing for the banks to assist small business, the banks will not do so. That is what those organizations are saying.

I think it is time that Parliament sent a very clear message to the banks of Canada telling them that they have a responsibility as privileged financial institutions which are operating under the Bank Act. Our banking system is such that five large banks control 90 per cent of the banking in the country. I would not say that it is a cartel, but it is close to that. We should be telling the Royal Bank of Canada and the Canadian Bank of Commerce, and so on, that we expect them to set aside a portion of their loan money for the small business sector. I think it is time that we as a Parliament said to the banks and trust companies that we expect them to assist that growing small business sector. This is where the jobs are going to be created and this is where we should expect them to co-operate. Other countries do that, Mr. Speaker. Other countries tell their banks that they must set aside money at an 8 per cent guaranteed interest rate for assistance to family businesses over a 25-year period, and they must do that for family homes as well and in some cases for small family farms. And the banks do it, Mr. Speaker, and they still do very well. It is time that Canadians started to make some of these same kinds of demands on our chartered banks.

● (1610)

West Germany, for example, Mr. Speaker, in order to assist its small businesses which are just starting out but are viable, provides for the first few years a subsidy of between 6 per cent and 15 per cent of the total investment. It gives an outright subsidy for the first few years in order to allow the small businesses to get their operations underway. In New Zealand, the Government provides interest-free loans for each business for every job which is created. If a business creates 15 jobs or 35 jobs, it receives interest-free money to reflect that. In Ireland, low interest financing is available. In Denmark, cash grants of up to 25 per cent of the initial startup cost is available, plus 15-year fixed interest loans. Japan puts out a book two inches thick listing all the ways in which it assists small businesses. Japan assists small businesses by having an interest rate set at 5 per cent. Japan, one of the countries in the world which is most tied in to the international money market, says, "We can have a 5 per cent interest rate because that is what is going to stimulate our economy and that is what is going to motivate those people who saved to invest their capital in the small business sector and elsewhere". It is time that we started to lower interest rates in order to assist the small business sector. It is time that we altered the Bank Act to make it very clear to the banks that we expect them to assist the small business sector in a direct way by fixed low interest small business loans. It is time that this Government introduced by buy-Canada policy so that when government supply and services are being sourced in this country, they are being sourced from Canadian suppliers first. I am suggesting that we have to be competitive in terms of pricing but we must, as our first priority, assist our own businesses.

I would also like to make the point that this should be developed equally across Canada. When we look at where government sourcing takes place today, we find that the overwhelming sourcing takes place in central Canada. Ten per cent of supply and services is sourced in western Canada. That is a disgrace, Mr. Speaker. Less than 10 per cent is sourced from Atlantic Canada. Those are the two parts of Canada where we need to do everything possible in order to get their small businesses back on track. Government sourcing from those two areas would certainly be an appropriate step and one which the Government could introduce almost immediately.

We must look at a variety of ways to assist the small business sector. Something that we could do is to provide some seed money, some small financing to those business groups which are working together in an effort to combine their creative and manufacturing talents and their efforts in terms of seeking out new markets and developing new products. I refer as an example to a group in my own community, the Thompson-Nicola Manufacturing Association, a group of manufacturers which came together as an association to find out, by combining their efforts, talents and the equipment available, how much more could be produced and how many more markets they could access. It is that kind of co-operation, Mr. Speaker, that deserves assistance.

The Acting Speaker (Mr. Paproski): I regret, but the Hon. Member's time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—Auditor General's report—Job classifications. (b) Contract negotiations; the Hon. Member for Mount Royal (Mrs. Finestone)—Employment—Summer jobs for students. (b) Request for announcement of plans; and the Hon. Member for Swift Current-Maple Creek (Mr. Wilson)—Income Tax Act—Provision affecting land purchases.

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Stevens (York-Peel) that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Gagliano: Mr. Speaker, I would like to ask a question to the Hon. Member which might make him more realistic. I can understand the problems with the banks, but unfortunately, we still do not control the banks and it is up to them to decide whether a loan will be approved or not.

If my hon. friend looks at the statistics collected up to now, he will see that the majority of jobs have been created by small businesses. I think that everyone will agree with that. This morning, everyone said that, during the last few years, 80 or 90 per cent of all jobs created were in the small business sector.

If we look at the statistics, as I understand what the Hon. Member was saying, 50 per cent of all small businesses have used the programs offered under the Small Businesses Loans Act. If we look at the figures, as I was saying, we can see that these are all new businesses. Naturally, the first time a Canadian businessman goes to the bank and asks for a loan, he does not have any experience. It is therefore very difficult for the banks to give him a loan.

Under the Small Businesses Loans Act, the Government guarantees 100 per cent of the loans, which will make the bank more willing to grant a loan to newcomers in business than if, as provided by this bill, the amount of the guarantee goes down to 90 per cent, in addition to the 1 per cent user fees. In practice, I can assure you that many banks will refuse loans, which means that we shall lose jobs because, usually, every new business creates four or five new jobs.

[*English*]

Mr. Riis: Mr. Speaker, I am not certain I understood the exact question. I believe the Hon. Member was saying that the Small Businesses Loans Act does enable a new firm to obtain money because of the guarantee, and he asked if that was a good thing. I would have to say, of course, that it is. That is why we are supporting this particular Bill going into committee. However, I believe 100 per cent is a little too much to ask while expecting the banks not to get involved in any serious way themselves. A 90 per cent guarantee in this day and age, I suspect, is about as much as we can expect.

But I do want to say, Mr. Speaker, that the problem I have with the Small Businesses Loans Act is that it is the prime rate plus 1 per cent. Interest rates are going up again. They are higher today than they were a year ago. I think we need to make that point. A year ago today, interest rates were lower in Canada than they are now, and now they are on an upward track. Let us hope that this does not continue, but as I said earlier, all the financial analysts suggest that this is what is going to happen. The prime rate today, Mr. Speaker, plus 1 per cent works out to something like 12.5 per cent. A small business which is expected to pay back a loan at 12 per cent, 13 per cent, 14 per cent or 15 per cent is going to have difficulty doing so. As a matter of fact, it may even be an impossibility. So while it is a step in the right direction, I must say that it is a tiny step. Certainly, much more must be done in terms of changing the Bank Act to require banks and other financial institutions to set aside a certain portion of their loan portfolio for small businesses at a lower rate than prime. That should be an expectation and a requirement under the Bank Act. Perhaps a step in that direction would be for the Minister of Finance (Mr. Wilson) to sit down with the chief executive officers of Canada's banks and ask them at least to shoulder their responsibility during these difficult times and encourage and nurture the small business community.

Mr. Hawkes: Mr. Speaker, it is always a joy to listen to the Hon. Member for Kamloops-Shuswap (Mr. Riis) speak on behalf of the New Democratic Party. Today he spoke some truth when he indicated that the most significant thing which could happen for small business in this country is a low interest rate. I am pleased to see that a sense of enlightenment has come to him and to his caucus. I wonder whether or not the Hon. Member is signalling to the House, on behalf of his Party, the fact that in the future we can anticipate the same support for the Government's effort to reduce its borrowing requirements as we are receiving today for this particular piece of legislation? This is a very significant factor in interest rates in this country. Will his Party support our efforts to reduce those borrowing requirements? Likewise, will his Party support our initiatives which are designed to bring into this country from abroad equity capital as well as skilled entre-

preneurs? By doing that, we can signficantly reduce interest rates and create jobs. Can we expect that kind of support from his Party? Is his desire to lower interest rates really genuine?

● (1620)

Mr. Riis: Mr. Speaker, we say those are our intentions. We are the only political Party for many years which has said that we should direct the Governor of the Bank of Canada to start enacting a made-in-Canada interest rate policy and start moving interest rates down. We are the only political Party which has said that that ought to be the case. But what we do not support is the Governor of the Bank of Canada, today and every other day, going out and spending millions, nay, hundreds of millions of dollars in some weeks to buy our own currency to keep interest rates up. That we consider to be folly.

I respect the Hon. Member's question and I understand the point he is making, but I want to say to him that we in the NDP do not feel it is necessary to go to Japan, Europe, the United States or Southeast Asia to find capital and creativity and entrepreneurship to develop the Canadian economy. We are convinced it can be done right here in Canada. We are convinced that we have enough capital to start. We have the creativity, energy, talents and resources right here in this country. What we lack is the will. As long as Members opposite can send out a signal to Canadians that they do not have enough faith in Canadians so that we have to bring in foreign citizens to solve these economic problems, Canadians are going to be reluctant to take this Government into their confidence.

Interest rates at present levels are an incentive for Canadians and others to save. When you have a choice to invest in a secure term deposit and obtain 12 per cent to 15 per cent return with no effort, no work, no worry and no risk, or take the same money and put it into a business venture in Canada today, what would you do as a sensible investor, Mr. Speaker? With interest rates as high as they are, savings are encouraged and the entrepreneurial spirit, willingness and ability of people to invest is discouraged. So we say, let us have confidence in Canada. The best way to do that is to stop looking outside Canada for answers and take steps to mobilize the capital we have in our country.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are now over. The Hon. Member for Guelph (Mr. Winegard).

Mr. William C. Winegard (Guelph): Mr. Speaker, I wish to speak about small businesses in relation with Bill C-23.

[*English*]

However, before beginning my introductory remarks, may I make some comments on the speech this morning made by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). I enjoyed the slap and dash and flash of that speech. It reminded me a little bit of the hockey game last night: lots of fire and flash, but unfortunately they kept losing sight of the goal.

Ms. Copps: But who has the trophy?

Mr. Winegard: Since I have now heard, as usual, from the Hon. Member for Hamilton East (Ms. Copps), may I say on this particular subject, Mr. Speaker, that I hope she will immediately move into a small business enterprise because her salary from this Chamber will certainly not pay the hospital bills to which I intend to subject her for falling on my shoulder last night.

This area of our economy, namely small business, is one that former Liberal Governments have never really understood. It is an area, as we heard earlier today, which has been hampered by red tape, excessive government interference and a tax system that even the Ministry of National Revenue did not understand. The current Government is taking and will continue to take all the steps necessary to ensure that small business is able to generate the jobs so badly needed in this country. This Government understands that private enterprise creates wealth and jobs, not the Government. When small business flourishes, Canada flourishes. What this country needs is more small business people making more money through their own endeavours and enjoying the fruits of their labour as they bring Canada back to prosperity.

Things have changed in the last 30 or 40 years. There was a time when people did not need so much government help in starting a business. I would like to relate my personal experiences in small business and how things have changed. Immediately after World War II, my father, my brother and I began a small business, which still continues. When we opened that business in 1945, we had some veterans' allowances to contribute, but the most important thing is that we opened with 500 gallons of gasoline—the oil companies were prepared to give you credit in those days—one tire, I think one patching kit and three orange crates for chairs. Now you know and I know, Mr. Speaker, that we cannot start a business like that today. It costs you hundreds of thousands of dollars to move into such an automobile business because you need to have a large stock of parts, the best equipment and so on. It is very difficult for someone in the early stages of setting up a business to accumulate that kind of capital. Indeed, it is difficult for someone to go to the bank without any collateral and seek that kind of money. They must have an ironclad opportunity.

Bill C-23, this Act to amend the Small Businesses Loans Act, as the Minister of Regional Industrial Expansion (Mr. Stevens) said just the other day, demonstrates the federal Government's recognition that small business is the engine of growth and that the changes we propose, following consultation on the future of the Small Businesses Loans Act with business, are the first results of that continuing process of consultation aimed at strengthening the small business sector and, as I said earlier, thus strengthening the Canadian economy.

Who is eligible? When I think of small business, I think immediately of the service industries, the retail industry, small manufacturing. Of course, they are the ones that are eligible.

• (1630)

The purpose of this Act is to provide for the purchase of equipment, which is so expensive and difficult to come by, the improvement or modernization of equipment and plants themselves, and even the purchase or construction of premises. Those are all necessary to run a small business today. The last report on the Small Business Loans Act indicates that 40 per cent of the authorized amount was taken up by the service industries, 26 per cent was taken up by the retail industry, and 10 per cent was taken up by the manufacturing industry. Others were, of course, significantly lower. That may be the only thing that one can credit the Liberal Government for in terms of small business. The rest of its policies have been a disaster. The group which I have just named will strengthen the economy.

This Bill increases the existing two year loan ceiling by $300 million to $1.8 billion. To a Conservative, $1.8 billion is a lot of money. No further proof is needed of the success of and need for this program than the response of business people. Quick passage of this Bill will provide people with the funds they need to develop the engine of growth in this country.

I would like to reiterate the remarks made by the Hon. Minister of State for Small Business (Mr. Bissonnette). He said that the efficient private sector delivery of the Small Business Loans Act is one of its most attractive features. The program's simplicity of delivery and lack of red tape have contributed greatly to its popularity with lenders and borrowers alike. Government helps the private sector to help itself. We should have had that kind of philosophy for the last 20 years.

The interest rate on these loans is reasonable in today's terms. The sharing of the risk by the financial institutions is also an important element of the modified program. The lenders are part of our free enterprise system. It is appropriate that they share the risks as well as the benefits of our system.

I have no quarrel with the definition of small business in this Bill. I think that the eligibility limit of under $2 million is a good compromise. On average, the larger corporations have more resources, both financial and human, to use to find ways to finance their operations. Small businesses, however, are often owned by a family or a small group of people whose expertise is in operating the business rather than in trying to find money to keep it going. The Government is prepared to help small business people get a start, to modernize their plants, and to obtain better equipment in order to compete. When they work, the country works. I am pleased to support this Bill, Mr. Speaker, because it is one way to help return the country to prosperity.

Mr. Riis: Mr. Speaker, I listened with a lot of interest to the points made by the Hon. Member. If he is really interested in helping small business, would it not be most appropriate to take action to reduce interest rates in the country and to establish a made-in-Canada interest rate policy as opposed to a made-in-America interest rate policy?

Mr. Winegard: Mr. Speaker, I think we are taking action. We have had an economic statement, which will indeed revive the spirit of the country. We can expect a budget in April, which I hope will signal once again that we mean business in terms of reducing government expenditures so that we do not borrow so much that our interest rates will go up. We need to turn business loose, particularly small business. This particular Act is a small measure. As the Hon. Member said in his speech, there is much more we can do and I hope we will do it.

Mr. Gagliano: Mr. Speaker, I would like to thank the Hon. Member for giving credit to the Liberal Government. This morning I said exactly what the Hon. Member has said now. I asked the Minister of State for Small Business (Mr. Bissonnette) whether he would split the Bill in two in order to allow us to give speedy passage to the part to which the Hon. Member referred.

What is the Hon. Member's opinion of the 90-10 per cent ratio guaranteed between banks and the Government and the 1 per cent user fee? Does he think that these two amendments will reduce the lending activity between banks and small businesses?

Mr. Winegard: Mr. Speaker, I do not believe the fee will reduce the lending activity at all. That kind of deterrent is not going to be very significant when money is available. I certainly do approve of the 90-10 split. In fact, I might have gone even further because I believe that the lending institutions should accept some of the responsibility and risk in return for the benefits they enjoy in this free enterprise system.

Mr. Baker: Mr. Speaker, I have a very short question relating to the answer which the Hon. Member for Guelph (Mr. Winegard) gave about the 90-10 split. Could he elaborate on his answer? The previous speaker for the New Democratic Party said that he is in agreement with that because the banks should be taking some of the risk. Two organizations representing the small business community in Canada have voiced support for that particular measure. I cannot understand why everyone who has spoken on the Bill supports this measure. Would this not cause the banks to have a second look at that loan? Would this not discourage the banks from actually giving the loan? Would this not make them think twice, as the fee would make them think twice? Why are these organizations, representing small business in Canada, saying it should be more difficult for the small businessman to get a loan? I do not understand it.

• (1640)

Mr. Winegard: Mr. Speaker, I do not believe it will be more difficult for the small businessman to get a loan. The banks in this country, not as much as the banks in the United States, I grant you, are used to taking risks. They need to take more. I am delighted that even 10 per cent of this risk will now reside with the lending institutions of this country. I would have gone further but I am at least content with that, unlike the previous Bill which was for 100 per cent and you had Government once again believing that it must do everything.

Mr. Hicks: Mr. Speaker, I discovered that the Hon. Member for Guelph (Mr. Winegard) and myself have a great deal in common. He and his father went into the garage business many years ago. My father and I did the same. I wish to make it clear to him, however, that his operation was extremely luxurious in comparison with ours. We could not afford the orange crates.

Some Hon. Members: Oh, oh!

Mr. Hicks: The specifics of the Bill that are being debated probably will not alone create a great deal of jobs. The specifics of any proposal being put forth by this Government will probably not create, in themselves, a specific number of jobs.

Mr. Riis: Lower interest rates would.

Mr. Hicks: What I see happening is confidence, a great deal of confidence, being instilled across the country, because actions such as this are contagious. Does the Hon. Member agree with what I have just said?

Mr. Winegard: Mr. Speaker, I never disagree with the Hon. Member who has just spoken. I have to tell him that the orange crates were given to us. I think my younger brother had some kind of an in with the grocery store at the time.

As always, I am delighted to find that the Hon. Member and I are in complete agreement with what has to be done in this country.

Mr. McKenzie: Is there still time for a question, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes, a short one.

Mr. McKenzie: The Hon. Member mentioned that years ago he was able to operate and survive because we had stability in the country, Mr. Speaker. I remember at that time that interest rates were 3 per cent and 4 per cent. We lost all stability in this country when we had the Liberal-NDP coalition from 1972 to 1974.

Mr. Riis: What a confidence builder! You keep whining and whining.

Mr. McKenzie: In complete co-operation with the New Democratic Party, the Liberal Government of that day inherited a $673 million surplus and turned it into a $4 billion deficit.

Mr. Riis: You never say anything positive.

Mr. McKenzie: And the NDP boasts that minority governments—

Ms. Copps: There he goes.

Mr. Riis: Do we have to have more?

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Member wants to ask a question, I will try to recognize him, but now the Hon. Member for Winnipeg-Assiniboine has the floor.

Mr. McKenzie: I realize the truth hurts, Mr. Speaker, only too well.

Mr. Riis: There he goes again. Do you eat nails for breakfast?

Ms. Mitchell: No, I think it is garbage.

Mr. McKenzie: Would the Hon. Member for Guelph (Mr. Winegard) agree with me that this enormous debt which the Liberal-NDP coalition ran up in that period when our debt payments ran at something like 28.4 billion, which was an increase of 50 per cent in that period, was the start of the economic chaos in this country and the destruction of the free enterprise system? It was in that period with that coalition that the downfall of this country started. We had increases in inflation and increases in interest rates. Would the Hon. Member agree or disagree with me on that?

Mr. Riis: Are you bringing it up again?

Mr. McKenzie: I will bring it up every time, you phoney. We have had enough of that b.s.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): The Hon. Member for Guelph for a very short reply.

Mr. Winegard: How could I disagree with such wisdom, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The time for questions and comments has now been terminated. Is the Hon. Member for Hamilton East rising on debate?

Ms. Copps: Mr. Speaker, I rise on a point of order. I understood the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) to say he had had enough of that. We had been lectured yesterday—

The Acting Speaker (Mr. Paproski): Order, please.

Ms. Copps: We had been lectured yesterday by the House Leader on the government side—

The Acting Speaker (Mr. Paproski): Order, please.

Ms. Copps: —about civility. It seems to me—

The Acting Speaker (Mr. Paproski): Order, please. We are now on debate. Is the Hon. Member for Hamilton East rising to debate this Bill?

Ms. Sheila Copps (Hamilton East): Yes, Mr. Speaker. It is oftentimes said that to the victor go the spoils. I am sure a number of the government Members have been gloating over that particular premise since September 4. I just want to respond very briefly to the comments made by the very able hockey player from the riding of Guelph by saying that

although the Government won, it was the Opposition that took advantage of the spoils. We will be happy to present the trophy to its rightful owners in the House tomorrow. The trophy is currently in the possession of the opposition Parties. To the victors did not go the spoils. I know that the medical bills—

Some Hon. Members: Oh, oh!

Ms. Copps: Those of you who did not participate will know that we all had a lot of fun last night in a very non-partisan way, and I am sure we would love to see that spirit flow over into the House today.

Some Hon. Members: Oh, oh!

Ms. Copps: I know that the medical bills that I will be receiving from the Member for Guelph (Mr. Winegard) will be very high. This Government has closed its eyes, as have the provinces across this country, to extra billing. Knowing the number of opted-out physicians in the City of Guelph, I am sure the opted-out bill that I am going to receive will be very high, but it will be paid accordingly.

On a serious note, Mr. Speaker, I was intrigued by the comments of the Member for Winnipeg-Assiniboine (Mr. McKenzie) who pointed to the demise of the modern economic system as dating back to 1972. First, I think he gave us a decade of good government on the Liberal side of the House, and for recognizing that I would like to congratulate him. I would like to make sure he stands up and clarifies that in the House. Second, and it is a point that I would like to relate specifically to this Bill, is his comment regarding the alleged Liberal-NDP coalition. We have heard the comments from the spokesperson for the New Democratic Party with respect to this Bill. They follow very closely along the position taken by the Government. I refer to the decision of the Government to introduce a Bill that will force small businesses into a position of not being guaranteed 100 per cent but simply 90 per cent liability. Anybody who has been in business will know that one of the greatest difficulties in establishing and maintaining a business is the problem of venture capital and cash flow. It seems to me that in this particular measure the Government is not going to back up small businesses 100 per cent. The Government is saying that it will only back them up 90 per cent. I have seen friends in my own constituency who have gone to their bank managers pleading for an extra month's extension on a payment. I have seen people trying to juggle the kind of cash flow between receivables and payables that can make or break a small business.

I would like to point out in passing that a number of Members in this House have referred to the difficulties faced by small businessmen. Of the new businesses generated in Canada last year more than 50 per cent were created by a new level of enterpreneurs, namely, by women of this country. I think it is about time that we excised from our vocabulary the notion that the only people who could be interested in business are businessmen. It has clearly been shown through past history that women, being the frugal sort that we are, have a greater opportunity to succeed in starting a small business. That is certainly showing itself in the successful record of women in business which is beginning to emerge across Canada.

• (1650)

I cannot understand why the NDP supported the Government in what I perceive to be a very regressive measure, in particular as it relates to lending practices for small businesses seeking venture capital. They need the kind of loan guarantees which may in fact make or break them.

I am happy to see the Minister of Labour (Mr. McKnight) here today. In terms of the housing industry, CMHC does not only say that it will guarantee a percentage. It says to the bank that if the borrower is prepared to put up a certain percentage, it will provide a 100 per cent guarantee from that point forward. I cannot understand why the Government is suggesting that the same financial incentives should not be provided to the small business sector.

I should like to take this opportunity to remind government Members of the promises which were made to the small business sector prior to the last election. There were a number of promises. We know they numbered in the three hundreds across all areas, but I will not debate that at this particular time. However, in the area of small business there were in fact 12 promises, most of which led to the idea of developing more accessible capital, in particular development and venture capital for small business, as well as reducing bureaucratic red tape and the difficulties currently being faced by small business people who expect to obtain loans. I should like to cite them for the record.

The first promise was to reduce the burden of excessive regulations and reporting requirements with which small business has to cope.

An Hon. Member: It has been done.

Ms. Copps: What has happened with that regulation? I am sorry the Hon. Member for Saskatchewan has not had a chance to read the Bill. If he had read it, he would know that in Clause 5 the Conservative Government is saying that from now on the Governor in Council will be allowed to change by regulation all registration of loans, procedures for submission, processing and payment, the fee, and the payment and calculation of the fee. The Government is taking a Pontius Pilate approach to streamlining small business loans. It is now saying, as of this clause, that it will wash its hands of any responsibility and that it will be the Governor in Council who will have the opportunity to do so through regulation which will not even be examined in the House by Members who were duly elected across the country. It will now be the responsibility of the Governor in Council to design regulations relating to small business loans.

There is nothing written in this Bill which will guarantee that the Governor in Council in fact will move to streamline the process. Rather than seeing an attempt to show some leadership to take economic matters in hand and to cut down on red tape, the Government is saying that it cannot do it and

is passing that responsibility over to the Governor in Council. If the Governor in Council decides in the future to decrease the availability of loans, to increase the amount charged in terms of interest rates, or to increase the amount of regulation required, it can be done without any reporting to the House. Notwithstanding any other provisions of this particular Bill, the fifth provision is a clear abdication of the responsibility of the Government to live up to the promises it made to taxpayers on September 4.

In a similar vein, the third promise was to reduce the level of taxation facing small business and the complexity of the tax system with which it must cope. We do not see a move to reduce the level of taxation, but in fact there is a move to increase it by imposing a 1 per cent user fee on all people who are currently able to take advantage of the provisions of the Small Businesses Loans Act at no charge. While the Hon. Member for Guelph (Mr. Winegard), who has been in business for a long time, may feel that a 1 per cent deterrent—and he did call it a deterrent in the House—may not be very large, I can tell him on behalf of all new and struggling businesses, and those businesses that in fact create new jobs for Canadians, that a 1 per cent surcharge on a loan which can potentially be in the hundreds of thousands of dollars can be a very severe detriment. Not only is the Government suggesting that 1 per cent surcharge or that 1 per cent user fee, which even government Members decried in the Chamber today with respect to the Government's decision to start charging user fees in the agricultural sector, it is also suggesting that it is not prepared to stand behind the small businesses of the country by offering 100 per cent loan guarantees.

I do not know how many Members of the House have had dealings with banks. I am surprised to see that the NDP has not taken a more progressive attitude in this particular respect. Anyone who expects that banks will not look harder and approve fewer loans as a result of this measure is simply not in tune with the realities of cash flow difficulties currently facing small businesses. I am sure there are Hon. Members on all sides of the House who could rise and indicate the problems which small businesses have with banks. They have been well documented. I am sure they could attest to personal difficulties or recount personal horror stories in which they or their constituents have been subjected to great difficulty.

Banks are not prepared to take risks. If we reduce by 10 per cent the amount of government guarantee for banks, we will find ourselves in a situation where the already squeezed cash flow, which is currently not being made available on an equitable basis to small business in comparison with large business in the country, will in fact be even further reduced, coupled with a 1 per cent user fee. This basically tells Canadian small business people—

Mr. Riis: Banks pay the user fee.

Ms. Copps: I understand that. Just as the Hon. Member for Kamloops-Shuswap (Mr. Riis) said with respect to CMHC, eventually it is the consumer who pays, whether he be a borrower in terms of a house or a borrower in terms of a business. Surely the Hon. Member does not think that banks will give a free ride on the actual user fee. Of course banks will pass that particular cost on to borrowers. If the Hon. Member thinks that banks will pick up this particular 1 per cent fee without passing it along in terms of increased charges to consumers of lending services, he does not understand the way in which banks work or he has not looked at a bank service charge lately.

I should like to refer to another promise—

[*Translation*]

—made by the Government before September 4. They said they would improve the financial options for small businesses. But now we see what they are doing with this Bill. They are doing exactly the opposite, because what they are asking for is more than simply giving all responsibilities to the Governor in Council. Henceforth, the Government will no longer prescribe regulations governing loans made under this Bill. According to Clause 5, it will be up to the Governor in Council to decide whether the regulations should be changed, whether the rate of interest ought to be lower or higher.

Even if we were to agree to the rest of the regulations, Clause 5 makes it quite clear that regulations governing small business loans will no longer be made by this House of Commons. The Governor in Council will change anything at any time at will, and that is why, Mr. Speaker, I am saying that this Government has adopted this kind of Pontius Pilate approach, contrary to the promises made during the last election campaign, before September 4.

Well, Mr. Speaker, I am waiting for questions—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member.

[*English*]

I regret to interrupt the Hon. Member, but I should like to advise her that it is now five o'clock and we have to go on to Private Members' Business. Before doing so, however, I should like her to know that she has five minutes remaining as far as her speech is concerned and the 10-minute question and comment period will follows when the Bill comes back to the House.

[*Translation*]

Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 126?

Some Hon. Members: Agreed.

* * *

INCOME TAX ACT

ADVISABILITY OF AMENDING THE ACT

The House resumed from Tuesday, December 11, 1984, consideration of the motion of Mr. Lopez:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to eliminate reassessments and legal actions for the payment of income tax in arrears in cases where errors or omissions happened in taxpayers' income tax returns for the pre-1984 fiscal years.

The Acting Speaker (Mr. Paproski): The Hon. Member for St. Catharines (Mr. Reid) had 15 minutes remaining. Is he going to participate? He is not here. The Hon. Member for Simcoe North (Mr. Lewis).

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise to continue the debate on this motion made by my colleague, the Hon. Member for Châteauguay (Mr. Lopez). I suggest to the House that it serves a very useful purpose today. I compliment the Hon. Member for taking the time to become involved in the process so early in his career. Having read his speech, I believe he put some thought into what he is trying to do. Now I want to pose some questions on the other side of the issue and expand it.

The debate on this motion gives us an opportunity to examine some of the important issues that are involved in our income tax system. It gives the Members of this House an opportunity to reflect on the many changes which have been introduced by our Government respecting the administration of the Income Tax Act. I hope that through this debate we will increase public awareness and the understanding of some of the problems that exist.

I suggest that our experiences during the past year, especially of those who were here in the last Parliament, demonstrates the axiom that perhaps we do not realize the value of an institution until it starts to develop problems. For half a century the federal Government has relied heavily on income tax revenue to finance the many services and social support systems on which Canadians count. Not only does it generate a large part of the revenues needed, but the tax system is used by Governments to further economic and social goals. Through its array of deductions, exemptions and tax credits, it provides an incentive to economic activities that we want to encourage, tax relief in certain circumstances and income support to others such as low income parents.

There is no question about it, the tax system is a vital part of our Canadian community, but it is also a system that has to be handled with some care. We cannot forget that the tax system is based on self-assessment. The Government relies on Canadians to make out their own tax returns, to report their incomes fully and to compute their own tax bill. Obviously that kind of a system demands a mutual trust and respect between the taxpayer and the Government. It is equally obvious that under the previous Liberal administration, the system developed severe problems.

In recent years, the amount of tax arrears owing to the Government rose to $3.5 billion. There were probably many reasons for that, including the economic recession under the former Liberal Government, which placed severe pressures on the financial positions of Canadians. There was an inability to pay taxes incurred in previous years. There was a need for liquid cash on the part of the person who owed the money. Aside from that, there arose during that period growing difficulties in relations between the taxpayer and the Government. Instead of the relationship continuing to be one of mutual trust, it became very adversarial, not at the tax appeal court level, but at every level.

Under the Liberals, the practice grew of various income tax offices using quotas to judge the performance of tax assessors. Any chartered accountant, of which I am one, can tell you that you cannot base the tax you are going to assess on how long it took you to assess it. There is absolutely no relationship whatsoever between the two. It was the practice of the former Government which allowed that to happen. It then became undue pressure as well as a quota system.

As a result of that terrible abuse of the rights of Canadian taxpayers, the Progressive Conservative Party set up a task force on Revenue Canada under the chairmanship of the present Minister of National Revenue (Mr. Beatty). That task force travelled not just to Toronto and Montreal, but to smaller communities across Canada. It heard depositions from the people who were being abused by the tax system and the assessors. As a result, we produced 72 or 73 recommendations within three months of the formation of that task force, at a time when the consultant hired by the former Liberal Government was still trying to hire his staff. We had made our recommendations long before the Liberal Government's consultant was able to get off the ground. We are now in the process of implementing those reforms, some in the form of legislative amendments to the Income Tax Act and some through administrative improvements.

Let me go back to November 8 when the Minister of Finance (Mr. Wilson) made very clear to the Canadian people the serious consequences of the escalating deficit under Liberal Governments and our huge national debt. When more and more of our financial resources are required just to carry the cost of servicing the debt burden, the Government's ability to meet the economic problems of the country are restricted.

The effect of the proposal before us, despite its good intentions—and no one doubts the good intentions of the Hon. Member—would run counter to the Government's effort to start putting our financial house in order so that we can better promote economic renewal and job creation. That is the background and the context from which we have to look at this motion of the Hon. Member for Chateauguay.

A recent experience under the Liberal Government proves that it is important to create and maintain a policy of treating taxpayers with fairness, sensitivity and respect. Revenue Canada has the legal responsibility of enforcing the tax laws which this House passes, and so it must be firm. We all realize that. However, as well as being firm, it has to be fair. The two must go hand in hand in any taxing authority. Frankly, it is not clear from this motion that by its passage we would be firm and fair. It would have the Government abandon any effort to collect taxes that are legally owing for past years in cases where the taxpayer has made an error or omission in his or her return. It is not clear whether or not the sponsor of this Bill means that that is to cover only inadvertent errors or omissions or deliberate ones. On the face of it, the wording of the motion would include deliberate attempts to falsify returns or the omission to report income which should be taxable. I am not saying for a minute that there is a great deal of that, but this motion would have the effect of including deliberate attempts. I suggest that that is a large amnesty to be handing out under the Income Tax Act given the financial situation in which we find ourselves.

• (1710)

I would also note that the motion would not seem to provide the same amnesty to taxpayers who have declared all their income and whose tax returns are in dispute but who are simply, because of their economic circumstances, unable to pay the taxes owing. It would, however, provide amnesty for an unknown but very large amount of taxes owing on money from the so-called underground economy.

I suggest that the motion does not provide for fair and equitable treatment among those groups to which I have referred. It would certainly not be seen as fair by the vast majority of Canadians who have been paying their taxes fairly and fully, people who have been keeping their side of that unwritten social contract that exists between the Government and the citizens.

During the time of the MacEachen Budget of November, 1981, I found out from my colleagues in the accounting profession that there was a very real concern among the accounting firms of the country that by being unfair with taxpayers, the Government would drive the honest Canadian taxpayers, of which the vast majority of them are, into dishonesty. They felt that there would be a breakdown in the self-assessment of farmers, fishermen, lawyers, accountants, doctors and school teachers, and that breakdown would reach all the way up to the largest corporations in the country. The people in the profession were very much bothered by the fact that unfairness on the part of the Government would drive businesses, quite frankly, to cheat. That would lead to a breakdown and to chaos in our tax system.

I must caution the House against doing anything which would seriously damage the fabric of the income tax system, that very important system that transcends all political Parties. The income tax system has nothing to do with political philosophy. The fact is that Canadians can be proud that we have a good system of self-assessment. That trust exists. We cannot afford to lose it.

There is a danger that there would be a feeling of unfairness and betrayal of confidence among those taxpayers who paid their taxes in full. That would be increased by the realization that an amnesty such as the one the Hon. Member suggests in good faith would mean writing off hundreds of millions of dollars of revenues owing to the Government. The lack of that money would increase the national debt. It would increase the deficit of which we are trying so hard to gain control and which weighs so heavily on the Canadian taxpayers and the federal Treasury.

If I may, I would like to return to the matter of the $3.5 billion in overdue taxes which is owing to the federal Treasury. The Government is making efforts to reform the tax collection system along the lines of further fairness and firmness. The House will know that the Minister of National Revenue has put forward initiatives which will increase the collection staff of the Department and make a reasonable effort to collect more of those unpaid taxes. That is in the interest of all of us.

The total of that $3.5 billion represents taxes that are not disputed. What we must do is to increase the number of collectors but also to increase the fairness with which taxes are collected. By increasing the number of people available to collect money, we will take the pressure off those who are there. That will give the tax collectors an opportunity to sit down with taxpayers who may very legitimately be short of funds and see if they could find a way for them to pay their taxes through a mutually acceptable method. We hope that this initiative will bring in an extra $400 million in revenues that would not otherwise have been collected. We hope that by doing this, the revenues will be collected in a way which treats all taxpayers more fairly.

The Minister is insisting that taxpayers who are in real financial difficulty should be treated with compassion and decency. It goes without saying that under the Liberal Government, there was no compassion and decency when dealing with the Canadian taxpayers. Canadians are becoming more and more aware of the reforms that are being brought about in Revenue Canada's operations. It is our feeling that this is bound to give the taxpayers the feeling that they are being treated fairly and that they are not being asked to carry an unfair share of the burden.

I would point out that one of the single most important changes in the Income Tax Act will recognize the rights of taxpayers and will alter the Department of Revenue's collection procedure for the collection of disputed taxes. It is a reform that is long overdue. It is not something about which the former Liberal Government cared. The Ways and Means

motion which was tabled by the Minister of Finance will go a long way toward providing protection for the basic civil liberties of taxpayers. When a tax assessment is in dispute, a taxpayer will no longer be required to pay the disputed tax first before the appeal is heard. "Pay now and justice later" was the Liberal way. Our way is "Justice now, and if you are found to be owing, you pay later". I think that is the way we should go.

The old rules led to a feeling among taxpayers that they were guilty until they could prove their innocence. Under the Liberal Government, they did not receive that opportunity for a long time because the system was bogged down. I used to tell my constituents not to fuss around with the assessors but to file notices of appeal to force their hands. Because of the delays, that is what we did. My constituents filed notices of appeal which I kept in my office. We forced the Liberal Government to pay attention to the taxpayers.

This new law will make the tax system fairer for all Canadians. Another thing we will do is to allow the Tax Court of Canada to award costs to taxpayers who are appealing their cases. That brings more fairness to Canadians who win their cases when their assessments are brought into question. They will get their costs when the Government is in fact wrong.

There will be a whole series of administrative changes designed to improve the working of the tax assessment and collection system and to make sure it works in a fair and open way. There will be many more instances of tax assessors checking first with the taxpayers before making changes in their returns. Assessors will ask for information first before sending out notices of reassessment and having the taxpayers file notices of appeal. Notices of appeal were filed quickly when I had the opportunity to do so, but we are now forcing the assessors to ask before they reasses. I think that that is another improvement.

In closing I would like to say that I appreciate the intent of the Hon. Member's motion. However, the Government is making every effort to restore fairness and firmness to the tax collection system in Canada.

[*Translation*]

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I should like to say a few words about the motion of the Hon. Member for Châteauguay (Mr. Lopez). Mr. Speaker, his motion provides:

> That . . . the Government should consider the advisability of amending the Income Tax Act in order to eliminate reassessments and legal actions for the payment of income tax in arrears in cases where errors or omissions happened in taxpayer's income tax returns for the pre-1984 fiscal years.

In my opinion, Mr. Speaker, however challenging and important this proposition may be, it is altogether unacceptable at this time, for reasons which I will explain.

Still, I do want to congratulate my colleague the Hon. Member for Châteauguay (Mr. Lopez), for he is doing our country and Members of the House a great service by giving us today another opportunity to debate once again the values underlying our tax system.

• (1720)

[*English*]

In his motion, the Hon. Member for Châteauguay (Mr. Lopez), is in effect proposing an amnesty for people who made errors in their tax returns which were filed before 1984. I do not want to repeat what has already been said so well in the House by a number of other Members, but I would like to add a different perspective by turning briefly to the very basic point which this motion raises, and that has to do with the value system on which our tax system is based.

Historically, the Income Tax Act was introduced as a temporary measure during World War I to raise revenue for the war effort. Like so many temporary measures, it is still with us today. However, it is not the same statute which was passed during World War I. That was an Act which was purely and simply a revenue-raising statute. Since that time, Parliament has seen fit time and again to add social and economic policies to the tax legislation. It has become the vehicle through which government has continued. Is income redistribution a public goal? Achieve it through the Income Tax Act. Is it desirable to stimulate the Canadian film industry or oil and gas exploration offshore? Achieve it through the Income Tax Act. So it goes, in a saga which is familiar to all Members of the House. The end result is the development of a statute which, as the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) previously stated, is now over 1,000 pages long. It should not be surprising to anyone to find that the taxpayers of Canada, in completing their tax returns, from time to time commit innocent errors. I think that is the most important thing which was on the mind of the Hon. Member for Châteauguay. If innocent errors have been made, certainly no one is looking to address that point in any kind of punitive fashion.

I do not think that we can stop the analysis there. I would like to return to the first speech which I made in this Chamber. At that time I stated that my credo in politics is simple and clear—I believe in fair shares for all and special privileges for none. I fear that this motion, though it be well intended, would in fact accord special privileges to some taxpayers of the country who submitted their returns prior to the cut-off date with some error who are now going to be forgiven. However, the other taxpayers of the country filed their tax returns according to law, in good faith, and paid their rightful share of the burden. I do not see that it would be fair to accord that kind of amnesty which would give a special privilege to some and deny it to others.

However, we are not stalled in dealing with this problem. There are other ways to deal with it. The Government has already indicated that, through a program of tax simplification, a number of problems which have occurred when taxpayers previously completed their returns will be abolished. There will be a greater simplicity in the Income Tax Act.

Another value which is very important and which has been brought to sharp relief by this motion is the one to which my hon. colleague from Simcoe North referred—that the very basis of our tax system is one of self-assessment. It is an honour system. Granted, it is an honour system which is fortified by severe legal sanctions, but it proceeds on the premise that taxpayers will be honest in declaring their income and paying the amount of tax which they owe on it.

We have seen a very disturbing phenomenon develop in the country over the past decade. We have seen that men and women who are wage earners and have their tax deducted at source pay their fair share. In addition, the medium- and small-sized businesses have made their deductions and remitted their fair share to Revenue Canada. However, the very wealthy and the large corporations have taken advantage of the provisions which are in the legislation and, with the benefit of well-paid legal and accounting advice, the end result is that the amount of tax which they pay cannot be called their fair share. The Government has indicated that it will respond to that situation in the upcoming budget and that those provisions in the Act which now lawfully permit people to have exemptions and to take the benefit of programs, and as a result pay little or no tax, will be eliminated. I think it is high time for that to happen. When the working men and women and the medium- and small-sized businesses of the country pay their fair share and others do not, it is not hard to understand their feelings. It is like 12 people going into a restaurant and having a great lunch. We all eat our share of the meal, but when the waiter brings the bill, two or three people walk out without paying. The rest of us are left to pick up the tab. On a grand scale, that is what has been going on in Canada. It has been going on for too long, and that is part of the reason there was a change in government. It is also the reason there will be changes made to the tax legislation in the next budget. I would not have campaigned as hard as I did to be in this Parliament and I would not be a strong supporter of this Government if that were not the case.

I believe there is a problem at the other end of the economic scale in Canada, as far as collecting income tax is concerned. It has been referred to as the hidden economy. It is the thousands of transactions which take place every day when someone renders an extra service and gets $20 or $100, whether it be moonlighting or an extra job on the side. It is income which is never reported and tax is never paid on it. Amounts are estimated, but even the most cautious and low estimates of the value of that hidden economy are truly staggering. We would have a fair lower deficit today if the people who are earning that income would "fess up", declare it and pay their fair share of the tax.

I sound one note of caution, Mr. Speaker, and that is that until we restore integrity to government spending and get value for the dollars which are spent, we should not judge too quickly those who are reluctant to send their tax dollars to Ottawa. When a person works long and hard in order to earn a livelihood in this country, and then sees the kind of prolific waste and runaway spending which went on in Ottawa and realizes the state of almost despair it has caused in the last few years, it is hard to blame that person for being reluctant to send hard earned dollars to Ottawa to be poured into that big hole in the ground.

• (1730)

I believe, therefore, that we have a very special duty, as part of our mandate, to get the finances of this country back on a sound footing. We must also convince Canadians that they are getting value for dollars spent by the Government, thereby restoring the belief that each citizen not only has the great benefit of living in this country but should in fact also share the burden of paying part of the overhead. It is the first duty, perhaps, of a citizen to elect a Government for himself or herself, and that being so, the second duty is to pay a share of the cost of that Government.

I have heard a lot of people say, "Why should we be paying taxes? What are we getting for it?" It does not take long in this country to begin to put together a list itemizing the many things rendered through government programs which are of tremendous benefit. We are truly the envy of other countries in the world. If we have immigration problems, Mr. Speaker, it is because there are so many people around this globe who would love to live in this country. Canadians, in moments of realism, do not deny that fact. But the other side of the coin is that they must accept the responsibility of paying their fair share. That is why I believe that to proceed with this motion to give amnesty to some taxpayers who, through error or whatever other reason, did not pay their little share of the over-all load, is not perhaps appropriate in terms of the message it would send to the rest of the population.

Through our efforts we must ensure that there is not only fairness in the tax system but that it is seen to be fair. That is why the Minister of National Revenue (Mr. Beatty) has earned such respect in this House and indeed across the country. He has brought a clarity and sense of purpose to his Department in fulfilling his mandate as Minister of National Revenue.

There are a number of Hon. Members in this House who recall the task force which the Progressive Conservative Party sent from coast to coast a year or so ago. It talked to taxpayers about their legitimate grievances under the Liberal Government in the way in which the tax branch operated. It is truly incredible how badly off the rails that system went. The result of the task force was to yield up some 70 recommendations on how the position of taxpayers in this country could be made more fair. We are now in the process of seeing positive and prompt action being taken in implementing those common-sense recommendations, those ideas of fairness.

Just last week in this House, Mr. Speaker, notice was given that we will be changing the laws so that taxpayers will not be required to pay income taxes in dispute until a court has made a ruling on their appeal. They will be innocent until proven guilty, and it is high time that happened. Under the new legislation, Revenue Canada will not institute formal collection proceedings against a taxpayer during the 90-day period in

which the taxpayer is entitled to file an objection of the amount of the tax assessment. If the taxpayer files such an objection, formal collection proceedings for amounts in dispute will be delayed until 90 days after Revenue Canada has formally responded to the taxpayer's objection. If the taxpayer appeals that decision to the courts, collection proceedings will be further delayed until a court renders its decision. That is the new procedure which will be followed as a result of legislative changes now proposed by our Government. That will introduce a sense of fairness into the tax system and a sense of fair play among the taxpayers.

Under this proposed tax change, if the taxpayer loses his first appeal to the courts, he will then be required to pay the disputed amount or at least to post security for it. Even though an appeal is carried to a higher court, where an amount of tax which is in dispute has already been paid by the taxpayer, the new legislation will provide for its repayment to him, pending the court's decision. Again, that is a major change and an important one.

I believe the Minister of National Revenue has on occasion spoken in ways which would be relevant to the motion here today. He has tried to distinguish between taxpayers who try to escape payment of their taxes and people who are in financial difficulties which make it impossible for them to pay. In the moments remaining, I would like to mention some of these points because they are fundamental and must not be misunderstood in the context of this motion. Our Government is determined that Revenue Canada will treat people in need with compassion and decency. We have seen from past experience how an adversarial approach by Revenue Canada can lead to mistrust, frustration and most certainly to tax evasion. It is important in tax matters to be both firm and fair. Today, Revenue Canada, under the Minister of National Revenue, is acting promptly to improve the collection process. It is appointing additional staff which will give collectors more time to work with taxpayers who have difficulty in paying their taxes. The goal is to work out with the taxpayers mutually agreed plans for delayed payment. The target of the Department is to collect $400 million in additional revenue to that which would have normally been collected from tax accounts owing to the federal Government.

The Minister has also addressed the problem of those Canadians who have been hiding unreported income in the so-called underground economy. Last fall in Toronto, the Minister spoke to the Canadian Tax Foundation and appealed to the taxpayers who have failed to disclose or declare all of their income so far to come forward now and pay up without fear of prosecution under the Department's procedures for voluntary disclosure. That, I think, Mr. Speaker, is the kind of amnesty which is appropriate in the present context of tax collection in this country.

On the collection side, the Department of National Revenue, I understand from my inquiries, will be doing a fair and more thorough job of collecting unpaid taxes. When a tax becomes overdue, the Department—and I think this procedure will be interesting to Hon. Members of the House because it affects many of our constituents—will send out a series of collection notices which more clearly outline departmental policy and the rights of the taxpayer. Then, before taking legal action, the collection staff will be required to make every effort to contact the delinquent taxpayer by telephone so as to give him or her every opportunity to settle the debt short of legal process.

• (1740)

Other amendments to the Income Tax Act aim at the same goal of treating taxpayers with fairness, sensitivity and respect. It is because of that approach, and with those goals in mind, that I think that finally across this country Canadians have the sense that once again there is a Government on the banks of the Ottawa River that truly cares, one that is bringing a sense of fairness, firmness and compassion to the important task of raising the revenue so necessary to pay for the services which have given us such a high standard of living and a special position for this country.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks on the motion on the Hon. Member for Châteauguay (Mr. Lopez) by indicating that, while I may not agree entirely with the substance of the motion and the measure it proposes, I certainly agree with the underlying spirit of reform which I am sure prompted the Hon. Member to present this motion to the House of Commons. It has been pointed out by many that the spirit of reform is what the Minister of National Revenue (Mr. Beatty) has in mind as he approaches the task presented to him by his Ministry. I think the Hon. Member for Châteauguay, by presenting this motion, advances that process of reform, whether or not the specific proposal is consistent with the policies the Government may wish to pursue.

Before I continue my remarks, may I take this opportunity to record the fact that this is my first opportunity to address you as Speaker of the House in your occupancy of this famous chair. I have watched you in the House and on television and I am impressed by the high level of the demeanour you present to the House of Commons. I know it is no less than one can expect of you in the future.

Some Hon. Members: Hear, hear!

Mr. Crosby: I know the constituents of Edmonton North will miss your interventions in the debate in the House, but nonetheless they will be well represented by the influence you have and will continue to exercise in this House and Parliament. It is a testimonial to your record of public service in the past, and I am sure that I and all Members are very pleased that you are in this position today. We know you will conduct the proceedings of the House with the measure of good faith and fairness which you have always exhibited in the past.

With respect to the motion, Mr. Speaker, again may I say that we are more interested in the reform of the tax system in general terms than we are in the specific measures presented from time to time. We have to face the fact that specific measures in tax law are the duty and responsibility of the

Government. The decisions have to be made by the Government and presented to the House of Commons. I am sure it is a duty and responsibility which is accepted by the Minister of National Revenue and the Government because it certainly was an issue we brought before the Canadian public continually prior to and during the election campaign. Tax reform has to be at the heart of the initiatives which the New Conservative Government presents to the House of Commons.

As other Members have pointed out, this spirit and desire for reform is evidenced by substantive and concrete measures. We have already had before the House of Commons Bill C-70, which was adopted on November 29, 1984. It contained a number of amendments and new provisions which indicate the concentration on the area of tax reform. More important, we have the new initiatives such as the Ways and Means motions which have been introduced in the House, in particular the proposal for Section 225.1 of the Income Tax Act which deals with the collection process. Just to underline once again the importance of that new provision, let me say that it takes the burden off the taxpayer in that it does not penalize the taxpayer for resorting to the appeal process. The taxes are held in abeyance until the appeal is determined. I think that kind of measure indicates the sympathy of the Government for the taxpayer, and it is in marked contrast with the attitude of successive Liberal Ministers of National Revenue.

It has been pointed out many times, but it is always worth underlining again, that our taxation system in Canada is a self-assessment process. There has to be faith in the system and faith in the officials who administer the system or you will not have a proper attitude on the part of the taxpayer. They want to have faith in the system and the people who administer the system and it is our duty and our challenge to create that faith so that the taxpayers of Canada will file their annual returns confident that they will not be treated unfairly by the system or its administrators.

I want to deal generally with the subject of tax reform, Mr. Speaker, since I believe that is really the subject raised by the motion before us. I want to begin by referring to November of 1981 and the infamous Budget presented to this House by the Hon. Allan MacEachen, then Minister of Finance. For those Liberals brave enough to recall it, he presented to the House a Budget which he said would bring about equity in the tax system. The then Minister of Finance actually stood in this House and said he was single-handedly going to bring equity to the tax system. But what did he do? He introduced a number of measures, some of which I think bear detailing again, even though I fortunately had the opportunity on many occasions in the House to detail those measures which the then Minister said would bring equity to the tax system.

One measure was to tax employer contributions to health plans. Some seven million Canadian workers would have been taxed on their health plans. It would have virtually destroyed the employer-employee health system in Canada. It would have imposed taxes which had no relationship to the earning ability or ability to pay taxes of seven million working Canadians. Mr. MacEachen and the Liberal Party said that that was bringing equity to the tax system.

The Minister also proposed to tax senior citizens by removing the $1,000 exemption on pension income. There are literally thousands and thousands of Canadians who have been forced into early retirement from their careers in the Public Service, the Armed Forces and a number of other areas. They had to provide for their old age by working after they were forced into early retirement. But the Liberal Minister of Finance proposed to remove the benefit they received in respect of pension income if they were paying into another pension plan.

I could go on with a number of the proposals contained in that Budget, but let me conclude that aspect by saying that whatever the intentions of the Minister in November of 1981, he certainly advanced the cause of equity in the tax system to no extent of which I am aware. However, he did do a service to Canadians. He focused more attention on the various measures which make up our tax system. He made Canadians, or at least the Progressive Conservative Opposition made Canadians aware of the degree to which they are affected by their tax system and the degree to which that system can be changed overnight by an act of government. In other words, by his failed attempt at tax reform he at least caused Canadians to realize and recognize that we did have it in our capacity and power to reform the tax system. As time went by the attention of the Progressive Conservative Opposition of the day was concentrated on that. We must give full credit to the present Minister of National Revenue who focused attention on this aspect of opposition activity. We were then able to deal with the matter of tax reform in such a manner that the public reacted to it.

• (1750)

Following the 1981 Budget of Mr. MacEachen, we set up a task force in the Progressive Conservative Party to allow Canadians across the land an opportunity to comment on that Budget. It was very successful. Canadians across the country were very pleased with the opportunity to come before that group of opposition parliamentarians to express their concerns about the Budget. That tax force, on which I was proud to serve, was able to formulate the concerns of Canadians in a report on the Budget. It was as a result of that report and of our continued activity of pressing the then Minister of Finance in the House of Commons that many changes were made to that Budget.

When we focused the attention on the need for tax reform through the same process, we were able to establish the tax force on Revenue Canada under the current Minister of National Revenue. That task force again gave Canadians an opportunity to appear before a group of parliamentarians to express their general and specific concerns with respect to the income tax laws by which they were governed. That tax force on Revenue Canada resulted in a report which received a great deal of public attention at the time.

I would like to refer specifically to the aspect of the report which proposed a Bill on taxpayers' rights. The recognition that taxpayers have rights too focused attention on the heart of tax reform. The Income Tax Act imposes obligations and responsibilities on Canadian income earners and specifically imposes the responsibility to pay tax in respect of that income. However, the Income Tax Act does not give any rights to those taxpayers in relation to the responsibilities. That results in a lack of balance in our tax system. The equity which Mr. MacEachen claimed to be creating in his 1981 Budget was not there because he did not give any rights to taxpayers which could be balanced against the responsibilities under the Income Tax Act. That is exactly what the Minister of National Revenue proposes to do through the Ways and Means motions to which I have referred and other reforms within Revenue Canada. They are really carrying out the promise of Mr. MacEachen to bring equity to the tax system.

There is an interesting article in the *Financial Post* magazine with respect to the Minister of National Revenue. Mr. Speaker, I would like to call your attention and that of Members of the House to some elements of the article because it puts in very clear terms the challenge of the Minister of National Revenue and the Progressive Conservative Government to bring about equity in the tax system. As indicated in this article, the challenge to the Minister is to humanize the tax system and the tax department. That puts the matter very clearly. It must be recognized that the taxpayers and the persons upon whom responsibilities are imposed by the Income Tax Act are citizens of Canada. They are the same people whom we were trying to protect in the Canadian Charter of Rights and Freedoms. They are the same people whom we are trying to benefit in many other legislative measures. It never made sense to me, Mr. Speaker, when it comes to taxation and measures such as the Income Tax Act of Canada, that we then try to deprive those very Canadians of the rights that we were so proudly conferring upon them in the Canadian Charter of Rights and Freedoms.

It is as simple as that. We must humanize the tax laws and recognize the balance that ought to have been maintained between responsibilities and rights, because there can be no separation of Canada from the people of Canada. Our nation is the conglomeration of everyone in Canada. All Canadian citizens share the burden of the tax system. There is no authority to impose anything other than fairness in taxation of the Canadian populace.

There are, however, many practical aspects of the matter, as we all recognize. The ability of the Government of Canada to carry out the many programs that are required to benefit Canadian people must be financed. The principal method and technique of financing is the personal and corporate income tax imposed by the Income Tax Act of Canada. We must be realistic about this. Over and above the necessity of demanding revenues necessary to carry out government programs is the requirement for fairness. It is to that element of fairness that we must direct the parliamentary mind. The Member for Châteauguay has proposed one specific measure. He has indicated that it is an amnesty. I am impressed by his words. He says that it is a fresh start for taxpayers. I think there is a great deal of merit in taking that approach. A fresh start always has advantages, particularly in the light of 16 years of unfair administration of the tax laws by the Liberal Government. It would be nice to have a fresh start, but at the same time there may be an element of financial responsibility that prevents the Government from giving that kind of carte blanche. It would not be fair to those Canadians who have assessed themselves and paid taxes over the period prior to 1984. While the idea has merit and application to economic renewal, I do not think that in terms of financial responsibility it can be employed. That does not take away from the desirability of having that and other reform measures brought before the House of Commons for discussion and consideration.

Much has been said about the amount of $3.5 million which remains uncollected in the tax system. I understand that the Minister of National Revenue has taken steps to ensure that that debt to Canada is collected. I want to be assured, as I am sure all Members of Parliament do, that the debt will be collected fairly. One of the specific programs undertaken by the Minister of National Revenue is to employ more personnel for tax collection in order to be able to give taxpayers the proper consideration in determining a fair method of collection of outstanding taxes.

I am greatly taken with the idea presented by some Members that if there is to be amnesty in respect of back taxes, those taxpayers ought to be given an opportunity to come forward, admit their tax liability, and arrange some sensible and fair method of collecting the taxes. The point is, Mr. Speaker, that there is a great deal that can be done. We compliment the Member for Châteauguay for bringing forward this measure for discussion.

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

PUBLIC SERVICE—AUDITOR GENERAL'S REPORT—JOB CLASSIFICATIONS. (B) CONTRACT NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on February 4 of this year, I asked the President of the Treasury Board (Mr. de Cotret) a question about the serious problem regarding public service job classifications. This is a

very complex subject which nevertheless requires special attention, since in his 1983-84 annual report, the Auditor General of Canada referred to the problem and even pointed out that 79 per cent of public service positions were overclassified.

This implied that incumbents in these positions were receiving remuneration in excess of that justified by the duties they were performing. It also meant that one out of five public servants was overclassified and receiving a salary that was too high, compared to what his fellow public servants were being paid. It also meant additional costs for the Canadian taxpayer, and my interest in the matter became such that I put a question to the President of the Treasury Board to find out what he was doing in the way of taking corrective action and remedying this problem.

Mr. Speaker, I realize that the issue of job classification is a very technical one, but I would like to give a definition used by the Auditor General himself, and I quote:

> Job classification is an integral and important part of employee compensation in the federal public service.
>
> It is a process by which the relative worth of federal public service jobs is determined and through which each job is assigned to an occupational group and level.

He goes on to say, and I quote:

> The actual rates of pay and other terms and conditions of employment for a particular occupational group and level are determined either through collective bargaining or unilaterally by the employer, the Treasury Board.

The Auditor General also mentioned in his report that the classification system used today covers about 222,000 employees. The system is characterized by extensive delegation of authority to deputy heads of departments and heads of agencies to classify jobs. It is therefore very decentralized.

In several occupational groups there seems to be a noticeable shift—that is, noticeable to the Auditor General as a result of his examination—towards upward reclassification of jobs to higher paying levels. Overclassification was therefore being used in a number of cases to promote public servants.

The Auditor General of Canada also pointed out deficiencies in management controls over job classification. He said there were no official mechanisms obliging those responsible for classification decisions to account for the manner in which they exercised that responsibility.

In April 1984, and I mentioned this to the Minister in my question, my colleague from Windsor West, the former President of the Treasury Board under the Liberal Government, reacted to this criticism by the Auditor General and introduced corrective measures to remedy misclassification.

My question to the present President of the Treasury Board was simply: Was he prepared to inform the House about what he had done to date to try and remedy this problem and was he prepared to share his views with the House?

[*English*]

I was not surprised but somewhat taken aback by the answer of the Minister which exceeded my expectations. He told me some wonderful things. First, he told me that he had come close to negotiating contracts with Public Service unions in matters which dealt with job classifications and several other issues. In fact, he referred to six issues on which he apparently had been negotiating with staff associations. He did not give me a direct or precise answer to my question, but he talked about interesting progress and about the six issues which I just mentioned.

• (1805)

After he left the House, the Minister became highly original. He talked about, at least of the issues which are currently being discussed with the associations, a master contract and more political rights for public servants. That is wonderful if it is true. I should like to refer to *The Citizen* of February 5, the day before yesterday, in which he was quoted as follows: "We hope to have an agreement on the totality of the package in a very short time". This originality came as a complete surprise to staff associations, as it did to myself. They had been taking part in the negotiations and were not aware that the Minister had come to a conclusion. They were on radio this morning saying how surprised but how pleased they were that the Minister was agreeing with them. I see you rising, Mr. Speaker, so I will conclude.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I cannot help but register my interest that the Hon. Member has been able to ask his question during the "Late Show" so quickly and also pull into his remarks the questions of *The Citizen*, et cetera. I agree that he got them in, but I do not think they have any relevance to the question which was asked.

I am pleased to note the Hon. Member's compliments to the President of the Treasury Board (Mr. de Cotret) on how forthcoming he was. I think that should be noted on the record. Obviously the Member will agree with me when I say that that is the record of the entire Government. I am pleased that he recognized it.

The Hon. Member was right. The problem of misclassification was identified by Treasury Board audits. It was also remarked upon and reported upon by the Auditor General. However, corrective action was taken by the last Government and, to a greater degree, by this Government. I should like to review what has happened.

The corrective measures announced by the former President of the Treasury Board last April covered such items as restrictions on salary budgets to control more closely funds available for reclassification and a requirement to pre-audit any reclassification to ensure that the work being performed actually coincided with that described in the job description. This is what the classification level is based upon. Some 23 per cent of the misclassifications were in cases where that relationship was lacking. In addition, a review of the job classification standards for groups in which significant numbers of misclassifica-

tions were evident in the audits is under way. These groups are administrative services, primary products inspection and social science support.

The Government is taking even further steps to correct the situation, and I should like to take this opportunity to review some of them. There is a revision and enhancement of the classification monitoring and audit system to provide systematic and integrated information on the relative performance of the classification system down to the departmental level. Information such as this has not been available previously, except in cases where a central audit, with an attendant high resource level, was conducted. Thus, there will be information available not only to pinpoint problem areas where improvement is required but to remove restraints to managerial flexibility where a continuing and sustained high level of performance in job classification is demonstrated. I could go on—

The Acting Speaker (Mr. Paproski): I know the Hon. Member could, but I regret to inform him that his time has expired.

EMPLOYMENT—SUMMER JOBS FOR STUDENTS. (B) REQUEST FOR ANNOUNCEMENT OF PLANS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on December 21 I asked the Minister about her plans for a youth summer works program. I asked her how many jobs, what opportunities and how much money, et cetera, would be available for young students, but I did not receive an answer then. I anxiously awaited the announcement yesterday by the Minister of Employment and Immigration (Miss MacDonald) and the Minister of State for Youth (Mrs. Champagne). I thought the Ministers would give me the opportunity to accord them accolades personally and politically if new and more jobs for youth had been announced. I thought these Ministers would seize an opportunity to enhance their credibility and prove their concern for the crucial problem for our young people. Instead, their announced program attempts to pull the wool over the eyes of our young people and tries to convince them that they are getting a better deal.

● (1810)

"Let's make a deal" may be a game between government officials and private business, but it certainly is not one the youth of this country want to play. Liberal Governments made every year one commitment in which young Canadians were treated as a priority for they are the future of this country, and we intend to follow that tradition. The present Government has shown no such commitment.

Last year the Liberal Government set aside $200 million for summer employment programs. The Minister of Employment and Immigration knows full well that the $85 million summer budget she keeps referring to represents the A base figure, the starting point of departure to which each year we added increased funds.

An increase of 30 per cent was announced for 1985, increasing the program from $157 million to $200 million. Given the inflation rate, but also given the fact that even with the Liberal program allocations last year, 180,000 students still could not find employment, the Conservative budget of $205 million is even more grossly inadequate. These are simple facts which are obvious to students and to the Canadian public. Who is the Government trying to fool? Since coming to power five months ago, the Prime Minister (Mr. Mulroney) has all but ignored the plight of our unemployed youth.

During the election campaign, youth were one of his top priorities. He then proceeded to appoint a Minister of State for Youth to act as their spokesperson and he gave her authority as Minister of State for untroubled youth. His Minister of Employment is great at consultation, but when it comes to positive action, she falls short.

What this Government is good at is cutting budgets. In the Treasury Board expenditures and programs statement, there were cuts to Canada Student Loans. The General Industrial Training program, the Young Workers exchange program, Summer Canada, Environment 2000, Young Entrepreneurs, Katimavik, and Parks Canada were cut. If you add it all up, it is over $215 million.

In the Challenge '85 summer Canada work project for our youth, the provincial allocations represent cuts in comparison to last year's budget in terms of real dollars.

To cite just one example, after taking into account the 30 per cent increase proposed by the Liberal Government for Summer Canada, Newfoundland was going to receive $2.4 million more than proposed this year, while Alberta, where unemployment is lower, would have received $5 million less. Her allocations are based on unemployment rates, yet the figures contradict this. In addition, she proposes putting $10 million into federal agency budgets. Considering these are the same budgets which were cut in November, it appears she is trying to replace fired and laid-off staff with cheap student labour.

Moreover, even as late as this morning's *Canada AM* program, the Canadian Federation of Students was not consulted beforehand. First the cuts, then the announcements of new programs were made. Students are outraged and disappointed, and rightly so. Students are concerned about planning their academic and career futures. They have been told, and it is a well-documented fact, that to increase their chances in a future job market, education is vital. Yet without sufficient employment programs, they can scarcely afford to finance their studies. Students need to work a minimum of 16 weeks to cover tuition costs. The programs announced will, therefore, have to be in place, with all the forms completed and processed, interviews finished, staff hired, and materials purchased by the end of April. The forms will not even be in Employment Centres before the end of February. The Minister for Youth stated earlier that she could not perform magic, but that is what will be needed to pull off this program.

Students are receiving negative signals concerning continuing their education. The Bovey Commission has recommended tuition hikes and the budget for Canada Student Loans has been frozen. The dismal scenario is such that, if the summer

job programs fall short of meeting the number of jobs needed and therefore fall short of the dollars needed for tuition fees, loans will be necessary. However, since the loans budget has been frozen, fewer students can be helped financially. Accessibility to education, vital to securing a job, is blocked on not one but three counts: first, summer job programs have not been created to meet the current needs given the inflation and unemployment rates; second, tuition costs are rising; and third, it is more difficult to borrow money to meet these escalating costs.

• (1815)

I find myself asking, as I am sure young people are wondering, if this is the way we should celebrate International Youth Year. In my address to the announcement of International Youth Year on January 21, I mentioned the results of the Bovey report and the Project Teen Canada survey. This poll, the most comprehensive survey of teenagers' attitudes and opinions ever made, destroys our conventional stereotypes of youth and characterizes young people as responsible, thoughtful people who are desperately worried about their future. The Government has yet to give them any reason for hope. The very day the story broke detailing the results of the report, the Minister of State for Youth announced that there would be no special, massive funds allocated to provide jobs for youth in 1985. On the eve of the Summer Canada Program, we learned about the Katimavik cuts.

The Tory Government is clearly not prepared to follow through on its promises; neither those made during the election campaign nor those made since September 4. As long as the Government sticks to consultation, things are fine. It is in committing itself to action and taking that next step that the problem starts. I again applaud the consultation undertaken by the Government. I agree that consultation is a necessary first step. However, I urge the Government to continue, to take the next step, to be true to its commitment and to act.

The Tories have indeed created a new vocabulary. Gone are the three "Rs". Instead we have the three "Cs": consult, cut, challenge. Young Canadians and all Canadians—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member but her time has expired.

Mrs. Finestone: I am sorry, Sir. I have half a minute and exactly four sentences left.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): On behalf of the Minister of Employment and Immigration (Miss MacDonald), Mr. Speaker, I am pleased to respond to my colleague from Mount Royal (Mrs. Finestone) concerning this year's youth programs as announced on February 6 last.

Perhaps it is an overstatement to say that there are no programs, and I think that young people need to work to plan their future. It is a worthwhile concept, and that is why the federal Government, through the Minister, has unveiled a $205 million program geared to student careers, including Challenge '85. Students do need summer employment to prepare their career. We are prepared to give them grants, and the focus will be on three specific sectors. No one can disagree with that, after all we are talking about $163 million. It is easy to claim that we have no programs, that we have no money, that we are cutting, consulting or what have you, but there is really no need to exaggerate. I read the question asked on December 21, something about putting an end to consultations and delivering the programs. Well, the programs have been announced and they have nothing to do with cutbacks. Quite the contrary, they will be an inspiration for students who want to further their career. Some $163 million will be allotted to that end in the public sector, in private industry and in community organizations.

Our second priority is to make it possible for students to gain work experience in a field unrelated to their studies and prospective career, and some of those can be a challenge indeed.

In addition, Mr. Speaker, $30 million will be earmarked for projects designed to help students create their own jobs. We intend to cooperate with the provincial Governments to make loans available for such projects. All we need do now is to set up the machinery, and that will be done soon because we are more than prepared to show leadership in those endeavours. There will be $10 million used to create jobs with the federal Government; $13 million at the National Defence level; $1.2 million for hiring special officers of the Royal Canadian Mounted Police; and $0.5 million to help job preparation shops, pilot projects, as we are now doing in Ontario and all across Canada. In addition to that, $13.6 million must be added for the operation of 400 Canada employment centres for students across the land.

Mr. Speaker, the Government is convinced that next summer several thousand students will derive maximum benefits from that and from their future participation in the labour force, in their own fields of expertise. We are in the process of launching an appeal to the private and public sectors, and I am convinced that—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired.

• (1820)

[*English*]

INCOME TAX ACT—PROVISION AFFECTING LAND PURCHASES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, last week I raised some concerns in Question Period regarding the treatment of replacement property, under Section 44 of the Income Tax Act, by Revenue Canada officials. Section 44 enables the vendor of land to defer capital gains arising from the sale to the extent that the vendor reinvests or

ploughs the proceeds of that sale into new land within certain time limits.

It should be expressed at the outset that farmers in western Canada are continually buying and selling land. It may be that a piece of land becomes available closer to home, and in order to acquire that land the farmer may sell other land to finance the purchase. Or an older farmer may retire and a young person may decide to purchase the land and dispose of other ground. Indeed, neighbours may decide that it would be mutually advantageous to exchange parcels of land. In any event, there are countless situations and innumerable transactions.

The farm community understand in a general way that if land is sold, no capital gains will be payable as long as replacement property of equal or greater value is acquired. That is what the farmers understand, and I suggest that is the spirit and intent of Section 44.

The problem arises in the handling of that section by Revenue Canada officials. Like most sections of the Act, Section 44 is rather difficult to read. However, the key operative words are: "If he so elects". The taxpayer is given credit for the replacement property "if he so elects". Unfortunately, neither the Income Tax Act nor its regulations provide for an election form—a form on which whatever information Revenue Canada requires about the sale and replacement purchase could be detailed.

There are other elective sections in the Income Tax Act. Section 85 is a good example. That section provides for tax-free roll-overs of assets from individuals to the holding companies. There is a form prescribed for that election by Revenue Canada, and all practitioners adhere to it.

However, in Section 44 we have a vague and undefined situation. At the very least it creates doubt. I would suggest that that doubt should be resolved in favour of the taxpayer.

It appears that the previous Liberal Government, in its lust for money, instructed Revenue Canada to persecute those unfortunates who sold land after 1978 and replaced that land but did not file a sufficient election that is, an election sufficient in the minds of Revenue Canada officials. Today, most tax practitioners are tuned into Section 44. They know that some piece of paper should be attached to the vendor's income tax form whereby he would claim to elect that the new land would replace the old. Unfortunately, six or seven years ago that requirement was not as well known. Many tax practitioners, like their clients, simply understood the basic intent, that there would be no taxable gain on the sale if land of equal or greater value was purchased. Surely, the vendor of land elects, within the spirit and intent of Section 44, when in fact he replaces the land he sold with other land. When legal agreements are signed, when transfers of title are registered, and when cheques for the purchase price are issued, surely the taxpayer has elected in no uncertain terms.

In any event, it appears that part of the hidden agenda of the MacEachen Budget of 1981 was the instruction to Revenue Canada officials to grab as much tax money as possible without having regard to any standard of fairness or decency. By way of example, and there are plenty of examples, I would like to cite the circumstances of Jacob Schroeder of Gouldtown, Saskatchewan. He is a farmer in his fifties who in 1979 sold two parcels of land for $172,000. In the same year, he purchased replacement land for $226,000. Mr. Schroeder and his tax preparer quite reasonably assumed that the purchase of the new land would wash out any capital gains on the sale. But that was not to be. In March of 1983, Revenue Canada reassessed Mr. Schroeder's 1979 tax return to include additional taxable income of $58,000 for the capital gains. Revenue Canada refused to give him credit for the purchase of land because it said he did not file a sufficient election. He did not elect to its satisfaction. Mr. Schroeder, who made $417 in 1980 and who lost money farming in 1981 and 1982, was faced in 1983 with a bill of some $25,000 for income tax and another $10,000 for interest. That amounted to a bill of $35,000 to a man of modest means who simply sold land and bought some other land.

● (1825)

In its zeal to collect these funds, and in spite of a notice of objection having been filed, Revenue Canada served 21 third party notices—which are the same as garnishee summonses—to every bank, credit union, grain buyer and livestock buyer within 60 miles in every direction. The Schroeders could not even buy heating fuel. The man had to go to the credit union and take out a second mortgage in order to pay Revenue Canada. He suffered ill health as a result of this kind of persecution.

I am relieved that this kind of mean, nasty, aggressive and confrontational collection procedure is being replaced as a resulted of the attitude of our new Government and that the Minister of National Revenue (Mr. Beatty) also understands these things. However, Mr. Speaker, Revenue Canada rejected Mr. Schroeder's notice of objection on grounds of insufficient election. It is evident, therefore, that Revenue Canada officials still refused to place a fair and reasonable interpretation on the Section 44 election. They refuse to look at the facts and refuse to rebate the funds to Schroeder and other people who were similarly affected. Surely the fact of concrete evidence of repurchase of land, the land title transfers, the issuance of cheques, does constitute an election. Simple justice and common decency, Mr. Speaker, dictate that the benefits of any doubt be extended to those who in good faith have actually replaced their property. There is no magic to it.

I simply want to appeal to the Minister of National Revenue to do three things; first, to redress the wrongs done to those already affected; second, to instruct Revenue Canada officials to take a different attitude to Section 44 elections and, third, to recommend to the Department of Finance that this particular section of the Act be amended.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): I would like to thank the Hon. Member for raising this important issue before the House, an issue, Mr. Speaker, which is of particular

importance to farmers and to the Hon. Member from Swift Current-Maple Creek (Mr. Wilson).

My hon. friend asks the Department of National Revenue to accept that the purchase of replacement property in itself constitutes an election to defer capital gains. I must point out, however, Mr. Speaker, that the Income Tax Act requires taxpayers to elect for the deferral of capital gains at the time of filing their annual income tax returns. The Act provides a similar deferral of the recapture of capital cost allowance where depreciable properties are disposed.

I am very pleased to report that Revenue Canada, Taxation has, as a long-standing practice, granted administrative relief to certain taxpayers who have not made a timely election but where an examination of the facts shows that relief is fair and equitable under the circumstances. I would also like to point out, Mr. Speaker, that some of these circumstances are outlined in one of the Department's published Interpretation Bulletins, IT-259R. Examples of administrative relief being granted to taxpayers who have not filed the election as required by the Income Tax Act are the following: There is a documentation on a tax practitioner's files showing a calculation for the relevant taxation year confirming that the intent of an election was demonstrated; the taxpayers claim that they prepared their own income tax returns on the basis of insufficient information supplied by the Department; the taxpayers have purchased the farm land in the subsequent year and continued farming after acquiring the replacement property and would have qualified under the Act; the taxpayers are aware that the disposition would have an impact on the adjusted cost base of their land and they may have been misled that when they purchased a property in the subsequent year they had elected and complied with the provisions of the Act—

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Friday, February 8, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NORTHERN AFFAIRS

NORTHWEST PASSAGE OIL SHIPMENTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, two days ago the Minister of Indian Affairs and Northern Development (Mr. Crombie) announced that Panarctic will be allowed to ship crude oil through the Northwest Passage.

This is in total disregard of the 1983 Lancaster Sound Green Paper, the 1981 Land Use Planning Policy for the North, and the Beaufort Sea Environmental Assessment Panel report which recommended that tanker traffic through the Northwest Passage not be allowed until government research, the preparation stage, and experimental program were concluded.

The Panarctic project does not contribute toward oil self-sufficiency. It represents the first step by the Government in allowing tanker transportation in the North and will probably be perceived by them as a further step in obtaining access to the Sisco well site. If this were to happen, it would result in a giant leap in Arctic tanker shipments. This move is unprecedented and will open the door to other companies.

There is already an application before the Minister by a consortium to drill a wildcat well in Lancaster Sound. The Minister should place an immediate moratorium on drilling in Lancaster Sound as required by the Government of the Northwest Territories, and he should reconsider his decision to allow Panarctic tankers access to the northwest.

The Inuit expressed several concerns. Damage done by an oil spill could destroy breeding grounds and natural resources on which the people rely for survival; insufficient—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

THE ECONOMY

EFFECT OF BUDGETARY CUT-BACKS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, two years ago the present Prime Minister (Mr. Mulroney) said that Premier Bill Bennett was taking a step in the right direction with his program of cut-backs and lay-offs. These same policies have devastated the British Columbia economy over the past two years. Since coming to power in September, the Conservative Government has moved in the same negative direction. All across Canada people are beginning to feel the effects of government cut-backs as the unemployment rolls mount. Instead of a renewal of confidence, there is a growing climate of fear and uncertainty as people worry about their own futures, and the future of their children.

British Columbia has been placed under the double jeopardy of two cut-back Governments, and its unemployment rolls now contain 228,000 people. Last month the Government boasted it had created 100,000 jobs across Canada. The reality is that today in British Columbia there are 58,000 fewer people employed than there were in September when the Conservative Government took office. The Conservative Government must now recognize that cut-backs did not work for British Columbia and they are not working for Canada.

It is time to change direction. The Government was elected on a promise of creating jobs. It said it would put jobs ahead of the deficit. Now is the time to begin keeping that promise—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

ENVIRONMENTAL AFFAIRS

DAMAGE CAUSED BY GULL POPULATION INCREASE

Mr. Elliott Hardey (Kent): Mr. Speaker, my riding in southwestern Ontario is literally being beseiged by an imbalance of nature, caused by an increase in the population of ring-billed gulls, causing enormous numbers of these birds to leave their natural environment, adjacent to the Great Lakes. They have now become scavengers of garbage in urban areas simply because they are starving.

More important to the economy, they are swarming into the fields of my riding in Kent County, an area well-known as the most unique in heat units and fertile fields in Canada producing field tomatoes and other vegetable crops. In Kent County the gulls are costing thousands of dollars annually, as well as costs incurred in urban areas just cleaning up after them.

S.O. 21

I understand from the Minister of the Environment (Mrs. Blais-Grenier), that there have been meetings with Agriculture Canada, the Ontario Ministry of Agriculture and Food, the Ontario Federation of Agriculture, and the Ontario Vegetable Growers Marketing Board, to discuss this problem.

I commend the Minister for this action and on behalf of those who want to enjoy ring-billed gulls, not fight them, I ask the Minister of the Environment to take steps immediately to control the number of these birds so they will return to their natural habitat, which is not garbage cans and farmers' fields.

* * *

SHIPBUILDING

SUPPORT URGED FOR INDUSTRY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, employment and production in the shipbuilding and ship repairing industry in Canada continue to slide downward, and the viability of the industry remains clouded and in doubt. Employment has dropped from a maximum of 14,000 to 7,267. It is obvious that demand for vessels must pick up before recovery can come to the industry, including the allied industries which have the potential of creating some 30,000 related jobs.

As a Government I believe we must do our part. We must give the industry encouragement and pass the right kind of legislation to bring this about so that our industry is able to compete in a more viable way with offshore shipbuilding countries which generously subsidize their shipbuilding industries. We can do this by adopting some of the recommendations which the Government has received from the industry, such as providing concessionary financing to domestic shipowners, doubling the temporary entry duty rate from one-one hundred and twentieth to one-sixtieth per month, placing a duty on imported fishing vessels 100 feet in length and longer, providing financial assistance for petroleum exploration activity only to companies that source in Canada or maximize Canadian content and, last, extending the government grant of 9 per cent for another two years to June, 1987.

These requests are certainly most reasonable and, if adopted by the Government, would go a long way to bring some stability and create many more jobs in the industry and related industries, which would give our economy a much needed boost.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

TREATMENT OF CALGARY RESIDENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would urge the Members from Calgary to listen closely. The Tory Government seems to think that it can take the City of Calgary for granted. Canada Mortgage and Housing Corporation has developed discriminatory practices which apply only to Calgary and are harsher then exist elsewhere in Canada. Calgary home applicants are required to sign a declaration swearing they have not had business dealings with a bankrupt company in the past three years. CMHC is also no longer insuring mortgages on new homes in Calgary worth less than $80,000.

The Mayor of Calgary has sent two letters to the Prime Minister (Mr. Mulroney) which, to date, have gone unanswered, with the exception of a mere acknowledgement. I sent the Prime Minister a letter last week encouraging him to respond to the Mayor's concerns. The five Members from Calgary, including a Cabinet Minister, have all failed to respond on this important matter.

I feel that these practices are discriminatory and are likely to contravene Section 15 of the Canadian Charter of Rights and Freedoms which comes into effect very soon. The Government should put an immediate end to these practices which discriminate against the people of Calgary.

* * *

• (1110)

[*Translation*]

UNEMPLOYMENT

NECESSITY FOR GOVERNMENT TO CREATE JOBS

Mr. Mike Cassidy (Ottawa Centre): With two of my colleagues, Mr. Speaker, I just came back from Quebec, which is part of the tour of the NDP action group on the labour force. We travelled to Quebec City and the Lac-Saint-Jean region and our visit has highlighted in human terms the misery and the unemployment woes which beset our country and the Province of Quebec. Even in Quebec City, which ought to be rather prosperous as an administration centre, more than 40,000 people are now out of work. We therefore urge the Government to put an end to its cutbacks and to take constructive measures to solve the unemployment problem in the Province of Quebec.

In the Lac-Saint-Jean-Saguenay region, Mr. Speaker, more than half of the young workers under 19 are looking for jobs. Roughly 30 per cent of the work force between the ages of 20 and 24 is idle. The unemployed have to make do with a $156 monthly social welfare allowance, and nothing else. It is outright misery for them, outright misery for everybody, outright misery for the entire province and Canada as a whole. We were told that hard economic times account for the suicide rate among young Quebecers, now the second highest in the world.

Mr. Speaker, we in this party believe that now is the time to begin creating lasting jobs, not to launch temporary make-work projects and hand out social welfare benefits—

Mr. Speaker: I regret to inform the Hon. Member that his allotted time has expired.

[*English*]

CANADA ELECTIONS ACT

CALL FOR ENUMERATION REFORM

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, before last summer's election becomes just a fleeting but heartwarming memory, I urge Members of the House to give serious consideration to the reform of our electoral process.

Under the current system, voters are enumerated prior to a federal election. This past summer we witnessed the frustration of many voters who were denied the opportunity to vote because they had not been enumerated. For example, some long-term residents of my constituency were away on holidays, were in the midst of harvesting, or for other reasons were not at home when the enumerators called. While some were able to have their names added to the voters' list during the period of revision, others were unable to meet the strict deadlines imposed by our current procedures.

I would ask why a resident of a city such as Brandon, Manitoba, cannot be accompanied by a neighbour to his or her polling place and enumerated on election day. Rural voters have long enjoyed this privilege.

Or perhaps the time has come for Canada to establish a permanent voters' list as is done in the United Kingdom, the United States, and Australia. It has long been argued that such a list would be expensive to maintain. However, I would point out that unanticipated expenses made the most recent enumeration a costly undertaking.

Given the increasing problems, injustices, and costs of our current system of enumeration, I urge all Members of the House to give serious consideration to the implementation of one of the above electoral reforms.

* * *

FISHERIES

WEST COAST SALMON TREATY—MINISTERIAL ACTION WELCOMED

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, one week ago the sports fishermen on Canada's West Coast were in an uproar about the stringent Chinook allocations allowed under the new Pacific salmon treaty. With considerable fortitude, the Fisheries Minister (Mr. Fraser) travelled to B.C. and entered the valley of discontent. It was the first time in many years that West Coast fishermen had actually seen a federal Minister of Fisheries, and the first time in decades that one had actually listened to them.

A week ago today the Minister announced an accommodation within the treaty that calmed the fears of the B.C. sports fishing community. That is the way this Government works. It welcomes positive input, and then acts.

It should be noted that the treaty can still be improved. Accommodations can still be found. The Standing Committee on Fisheries and Forestry should be travelling to the West

Coast to receive constructive suggestions on the treaty and on other issues. We should be welcoming witnesses to travel to Ottawa to express their concerns.

However, it is important to note that after some 20 years of negotiating, we have a Pacific salmon treaty. Fishermen can plan for the years to come. Our depleted resource can be enhanced. Although we cannot please all of the people all of the time, we can replace inaction with action. Those were our instructions from the Canadian people on September 4, and that is how we will continue to govern.

* * *

[*Translation*]

UNEMPLOYMENT

NECESSITY TO HELP SMALL AND MEDIUM SIZED BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, lending ceiling allowed under legislation providing for guaranteed loans for business development was reached by mid-January. Since then, no new loans have been authorized. If the small business sector in our economy is to survive, it is absolutely essential that the funds required to continue implementation of the Small Businesses Loans Act be approved. The latest statistics have shown a further increase in the unemployment rate, so that it is clearly urgent to help small businesses create jobs.

If the Minister of State (Small Businesses) (Mr. Bissonnette) is truly concerned about encouraging small business, the most important sector of our economy, he will split Bill C-23 and table forthwith in the House a Bill to authorize the funds required to continue this program. The Liberal Opposition will fully support this amendment, and the remaining amendments to the Small Business Loans Act would then be submitted separately to the House for consideration and free debate.

• (1115)

[*English*]

The Government is trying to piggyback controversial changes on an important and urgent amendment. Small business is where the most jobs can be created the fastest. If the Government is serious about job creation, which it claims is its first priority, then it will split the Bill amending the SBLA and ask the House to provide money for small business loans to be issued again.

* * *

EXTERNAL AID

NATIONAL ASSISTANCE ORGANIZATION ADVOCATED

Mr. Howard Crosby (Halifax West): Mr. Speaker, those who question whether Canadians can see beyond their own national goals and boundaries will find the answer in the response to the tragic famine in Ethiopia.

Individuals and community groups across the land have organized to provide many kinds of relief. The wide expression of concern indicates clearly that Canadians are prepared to share in the burden carried by those in other parts of the world.

What is now important is that we should not allow this outpouring of conscientious concern to dissipate with the solving of just one of the world's many problems. Our Canadian Government, through Parliament, should act to establish a national body to represent all Canadians and community groups willing to help those in other lands to resolve their problems, and mandate that national body to provide a vehicle for individuals and community groups to assist on a continuing basis.

Let's have national recognition of the fact that Canadians accept their international responsibilities.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT RATE LEVELS—REQUEST THAT BUDGET BE INTRODUCED

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I would like to direct a question to the Minister of Finance. In blatant contradiction to what the Minister stated yesterday, when he said that interest rates were falling and that unemployment rates were falling, we learned today that the prime lending rate has increased by 0.6 per cent and that the unemployment rate has increased by 0.4 per cent. It means that there are 167,000 more Canadians out of work now than there were last month.

In view of the staggering unemployment rate, is the Minister prepared to come forward with the Budget now? What the Minister said yesterday is not true. Canadians need a Budget, and they need it in March.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I said yesterday, and I will say it again today, is that we cannot judge the performance of the Government's economic policy on a short-term basis—whether that be two weeks or one month. I would suggest that the Hon. Member should wait for the Budget. The Budget will come after we have had the opportunity to discuss with the First Ministers, next week in Regina, the ideas which they have on economic policy and which they feel should be reflected in our Budget; and also after the national economic conference. As soon as I can return to the House with a Budget, after the economic conference, I will present that Budget.

CHALLENGE '85—WAGE SUBSIDY COMPONENT

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, that is an obvious about-face by the Minister of Finance. I would like to direct my supplementary question to the Minister of Employment and Immigration.

In view of the fact that the youth unemployment rate is a staggering 17 per cent, can the Minister explain to the House why she has made wage subsidies the centre-piece of the employment strategy, when in fact she has evaluations within her own Department which suggest that they will not assist any of the depressed areas of Canada and that 60 per cent of the jobs would have been created anyway? Why is the Minister making wage subsidies the centre-piece of the employment strategy?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, wage subsidies are a major part of the summer employment program, because that is the way we will produce jobs for young people this summer.

Some Hon. Members: Hear, hear!

UNEMPLOYMENT IN EASTERN CANADA

Mr. David Dingwall (Cape Breton-East Richmond): Again, Mr. Speaker, the record will show very clearly an about-face by the Minister of Employment and Immigration from what she said in May of 1984.

Will the Minister kindly tell the House what she will do in terms of remedial measures for the high unemployment areas in Canada? Unemployment in eastern Canada has reached 23.2 per cent in Newfoundland, 15.6 per cent in New Brunswick, 13.9 per cent in Nova Scotia, and 14.2 per cent in P.E.I. What remedial measures will the Minister recommend to her Cabinet colleagues forthwith?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, clearly the Government and no Member of Parliament can take any comfort from the figures which were released this morning. We said from the outset that it would be a long, hard road. We said that last month when the figures were better, and we reiterate it now.

• (1120)

We have already put plans into place, Mr. Speaker. We have, for instance, introduced Investment Canada in order to bring investment to this country and to create more jobs.

Mr. Broadbent: Where is it?

Miss MacDonald: We have put into place economic development measures. My colleague, the Minister for DRIE, has reached agreements with provinces, particularly those which are hard pressed. This week I introduced a $205 million program for students for the summer, and there are other programs. I would say that what we are particularly looking forward to is the First Ministers' conference and the measures which will be announced there.

[*Translation*]

UNEMPLOYMENT

GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is not surprising the Prime Minister is not in the House today, considering the figures we have seen. If you want to bark, go bark outside!

My question is directed to the Minister of Finance, Mr. Speaker.

I am not going to talk about the many promises made by the Minister during the election campaign. I just want to remind him it has now been about 100 days since the Government announced its commitments in the Throne Speech on November 5. As part of these commitments, the Minister announced a three-pronged strategy for creating employment for all Canadians. A few days later, the Minister of Finance and the President of the Treasury Board announced cutbacks totalling $4 billion in job creation programs announced by the previous Government, although in his economic statement, the Minister said that this Government was going to create jobs. My question is directed to the Minister of Finance.

Today, considering the statistics showing that 167,000 more Canadians are unemployed, with increases in unemployment occurring in all provinces, is the Minister prepared to admit before the House today that his policy has failed and that his sole achievement has been to produce an average of 1670 unemployed Canadians per day?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I can tell the Hon. Member is that the policy of the previous Government was a complete failure and that is why the people voted for the Conservative Party last September 4—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): —to see a change in Government and a change in policy. I believe that the Hon. Member is displaying a lack of understanding of economic policy if he expects that something done in November is going to have an immediate impact in January or February. We are working in the right direction. We are convinced that the broad direction which we sent out, and the specific areas of policy which were set out in the economic statement in November, are the right way. We never promised a quick fix. We never promised that it was going to happen overnight. But it is going in the right direction, and it is very clear from the economic statistics which we have seen over a period of time that we are moving in the right direction.

I caution the Hon. Member not simply to take one month's figures and say that that is a sign of failure, because Canadians are too smart for that.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Minister says I do not understand economic policy. Be that as it may, I do understand the human factor involved. I am speaking on behalf of 1,500,000 unemployed Canadians.

My supplementary is as follows: Since the Minister answered my colleague that he did not want to bring down a budget, is he prepared to follow my example and tear up this document and release $4 billion worth of job creation programs?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do not think that Canadians are impressed with the histrionics that the Hon. Member has demonstrated today. What people are looking for is a stable series of policies that will address clearly the economic problems that we inherited as a Government. People saw that in the November 8 statement. They saw that we are on the right track and know that over time this is going to have a clear set—

[*Translation*]

Mr. Malépart: People are interested in jobs, not speeches!

[*English*]

Mr. Wilson (Etobicoke Centre): I think if the Hon. Member would close his mouth and listen, he might be able to learn something.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): If the Hon. Member is not going to listen, it does not make much sense to answer the question.

* * *

• (1125)

THE ECONOMY

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the figures released today are truly alarming. An increase in unemployment of 167,000 people in one month is the largest one month increase in five years. The situation in truly alarming. It is the direct consequence of the Conservative cut-backs announced in the fall. Instead of increasing confidence and assurance as promised to the people of Canada, we are getting feelings of increasing economic deprivation. That is what the Government has delivered.

Now that the Minister has seen the consequences of his massive cut-back approach which we have previously seen in British Columbia, which the people of England have seen as well, when will he reverse the policy and produce the jobs the Conservatives promised?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite plain to the Hon. Member that I am not

happy when I see the unemployment rate go up; no more than is the Hon. Member. But we have set out a comprehensive approach to getting the level of unemployment down. That is the clear direction and clear objective of what was set out in the economic statement last November.

Before the Hon. Member gets carried away with his own rhetoric about the impact of the spending cuts, let me remind him that those spending cuts are to take effect after April 1. They have not had any impact on the economy yet.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister has said that they are going to take effect after April 1.

Mr. Andre: You just said they have already taken effect.

Mr. Broadbent: Would the fellow with the large month just behind the Minister be quiet for a second?

Mr. Andre: If the fellow with the finger in the air would ask his question.

Mr. Broadbent: The Minister has said the effects of the cut-backs will be left after April 1. That will mean one thing and one thing only, unemployment will get worse after April 1. He promised in these measures brought in before Christmas that there would be new confidence which would be felt right away.

Mr. Clark (Yellowhead): You are more confused than ususal.

REQUEST THAT POLICY BE REVERSED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, consider what the Minister's Prime Minister said in August, and I quote, "Massive cuts now would guarantee a recession". So said Brian Mulroney in August. What Mr. Mulroney said in August—

Some Hon. Members: Order.

Mr. Broadbent: —is true now. Will the Minister of Finance recognize the truth of what the Prime Minister said in August, and reverse this disastrous economic policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the general response to the economic statement, particularly the expenditure cuts announced on November 8, was that they were a measured, moderate approach to a most serious problem, that is, the level of the federal government's deficit, a deficit which is causing problems in capital markets because it forces up interest rates. We are trying to demonstrate to Canadians that we want to get control of that deficit so that interest rates will come down, not overnight, but we have made some very good progress since September 4, and we will make greater progress as time goes by.

Mr. Broadbent: The reality, of course, is quite different from what the Minister says. Interest rates are going up, not down.

DELIVERY OF JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister's Government produced figures two days ago, not the Opposition but his own Government, and the composite index said the situation for the next few months is going to get worse, not better. They are not talking about one day, or one week, or one month. They are saying the months ahead are going to get worse. In the last 24 hours we have seen the dollar reach a record low, and interest rates go up a full half percentage point. Most alarming of all, we have seen today an increase in unemployment of 167,000.

Some Hon. Members: Order.

Mr. Speaker: The questions are becoming very long again. I would appreciate it if the Hon. Member would ask his supplementary question.

Mr. Broadbent: I will come to the point, then. Considering these figures in the last 24 hours, as well as the negative projections, will the Government change its policies and deliver what it promised, namely, jobs?

Some Hon. Members: Jobs!

• (1130)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer to the question is no, we are not going to change the economic policy, because that economic policy is clearly accepted in a positive way by Canadians.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The reality is that interest rates have been coming down every week since September 4. There have been two weeks in which interest rates reversed. I think that is a very good performance.

I should draw to the Hon. Member's attention one thing that the Statistics Canada commentary said about the leading indicators. It said that they demonstrated somewhat of a slow-down, as I indicated in the economic statement. There is no surprise there.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—BRIEFING OF MINISTER OF JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Justice I will direct my question to the Solicitor General who, I believe, is the Acting Minister of Justice. The country remembers that in the Morgentaler case in the Province of Ontario the Attorney General of Ontario,

Roy McMurtry, waited until his officials had fully briefed him about possible grounds of appeal before he decided to appeal that decision.

With regard to the Hatfield case I would like to know, through the Solicitor General, whether the Minister of Justice was fully briefed about that case before he decided that there would be no appeal. In particular, was he advised that the court had rejected fingerprint evidence which might have been accepted in many other jurisdictions?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I am sure that the Hon. Member opposite would recognize that those questions, while very pertinent, can only be answered by the Minister of Justice. I can only repeat the assurances that the Minister of Justice has given previously. To the best of my knowledge all proper procedures were used with regard to the handling of the case to which the Hon. Member refers.

MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Does the Solicitor General believe that the Minister of Justice could apply an independent mind to a decision about an appeal involving a judgment about which the Minister of Justice said he was happy because it acquitted a friend of his?

Mr. Clark (Yellowhead): Order. Order. Who is this rookie?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I am sure you will recognize the fallacies implicit in those questions and the hypothetical nature of the point made. As the Hon. Member opposite, who is a former Minister, said previously, the Attorney General of Canada has a very special discretionary power and answers to no one except himself in exercising it. Under the circumstances I am sure he will agree—

Mr. Kaplan: He answers to the Canadian people.

Mr. MacKay: I am under the impression that the former Minister would agree that the only person who can give an answer under these particular circumstances is the Hon. Minister of Justice.

* * *

FORESTRY

REQUEST FOR INCREASED FUNDING

Mr. Jim Fulton (Skeena) Mr. Speaker, my question is for the Minister of Finance. During the election his Party announced that there was going to be a five year rescue plan for the forest sector and the creation of a full Ministry of Forests. Neither of those promises has been fulfilled to date.

Will the Minister of Finance stop the crazy policy of cut-backs and of returning less than one cent on the dollar to the forest sector, keep his commitment to the one million forest sector workers in Canada, and now allocate the $1 billion which is required to get forest sector workers from Newfoundland to British Columbia back to work?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should be congratulating the Government, and particularly the Prime Minister, for recognizing the importance of the forestry industry by appointing a Minister responsible for Forestry.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Deans: That's only one job.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would meet with the Minister of State for Forestry he would understand more clearly that a number of initiatives have been taken by the Minister, and a number of plans have been put in place to address the serious problem of the forestry industry. That industry had been allowed to suffer over a long period of time without any attention whatsoever by the Government which was in power up until September 4 last.

NEED FOR REFORESTATION

Mr. Jim Fulton (Skeena): Mr. Speaker, I will put a very specific question to the Minister of Finance. The Canadian Forest Service has determined the urgent need to replant over 600,000 hectares in British Columbia. This would cost $200 million and would create 200,000 person years of employment. It would create a 10 per cent return on investment per annum, which is not a bad rate of return on an investment.

Will the Minister of Finance move on this for British Columbia, which represents 50 per cent of the largest industry in Canada? If he does not he is condemning the forest sector in Canada to becoming a sunset industry within his term of office.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps I could answer the Hon. Member's question. He will be pleased to know that active discussions are ongoing with the Province of British Columbia at the present time in anticipation of the signing of a forestry sub-agreement which will be one of the largest forestry agreements ever signed with a province in the history of Canada.

Some Hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—IMFORMATION GIVEN TO MINISTER

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is for the Solicitor General. It also concerns the Richard Hatfield marijuana case. I would like the Solicitor General to advise the House of the exact date that he was

made aware that marijuana was found in Premier Hatfield's luggage. I would like him to advise the House who made him aware of those facts. What instructions did he give to the RCMP with respect to the finding of the marijuana? When did he first advise the Prime Minister and the Minister of Justice—

Mr. Speaker: With great respect, the Member has asked three questions.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I will try to respond to my hon. friend. As I recall, the information was conveyed to me by the Commissioner of the RCMP. I believe that would have been some time around September 26. I listened carefully, and the RCMP Commissioner and I had a brief discussion about the events.

MINISTER'S ROLE

Mr. John Nunziata (York South-Weston): Mr. Speaker, could the Solicitor General indicate what instructions, if any, he gave to the RCMP? When did he advise the Prime Minister and the Minister of Justice of the fact that the marijuana was found in Premier Hatfield's luggage? Could he also indicate whether he or any officials in his Department advised Premier Hatfield of the finding of the marijuana during the investigation?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, as I indicated, the RCMP Commissioner and I had a session in which he acquainted me with the facts. I gave the RCMP Commissioner no specific directions other than to proceed in the usual way which, as the Hon. Member knows, he is very competent to do. As I recall, there was no communication to anyone by me of any of the information that the Commissioner gave me, as far as I am aware, at least for some period of time. Of course the Minister of Justice and his officials had jurisdiction over much of this affair. As far as I am concerned, my role was simply to keep myself advised about the progress that the RCMP were making in carrying out their duties.

* * *

LABOUR CONDITIONS

PULP AND PAPER MILL EMPLOYEES

Mr. Lorne Nystrom (Yorkton-Melville): Returning to the subject of unemployment, I am sure you would find it ironic, Mr. Speaker, that at the time when the Government was cutting back Katimavik by $30 million, it spent $36 million on uniforms for the armed services.

[*Translation*]

Be that as it may, Mr. Speaker, I should like to direct a question to the Minister of Finance.

During the election campaign, the Prime Minister and the Hon. Member for Roberval, who now sits in Cabinet, promised to resolve quickly the problems of the pulp and paper mill employees at Desbiens—a small town in the Lac-Saint-Jean area—which ceased operations three years ago. What I want to know this morning, Mr. Speaker, is whether the Minister of Finance will honour this commitment made by his Prime Minister during the election campaign?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not able to give a specific response to the question of the Hon. Member. I will take it as notice and get back to him as soon as I can.

[*Translation*]

CLOSURE OF PULP AND PAPER MILL AT DESBIENS—NECESSITY FOR GOVERNMENT TO TAKE IMMEDIATE MEASURES

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question, Mr. Speaker.

We have here a Minister of Finance who does not know anything at all about election promises.

Mr. Speaker, I am talking about a pulp and paper mill, and the Hon. Member for Roberval, who happens to be a Minister, is in the House this morning. Some 125 people have been out of work for three years, and all I want to know is whether the Minister or the Government will keep those elections promises. It was a serious promise, Mr. Speaker, and I want action now!

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I must remind the Hon. Member that the mill at Desbiens has been closed for four years and that we have hardly been in office for six months. Second, I am sure he recalls that the Saint-Raymond company submitted a project to the Governments of Quebec and Canada last December 19. Answers will be given in due time, and it has absolutely nothing to do with Government cutbacks.

* * *

● (1140)

[*English*]

LABOUR CONDITIONS

PLIGHT OF MIDDLE AGED UNEMPLOYED

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Let me add my compliments and kudos to the many she has already received on the Challenge '85 program.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: But where is the challenge for those who are 30, 40 or 50 years of age, who are unemployed and not students? There are many middle aged people in my riding, with an unemployment rate in excess of 30 per cent, who are looking for that kind of challenge.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member will know that my Department and other Ministers of the Government have been working toward a human resources development plan, a new labour market strategy. That labour market strategy and many of its components will be discussed at the First Minister's conference next week.

One of the issues that we are particularly addressing is the increasing number of older Canadians who have been dislocated from their jobs and have had to face disruption because of new technologies. That is a growing concern in the country and one which we think must be tackled, in any new labour market strategy, in a way that it was not tackled in the past.

* * *

ENERGY

EAST COAST ENERGY LIMITED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Government backbenchers may be offering kudos to the Government, but the women of Canada are rating it zero because they are the worst losers in this unemployment fiasco that we have seen announced by Statistics Canada today.

My question is directed to the Minister of Energy, Mines and Resources, in the absence of the Prime Minister. In light of the non responses we have had from the Government on other issues, I hope we can get some answers on this one. East Coast Energy Limited of Halifax—which I am sure is a subject of great importance to a number of Members on the government side—has exceeded its $10 million credit line with the Canadian Imperial Bank of Commerce and is being forced to sell off its only major asset, a one per cent interest in the Venture gas field. What is the Government prepared to do to protect the hundreds of small investors across Nova Scotia who stand to lose their life savings?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I believe that that question should more properly be directed to the Minister of Finance, since it falls within his jurisdiction.

Ms. Copps: I am looking for guidance from the Chair. Is that a redirect?

Mr. Speaker: A question, if you have one.

Ms. Copps: I am sorry that the Minister of Energy knows nothing about this particular venture.

USE OF PETROLEUM INCENTIVES PROGRAM GRANTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this particular company, East Coast Energy Limited—in case the Minister is not familiar with it—

Miss Carney: I'm familiar with it.

Ms. Copps: —has received over $1 million in Petroleum Incentives Program grants. Will the Deputy Prime Minister ask the Prime Minister to order a public inquiry into the use of those PIP grants, to assure the people of Canada that their money has been properly spent and accounted for?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): No.

* * *

[*Translation*]

UNEMPLOYMENT

YOUTH—INQUIRY ABOUT MEASURES TO BE TAKEN BY GOVERNMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, again my question relates to unemployment, more particularly unemployment among young people which has soared from 16.7 per cent to 19.3 per cent within a single month, between December and January.

Mr. Speaker, is the Government now prepared to shelve its destructive cutback policy and create lasting jobs for the 20 per cent of Canadians—one out of five of our workers is a youth—who are without jobs as a result of the policies of the previous Government, policies which this new Government continues to follow?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer is no. We are not about to abandon any economic policy that was announced on November 8. I believe that policy has been well received by a wide range of Canadians. It has been the right way to deal with both the unemployment problem and the structural problems that are facing the country. There is no question in the minds of the Government as well as of many Canadians that there will be a very clear, positive effect on unemployment over time and there will be many less people unemployed once the impact of that policy is felt.

[*Translation*]

Mr. Cassidy: Mr. Speaker, I have a supplementary question.

I have just returned from the Saguenay-Lac-Saint-Jean area where the government's policies are not very popular, mostly among the young. In view of the fact that some of them have to make do with $156 a month and that fewer than 30 per cent—

[*English*]

Mr. Speaker: I must make the point at some time today that preambles and questions are getting longer. Will the Hon. Member please put a question immediately?

[*Translation*]

Mr. Cassidy: What concrete action is the Minister of Finance considering for the great many unemployed young people in the Saguenay-Lac-Saint-Jean area of the province of Quebec?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I presume the Hon. Member has not been in the House this week because the Hon. Minister of Employment and Immigration has set forth a very clear and positive innovative policy in the amount of $205 million that is clearly directed to the younger people of this country, particularly students.

Mr. Cassidy: Just students.

Mr. Wilson (Etobicoke Centre): She has indicated on many occasions that there are other aspects of this policy which she will be announcing soon. I suggest that the Hon. Member exercise a degree of patience. The answers will be coming.

* * *

NATIONAL REVENUE

INVESTMENT TAX CREDITS—REACTIVATION SOUGHT FOR ENERGY EXPLORATION SMALL BUSINESSES

Mr. Albert Cooper (Peace River): Mr. Speaker, in the absence of the Minister of National Revenue, my question is directed to the Parliamentary Secretary. The Department is well aware that small businesses directly involved in oil and gas activity, particularly seismic lines and well site preparation, have been denied investment tax credits on the equipment used by them in these particular operations. This is of great concern to a riding like Peace River, because it can literally mean hundreds of jobs.

Will the Department address the situation and reactivate the use of these investment tax credits for these people, so we can ensure that we can protect these jobs for the people in Peace River and other parts of the oil and gas industry?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, I wish to thank the Hon. Member for his question as well as his interest in this issue. The point he is making is well known to the Department. The situation results from a judicial decision rendered in 1983, and I can assure the Hon. Member that the Department, following its review of the tax credit scheme offered to small businesses, will announce in the near future that the type of operation he is interested in will be entitled to the tax credit, just as was formerly the case.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. ARTHUR DONAHOE, SPEAKER OF THE HOUSE OF ASSEMBLY OF NOVA SCOTIA

Mr. Speaker: May I advise the House of the presence in our gallery today of the Hon. Arthur Donahoe, Speaker of the House of Assembly, of Nova Scotia.

Some Hon. Members: Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF HON. RICHARD GUAY, SPEAKER OF THE NATIONAL ASSEMBLY OF QUEBEC

Mr. Speaker: I wish also to advise the House of the presence in our gallery today of the Hon. Richard Guay, Speaker of the Quebec National Assembly.

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PUBLIC SERVICE

AUDITOR GENERAL'S REPORT—JOB CLASSIFICATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board or to his Parliamentary Secretary but I do not see him either. I will therefore direct it to the Deputy Prime Minister.

Earlier this week, I put a question to the President of the Treasury Board about job classifications in the Public Service. In his answer, the Minister said in an offhand manner, and I refer to page 1964 in *Hansard*:

I am happy to report to the Hon. Member that we are making some very interesting progress on all six issues that we are discussing at the moment.

● (1150)

[*English*]

I should like to ask the Minister if these six issues to which he referred in the House on Monday were the master contract, political rights, a dental plan, adjustment procedures, amendments to the Public Service Staff Relations Act, and public service pensions. Are those the issues to which he was referring in the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have discussed this matter briefly with the President of the Treasury Board, and he says that the discussions he is having with the unions have been very, very productive, and that they are moving along nicely in reaching some resolution to the problems which are under discussion right now. His very great hope and expectation are that the result of these discussions will be a great improvement in labour-management relations.

AGREEMENT INQUIRY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, given the fact that staff associations as late as yesterday said on radio—and I quote Mr. Donegani, President of the PIPS group—"since we have yet to have hard input from him", the Minister, "it must mean that he has agreed with our positions, and we are happy to hear that", could the Minister confirm that the President of the Treasury Board, on the matters which I mentioned in my previous question, has agreed with the staff associations? Will he announce today when we can expect a signed agreement on these six issues?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to underline the very good tone which these discussions are taking between the President of the Treasury Board and the various unions. The President is hopeful that these discussions will be resolved shortly and that there will be a positive response. However, I do not think it is helpful for me or for the Hon. Member to try to draw these discussions on to the floor of the House of Commons at a point when they are at a sensitive stage and are clearly resulting in an improvement in the tone of labour-management relations.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

CREATION OF JOBS IN MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is on the only issue which really matters today, that is, the unemployment rate that exists in the country, and is directed to the Minister of Finance. The one province which is showing that Governments can make a difference in creating jobs is the Province of Manitoba. When will the Minister of Finance keep the election promise of the Government and provide a change in the equalization formula so that Manitoba gets the money it needs to provide more jobs for Manitobans?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I am sure the Hon. Member is aware, I have had a number of discussions with the Minister of Finance from the Province of Manitoba. He was in Ottawa, I believe a week ago, with other representatives from various organizations in Manitoba, discussing the issue. I set out some of the considerations which had to be taken into account there. I indicated that it wasn't just a one-province issue, that a number of provinces are affected by the issue. It isn't an easy one to resolve because of the large amount of moneys which are involved and the fact that we have a very high deficit with which we have to deal on an ongoing basis. I indicated to him—and I will indicate it to the House—that we are close to reaching a decision on this. I will be communicating this both to the House and to that Minister of Finance in due course.

FUNDING FOR QUEBEC

Mr. Rod Murphy (Churchill): Mr. Speaker, I thank the Minister for his answer. I am sure we are all awaiting that announcement. Because jobs are so important and we must have action by Governments now, could the Minister tell us that they will be acting on the promise of the Prime Minister in Quebec during the election campaign, and that they will increase the money going to provinces like Quebec through the equalization formula? That was an election promise. It will create jobs. Are they going to act on it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have set out very clearly the broad program we are following to create employment opportunities. As I have said on many occasions, that has been very well received by people right across the country, including people in the Province of Quebec and in the Province of Manitoba.

Mr. Murphy: The Province of Manitoba—

Mr. Wilson (Etobicoke Centre): I would suggest to the Hon. Member, first of all, that he listen to the answer before he asks another question. I also suggest that he exercise a degree of restraint in his criticism and watch for the results. I can assure him that the results of the program which we have set out will be far in excess of anything he has seen before.

Mr. Murphy: That is what scares us.

* * *

TRANSPORT

AUTOMOBILE EMISSION CONTROLS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Right Hon. Prime Minister I should like to direct a question to the Minister of State for Transport. It has to do with the upcoming scheduled meeting between the Prime Minister and President Reagan in March, when the issue of acid rain will be tackled and where the Prime Minister will need every bit of help he can get from his two Ministers of Transport, having given away Canada's bargaining position in a manner whereby, even if Canada were to close down its emissions tomorrow, it would still suffer considerably from the 26 million tonnes of SO_2 emissions coming from the United States. Now—

Mr. Hnatyshyn: The next sentence.

Mr. Caccia: —the Minister of State for Transport is aware that there is a squabble going on right now in Ottawa between his Department, on the one hand, and the Department of the Environment and the Department of National Health and Welfare, on the other hand, over the date of the introduction of these controls.

I am asking the Minister of State for Transport whether he could assure the House that he will make an announcement for

his Prime Minister, whereby cars sold in Canada will have emission controls installed in the 1987 models.

[*Translation*]

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, we certainly do not intend to answer on behalf of the Prime Minister. I think that the question should be directed to the Minister of Environment. However, I should say that the Department of Transport will co-operate with the Department of Environment and we will provide an answer.

Mr. Caccia: Obviously, the Minister is not familiar with the issue.

[*English*]

Mr. Speaker: The Hon. Member for Regina East.

Mr. Caccia: Mr. Speaker, I want to ask a supplementary question.

Mr. Speaker: The Hon. Member for Regina East.

Mr. Caccia: I am asking for my right—

Mr. Speaker: Order.

Mr. Caccia: I am asking for my right to ask a supplementary question, and I demand it.

Some Hon. Members: Sit down.

Mr. Clark (Yellowhead): Order. Take your seat.

Mr. Caccia: I am asking for my right to ask a supplementary.

Ms. Copps: On a point of order, Mr. Speaker—

Mr. Caccia: On a point of order—

Miss MacDonald: You can't have a point of order.

Mr. Caccia: I have a right to ask a supplementary.

Some Hon. Members: Sit down.

Mr. Caccia: I will not sit down.

Mr. Speaker: The Hon. Member for Regina East.

Mr. Caccia: I have a right—

Mr. Speaker: The Hon. Member for Regina East.

Ms. Copps: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: I ask the Hon. Member to take his seat.

Mr. Caccia: I ask Your Honour—

Mr. Speaker: I ask the Hon. Member to take his seat.

Mr. Caccia: I ask Your Honour to grant me the right to ask a supplementary.

Mr. Speaker: I ask—

Mr. Caccia: Your Honour is here to serve us.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Caccia: I am asking for the right to ask a supplementary.

Mr. Speaker: The Hon. Member took one minute and fifteen seconds to ask his first question.

Mr. Caccia: This is not the first time, Your Honour.

Mr. Speaker: He knows—

Mr. Caccia: I am asking for my right to ask a supplementary.

Mr. Speaker: The Hon. Member for Regina East.

Ms. Copps: On a point of order—

Mr. de Jong: Mr. Speaker, my question is directed to the Minister of State for Finance.

Mr. Caccia: A point of order, Mr. Speaker.

Mr. de Jong: Mr. Speaker, yesterday I asked the Minister a question—

Mr. Caccia: Mr. Speaker—

An Hon. Member: Just ignore him, Simon.

Mr. de Jong: I can't be heard.

Mr. Speaker: I can hear the Hon. Member ask his question, and so can the government side. Please ask your question.

Some Hon. Members: Hear, hear!

Mr. de Jong: Thank you.

* * *

TRUST COMPANIES

PIONEER TRUST COMPANY COLLAPSE

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of State for Finance. Yesterday I asked her questions on the Pioneer Trust Company of Regina, to which she responded as follows:

—I am aware of the situation about which the Hon. Member has asked . . . My officials have been monitoring this situation—

How long was the Minister or her officials aware of the serious financial situation of Pioneer Trust? How many other western-based trust companies are on the brink of collapse?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, Pioneer Trust was one of the first trust companies which was brought to my attention. We had been working very closely with provincial officials—my officials—and with the company for some time. As far as I am informed, there are no other western trust companies on the verge of collapse. Our concern is always for the depositors first.

REQUEST FOR PUBLIC INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a supplementary question. Is the Minister or her officials aware of any activities undertaken on behalf of Pioneer Trust by the senior management of that company which in any way violated the charter of incorporation or the Trust Company Act? Will she consent to an open and full public inquiry?

● (1200)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think it is premature to discuss a public inquiry at this point. As I indicated in my first answer, our first concern is for the depositors. My officials, and those of the CDIC, will be working actively to see that the insured depositors are the priority. We will then be examining the company and will take very appropriate step.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

RECOVERY OF OVERPAYMENTS—REQUEST FOR REVIEW

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of Employment and Immigration. I would like to raise with her again the case of the 350 Canadians who are required by the Unemployment Insurance Commission to repay benefits received in the honest belief that they were employees within the meaning of the Unemployment Insurance Act. A board of referees constituted under the Act has ruled that repayments cannot be required to be made. Will the Minister review the situation and determine what legal advice she is getting? It seem to make common and legal sense that the Unemployment Insurance Commission desist from making this claim.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have asked officials and the legal advisers in my Department to look at this very serious matter. I have already indicated that those people who are being asked to make repayments and who are in a position of being only in receipt of unemployment insurance or welfare will certainly not be pressed for repayment at this time. However, with regard to the over-all question, that is being reviewed to see what discretion I may have as Minister, or the Government may have.

CLERK OF PETITIONS' REPORT

EMPLOYMENT EQUITY

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Parkdale-High Park (Mr. Witer) on Thursday, February 7, meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

ALLEGED BREACH OF STANDING ORDERS

Mr. John Nunziata (York South-Weston): Mr. Speaker, I rise on a question of privilege. At approximately 11:17 today you in your discretion allowed a Conservative Member to make a statement pursuant to Standing Order 21. That was clearly in breach of the rules which require that oral questions commence at 11:15. The Hon. Member for Davenport (Mr. Caccia) was entitled to a supplmentary and was denied that supplementary. I would ask the Speaker whether there is—

An Hon. Member: Give him the boot.

Mr. Speaker: No. The Hon. Member is obviously concerned. I will simply say that is not a question of privilege.

DENIAL OF SUPPLEMENTARY QUESTION

Hon. Charles L. Caccia (Davenport): Mr. Speaker, I rise on a question of privilege. I feel that I have a question of privilege in having been denied a supplementary following an answer that was a non-answer by a Minister who does not know his file, who denied that he had any responsibility for it and shifted the responsibility to another Minister.

Mr. Speaker: Is the Hon. Member raising a question of privilege with regard to the denial of a supplementary?

Mr. Caccia: If you would permit me to complete, Mr. Speaker—

Mr. Speaker: May I ask that he quickly come to his basis of how he finds this to be a question of privilege under Beauchesne or the rules of this House.

Mr. Caccia: Mr. Speaker, I believe that my privilege has been violated because, as the environment critic for the Official Opposition, I speak on these matters on behalf of Canadians who are concerned. By denying me the right to put a supplementary, you have denied my pursuit of a matter that is in the public interest, is urgent and is the responsibility of that particular Minister of State to deal with.

Mr. Speaker: The Hon. Member is fully aware of the citation in Beauchesne, and I need not read it, which indicates that the Speaker sees whom the Speaker sees, and, second, that supplementaries are entirely at the discretion of the Speaker.

The Member knows that. I presume he must know since he is raising the ultimate parliamentary—

Mr. Caccia: Mr. Speaker—

Mr. Speaker: The Member might also please keep his seat while the Speaker is addressing the House. Beauchesne is very clear on the granting of supplementaries. I take it the Hon. Member does not know the citation. I will quote it. Supplementary Questions, Beauchesne, Citation 371:

> Although there may be no debate on an answer, further questions, as may be necessary for the elucidation of the answers that have been given ... may be addressed to a Minister. The extent to which supplementary questions may be asked is in the discretion of the Speaker.

The House well knows, and I think the Hon. Member well knows because I have said it many times, that Question Period is for the purpose of asking questions. Therefore, I have consistently done my best to show Members, in whatever ways I can, that long preambles to questions are not going to be tolerated by the Speaker. By now the House must know that is the Speaker's view.

The Member will also know, since he was addressing his question to the Chair, as he must, that I waved and signaled to him three times to tell him that his preamble was going on too long. I held the stop-watch up that I use to indicate that he at that point was going well beyond what was appropriate. Nevertheless, he chose to continue with his preamble. He chose, with respect, to take practically a minute before he got to the beginning of his question.

Therefore, in the exercise of my discretion, without embarrassing the Member by rising to cut him off, which is my ultimate sanction, I indicated as best I could to the Member that he should come to the question immediately. Because he did not, I chose to exercise my discretion not to grant a supplementary. I do not find, with due respect, that a breach of privilege or order has resulted.

Some Hon. Members: Hear, hear!

Mr. Speaker: Does the Hon. Member have a separate point of order?

Mr. Caccia: Mr. Speaker, I rise on the question of privilege to bring to your attention the following facts. My question was not unduly lengthy compared to other questions. Second, and more important, Sir, if the granting of a supplementary is fully the prerogative of the Speaker and it is granted to all other colleagues of mine, it is not fair to deny it to this Member when he is asking for a supplementary. That is definitely a discriminatory decision which has affected my ability to ask a supplementary. I do not believe my question was unduly long compared to other questions asked in this House. I still feel that I have a question of privilege.

Mr. Speaker: I appreciate that the Member is upset because he was not granted a supplementary. I understand he feels that way. Therefore, I will take no offence and make no comment on the fact that a comment has been made about a ruling. I think that is fair. The Member is upset.

The point I am trying to make to the Member and to all Members is that I will not tolerate long preambles. The Member's question today was by some length the longest question today. I have for the last three or four days—the Hon. Member thinks his question was not. I had a stop-watch on his question and can guarantee him that he was 30 per cent longer than any other questioner today. I can guarantee him that.

At some point I do not have any option but to try and signal Members to come to the question. If Members do not do that, then there must be some penalty. The only penalty I have to invoke is to do what I did. I will continue to do it in a non-discriminatory way against any Members who put questions at too great a length in my view, as I will continue to come back at Ministers who in my view make too long an answer to a question when they can use the procedure of Statements by Ministers if they want to make a statement.

Ms. Copps: You didn't cut off the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Speaker: With great respect to the Hon. Member for Hamilton East (Ms. Copps), I have cut off the Prime Minister a total number of times once more than I have cut off the Hon. Member for Hamilton East.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I think we have a point of privilege.

Mr. Speaker: If the Hon. Government House Leader tells the Prime Minister that, I will do nothing for him in the future!

I am trying as best I can and will continue to try to apply this policy equally. If some Hon. Members think it is not applied equally, then I suggest they get a stop-watch and we can debate the time. What in fact is happening is that the Ministers answered their questions today, with one exception, in less than 60 seconds.

Ms. Copps: They didn't answer them at all. They passed them off.

• (1210)

Mr. Speaker: With respect, it is very difficult for the Speaker to find that Members really care about the questions of privilege and points of order they put to the Speaker when they do not listen.

My point is that I have risen to try to help the Hon. Member for Davenport and others understand what happened today. Because the Hon. Member's question was excessively long today, I chose not to grant him a supplementary question. That is my right. The Hon. Member for Hamilton East may not think so but it is. That right will be exercised against all Members in those circumstances and it will be exercised against all Ministers who speak too long. Hon. Members should know that it is my view that Question Period is in the

interests of the House and works best when it is shorter, quicker and more spontaneous and is therefore fair to all.

Some Hon. Members: Hear, hear!

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order. I take it that you have just given some kind of directive to the Members of the House in that you have stated that any question lasting longer than one minute and 15 seconds will not be accepted by Your Honour. I am asking you the question because if I heard you correctly—

Mr. Speaker: No, with respect, I said that I gave the Hon. Member for Davenport several indications as best I could. Of course, the Hon. Member was paying attention to the Chair because that is where his question was directed. With respect, I indicated to him several times that his preamble was too long. He chose to continue with his preamble rather than to come to the question. That is the point I am trying to make to the Hon. Member for Davenport. Does the Hon. Member for Ottawa-Vanier (Mr. Gauthier) have a further point of order?

Mr. Gauthier: Mr. Speaker, I would suggest that you supply us with stop-watches. I will need one from now on because the answers cannot be any longer than the questions. I will buy one.

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member for Ottawa-Vanier knows full well the point I am trying to make. The point of Question Period is for one group to ask questions and for another group to answer. I think Hon. Members also know that the Ministry answers as the Ministry sees fit. If Hon. Members are upset with the answers, as was the Hon. Member for Davenport, they have a remedy under the rules and that is the late show. I presume the Hon. Member chooses to use that remedy given that he is unhappy. I will take his complaint today as an automatic notice to the Chair of a request for a late show question. Perhaps that will help.

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

Mr. Speaker: I am afraid I noticed the Hon. Member for Nanaimo-Alberni rising on a question of privilege and I must give him precedence.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I am relatively new at this job but I thought my job here was to debate legislation and not to debate histrionics that could be better solved in chambers.

Mr. Speaker: That is not a question of privilege. I now recognize the Hon. Member for Cape Breton-East Richmond.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I ask quite sincerely for your indulgence because there are a great many concerns here with regard to Question Period and how Question Period is run.

Mr. Speaker: Is that a point of order?

Mr. Dingwall: Mr. Speaker, do not act prematurely, please. What I am asking—

Some Hon. Members: Oh, oh!

Mr. Speaker: I have ruled on a question of privilege. I ruled that it was not a question of privilege. I responded as best I could to a particular Member's concern and anger. I think the Hon. Member knows that I cannot allow the House to get into a debate or conversation about a ruling. If that is what the Hon. Member intends, I am in some difficulty. If he has concerns about Question Period and how it is run, may I suggest that he come to see me or put his concerns through his House Leader or Whip, who do see me on formal matters, as is the normal procedure. May I suggest that we leave it at that?

Some Hon. Members: Hear, hear!

Mr. Dingwall: Mr. Speaker, I rise on a point of order. My question to you, Your Honour, is with regard to referral. Is there such a thing as referral in Question Period? Why was the Hon. Member for York South-Weston (Mr. Nunziata) not cut off? He did not have a preamble. Why was he not cut off?

In view of the fact that issues are raised on the floor of the House of Commons which are important to all Members, would it not be better to wait until another time—perhaps three o'clock—to introduce guests in the gallery in order to accommodate all Members of Parliament? Would the Speaker kindly consider that?

Mr. Speaker: I take it that these are suggestions and I will take them that way. It is my habit, if I think an introduction has gone on longer than it normally would, to try to grant an extra question at the end of the hour, as I granted one today to the Hon. Member for Halifax West (Mr. Crosby). This is done in order to retrieve some of the time we lose during introductions of people for whom we have great respect. That is exactly what I do. If the Hon. Member has some other concern, I suggest he put it through the Whip or the House Leader.

Mr. Gauthier: Read your book. It says three o'clock.

Mr. Speaker: Of course. The book also says that the Speaker sees the clock and the Speaker sees Members. If the Hon. Member is raising the question of three o'clock, to which clock does he refer? They all read differently. Does he refer to this clock, that clock, the Hon. Member's watch or my watch?

Some Hon. Members: Hear, hear!

Mr. Gauthier: What is the clock for? It shows.

Mr. Speaker: The Hon. Member also knows that I am required to see Hon. Members in the order in which they rise. The Hon. Member also knows that that is not always the request I receive from the various Parties, that I recognize Members in the order in which they rise. There are things we do here which are a part of our traditions. The Speaker sees the clock and if the Speaker, in his judgment, feels that

because the introduction of two visitors has taken place another question might be appropriate in order to make sure that Question Period goes as long as it should go, he will allow for that. That is what the Speaker does. If the Hon. Member has a concern about Question Period, I would welcome hearing about it; but I would suggest that he make that concern known through the normal procedures. I assure Hon. Members that I appreciate the importance of Question Period and I am perfectly happy to discuss it at any time. I invite the Hon. Member to see me about the matter.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I rise on a point of order.

Mr. Speaker: I would advise the Hon. Member that if it is the same point of order, I will not hear it.

Mr. Nunziata: Mr. Speaker, I am sure you are aware of the maxim that justice must not only be done but must appear to be done. I would ask Your Honour to indicate the reason that a Conservative Member was allowed to make a statement pursuant to Standing Order 21 when it was clearly beyond the hour of 11.15?

Mr. Speaker: Because my clock showed 11.14 and a half.

ROUTINE PROCEEDINGS

[*English*]

MOTION TO ADJOURN UNDER S.O. 30

INCREASE IN UNEMPLOYMENT

Mr. Speaker: I have received an application from the Hon. Member for Oshawa (Mr. Broadbent) under Standing Order 30.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if I may briefly explain why I gave Your Honour notice about the intention to move a motion for an emergency debate, we have learned today that unemployment has increased in our country by over 167,000 in one month. That is the largest increase on a monthly basis in five years. Yesterday we saw a record drop in the Canadian dollar and a major increase in interest rates. In short, Your Honour, these various indicators, as well as the composite index which is forecasting continuing problems in the months ahead, show that we clearly have an economic crisis before us that should be debated in this House. If you so rule, Your Honour, I would be prepared to move the appropriate motion under the appropriate Standing Order.

Mr. Speaker: The Hon. Member for Oshawa gave me notice of his application for an emergency debate. Standing Order 30 provides a procedure for "discussing a specific and important matter requiring urgent consideration". As I pointed out when ruling on a similar application only the other day what is envisaged is a sudden emergency of such importance that the national interest calls for its immediate consideration by the House. One of the factors which must be taken into account is "urgency of debate" as distinct from the importance of the issue itself.

• (1220)

Standing Order 30(5) requires the Speaker to have regard to "the probability of the matter being brought before the House within a reasonable time by other means". Four Allotted Days remain during the current supply period and the subject could be chosen for debate on one of those days. In fact, I am given to understand that there is an Allotted Day available for that purpose next week.

I say that recognizing full well with the Hon. Member and other Members that unemployment is a terrible problem which is likely to be an ongoing issue of deep concern. The fact that we have the greatest monthly increase in unemployment in more than four years is sincerely regretable and must be a source of worry to all. An aggravation of this problem is always a serious matter. While the single increase in the unemployment rate would not justify the Chair in allowing an application for an emergency debate, that is not to say that more than one such jump might not constitute the basis for such a debate.

In the circumstances, I must therefore find that the Hon. Member's application does not meet the requirements of Standing Order 30 at present.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 127 and 185.

[*Text*]

NEELON STEEL, SUDBURY, ONT.

Question No. 127—**Mr. Rodriguez:**

1. Has Neelon Steel's Sudbury plant received either a federal grant or forgivable loan to conduct its expansion work and, if so, in what amount?

2. Since 1979, what was the total amount of grants or loans received by Neelon Steel?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): 1. No. 2. Nil.

CANADA'S CONTRIBUTIONS TO UNESCO

Question No. 185—**Mr. Stackhouse:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, what was Canada's contributions to UNESCO?

2. For the same years, what was this expenditure as a percentage of the total Canadian contribution to the United Nations?

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): 1. (a) $5,062,373*, (b) $7,724,-628*, (c) $7,822,065*, (d) $7,956,928*.

* Assessed Contribution.

2. (a) 2.18 per cent**, (b) 3.11 per cent**, (c) 2.83 per cent**, (d) 2.66 per cent**.

** As a percentage of Canada's total assessed and voluntary contributions to the United Nations system.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 6, consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, when I was interrupted at six o'clock two days ago, I had indicated my general support for this Bill, which provides pension help for a small group of senior citizens. I had also indicated my regret that the Government was not taking the opportunity to bring in a comprehensive pension reform package which would be somewhat in line with the Opposition Day last May when the present Minister of Employment and Immigration (Miss MacDonald) condemned the Liberal Government for its failure to move on this question.

It is obvious in the Bill that the Conservatives, like the Liberals before them, are moving ahead by inches while the problem is moving ahead by country miles. We might think that the gradual reduction of pension age over the past few years is a sign that we are becoming a more humane and generous society, but that is far from the case. Our pensions are not keeping up with the basic changes in our society and in our economy. For example, in 1964 old age security provided seniors with 20 per cent of the average industrial wage. In 1983 that same old age security provided seniors with only 14 per cent of the average industrial wage. Today we have reached the situation in which over 50 per cent of our senior

citizens must depend upon the guaranteed income supplement to maintain an adequate income for their retirement years.

If we looked at the situation in an historical context, we would realize that it was not unusual for many people to work until the age of 70, or until they dropped, whichever came first. The retirement age has gradually dropped to the age of 65. The pension age followed that, rather than preceded it. Today the economic and job situation is radically different from what it was in the 1960s. That can only be highlighted by the unemployment statistics, about which our Party is concerned, that Statistics Canada released today.

Over the past two or three years the closure of several mills in my riding has displaced many workers who are in their late fifties or early sixties. The tragedy is not just that they are unemployed today and that they have very little hope of getting work in the future, but that they have no pension provisions which will tide them over until the time when old age security will be made available to them.

Last month a constituent wrote to me. His letter bothered me because the kind of questions which he asked are questions for which there are no answers in the present situation. The man was laid off last July and sees little hope for ever again obtaining work. He pointed out that over the last 20 years he has worked in a number of different industries in western Canada and that he was involved in different pension arrangements in which he either made contributions or had contributions made on his behalf. However, he was never in any of those jobs long enough for his contributions to be vested. That is a pattern which is typical of many workers in the construction, logging and similar industries. His last job was in the woodworking industry, but the woodworking pension requires eight years of service before a worker's contributions can be vested. That constituent had worked in the industry for approximately seven years. He now finds himself completely out of luck and is understandably bitter. His letter reads:

> Some fat cat who has been fortunate enough to work steady will now reap the benefit of the hours I have contributed into the fund, while myself and the many others in similar positions can look forward to nothing but a penurious old age embittered by the knowledge that others are reaping the benefits of our labour.

Apart from the fact that he looks upon some of his fellow workers as "fat cats" simply because they will be able to qualify for the pension, I am in complete agreement with what he has written. There is an element of unfairness in which workers pay into pension plans for a number of years and then, through no fault of their own, are laid off and their contributions are returned to them but they do not receive the benefit of the employer's contribution. Of course, that is by no means unique to woodworkers or others in my riding.

Cases such as this led the former Member for Nanaimo-Alberni, Mr. Ted Miller, to issue a minority report of the Task Force on Pension Reform. In that report he listed some of the shortcomings of occupational pension plans. His report indicated that only half of the men and fewer than one-third of the women in the paid workforce were covered by such plans, and that when people changed jobs it was difficult to maintain coverage because of the long vesting periods and the general

lack of portability of the plans. The benefits are rarely protected against inflation and survivor benefits are most commonly available only on the condition that the plan member accepts a reduced level of retirement benefits.

In contrast to the shortcomings of occupational pension plans, he stressed the advantages of the Canada Pension Plan and the Quebec Pension Plan. Those plans are fully portable, have immediate vesting and are fully indexed. One of the shortcomings of the CPP/QPP which we might note is that Indian people who are working on reserves do not have the advantage of that program. I hope the Government will remedy that at an early date. The major drawback of the CPP/QPP is that they replace only 25 per cent of pre-retirement earnings. Mr. Miller suggested that the best way to deal with the pension situation was to raise CPP/QPP to 50 per cent of pre-retirement earnings so that workers across Canada would have a decent pension plan, whether or not they changed jobs frequently, and that their pension plans would be fully indexed and portable and would provide, along with old age security, a decent standard of income. Mr. Miller also called for a reduction in the eligibility age for the old age security and the guaranteed income supplement to the age of 60. He indicated that there should be an immediate investigation of the needs of workers who were between the ages of 55 and 60.

• (1230)

That is the type of constituent I talked about earlier who has been laid off and has no opportunity or hope of ever having long-term, reasonably paid employment again in his working life. Those people suffer that long gap between when they are laid off from a job and when they qualify for old age security; ten years in many cases and even longer. Their only hope is to get on welfare. That is not good enough. The changing conditions in our society today, when so many older workers are being laid off, demand that we bring in some kind of comprehensive pension program which is going to deal with the needs of these people.

These are the kinds of measures which we would like to see in a comprehensive pension reform package, the same package which the Conservatives called for when they were in Opposition. The hallmarks of a pension plan should be adequacy to the situation. Enough should be provided and it should be fair. The present Bill adds to the patchwork quality of our pension arrangements. It continues to ignore the needs of people who were never married, people who are divorced, and couples neither of whom is over the age of 65 years.

We are not opposed to the Bill, but it only does something for one small group of senior citizens. The only regret is that the Conservatives are not prepared to do in government what they called for when they were in opposition.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, Bill C-25 now before the House is another example of clumsy manœuvring on the part of the Progressive Conservative Party. After confusing the issue for months and after a host of strategic withdrawals from its position on universality of social programs, the Government has given us an incomplete Bill which is basically unfair to many Canadians.

Mr. Speaker, although we agree with the part of Bill C-26 that extends the spouse's allowance to all low-income widows or widowers between sixty and sixty-five, we think that the Bill in its present form is discriminatory and unfair to tens of thousands of Canadians whether they are single, legally separated or divorced. This Government, which has no consistent social policy, is once again improvising and giving too little.

Mr. Speaker, I agree that widows and widowers between sixty and sixty-five deserve to get the proposed allowance and should get it. But what is the Government doing for tens of thousands of Canadians who are single, separated or divorced, between sixty and sixty-five years' old and living on very low incomes and whose lives often come very close to personal tragedy? Instead of proposing a consistent social policy for the aged, the Government prefers to skimp on essentials. This does not surprise me, Mr. Speaker, because the essence of conservatism is surely to turn a blind eye to the neediest among us, and to give only enough to camouflage a given situation. I fail to understand how this Government, in 1985, can table a discriminatory piece of legislation in which the marital status of the individual rather than the individual's real needs is the criterion.

This Bill should be withdrawn for speedy revision to include all persons in need between the ages of sixty and sixty-five, irrespective of their marital status. In a country that has a charter of rights and freedoms that says that marital status must not be a discriminatory criterion, how can we justify in 1985 the tabling of a Bill such as Bill C-26? Mr. Speaker, let us take a closer look at what the Progressive Conservative Party is proposing.

Clause 1 of Bill C-26 states that the spouse is not only the legitimate spouse but also any other person of the opposite sex who is living with that person, having lived with that person for at least three years when there is a bar to their marriage or at least one year where there is no such bar, if the two persons have publicly represented themselves as man and wife.

Clause 5 of the same Bill provides for a spouse's allowance to be paid to a person aged sixty to sixty-five, regardless of the age of the deceased spouse at the time of death. Why does a single person not have the same rights under this Bill, Mr. Speaker? Does the single or divorced person not have the same minimum needs? Do they not have to eat and pay the rent and heat their homes in winter? Do they not have the right to live decently?

Mr. Speaker, this Bill is both immoral and discriminatory. I am happy to see that the Progressive Conservative Party realizes that widows and widowers in need must be helped. I am happy to see that 85,000 Canadians, most of them women, will be able to benefit from a measure that will give them some very real assistance. I find it unacceptable that this bill would make second-class citizens out of 80,000 needy Canadians who are single or divorced.

When I read the bill, I could not believe that such a thing could be possible in 1985 in a civilized country with laws forbidding discrimination. Should these 80,000 Canadians, most of whom are women, be punished because of their marital status? Personally, Mr. Speaker, I find this legislation even more offensive because I had the honour to succeed, as a Member of Parliament, the one person who did the most to establish the principle of equity and social justice in this House, the former Liberal Member of Parliament and Minister of National Health and Welfare, the Hon. Monique Bégin, who fought for years to assert the rights of women, senior citizens, the poor and the handicapped, without any distinction based on marital status, race or religion. This Government is bringing us back tens and even hundreds of years, while the Hon. Monique Bégin, through her tireless work, did everything to ensure that Canada would have a progressive social system adapted to the needs of its people. After dancing to the waltz of universality, the Conservative Government has introduced a bill based on discriminatory criteria.

I would be remiss in my duties and I would disregard the example left to us by the Hon. Monique Bégin, if I did not denounce vigorously the bill before the House.

Mr. Speaker, I repeat that all people, whether they are single, divorced or widowed, have the same rights. Living alone is often a hardship for senior citizens. Are we going to add to this a discrimination based on past marital status? Mr. Speaker, nothing can justify the discriminatory aspects of this bill. The Liberal Party of Canada will not allow the Conservative Government to ease its conscience while forgetting the real problems! The Liberal Party of Canada will always fight for equity, social justice and the respect of the individual! This bill must be amended as soon as possible.

• (1240)

In 1985, Canadian men and women cannot tolerate such obvious and unfair discrimination. All senior citizens between the ages of 60 and 65 who meet certain income requirements, must become eligible as soon as possible to the benefits provided by Bill C-26.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Laval (Mr. Ricard).

Mr. Ricard: Mr. Speaker, I was listening very closely when the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) made his comments, and in my view he is genuinely concerned about a certain group of people, and definitely very familiar with the proposed legislation. There is one thing I would like to know, further to his comments. Since he also admits there are good things in this legislation, I would then like to know whether he is going to vote for, or against it.

Mr. Gagliano: Mr. Speaker, of course I acknowledged in my remarks that the Government was in fact helping widowers and widows. Where I disagree, Mr. Speaker, and I think I have said this, is on the discriminatory nature of the legislation, because at least 80,000 single or divorced Canadians would not be entitled to the allowance proposed in Bill C-26. We support the principle of Bill C-26. We are going to fight until we can manage to have it amended, so that those other people are included. But, of course, we could not vote against this kind of initiative.

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I ask my colleague the same question I asked following a letter I sent to the Right Hon. Prime Minister (Mr. Mulroney). And to fully understand what this is all about, when the Right Hon. Prime Minister and the Minister of National Health and Welfare (Mr. Epp) claim that this legislation is aimed at the people most in need . . . I see two ladies here, and I think they will surely appreciate the importance of the matter.

I would like to refer to three cases in my constituency, the same as in every other constituency in Canada. I have Mrs. Lebrun—

Mrs. Mailly: Mr. Speaker—

The Acting Speaker (Mr. Charest): Order, please. The Government Deputy Whip (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, I appreciate the concerns of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), but his contribution looks like just another speech, and since this Bill is dear to us all, I would ask him this, with the best feelings of friendship in this House: Could we proceed with the debate, in order that the Bill may go to committee as soon as possible, and could we let our colleague deliver his speech now because he must leave for home?

Mr. Malépart: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: My point of order is that I do not feel we have to rush this Bill through, because it is only due to come into force on September 1st, and today is February 8th. It is therefore my view that we have all the time we need to discuss the point of order, and it is a Member's right and privilege to express his views in the House of Commons.

The Acting Speaker (Mr. Charest): I will remind both Hon. Members, the Government Deputy Whip and the Hon. Member for Montreal-Sainte-Marie (Mrs. Mailly and Mr. Malépart), that the period for questions and comments is allowed at the discretion of the Chair, and it is in order, occasionally, to ask a member to limit his speech whenever it is thought that he is exceeding his right to speak. But in the case of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), I think you had just started speaking, and I see no reason whatsoever to step in at this point.

Mr. Malépart: To continue, Mr. Speaker . . . That was a question I was directing to the previous speaker while giving him an example, so everybody could understand well.

There is in my riding a certain Mrs. Lebrun who is 62 years of age. She lives alone in her apartment. A widow for the past five years, she pays $250 per month in rent and gets $427 per month in social welfare. Her next door neighbour, a Mrs. Leblanc, is 62 also. She too lives alone in her apartment. She too pays $250 per month in rent and gets $427 per month in social welfare. She has been separated from her husband for the past five years. Her other next door neighbour, a Mrs. Legris, is also 62. She too lives alone in her apartment for which she too pays $250 per month in rent, while receiving also $427 per month in social welfare. She is single. Could my hon. colleague indicate to me on what criterion of justice the Prime Minister based his judgment that Mrs. Lebrun is faced with a more distressing situation than her two next door neighbours?

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) has the floor.

Mr. Gagliano: Mr. Speaker, that was the very drift of my speech. I said that we support the introduction of Bill C-26, but that we feel it is discriminatory in that, as my hon. colleague clearly explained, two people of the same age and living in the same surroundings will be treated differently simply because one married and the other remained single. That is what I was saying in my remarks. That situation is discriminatory, unfair and should not be tolerated in 1985.

[*English*]

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to add a few comments in support of Bill C-26, the amendments to the Old Age Security Act, and to support the Minister of National Health and Welfare (Mr. Epp). As this is my first speech in this parliamentary session, I would like to thank the electors in Kitchener for their tremendous vote of confidence in me and their words of support and encouragement since September 4. I hope I am able to do justice to their confidence in me.

Some Hon. Members: Hear, hear!

Mr. Reimer: Permit me to make a few comments about the riding of Kitchener, Mr. Speaker. The City of Kitchener is well known as a clean city with excellent educational and support services for its citizens, including a very well known farmers' market. The people of the federal riding of Kitchener are an industrious, hard-working and skilled group of people. "Diversified" is a word which best describes the economic community in the Kitchener area. From food products to footwear, chemicals to computer systems, automotive parts to appliances, textiles to tools and motors to heavy machinery—all of these and many other products are manufactured in Kitchener. Indeed, the riding continues to attract excellent new investment because of the enterprise and commitment of its businessmen and, more importantly, the skill and dedication of its labour force.

Kitchener and the Waterloo region is also an area of deep religious roots and conviction as well as an area which has been greatly enriched by its cultural heritage. That is especially true of its German heritage. I know I speak with a pride in my constituency which is common to all Members of Parliament, Mr. Speaker, and let me assure you that this pride is exceeded only by a desire to see the Kitchener riding continue to prosper.

I support this Bill, Mr. Speaker, because it is an important step towards greater social justice. The Bill provides for some financial assistance to approximately 72,000 widows and some 13,000 widowers, to a maximum allowance for widowed spouses of $536.26. Although no Bill of Parliament can help the person who has just lost a loved one, the Bill nevertheless does assist that widow or widower to at least cope financially, albeit not in luxury but not in poverty either. I would like also to make the point that this Bill fulfils another of our election promises, together with other actions on many of our other promises such as the announcement on metric measurement, the Canadian National passenger rail service, the Investment Canada Bill and the actions within our economic statement.

Permit me, Mr. Speaker, to make a brief historical review of this type of legislation. The idea was first proposed by the then Prime Minister, Pierre Trudeau, during the 1974 election campaign. He was going to bring in a spousal allowance which would provide a pension for the younger spouse where the older spouse was over 65 and had a pension. It was then subsequently introduced in the fall of 1975. It provided that where the spouse was between 60 and 65, married to and living with an older spouse who was on a Canada pension, then the younger spouse would receive the allowance to a maximum total of the equivalent amount of the old age security and the guaranteed income supplement at the married rate.

● (1250)

There was, however, one major weakness. That weakness was that if the elder spouse died, the younger spouse's allowance was immediately cut off. The legislation was later amended by the Liberals in the spring of 1979 so that if the elder spouse died the allowance would be extended to the younger spouse for a period of six months. Of course, the obvious question would be: "Why not extend it until age 65?"

On October 17, 1979 the Clark Conservative Government introduced Bill C-6 which was passed on November 22, 1979. I was pleased to support that Bill at that time. The 1979 Bill changed the existing legislation in two very important ways. Widowed spouses would now receive the allowance from age 60 to age 65, rather than for only six months as was the case in the Liberal legislation. Second, it retroactively included those widows between the ages of 60 and 65 who had been cut off during the previous four to five years.

Nevertheless, even with that progressive legislation there were still weaknesses. If the widow's husband died the day before reaching age 65, although the widow may be between the ages of 60 and 65, she would not receive the benefit. The 1979 legislation also did not extend this allowance to widowers.

Bill C-26, which we are debating today, corrects those two omissions. Bill C-26 will extend the spouse's allowance to all widowed persons, male and female, aged 60 to 64, who meet the necessary income and residence requirements, regardless of the age of their spouse at death. This means that all widows and widowers reaching the age of 60 will be eligible to apply for the spouse's allowance on the basis of financial need.

Permit me to put this amendment into perspective, Mr. Speaker. In the 1979 Speech from the Throne the then Conservative Government indicated its intention to make pensions a priority consideration. The passage of Bill C-6 in 1979 confirmed that intention. While its critics claimed that the Bill did not go far enough, the Government indicated its desire to pursue the matter further when economic conditions permitted.

In the 1984 Speech from the Throne the need for pension reform was highlighted again. We now have the introduction of Bill C-26 which picks up where this Party left off with Bill C-6 in 1979. The actions of 1979 and those which are being carried out here today are evidence of the Government's sincere commitment to act quickly, consistently, and compassionately in the crucial area of social concern. Surely all Parties will be able to support this progressive legislation.

Let me respond to two criticisms that opposition Members have made. They say it does not go far enough. They ask about those in the 55 to 60 age group. Economic deprivation is the same whether one is 59 or 60. I admit that economic hardship is no respector of age. However, one might easily ask why not 55 instead of 60? How far back can we push the age of eligibility? Do we go to 55 or 50? People may have different answers to that question.

A reasonable and rational decision must be made, especially in view of the severe fiscal constraints imposed on the Government by the huge annual deficit and national debt left to us by the Liberals. The figure of 60 may be defended as a good and concerted attempt to give priority protection to those individuals, especially widows, who are financially vulnerable at this age and are least able at this point in their lives to re-enter the workforce.

A second criticism made by some in the Opposition is to ask about those who have never been married. They correctly say that the single person aged 60 to 64 is left out on the basis of marital status. Again I admit that financial deprivation is no respecter of marital status. However, there is a much greater likelihood that a 60-year-old individual who has been single all his life will either be employed, and therefore ineligible, or will at least have some 40 years of employment experience and will be more able to continue in the workforce.

It would be nice to make this legislation more inclusive. However, such inclusivity is the privilege of a house with its economic books in order. In response to Liberal and NDP Members who say that this Bill is discriminatory, I would like to say that the irresponsible spending of Liberal Governments over the past 16 years, often supported by the NDP, is much more discriminatory to Canadians through the high interest rates, high unemployment, high inflation rate and weak dollar that it produced.

We must remain as positive as possible, Mr. Speaker. An estimated additional 85,000 low-income widowed persons will benefit from this proposed amendment. Some of the most difficult cases I must deal with as a Member of Parliament are those of widows and widowers in the age group which this Bill addresses. This Bill is trying to meet the very real need of people in this age group.

This Bill deals with persons who have just suffered a great personal loss and, particularly in the case of widows, face a second major setback as they find that there are very few options open to them to re-enter the workforce after many years as a wife and homemaker. This Bill will assist these persons through to age 65 in a compassionate, responsible manner. Even in a period of economic restraint we have an obligation to those who need help the most. The Government accepts the fact that we are our brother's keeper when these people are in need. However, the Government also recognizes that we can help only those in need. This group of people has made a very significant contribution to society. Society now owes them at least the assistance that this Act will provide. Therefore, I encourage all Members of the House to support this very progressive and responsible legislation.

Mr. Cassidy: Mr. Speaker, the Hon. Member stated that he does not feel that this particular piece of legislation is discriminatory. He talked about the record of the previous Government and so on. Could he comment on why, among those in the 60 to 65-year age bracket who are generally among the poorest in our society, those who never married should be excluded from this particular provision while those who were married are included? Why should there be discrimination against those single people who too often, I regret to say, have had difficulty in the labour force? They may not have had a wholly satisfying life, and when they reach the age of 60 they find themselves condemned to another five years of living on totally inadequate incomes until they qualify for the old age pension.

Mr. Reimer: Mr. Speaker, I have two things to say in response to the question. There is a very good chance that persons who reach the age of 60 or 65, having been single all their lives by choice, have been contributing working members of our society since the age of 20. Over the past 40 years they will have built up experience in different areas of the workforce. There is a very good likelihood that those persons will continue to work and will be ineligible in any event.

The Hon. Member is perhaps getting at the case of a person who is unemployed and therefore, unfortunately, on welfare. That is the economic strategy that this Government was elected to correct. That is why I said in my comments that I thought the actions of the previous Government were very discriminatory toward older people in that they cannot find or hold jobs today. Some of the most difficult cases that come to my office are those of older ladies or gentlemen who cannot find work. We have excellent programs for youth but very little for the elderly. We must continue with the actions put forth in the economic statement, with investment Canada and other actions which will be forthcoming in the Budget to address the very serious problems of unemployment. That is how we will meet the needs of those people.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being one o'clock, I do now leave the chair until 2 p.m. this day.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Charest): When the House rose at one o'clock, we were having questions and comments on the speech by the Hon. Member for Kitchener (Mr. Reimer).

Mr. Malépart: I would like to comment on the Hon. Member's speech. Unfortunately, he had to leave the House. I would have liked to—

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: —comment on the Hon. Member's speech before the House rose at one o'clock.

I noticed that according to the Hon. Member, widows or widowers were more in need of assistance than someone who is separated, because in the Hon. Member's mind, a widow had raised children while a woman who was separated had not.

Mr. Speaker, this is not the first excuse given by Progressive Conservative Members to justify their position on this Bill, but I do not think there is any distinction in terms of financial need that can be made between a widow and a single person who has worked all her life to serve the community.

The Acting Speaker (Mr. Charest): Questions and comments. Debate. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): As the Hon. Member for Cowichan-Malahat-The Islands said, Mr. Speaker, the New Democratic Party supports Bill C-26 as it relates to the extension of old age security benefits to widowers and widows aged 60 to 65. The problem is not our support for this measure, it is the fact that, in my opinion and in the opinion of my Party, this Bill falls far short of the needs of the elderly and in terms of the necessary reform, it does not address the issues of retirement pensions and the treatment of older people in our society.

This week, or a couple of weeks ago, Mr. Speaker, I spent two days in the Province of Quebec. I went to Quebec City and the Saguenay-Lac-Saint-Jean area.

I met with various groups and individuals who are directly affected by the current economic crisis, made still more urgent today with the release of unemployment figures which show an upward trend throughout the country.

Mr. Speaker, practically all the individuals and groups that appeared before us during our two-day trip spoke about the impact of technological changes which are beginning to be felt by a great many Quebec workers in a province where youth unemployment is over 20 per cent. In the Chicoutimi-Lac-Saint-Jean area, no less than 50 per cent of young people aged 15 to 19 are looking for work.

We are wondering now whether the policies of this Government, which is so intent on convincing businessmen that growth and confidence will help spur investments and eventually create jobs, will really have any kind of impact on the residents of regions such as Lac-Saint-Jean or Quebec City where more than 40,000 people are now without work. Unmistakably, the answer we got from groups and people we met in Quebec City was no, they have lost hope. They are fully aware of the current unemployment crisis, they are seeking fresh solutions, and they are familiar with the consequences of technological change.

Here are some examples, Mr. Speaker. First, the Alcan aluminum production line in the city of Arvida, where Alcan is now busy replacing old machinery by new technological equipment, with the result that productivity will be four or five times higher.

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I recognize that the Hon. Member is new to this Chamber and I am not sure of the rules in the Ontario Chamber, but there is an important rule of relevance in this Chamber. We are dealing with a Bill concerning spousal allowance and so far the

Member has not made a single comment which could be interpreted as relevant to the Bill.

[*Translation*]

Mr. Cassidy: Mr. Speaker, there are many workers over 40 or 50 years old in this region who will not benefit under Bill C-26 if they lose their jobs. People in Quebec say that we must begin to think about early retirement, which means that people could retire at 60 and even at 55 because, if they do not, there will be fewer jobs available for young people. One of the problems with Bill C-26 is that it concerns a very small group of people between the ages of 60 and 65, and it does not make a real contribution. By providing options to older workers to allow them to retire, we would create jobs for younger workers now affected by unemployment. This is why, Mr. Speaker, I believe that my comments deal strictly with Bill C-26.

Many other Members talked about the weaknesses of the bill as introduced. Because a man and a woman were not able to get along and decided to separate or divorce, if one of them dies, the surviving spouse, if over 60, would not receive any benefits under this bill, but someone in the same situation who stayed with his spouse, would benefit if he or she became widowed at the same age. Personally, Mr. Speaker, I do not find such discrimination justified, but it is inherent in Bill C-26 now under consideration. In addition, Mr. Speaker, I believe that, in view of the promises made by the Progressive Conservative Party during the campaign, a measure such as this one is inadequate as it only represents a small part of the reform of social programs for senior citizens which our society needs.

• (1410)

[*English*]

As I was just saying in French, we on this side of the House believe that while this measure is acceptable and we will support it, it is inadequate because it does not go nearly to the extent necessary even to begin to respond to such problems as the impact of technological change and the desperate plight of older workers in their fifties who have worked faithfully for long hours in many jobs and then find themselves for one reason or another thrown out of work. I am referring to those workers who will be ineligible for any benefit from this measure unless a certain accident or mortality of the spouse makes them eligible.

I should like to give an example of this which is happening right here in the community on Parliament Hill. A number of workers with up to 20 years and 30 years of service in the Government of Canada have been given notice this week. They work for the Canadian Postal Museum in the Wellington Building, which is part of the parliamentary precinct. That postal museum is closing and those workers have been given notice. They have skills which will no longer be valuable on the market. Some of them aged 55, 60 or more will literally find themselves incapable of finding other employment. They face a very grave danger of that.

If one of those employees happens to be over sixty and is a widow or a widower, he or she would at least benefit under the conditions of Bill C-26 commencing in September, 1985. However, that will not be the case for that same employee if he or she happens to be single, divorced or separated. The safety net, if that is what is being proposed, or the support for people aged 60 to 65 proposed in this Bill, has to be more adequate. As well, it has to be part of a more concerted plan to ensure that we have adequate provisions for older citizens rather than doing it on a bits and pieces basis.

[*Translation*]

When we were in the Saguenay-Lac-Saint-Jean area, we met workers who had worked hard in the building industry or the aluminum plants, who are now in their fifties and who would like to retire because they know quite well that keeping their jobs would kill them. It is a threat to their health and to their safety. They have an occupation where workers have a short life expectancy and the work has exhausted them.

[*English*]

Unfortunately, this particular Bill does not respond to the very human tragedy of workers whose work has used them up. For example, I am referring to workers in construction or heavy industry in areas like Lac-Saint-Jean, Toronto and Ottawa who are ready to retire at age 55 or 60 but will not be helped in any way by this particular Bill, except in the event that they might happen to qualify because they have lost a loved one, a spouse.

It is time the House of Commons began to take seriously the report of the special committee on pensions of a couple of years ago. It made a number of recommendations which have been ignored. When we have an unemployment rate which has just risen to 11.2 per cent and bids fair to continue rising despite the promises and the bluster of the Minister of Finance (Mr. Wilson), we should start to look at whether we as a society can afford to offer workers the option of taking retirement at the age of 60 rather than 65. If they did retire, they would open up positions which could be taken by younger workers who otherwise would be facing unemployment for a very long time.

I recognize that this is a larger perspective than the one proposed when the project was brought forward by the Government a week or so ago. It seems to me that we have to look at it in that perspective, particularly in view of the very real danger that any commitment to social reform from the new Government will be transitory. It will last for a few months and thereafter the Government will say that the cupboard is bare and that it has done what it can. To the older people of Canada, many of whom are now forced to go on welfare, have exhausted their unemployment insurance benefits or have had to take very substantial drops in pay in order to keep any kind of job, the Government will say that it is sorry but they will have to wait until next time.

Next time, three or four years down the line, is not good enough. Now is the time to have fundamental reform in terms of ensuring adequate incomes for older citizens when they

reach retirement. That should include a much more flexible approach to retirement so that people can take retirement at an earlier age than they are now able to do. It includes reforming the pension system so that perhaps this piecemeal approach would not have been needed. If workers who were retiring or who suffered an early death had had decent pensions and benefit schemes in their jobs, we might not have been required to debate Bill C-26. It could have simply been a matter of course and accepted that survivors' benefits to the surviving spouse would have exceeded the $400 or so per month which will be made available under this particular scheme.

Unfortunately that is not the case. In particular, it is not the case for women because most women do not benefit from any other pension regime if they are in the workforce except the Canada Pension Plan. Canada Pension Plan benefits are unfairly reduced in a discriminatory way because women are systematically discriminated against in terms of what they earn in the workplace.

Most workers do not live to benefit from pensions for which they may have paid for much of their lifetime. Members of the House are in a different and favoured position. However, most workers find that they switch jobs before the vesting period takes place. Perhaps the firm goes bankrupt before they collect a pension. Perhaps they die before they reach the age of 65. There are various other ways by which people lose benefits to which they have contributed, in particular the benefit to spouses to which their other half may have contributed. These kinds of problems have to be addressed, rather than simply leaving them to one side and saying that we are sorry but we cannot afford to do anything about them now.

[*Translation*]

Poverty is an ongoing affair with our senior citizens. Bill C-26 will alleviate but some of this poverty, as it does not meet the needs of single people or divorced or separated people over 60. It does not meet the needs of those who have lost their jobs because of economic conditions, who were the victims of a plant closedown, who are no longer able to keep their jobs because of health problems and who, between the ages of 55 and 60, now find themselves probably still married, but without the necessary income to live decently. These people will continue to be poor because this Government still ignores their needs and the fact that they should live with dignity in their old age.

[*English*]

It is for those reasons that, while we support this particular Bill, we do so somewhat reluctantly and with the very strong and expressed hope that the Government will see fit to speed up pension reform, to speed up the option for workers to retire at the age of 55 or 60, and to use early retirement as a concrete means of reducing the economic crisis and the unemployment crisis by freeing up jobs for younger workers in favour of older workers who would prefer to retire now if they could possibly have the option.

Mr. Hawkes: Mr. Speaker, I am moved to make a couple of comments in response to the Hon. Member. He is new to the federal Chamber. I mentioned the issue of relevance particularly because I think it is important to get this Bill into law as quickly as possible. People need the benefits. If Hon. Members were to keep their speeches a little shorter and relevant, we could move the Bill through the House more quickly. People say they support it: there is a way to demonstrate that support.

I must comment somewhat upon the substance of the Hon. Member's remarks. It has been my experience in five and a half years in this Chamber that there is no piece of legislation that we can conceive of that does not advantage some people and disadvantage others by comparison. The nature of our responsibility in this Chamber is to do that fairly, justly and in accord with the true traditions of this country. It is also true that those who would lead people to believe that resources are infinite rather than finite are doing a service to no one.

• (1420)

Within that context of advantaging some and disadvantaging others with the certain knowledge that resources are finite, that they are limited, Members of this House should join together to pass this legislation because it does provide some of those limited resources to a group that is very special. These resources are intended to go to recently widowed people who do not have sufficient money to live in dignity. Are they a special class of persons? I suggest they are. When death occurs within a partnership, it is a moment of trauma. It is quite unlike most other experiences in life. When that moment of trauma is accompanied by financial hardship, you really have a situation that is unique, different and important. I am proud to belong to a Party that has a Cabinet which has made it a priority to deliver some sense of economic stability to people who are in that trauma. I hope we will not confuse it with other situations because it is unique, important, something we should all support. I urge all Members to keep their interventions as brief as possible so that we might move this Bill forward and put it in place. It would speak well of this Chamber if we were to act in this fashion.

Mr. Cassidy: Mr. Speaker, in responding to the Hon. Member, I certainly appreciate his comments. Having had legislative experience in another chamber, I appreciate that no single project of law can respond to all of the needs that you might want to see responded to. If his Government is so impatient to see this problem resolved, it should propose bringing forward the effective date for these spouses' allowances from September, 1985 to an earlier date. Saving a few hours of debate in this Chamber is not going to put benefits into people's pockets any sooner unless the Government is prepared to change that effective date. If the effective date stays where it is, then we have all the time in the world to debate the matter in this House. It is not the Chamber which is the obstacle; it is the Hon. Member's Party.

The other point is that the Hon. Member was the chairman of the task force on technological change which reported over the course of the summer. I commend him for that report.

However, that report was quickly forgotten by his Party and swept under the rug. I indicated that, contrary to the promises being made at that time by his Leader and now by the Minister of Finance (Mr. Wilson), the problem of reducing the level of unemployment in our country in the next 15 or 20 years was going to be well nigh insuperable and that we had to start looking, therefore, at other means of spreading the available work if we were not going to condemn large proportions of our population to a lifetime of continuous unemployment or risk of unemployment.

That is a very relevant issue. I probably agree with 80 or 90 per cent of the recommendations that were in the Hon. Member's report, which I found to be excellent. However, to raise that issue in the House and talk about early retirement as one of the constructive things we should be looking at through the leadership of the House of Commons in order to help our older people and also help provide opportunities for our young people is something that can only be seen as a positive contribution. I recognize that it will not be done through amendments to this law, that people like the Hon. Member and myself should hammer away to raise awareness in the House of Commons of the fact that that impact of technological change is among us. It is creating high unemployment. We have to find ways of bringing unemployment down.

Mr. Hawkes: Mr. Speaker, I thank the Hon. Member for his comments on the report but would point out something that seems to have escaped his Party. Challenge 85, the program for youth, is based on the concept of that report. Future employment programs which will be announced are also based on the thread of that report. I would hope we might hear a little more positive comment about the direction of employment policy in this country because it is in accord with the recommendations made in the report.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa Centre.

Mr. Cassidy: I will leave it to the next Member, Mr. Speaker.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I do not intend to speak as often during this Parliament as there are so many new and excellent Members who should have an opportunity. However, after listening to the quality of the debate from the other side, which I found very discouraging, I want to make a few comments on Bill 26. The purpose of this Bill is to assist low-income married couples where only one spouse is an OAS/GIS pensioner.

It is interesting to look at the history of pensions and benefits for the elderly over the years. This first started in Canada in 1908. Further legislation was introduced in 1927, 1948, 1951, 1952, 1957, 1959, 1962, 1963, 1966, 1967, 1970, 1971, 1972, 1973, 1975, 1977, 1978, 1979, 1980, 1983 and now in 1985. There is further legislation that is to follow with benefits for veterans and their widows which I will cover in just a moment. We have not been backward in this country in the pension field.

In the last number of elections when I have been campaigning, I have found that not every senior citizen is destitute, hard up and broke. Many of them have provided for their own retirement. Not everyone totally relies on the Government to look after them. That is encouraging. Many senior citizens, including widows and widowers, live in their own homes or high-rise apartment buildings. They are not all in senior citizens' homes. The point seems to be continuously made that every senior citizen is destitute, but that is not true. Over the last number of years many Canadians have been providing for their retirement through RRSPs. More and more people are paying into RRSPs. They will retire with a handsome income from that. Therefore, not everyone is always looking for a government pension.

If this country was not bankrupt, if we did not have such a debt load because of the years of Liberal mismanagement, there would be a lot more money for widows and veterans. I will cover the debt and mismanagement in a minute when I explain to the Canadian people the problems that we have.

A veterans' Bill was tabled yesterday. This Government is allotting an additional $22 million this year to cover pensions of veterans and their widows. This will benefit 90,000 pensioners plus 51,000 spouses, children and orphans. Therefore, we are helping a group of individuals there. The third amendment in the veterans' legislation will extend the same rights to survivors of pensioners who have been receiving attendance and/or exceptional incapacity allowances.

A very serious problem regarding veterans' pensions is the length of time that veterans and widows of veterans have had to wait for their pensions to be processed. We are going to eliminate that excessive time. The Liberal Party has been very negligent in dealing with veterans' problems over the years.

There is another example of what we will be doing for pensions in that veterans' Bill. The second amendment will continue a disability pension at the married rate for 12 months following the death of a pensioner. As you know, Mr. Speaker, the reduction to a single rate now begins one month after the pensioner dies. We will be looking after widows immediately. They will not be left destitute.

• (1430)

This change is also important and is in line with the provisions of the War Veterans Allowance Act which has been in place for years. About 6,000 widows and a few widowers are expected to benefit from this change. With each Bill and with each passing day, we are looking after another group that absolutely needs to be looked after.

The Government has also announced that there will be increases in the Canada Pension Plan benefits in January and increases in the family allowances were announced. Over 3.6 million Canadian families that receive family allowance on behalf of 6.6 million children will get a raise in the new year. That is another group after whom we are looking with our limited resources.

As well, old age security, guaranteed income supplement and spouse's allowance benefits will go up in January as stated by the Minister of National Health and Welfare (Mr. Epp). That is another group after whom we are looking, and the cost is running into billions of dollars.

One of the problems faced by the Government when trying to find money to hand out to everyone and everything including pensioners, provinces and the forestry industry is the tremendous debt that was left by the Liberal Government. I think it is important that we explain to the Canadian people just how we got into the mess in which we find ourselves. The architect of this mess and this huge debt that we have in the country today was the Leader of the Official Opposition, the Hon. Member for Vancouver Quadra (Mr. Turner), who was Minister of Finance between 1972 and 1974. That was one of the most disastrous periods of time in Canadian history. During his term as Finance Minister, the federal payroll, excluding Crown corporations, grew from $3.6 billion to $6 billion. During his term as Finance Minister public debt charges doubled from $2 billion to $4 billion. During his term as Finance Minister utilities, materials and supplies costs rose from $347 million to $537 million, a 55 per cent increase.

I would like to put this on the record, Mr. Speaker, so we can explain to the people why we do not have a bottomless pit of money right now. After the Leader of the Official Opposition had finished his term as Finance Minister, the Auditor General, in his report on that year, stated:

> I am deeply concerned that Parliament—and indeed the Government—has lost, or is close to losing, effective control of the public purse.

That is what happened after this man had been the Finance Minister for a couple of years and that is why we are in this mess today.

The Leader of the Official Opposition inherited a $760 million surplus when he stepped in as Finance Minister and he turned that around into a $5 billion deficit within a couple of years. As the Auditor General highlighted, he introduced blank cheque government to Canada. There was absolutely no control over anything.

The late Senator Maurice Lamontagne, a former Minister in the Pearson Government, wrote a book which is highly critical of the economic policy of the Liberals from 1971 to 1976. This indicates another reason why we cannot look after more widows at this time. In his book Mr. Lamontagne pointed out:

> Government short-term fiscal strategies were seriously mistaken throughout the period.

He went on to state:

> However, the seeds of a serious disequilibrium in the government budgetary position had been planted. The Government had practically lost control over its budgetary position.

That is what we inherited. We are trying to bring it under control and we will bring it under control. According to a study done by the C.D. Howe Institute, three of the five Turner budgets actually widened the gap between the rich and the poor. That was a disastrous period of time for Canada and explains why we do not have a bottomless pit of money right now to hand out to everyone across the country.

The cost of servicing the debt in the fiscal year 1983-84 is forecast to be $18.1 billion, rising to $24.7 billion in fiscal 1987-88. We, the Government, must find the money to pay that huge debt. I think the criticism on the part of Liberal Members who say we should pay more money out is very hypocritical.

By fiscal 1987-88 the cost of servicing the debt will be three times the cost it was in fiscal 1979-80 and 17 times the cost it was in fiscal 1968-69, the year before Trudeau first took office. One public accounts revenue dollar in three or one expenditure dollar in five is used to pay interest on the debt. That is why we are not able to look after everyone faster.

Mr. Benjamin: Easy for you to say.

Mr. McKenzie: Yes, I is easy for me to say, as an Hon. Member of the NDP has stated. I was here during the Twenty-ninth Parliament and I can recall the support that the NDP gave the Liberal Government at that time. Members of the NDP kept the Liberal Government in power for 20 months and they are just as responsible for this mess as the Liberal Party.

Mr. Benjamin: Quit all your crying.

Mr. McKenzie: Yes, it is easy for me to say, as an Hon. Benjamin) says that I should quit my crying. It is the Canadian people who are going to be crying when they have to pay for all of this, thanks to members of the NDP. NDP Members sitting in the back rows were not here then but the Hon. Member for Regina West was.

Another reason we cannot give out more pensions is that when the Leader of the Official Opposition took over the job of Finance Minister, real growth in the country amounted to 6.6 per cent; when he left it was at .3 per cent and on a per capita basis it was negative. There was no growth during this period and that also affected our Government's finances. In terms of real growth, we lost ground when the Hon. Member for Vancouver Quadra was Minister of Finance. He is very hypocritical today when he criticizes what is going on in the country under this Government. I have already described the record of the Hon. Member for Vancouver Quadra who presided over the country's greatest spending spree since Confederation.

Another reason we can only increase pensions in stages is because of what has been going on in the Public Accounts Committee in regard to office space. Millions and millions of square feet of office space is not required and millions of dollars of taxpayers' money has gone to pay for this phoney rental scheme. We are going to put a stop to that type of government. That is the way the Liberals managed the country's affairs over the years. Anyone who wants to know why we do not have more money to hand out to provinces or pensioners needs only to look at the Auditor General's yearly reports. Those reports did not get better, they got worse under succes-

sive Liberal Governments. There was absolutely no control over anything in any Department. Liberal Members certainly have a lot of nerve to be able to complain about anything at all.

I simply wanted to put those points on the record to explain why we cannot phase in the pensions for these widows faster. However, we have made an excellent start. If we were not faced with that heavy debt load, there would certainly be a lot more money for pensioners, veterans and the like. I simply wanted to put those points on the record.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I welcome the opportunity to participate in this debate. I was intrigued by the line of reasoning developed for our benefit by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie). If his logic were really so stringent and correct, then he and his own Party, for the sake of reducing the deficit and for the sake of increasing payments under the old age security Bill that is before us today, would have refrained from making promises during the election that amounted to the expenditure of billions of dollars. The Hon. Member for Winnipeg-Assiniboine must make up his mind. He blames the Liberals for the deficit which he said does not enable the Government to make more generous and broader payments, but he announced promises during the last election campaign which would have increased the deficit. He cannot have it both ways. He cannot condemn and at the same time make extravagant promises and still be on the right track. That does not hold water.

• (1440)

I also regret that he engaged in a character assassination of the Leader of the Liberal Party, who is not present, by harping on what happened 12 years ago. I suppose he was referring to the period between 1972 and 1974. In the 1974 election, the people of Canada must have seen something positive in the then Minister of Finance, otherwise they would not have re-elected the Liberal Party with a majority. Canadians supported what was done in those years.

Although the Hon. Member has been in the House for a number of years, he does not seem to be aware of the fact that there is a reason for having deficits. That is the role of the Government in difficult economic times. When a country goes through a recession the Government must have a deficit situation if it wants to help those who are hard hit by the recession. That can be done in a variety of ways. In 1982-83 the Party of the Hon. Member for Winnipeg-Assiniboine insisted that the Government was not doing enough to alleviate unemployment and that it was not doing enough to meet the needs of the industrial communities in Quebec, Windsor and the Hon. Member's home town. That was exactly what the Liberal Government was trying to do. However, if the revenues are not coming in in order to do that, a deficit must be incurred. The deficit provided social shock absorbers and measures which allowed Canadian families to maintain an income in order to survive through the very difficult times and to put money back into the economy.

I am pleased the Government has taken this step. It would be very difficult to say something novel about what this Bill does not contain, but nevertheless there must be some input from those who participate in the debate to lay the foundation, or pave the ground, for the next Bill—which I hope will be introduced shortly—which will take into account the pension reform committee recommendations. That is what the debate is all about. A debate provides Members with an opportunity to express ideas on all sides of the House.

What strikes us on this side of the House is that, while the Bill would provide a benefit to people who are not covered and who would definitely welcome the measure, it leaves out those people whose marital status is not recognized in this measure. In other words, the measure seems to be guided by the marital status of the person rather than by the principle of helping those who are between the ages of 60 and 65 living below the poverty line. That is the principle which we ought to adopt in this and future Bills.

The people who find themselves in difficult economic circumstances are being left out of the legislation. There are a number of men and women who worked for many years in physical but low-paying jobs. Those people reached the point where they could no longer do physical work and were unable to find work because of a lack of formal training in other types of occupations. Those people did not have the opportunity nor the capacity to save money for early retirement. They are a special group of people.

I am sure Hon. Members opposite will agree that this Bill discriminates against those who choose to remain single. Of course, that discrimination may not have a legal substance, but certainly it is something which the Government should consider.

I would like to refer to a letter which was recently received by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) from an organization in London, Ontario, which is called Womanspirit. The letter reads:

> Being aware of the discrimination against a great majority of people, especially women, of the Canadian Government's proposed spouse's allowance, we strongly support an appeal to the Government to extend the program to all single people in need between the ages of 60 and 64. This extension of the program will definitely be beneficial to Canadians in this age bracket who are single, separated or divorced.
>
> Womanspirit joins other concerned groups and individuals in support of the proposed extension of the spouse's allowance program.
>
> We would be glad to hear of any progress made in this appeal.

As I previously stated, the principle that guides this legislation is attached to marital status and not to the poverty line. It is an important concept on which the Government, in its term of office, will have to focus because that is the element of fairness and the principle to which the majority of Canadians would adhere. It is also the principle which has guided preceding Governments in introducing progressive steps in pension legislation, as previously stated by the Hon. Member for Winnipeg-Assiniboine.

In addition to this, inevitably a debate on amendments to the Old Age Security Act puts on the table expressions of will, recommendations, observations and suggestions which are made by Canadians at large. Many people in their late fifties would like to retire early. That message is particularly strong when it comes from those who engage in hard physical labour. They are asking why the Government does not reduce the retirement age to bring Canada in line with other jurisdictions where it is possible for a man to retire at the age of 60 and a woman at the age of 55. That message is also received from people who have had physical working lives and must retire because they cannot perform physical work any longer. Those people are the construction workers, miners, longshoremen, woodworkers and others who have had to use their muscles and backs all their lives. At a certain point those people feel that physically they cannot continue. They would like a social security system which would allow them to retire earlier than others. They want to be able to make the choice and retire when they are ready, rather than being required to wait for a uniform age which applies to everyone across the board.

● (1450)

Whether one is a blue collar worker or a white collar worker, whether or not one is engaged in heavy physical work—and physical conditions vary from person to person—the natural question which comes to mind is, should we not design a system in a fine democracy like ours which permits choices, which permits a variety of preferences according to the individual? People have different spans of life, of course, and there are different types of activities in the workplace, so these questions do come to mind. Should we not try to design a system which offers the opportunity to choose when we want to retire and when we want to go on a fixed income formula? This is a very crucial question for people whose incomes are modest and who have not had an opportunity during their lifetime to invest for their retirement.

I sumbit to you, Mr. Speaker, that is the record of the Liberal Party which has spoken for this kind of principle on behalf of the people who want to see it promoted. This is also, by and large, the basic principle which has guided us in this country with respect to social security and social progress. This is why Governments have introduced a host of other measures to protect everyone in society from difficult times, whether they are expected or not.

I submit to you, Mr. Speaker, that as we make progress with our social security legislation we have to begin to look for ways to provide certain options for Canadians. We have to take into account the type of work people have been engaged in during their lifetimes and find ways which will permit an early retirement. In this respect, I would like to bring to your attention, Mr. Speaker, the fact that some workers in certain industries in Canada can, if they qualify, retire at the age of 55 years. It applies to workers who have worked for, I believe, 30 years in four industries—clothing, textiles, tanning and shoes. That measure was actually introduced not so much as a social security measure but as an industrial protection measure in case those industries were to be hit by competition and technological change.

Since a reference was made to the most excellent report prepared by the Hon. Member for Calgary West (Mr. Hawkes) on technological change, it is only appropriate to refer to the fact that we do have in Canada today a certain number of Canadians who can retire at the age of 55 years.

The question which then comes to mind is how we can build on that foundation and provide this type of opportunity to a larger number of people, if they wish to exercise that option. Obviously, it is an option which some people may not want to exercise because we all know that there are Canadians who enjoy working beyond the age of 65 years. However, there will be some who will want to exercise it.

The question then which comes to mind, of course, is how do we finance earlier retirement in a manner which is realistic and possible? Will it be done through taxation? Will it be done through redeployment of funds which are presently available to Governments? Will it be done through other means? This is something, of course, to which we have to put our minds, and I believe we will do that because I do not believe there is one Hon. Member in his House who would reject the notion of the desirability of permitting early retirement.

The question of early retirement has been raised both by the elderly and by the youth in times of high unemployment because of the deeply held belief that, by permitting early retirement, the system would then be able to create openings for youth to enter into employment. Therefore, when we debate the question of old age security, we are debating at the same time, to some degree at least, the question of providing employment. The two factors are obviously interrelated.

Of course, the big challenge which faces the Government these days will be that of finding the ways and means of financing a form of early retirement. As Bill C-26 applies to those who are between the ages of 60 and 65 years and who are in need, I would certainly urge the Minister of National Health and Welfare, who is well known for his compassion and his keen understanding of social policies in this country, to consider very seriously the inclusion of those persons who are not covered under this Bill. I am sure that the Minister would be given full support by his own caucus and by both Opposition Parties, and I am sure it would be welcomed by those 80,000 or more Canadians who were referred to with great passion by my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), during this particular debate. These are Canadians who need and require the attention of society as a whole through their Government. These are the people this Bill should also include and cover in its total scope.

[*Translation*]

Mr. Hudon: Mr. Speaker, I would like to congratulate the Hon. Member who just mentioned the great passion shown by the Member for Montreal-Sainte-Marie (Mr. Malépart) in defending this issue. In fact, he said on November 30, 1982:

First of all, I have been wondering why Members of the Progressive Conservative Party were opposed to a Bill that placed restrictions on increases in old age security benefits.

He had both passion and compassion at the time, Mr. Speaker.

The Hon. Member spoke earlier about discrimination. Obviously, whenever we set certain limits, there is bound to be some kind of discrimination.

I worked in the school system when the age of admission was set with November 30 as the cut-off date. However, because of pressure from all sides, we had to move the date up to October 1. That took time. First of all, because of all the parents who got involved, and by that time the children were old enough—they went to school eventually! But the measure was finally adopted. Some people would have had me say it discriminated against children who were born on October 2. You have something against kids born on October 2!

In this particular case, the Government is to be congratulated, first of all because it is taking the kind of action it can afford instead of acting according to the philosophy of the Party in power under the previous Government, which was to act across the board. The pension plan started at seventy, then went down to sixty-nine and so forth. The eligible age is now sixty-five, and there was a commitment to lower it to sixty-four, with the guaranteed income.

The present Government has decided to act vertically in a major age group, according to need. This means that we can make considerable headway from top to bottom within the group. Of course, they can always say we are discriminating against those who are not in that group. It was not our intention to do so. However, we consider that the people in this particular group are those who are in greatest need at this time. We must not forget that.

Mr. Caccia: Mr. Speaker, I wish to thank the Hon. Member for Beauharnois-Salaberry (Mr. Hudon) for his comments. I could not agree more that we must provide protection for those who need it and in my speech, I was speaking up for those who need protection but are not covered by this measure.

● (1500)

That is the substance of our message to the Hon. Member. I would suggest that he learn to be patient when his Government is criticized, because the House is not a place where compliments and words of praise are the order of the day. We must all learn to be critical and to accept criticism with good grace. I appreciate the Hon. Member's comments because he speaks my language. We are speaking about the same subject, which is to provide protection for those who need it, but unfortunately, Bill C-26 which is before the House today, while protecting those who need protection, neglects another group of Canadians who have the same need and are in the same age group but lack this protection. That is why I read, in the course of my speech, the letter from the organization "Womenspirit", which used the word discrimination.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Plamondon: Like my colleague before me, Mr. Speaker, I am surprised as well by some of your remarks and those of the Hon. Member who was fiercely defending his views and who earlier today handed out to Hon. Members his famous document on the three ladies—Mrs. Brown, Mrs. Gray and Mrs. . . . well, the only one missing was Mrs. Black—anyway, he handed out those three documents and was surprised to see that our Government had not shown any concern.

I should like to point out that our Government made a promise during the election campaign, a promise with respect to that sector: this Bill was to be introduced, and here it is, less than six months later.

Besides, when it comes to promises, Members of the Official Opposition are not in a position to lecture us because, in 1980, they did make some promises which led to the defeat of the Government. It cost $105 million to defeat the Government in 1980—they campaigned against a proposed increase in the price of gasoline, yet less than six months later they raised the price by 65 cents. With respect to promises, Members of the Opposition are ill-advised indeed to lecture us. We keep our promises. We said that widows and widowers aged 60 to 65 would get the allowance, and get it they will. As to the Hon. Member who is concerned about women of 62, he should remember that if his Government had been elected, only women of 60 and men of 64 would have received the allowance, so his three ladies would have ended up with nothing, whereas now at least one of the three will get something. It is sheer demagoguery on your part to harass the Government this way and to make that kind of comments. Instead of sleeping in your seats when you were in office between 1980 and 1984, you should have been wide awake to apply the virtuous principles your are advocating today.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: As a follow-up to the comments made by my colleague, and in reply to the last speaker. I think he has just shown his complete ignorance of this issue. If he had read the speech of his Minister, he would have noted . . . I would like my colleague to tell me—

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I believe that, according to our rules, a Member should not comment on what another Member has said about a speech. I think that the Hon.

Member for Montreal-Sainte-Marie (Mr. Malépart) is simply supposed to comment on the speech made by the Member taking part in the debate.

An Hon. Member: Right on!

The Acting Speaker (Mr. Charest): If I may explain briefly the point we have reached in this debate, the Hon. Member for Richelieu (Mr. Plamondon) commented the speech made by the Hon. Member for Davenport (Mr. Caccia), and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) was then recognized because the Hon. Member for Davenport (Mr. Caccia) had not deemed it necessary to reply.

We are therefore still on questions and comments and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has the floor.

Mr. Malépart: On a point of order, Mr. Speaker. Clearly, I see that the Hon. Member is always beside the track. Could you give him a lesson once and for all? This is all I have to say on this point of order.

To go on with the question I was asking my colleague, following the comments made by the Hon. Member for Richelieu (Mr. Plamondon), when I was suggesting he was not at all conversant with the issue, he should read it . . . I would like to know. This is the same question I was asking. The other comment is that he decided not to beat about the bush. But since a Progressive Conservative is unable to follow something up to the end, will my hon. colleague tell me, since they stopped only halfway, what the difference is between a widow in need, whatever her age, her income, or her housing cost, and another person who is separated and has the same age, income and housing cost? What is the difference? How can we determine that one is more in need than the other?

The Acting Speaker (Mr. Charest): The Hon. Member for Davenport (Mr. Caccia).

Mr. Caccia: Mr. Speaker, clearly the question asked by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) gives us another chance to repeat that there is unfairness in this legislation. And I am truly amazed that the Hon. Member for Richelieu (Mr. Plamondon) would have preferred to introduce another dimension into the debate, which has nothing to do with the issue now before the House. Indeed the subject of the discussion is quite clear. It is whether we should provide help, give pensions to all those who need them, between the aged 60 and 65, that group certainly being a part of that population. And, naturally, as this has already been mentioned, we agree to that protection for those in need in that age group.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, this Bill has been long awaited, small as it is. I congratulate the Minister on bringing it forward. Some thousands of low income widowed people who may benefit certainly need it, and if it were possible to speed it up, I am sure Members on this side of the House would be willing to do so. However, the Government, for whatever reason, has said that it will not come into effect until September of this year. Unless it accepts in committee some amendment to that starting date, then no matter what we do today or any other day, it will not bring the pensions any closer. I assume that it will receive examination on that point in committee and I hope that this is one of the points on which amendments might be considered favourably by the Minister and his Government.

We have had some comment as to why the Bill deals with such a small number of pensioners who are in need. The requests of the pension reform committee go far beyond this. The minority report of the dissenting member, Mr. Miller, goes still further beyond this. Mr. Miller pointed out that there are single people between the ages of 60 and 65 who should have this benefit but, according to this legislation, they still will not.

• (1510)

It was suggested by one of the government speakers that the country does not have sufficient money to pay pensions to more than this small number of people. Eighty-five thousand would be a big number in relation to the population of an apartment building, but in relation to the elderly population of Canada it is a small number. It has been suggested by government Members that there is not enough money to extend this benefit to people who may be equally in need and equally deserving but do not happen to have ever been married. One speaker suggested that the Government may have saved some money. In that case, whether they are widowed or not widowed, the legislation is not intended for them. That is not the point I am making. I am talking about people who are equally poor and equally needy but happen to have never been married. That situation is occurring more often in the country. There are more people now who are single, for whatever reason. Marriage is not as common as it used to be 10 or 15 years ago in Canada.

I think this omission is an unnecessary oversight. The excuse used by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) that the Government does not have the money would be laughable if it were not so sad. It is the same silly excuse that was used by the previous Government which he attacked so bitterly.

The Deputy Minister said that the Government has a big debt. He told us to look at the report of the Auditor General. In his report the Auditor General tells us where the greatest part of that debt arises. He tells us that if certain groups paid what the basic principle of income tax would require them to pay, there would be no debt at all. The Auditor General spoke about the $30 billion to $50 billion per year paid to large corporations in the form of taxes not collected. This was arranged under the previous Government when the present Leader of the Official Opposition (Mr. Turner) was Minister of Finance. The bonanzas to the big corporations have devel-

oped tremendously in the last dozen years without any complaint from the Hon. Member for Winnipeg-Assiniboine or any of the other members of the Tory caucus. they never once suggested that those companies should pay their fair share of the taxes. They never once suggested that those companies should pay the $23 billion of accumulated deferred taxation. They never even said that they should pay interest on that deferred taxation.

Members of the Conservative Government have no interest in collecting the money from the people who have it to pay off the debt. Instead, they said that they are sorry that they cannot pay bigger pensions to single men and women between the ages of 60 and 65. They cannot do it because of the debt which the Conservative Government refused to collect from the big corporations.

The Auditor General seemed to regret that he could not give us a precise figure. He said that it is somewhere between $30 billion and $50 billion. Even $30 billion would be enough to wipe out the deficit. He does not know how big it is because there is no accounting of it. Neither Liberal nor Conservative Governments have undertaken to do any thorough accounting of the money that ought to be paid by the big corporations. The previous Government and the present Government have tried to hoodwink the people of the country by turning out their pockets and crying they are poor and telling the old people, who have given their working lives to this country, that they cannot receive pensions that will meet the prices of today.

Corporation presidents receive pensions of hundreds of thousands of dollars because the corporations received such generous tax gifts from the past Government. Many of the people who worked to produce the wealth of those corporations will have a pension which does not enable them to have a decent room and decent food, let along car fare. Many of them live in Spadina, and I know them. It is shameful that the Government should try to conceal the fact that it has the means to pay larger pensions. The present Government has now had half a year in office during which it could have begun a change in the tax structure which would have reduced that injustice. It could have made a start toward collecting some of the taxes that it should and could be collecting from these corporations.

During the election campaign the Conservatives promised to collect those taxes. However, once in office, they forgot the promise. When reminded of it, the Prime Minister (Mr. Mulroney) stood in front of us and made a joke of it. He is not worried about his pension. He has forgotten about the pensions of the people he claims he used to work with as a young man and that his father worked with. He does not remember those people except when he wants to brag about his noble origins. He wants to forget them when it comes to paying pensions.

I worked for 18 years in a factory, Mr. Speaker. A few years ago it was shut down. It was bought by another company which decided that the factory was redundant. It want a boardroom decision. Some of the men I worked with are still walking the streets looking for work. Who wants a 55 or 60 years old unskilled or semi-skilled worker? They were good workers in the factory during the 18 years I knew them. They produced and would still be producing because the factory was producing. It would still be producing but for a boardroom decision by the corporations which receive these great tax gifts, supposedly to create more jobs. In fact, they used the tax gifts to destroy the jobs of 145 employees in that plant.

I know those people by name. Some of them are single. Those people should be eligible for this sort of benefit when they reach 60 years of age. They will not get it if the Government does not move. We are told that some day after the Government has paid off all its close friends, if there is any money left over, it will give it to those elderly workers.

This side of the House will support this legislation. We are not holding it back. It is the Government that is holding it back until next fall. We would be willing to speed it up. Our first speaker, the Member for Beaches (Mr. Young), made an offer. He said that we would put up only one speaker if the Minister would make the law effective as soon as possible. The Minister did not take him up on it. The Minister intends that no one will get that benefit until next fall. Furthermore, it will only benefit some of the people who really need it. The Government does not intend to give any of this benefit to people who have not been married, who have reached the age of 60 and who are poor. There are many of these people around the country. We see many of them sleeping in the TTC shelters on the streets of Toronto in the cold weather. We can see them sleeping on the stairways of Toronto Parking Authority garages, especially in front of City Hall. They are people who need this benefit, but the Government will not give it to them because it would rather give it to the oil companies, the banks and the others who contribute to its election campaign fund.

• (1520)

I regret very much the stinginess of the Government. I will support it in so far as it will give this benefit to a few of the people who need it. However, I wish it would give it sooner rather than wait until September, as provided in this legislation. I suggest that the Government reconsider this measure and give this benefit to single people as well as to widowed people.

Mr. Weiner: Mr. Speaker, the Hon. Member referred to the fact that an offer was made the effect of which would have held his Party's participation to one speaker. That offer was contingent upon our making the Bill effective immediately. To whom was that offer made, at what time and who refused it! This sounds like an interesting proposal that should have been brought to everyone's attention.

Mr. Heap: Mr. Speaker, the Hon. Member will find it on page 1947 of *Hansard* of February 4, 1985. The Hon. Member for Beaches (Mr. Young) said:

> I am, perhaps, at the point of making the Minister an offer which he cannot refuse. One aspect of the Bill, obviously, with which we are disappointed is the length of time it will take to put this measure in place. I believe there will be a ten-month delay until September. If it will accommodate the Minister in terms of bringing such a measure in by the end of this month, my Party would agree that I would be the only speaker. We could then get it through all stages as

quickly as possible, if that would accommodate the Minister. If the Minister would agree to that, all he has to do is to send me a note and we will look upon it as kindly as possible.

It is evident that the Minister did not respond.

Mr. Weiner: Mr. Speaker, I am too new to the Chamber, having only been elected on September 4, and I do not know if that is the proper procedure to make offers with respect to very important legislation. I would assume that the House Leaders or the Member responsible would make the offer through the proper channels, rather than making it inadvertently in a speech, as this one was made.

Mr. Heap: Mr. Speaker, as the Member for Spadina, I would simply point out that these matters are discussed across the floor frequently. That is what debate is about.

For example, at this moment the House Leaders for the three Parties are not here, but we still carry on the business. If there were some difficulty about the matter but the Minister or the Government House Leader was interested in taking up the offer, he was certainly free to begin any negotiations he wished. It is clear that he did not wish to do so. For some reason that I have not heard, the Minister wishes to delay the effect of the Bill until September.

Mr. Hawkes: Mr. Speaker, I feel compelled to make a comment at this point. Let us place the emphasis where it properly belongs with respect to the statement made by the Member for Beaches (Mr. Young), who is not empowered to speak on behalf of his Party in the first place.

Mr. Benjamin: He is our spokesman.

Mr. Hawkes: Let us re-read what he said:

I am, perhaps, at the point of making the Minister an offer—

Mr. Benjamin: Mr. Speaker, I rise on a point of order. The Hon. Member for Beaches (Mr. Young) is our critic on pensions and is empowered to speak on behalf of our Party and make any offers he wants. He has the support of our caucus for that purpose.

Mr. Hawkes: It is clearly understood in the House that arrangements about unanimous consent are made by House Leaders. House Leaders are empowered to speak on behalf of the Party.

Let us go back to what the Member for Beaches (Mr. Young) said:

I am, perhaps, at the point of making the Minister an offer—

Then he concluded:

If the Minister would agree to that, all he has to do is to send me a note and we will look upon it as kindly as possible.

Who in his right mind would accept that type of invitation in which they want us to make a commitment while perhaps they will make a commitment? It does not come from the two opposition Parties or the independent Member, but simply from a political Party that is well known to be in bed with the other opposition Party on every conceivable occasion. It was simply a trap for the Government, and I commend the Government for having had the wisdom not to step into that trap. Our Government understands the importance of co-operation and consultation. It understands the importance of reaching acceptable agreements with people.

If that Party is interested in reaching an agreement, the proper process to follow is for the House Leaders to negotiate. We hope that Party will use it and show how genuine they are in wanting the change.

The Acting Speaker (Mr. Charest): The Hon. Member for "Spadeena", otherwise known as Spadina.

Mr. Heap: Mr. Speaker, everybody in Spadina calls it Spadina.

The Acting Speaker (Mr. Charest): May I just point out to the Hon. Member for Spadina that in Sherbrooke we call it "Spadeena", but in the circumstances I will respectfully call it Spadina.

Mr. Heap: Thank you very much, Mr. Speaker. Now we have two names.

I can only suggest to the Hon. Member for Calgary West (Mr. Hawkes) that a note could have been sent in which the terms were qualified. The Government could have responded to the suggestion from our spokesman on the matter, our spokesman in the House at the time.

If the Government was worried about 211 Members being trapped by 30 Members—I understand that it may consider us formidable—at least we could have been sent a note.

We are not talking about a question of unanimous consent. It was a question of whether Members would continue to speak. I chose to speak, notwithstanding the request from the government side essentially that we should shut up.

I remember when the Hon. Member was on this side of the House. He certainly thought that the job of the Opposition was to oppose, and he did so vigorously, at great length and very often. Now that he is on the government side he thinks that the job of the Opposition is to shut up. In fact, the job of the opposition is to criticize where necessary, and since our criticisms are not being heard by the Government, I hope they will be heard by the public, especially those who are being deprived by the limitation of this Bill.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I want to make a brief comment on the speech of the Hon. Member for Spadina (Mr. Heap). It seems that friendly Friday has been deteriorating since the end of Question Period today. I cannot listen to some of the cheap shots this afternoon without making a comment. If the Hon. Member is going to support the legislation, he should not criticize the Prime Minister (Mr. Mulroney) and make comments on what he says unless he is quoting directly from a credible source.

The fact is that the Prime Minister has not forgotten the people he used to work with. The House will recall that the settlement at Schefferville was the most generous in Canadian

history. When he was forced to close the mine in Schefferville it was a decision he had to make that was very regrettable, but he certainly did not forget the people he used to work with in Schefferville.

Mr. Heap: What about Labrador City?

Mr. Turner (Ottawa-Carleton): I recall the Prime Minister saying in the House a couple of weeks ago that if the NDP will not help us help the needy, we will do it ourselves.

Mr. Heap: Why doesn't he help the needy in Labrador City?

Mr. Turner (Ottawa-Carleton): We simply cannot afford to be all things to all people. That is why we cannot be all things to all people with respect to this particular piece of legislation. Therefore, it has excluded people between the ages of 60 to 65.

I remind the Hon. Member for Spadina that our Prime Minister is sincerely concerned about the citizens of this country.

• (1530)

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, at the outset let me indicate that I will try to concur with the wishes of the Hon. Member for Calgary West (Mr. Hawkes) who indicated that Hon. Members should speak briefly and to the point.

The legislation has some good parts. The market which it attempts to serve is a good one. There is no question about that. As my colleagues said at the beginning of the debate, as Members of Parliament we should approach the issue of providing assistance to those in need very responsibly. In part I support the measures contained in this legislation.

I do not think I have heard Hon. Members on either side of the House suggest that what the Government is attempting to do is bad. In point of fact, there may be a great deal of loopholes.

Mrs. Mailly: Name one.

Mr. Dingwall: The Hon. Member rarely listens. I would hope she would at least attempt to be as sincere as I am trying to be with regard to the substance of the legislation.

Mrs. Mailly: I am.

Mr. Dingwall: The Hon. Member is known for her dealings with the press. She is grasping at straws for the sake of publicity. Surely she has the courtesy at least to listen. I am not a member of her Party. Perhaps I share a different philosophy or ideology, but courtesy ought to be part of the demeanour of the Hon. Member.

I point out for the record that it was a Liberal Government that introduced spousal allowances. The Conservative Government has now decided to extend the spousal allowance, part of the Old Age Security Program, to any person between the ages of 60 and 64 in need and living alone. That is very commendable, but, as I said earlier, there are some loopholes. There are thousands of single Canadians who would like to be included in this particular package. It is not good enough for government Members to join in a chorus of catcalls and to say, "We can't afford it" when during the election campaign there was no mention of any restraint. In fact, there was a proliferation of promises during that campaign, in excess of 330. They cannot have it both ways. Were they irresponsible during the campaign or were they responsible? I know they will try very hard and very diligently to have it both ways, but I suggest that they cannot have it both ways.

I want to go on record as supporting that part of the legislation which will affect an additional 85,000 Canadians. If the amendments my Party is seeking are accepted, an additional 80,000 Canadians would benefit. We must remember that a large number of Canadians do not enjoy the perks or the lifestyle which we in the Chamber enjoy, or indeed that of other professions.

It is discriminatory, intentionally or negligently, for the Government to exclude this group of Canadians. Hon. Members of my Party who have spoken before me, and those who will speak following my remarks, will repeatedly reiterate that concern. We hope that the Government will take cognizance of what we are suggesting and implement those changes.

Again I commend the piece of legislation before us from the perspective that it contains a recommendation of the parliamentary task force on pension reform. It is in the best interests of Parliament to bring forward legislation containing a recommendation of the parliamentary task force, upon which there was unanimous agreement, as quickly as possible so that it can be put into effect for the benefit of Canadians.

There has been some suggestion today that perhaps we ought to expedite the implementation date. I am in favour of that, whether it is a matter of fiscal responsibility on the part of the Government of the day or a matter of lining up an agenda item for a budget, which was to come down in April, May or even later, depending upon what happens in the Province of Ontario.

There have been some sincere suggestions by New Democratic Party Members in an attempt to expedite this piece of legislation. It serves no useful purpose for the Hon. Member for Calgary West to rise in the House of Commons to admonish the New Democratic Party and its members for attempting to put into effect a piece of legislation affecting low-income Canadians. That was not the spirit in which this particular measure was discussed by the parliamentary task force.

I want the record to show clearly that I support the measure which provides assistance to the individuals I have already mentioned, but I repeat that the Government should extend those benefits to the group which is being excluded. Perhaps the Right Hon. Member for Yellowhead (Mr. Clark) would use his influence when speaking to his Cabinet colleagues and his back-benchers to extend those benefits to those other Canadians who are in need. I believe that is fundamental. I have received letters from Canadians in British Columbia, Ontario and other parts of the country who are very upset that we in Parliament would support in principle such an idea but

in fact discriminate against a certain class of individuals. Surely we do not want to do that as parliamentarians. Surely we do not want to inflict further difficulties on individuals who are facing difficult economic times at present.

We could advocate that in this Bill there ought to be a homemaker's pension or a whole host of reforms. However, the Government has refused to do that; perhaps we will have an opportunity to debate them at another time. This piece of legislation is earmarked to be implemented in September, 1985. If that is the Government's wish, with its mandate it is virtually impossible for us to change it. However, I do not see any great need for the majority on the opposite side and the book-ends on this side to say that Members of Parliament are dragging their feet or slowing down the process of Parliament. We are attempting to debate this piece of legislation in an intelligent way. We are attempting to have the Government recognize that, notwithstanding the good parts of this legislation, many parts of it ought to be changed to include the amendments we are suggesting.

● (1540)

Finally, I will conclude by saying that I am happy the Government has brought this Bill forward, although I do not agree with it entirely. Second, I am happy that it is accepting the recommendations of a parliamentary task force which worked for a considerable period of time to put this legislation on the floor of the House of Commons.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I just wanted to make a comment on the Hon. Member's speech. I also wanted to reassure him by saying that when I suggested that this legislation should be referred to committee, it was not because I was not listening to his speech, but rather because I was actually listening. He was telling me that in his view perhaps the Bill was not perfect, that it could be improved upon. I know the Hon. Member sits on the Committee for Regional Development and I know that he is well acquainted with his subjects. I was therefore simply suggesting that there was the place where we could improve, so he said, on this legislation he is so concerned with. Therefore, referring the Bill to committee is not brushing the matter under the carpet, it is simply referring it to another forum where detailed examination may take place.

[*English*]

Mr. Dingwall: Mr. Speaker, I thank the Hon. Member for her comments. I am aware and fully appreciate the process with which Parliament has to deal. However, I would hope that Members on all sides, of all Parties, whether it be the independent Member or Members who are not in this House, would fully avail themselves of the opportunity to debate this legislation now on the floor of the House of Commons. We could elicit suggestions here to improve the Bill. I am sure we could improve upon it even more so in committee. Members of Parliament would like to have this opportunity. Since the legislation is not earmarked for implementation until September, 1985, I cannot understand the rationale for having it referred to committee. Surely the Hon. Member is not suggesting that Members of Parliament are only able to make suggestions to improve legislations in committee and not on the floor of the House of Commons. This is the Chamber where suggestions for improving legislation ought to come forward. If the Hon. Member wishes to receive suggestions, I can itemize a number of them for her at the present time.

Mr. Jepson: Mr. Speaker, having heard the Hon. Member's comments in his very sanctimonious speech, feeling as he does the obligation to bring before the people his criticisms on the Bill, I want to say that the Government and the Minister have been very honest in bringing forward this Bill. They have stated that there are some shortcomings in that there are still people with legitimate needs who will not have those needs met. They told the people that very clearly when they brought this Bill forward.

This delaying tactic betrays the fact that there have to be ulterior motives in delaying this Bill from being brought to a fruitful conclusion. It merely delays the opportunity of the Government to bring forward other Bills that we are prepared and ready to bring before the House so that other legitimate needs of Canadians can be met. It is nice to hear his pious platitudes, but the truth is in the pudding. We have declared the shortcomings. We say we would like to do more. At the same time, we are not going to display the irresponsibility and poor stewardship of the previous administration and spend first and look for the money after.

Mr. Dingwall: Mr. Speaker, it is always interesting and perhaps a little bit refreshing to receive lectures from new Members of Parliament on what we should do or should not do, or indeed on the substance of what a speech is or is intended to be. I am always happy when this Hon. Member stands in his place and, not in a sanctimonious way but in a patronizing type of way, suggests what other Members of Parliament ought to do.

Let me say something to the Hon. Member for his own edification and information. He made a very telling statement to the effect that he does not want to spend money without knowing the intent of it. I would ask him about the borrowing Bill. The Government is asking the Opposition in this Parliament to approve expenditures which we do not know anything about. It wants us to approve a sum of money for next year for Government expenditures. That was just a small contradiction by the new Member. I thought I would bring that to his attention so that he would read the "blues". He may wish to make changes. Indeed, he may really wish to show some courage and stand in his place on the next sitting day to correct the record on his irresponsible comment.

Mr. Hockin: Mr. Speaker, the Hon. Member for London East (Mr. Jepson) needs no help from the Member for London West, but I am struck by the comments just made by the Hon. Member from the Liberal Party. When we as the Government are asked for borrowing authority, we asked for much less of a reserve than the Liberal Government asked for last year. It

asked for a much greater sum of money sight unseen than we did on the reserve portion of that borrowing authority Bill. The tradition of our Party is not to ask for money for projects that are not yet committed to. We were trying to trim the borrowing Bill, which we did, compared to the previous administration. Therefore, his point with regard to the comments made by the Hon. Member for London East are, I feel, without validity.

Mr. Dingwall: Mr. Speaker, it is always nice that we have opportunities in this Chamber to see back-benchers, Members of the book-ends, get up and speak. It is very rewarding indeed that they would avail themselves of an opportunity to stand up and say something. Whether it is relevant or not is another issue. I am happy that the Hon. Member stood in his place and made a comment. If he wishes the Opposition, particularly the Liberal Opposition, to give approval to expenditures for next year with regard to the borrowing authority, he had better put in place very clearly what the expenditure plan is going to be for this Government. We are not going to be hoodwinked, beaten or pushed around by 212 Tory Members of Parliament.

An Hon. Member: Who is the extra one?

Mr. Dingwall: I said 212 and there are 212. The Hon. Member for Oshawa (Mr. Broadbent) is in bed with those guys. He supports them. What other member of the New Democractic Party received a limousine? Who gave Eddie the limousine? It was the Right Hon. Prime Minister (Mr. Mulroney). They are in bed together.

I am happy that the book-ends of the Conservative Party are finally recognizing that they have to get up and speak on behalf of their constituents and stop taking the directives of the Minister of Regional Industrial Expansion (Mr. Stevens), who is really the Minister of Finance because the Prime Minister has completely muzzled and cut away any credibility that the Minister of Finance (Mr. Wilson) may have. I appreciate the Member standing in his place. Notwithstanding that, I find his comments to be totally invalid.

Mr. Jepson: Mr. Speaker, London is very close to Stratford, but I say, having been to the Shakespearean theatre, I have never seen any greater theatrics from the Hon. Member behind me. However, just as the people were not fooled by the political rhetoric on September 4, neither are the people here in the House today. I can assure the Hon. Member that the Conservative Government is the one Government that will be accountable for its spending programs. It will be accountable not only to the Members of the House but to all Canadians.

• (1550)

Mr. Dingwall: Mr. Speaker, I am happy to see that the Hon. Member is suggesting that the Government will be accountable. I would ask him, however, where is the legislation to back up the promise that the situation will be changed regarding moneys from workers' compensation payments being included for the purposes of calculating this GIS? Conservative Members promised to change that during the election campaign but to date nothing has been forthcoming. Where are the homemakers' pensions that they promised? Totally irresponsible—

The Acting Speaker (Mr. Charest): The period for questions and comments is now over. Resuming debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it gives me great pleasure to participate, albeit briefly, in this debate. What is at issue today is not whether or not one is in favour of this Bill. I would presume that all Hon. Members must be in favour of giving needy people more money. But what is at issue is the fact that this Government is forgetting something. It is forgetting a large group of people. Large numbers of people are being forgotten by the Conservative Party. I still have some difficulty in figuring out who will be in and who will be out of this program.

Mrs. Mailly: You don't know how to analyse it.

Mr. Boudria: I am told that this is because we cannot analyse these things properly. Perhaps those who have such a keen understanding of those issues can answer the following questions. We understand that widows will now be receiving the pension. That is fairly straightforward. They will receive the pension providing, of course, that they are between the ages of 60 and 65 and are in need.

Mr. Hawkes: And widowers.

Mr. Boudria: And widowers too although there are fewer widowers than widows. However, that is the case as well.

Let us look at the following situations. What happens in the case of people who are not married? Of course, these people will not receive benefits. It could be that people were living common-law and became widowed. They will not receive benefits. They could have as many financial obligations and children to support as other widows but they will not be eligible. What happens in the case of a widow who has remarried? Of course, we are told that a widow who has remarried is no longer a widow. That is fine. However, what happens in the case of a widow who has remarried and subsequently divorces? When a person divorces, does she not revert to the marital status she had prior to that last wedding? That would mean that that person would become a widow again. Does that person qualify for these benefits or does she not?

This legislation is so full of holes that I venture to say that the Government will never be able to administer it in its present form. We cannot even understand how it works. It is a virtual impossibility. We are told that other people cannot be included under the program in the name of economic restraint. We are told that single people, separated people and divorced people between the ages of 60 and 65 who in many cases are in as dire need as widows and widowers, will not be eligible. Why is this so? It is so in the name of restraint.

The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) gave us a lecture on how he claims the Liberal Party

created a situation in which the Government cannot afford to give money to others who need it.

Mrs. Mailly: He did it well, too.

Mr. Boudria: We are told that he did it well. That is matter of opinion.

We hear from Conservative Members that the Government is in financial difficulty and that it cannot be all things to all people. It is unusual to hear that from a Conservative Member. After all, it is not that long ago that Conservative Members made certain election promises. As I have mentioned before, they made 338 election promises. Now they cannot afford those important social programs.

A Member has said in this House that we cannot afford to make any more expenditures because, as he claims, the country is not in a position to do so. Why is it that during the election campaign, the Progressive Conservative Party could make 113 promises to spend more money and make five promises to spend less money? Would you believe that that was during the same election campaign, Mr. Speaker? The Conservative Party made two promises to increase revenues and 26 promises to reduce revenues. What kind of accounting is that? If that is the logic of the Conservative Government, small wonder that it cannot make this program workable.

We are being told about the deficit. According to Conservative Members, the deficit is too high, and it very much concerns them. The Hon. Member for Dollard (Mr. Weiner) appears to be very concerned about this, as do several other Members. The Progressive Conservative Party's program as outlined during the election campaign would have resulted in 139 different actions that would have increased the deficit. Would you believe, Mr. Speaker, that it would have resulted in seven actions to reduce the deficit? All that happened in the same election campaign. Small wonder that the Government cannot figure out what to do.

We are told that there is no money for the single people between the ages of 60 and 65. We heard this at the same time as I was reading a communiqué prepared for us by the Minister of National Defence (Mr. Coates). This communiqué contains very nice, glossy pictures of the new military uniforms.

[*Translation*]

Mr. Speaker, we have heard a moment ago about the situation of Mrs. Lebrun, Mrs. Legris and Mrs. Leblanc, but I have here three pictures of Mr. Legris, Mr. Lebleu and Mr. Leblanc in their new Armed forces uniforms. There seems to have been money available for these three gentlemen; $50 million to purchase colorful outfits for them—

An Hon. Member: $36 million.

Mr. Boudria: I am told $36 million. A number of people have not benefited from these $36 million. Whether it is $36 million or $50 million, the money would have been better spent helping our senior citizens.

Government Members say they are in favour of budget restraint and will not spend money needlessly.

[*English*]

Yes, Mr. Speaker, that is what they tell us, but at the same time they spent $24,000 delivering the mail on November 8 in order to make sure that the provincial Premiers would have copies of speeches made by the Minister of Finance (Mr. Wilson). They spent $173,472 on cars in the last four months. Those are the vehicles that they bought for the extra Cabinet Ministers so that they could drive around the Parliament Buildings with their political commissars. That is $173,472 on top of what the previous Government already had. That does not even include the automobiles that have been rented. They will not respond to the *Order Paper* questions which ask how much money has been wasted on that particular program. That is coming from the same Government that has no money for our senior citizens.

We recognize that this measure will help some people. That is not what we are here to discuss today. We are here to discuss the people who have been forgotten. The Government is forgetting a large segment of needy people. This is unfair. It is about time the people spoke up. It is about time that Members of Parliament heard from their constituents—

The Acting Speaker (Mr. Charest): Order, please.

• (1600)

[*Translation*]

Order, please! It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Charest): Is there unanimous consent for the House to proceed to Item No. 162?

Some Hon. Members: Agreed.

* * *

[*English*]

PUBLIC SERVICE EMPLOYMENT ACT PUBLIC SERVICE STAFF RELATIONS ACT

MEASURE TO AMEND

Mr. Les Benjamin (Regina West) moved that Bill C-216, an Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights), be now

read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, this Bill was debated in 1982, again in 1984, and it is now being debated for the third time. On the previous occasions, members of the Conservative Party supported the legislation, and in particular the former Member for Nepean-Carleton, Mr. Baker. Now the Conservatives are in power and the Liberals are part of the Opposition. I hope that members of the Government will continue supporting this legislation as they did in 1982 and 1984.

All I am asking in this Bill, with a few exceptions, is for federal public servants—be it with the Government or with a Crown corporation—to have the same political rights which are enjoyed by those people who are not federal Government or Crown corporation employees. On five occasions I have had to apply to my employer for a leave of absence without pay to be an organizer or a candidate. The leave was granted, albeit not willingly. When the election was over, I was able to return to my job without loss of seniority, at the same position which I held previously or at a better position. Surely that right should be enjoyed by those who are employed in the federal Public Service.

I suspect it will be mentioned by a few Hon. Members opposite that there are negotiations presently going on between the President of the Treasury Board (Mr. de Cotret) and members of the Public Service unions. The parties are negotiating what is called "the six-pack"—six items which are not necessarily contained in the collective agreements. In a statement before the press in Quebec City, the President of the Treasury Board indicated that an agreement had been reached on those six items. One of those items was the issue of political rights. I want to state categorically that an agreement was not reached. The only agreement which was reached was that the Government's proposals would be discussed further by the people in the unions and that they would then meet again further to discuss these matters.

It was claimed in yesterday's news reports that the meetings were held a day or two ago. In fact, on investigation it turns out that there have not been any recent meetings and that the meeting which was scheduled two weeks ago had been cancelled. The meeting was cancelled because the President of the Treasury Board was speaking at a school. Be that as it may, that would indicate that there is some degree of willingness on the part of the Government to make changes in those six areas, especially the area of political rights.

I would be happy if the subject matter of this Bill could be sent to the standing committee so that we could hear from the representatives of the Public Service who are affected.

I am very proud of my Party's record because the first legislation which was introduced anywhere in Canada—and, for that matter, probably anywhere in North America—which gave full political rights to public servants, was introduced by the CCF Government of Saskatchewan in 1946 under the leadership of Tommy Douglas. Since then there have been numerous occasions when employees of a Crown corporation or a provincial government Department in Saskatchewan obtained leaves of absence to take part in an election campaign for the Parties which operated in the Province. When the legislation was introduced, there were four Parties. All of them, without exception, were granted their leaves of absence and were able to return to their duties. To my knowledge, all of those employees performed their duties in a most conscientious manner, even though in some cases their private political views differed substantially from those which were held by the Government of the day. There is no reason to think for one moment that the same attitudes could not be held by federal public servants as those which have been held by public servants in the Province of Saskatchewan since 1946.

I submit that unless and until the Government makes a move to grant these rights—not privileges but rights—sooner or later someone will take the Government to court and the Government will lose. We should not wait for that to happen, because no matter what Government it will be, it will be an embarrassment.

I hope that Members on all sides of the House will agree that the legislation is long overdue and that we should pass it very quickly to ensure that the political rights of federal public servants are the same as those enjoyed by other citizens of the country. For many years, Members of Parliament from all Parties, as well as my own, have put similar legislation before the House. I hope that we will finally agree that it is time to do something about this matter. It is time that the rights which belong to all Canadians, including federal public servants, should be put in place.

This legislation will in no way infringe upon negotiations which are going on between the federal Public Service unions and the Government of Canada. In a number of cases the collective agreements are up for renewal. The legislating of political rights will not infringe upon those negotiations. I hope no one will attempt to use that argument to talk out this Bill.

It is somewhat embarrassing that this legislation is so long overdue and that a Private Member of the House is required to introduce it. There is the whole question of how political rights can be and should be exercised by members of the federal Public Service or employees of federal Crown corporations. It is implicit in the Bill that those political rights may only be exercised in a public manner, outside working hours. The same was applied to myself. When I was an employee of the private sector, I conscientiously carried out my duties during working hours and at no time did I practise partisan politics. When I was off duty, Sir, I did carry out political activities, even though my employer did not agree with my political views, but my employer always knew that at no time did I transgress upon his requirements of me when I was on duty.

● (1610)

I am confident, Sir, that all federal employees would act in just as conscientious a manner, if not more so. I am sure that none of these employees in the course of exercising their political rights, in their own minds and hearts, and in their time off duty, would ever allow that to infringe upon their duty when they were at work for the federal employer. I believe that

they would carry out their duties conscientiously and would not allow their own political views and activities to interfere with their work on behalf of their employer.

I believe it is a red herring when anyone tries to raise the argument that employees who work for a political Party and organize openly and publicly for a political Party which happens to be of the opposite view from that of the government of the day, would somehow or other not do their work properly when they were on duty. That is a specious argument, Mr. Speaker, and it is totally unfair to the federal employees of this country.

I hope, Sir, that Hon. Members on all sides will agree that it is time to make the appropriate amendments to the legislation as put forward in my Bill so that we will once and for all get rid of the stigma which has been attached to the statutes of this country for too many decades, a stigma on the democratic process and the democratic rights of all citizens of this country. I hope, Sir, that I will have the support of all Hon. Members in my endeavour to have this Bill passed.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first of all, I would like to congratulate the Hon. Member for Regina West (Mr. Benjamin) for bringing this matter to the attention of the House so early in the session. Usually this matter comes up during election time only. We have four years ahead of us, at least some of us think we have four years, and I believe it is appropriate that this subject matter be studied by the House.

It is a difficult question which has begged to be resolved over the last many years, and I hope that at least we will be able to come to grips with it. Hon. Members will recall that the Chairman of the Public Service Commission, for example, every time he comes before a committee of this House—at least in the last four or five years that I have had the pleasure of chairing some of these estimates committees—repeatedly asks Members of Parliament to clarify Section 32 of the Public Service Employment Act. His duty in interpreting Section 32 has created some difficulties, for example, during the last election campaign, not only for the Commission but also for public servants. The Commission is charged with the interpretation and the application of the Public Service Employment Act, which does, in my view, have some very grey areas of interpretation.

[*Translation*]

Bill C-216, to amend the Public Service Employment Act and the Public Service Staff Relations Act, has some explanatory notes which are quite clear.

The purpose of this Bill is to provide public servants—

—with some exceptions, obviously—

—with the right to engage in political activity as may any other Canadian who is not a public servant, and to be a candidate at federal, provincial and territorial elections.

Mr. Speaker, the Bill contains one exception, as far as I can see, that would prevent deputy heads of departments, in Clause 6(2) which reads . . . other than—

(6) Nothing in this section permits a deputy head to engage in the activities described in this Bill.

To my mind, the Bill does not go quite far enough in excluding only deputy heads, and I shall try to explain within the short time available to me why I think we should perhaps consider the arguments set forth by wellknown commissions such as the D'Avignon Commission on the merit principle, which, as the House will recall, submitted recommendations on the important issue of political activity.

Mr. Speaker, this is not the first time the Bill has been considered in the House. The Hon. Member for Regina West (Mr. Benjamin) mentioned as many as three times. To me, considering this Bill or a similar one and proposing amendments has always been a worthwhile cause, but because of problems occasionally arising in connection with election activities, the House has preferred to refrain from acting on these proposals. I hope we shall proceed as the Hon. Member suggested and refer the subject to committee for study and consideration, so that the Standing Committee on Miscellaneous Estimates responsible for examining this Bill will be able to reach certain conclusions that will eliminate any doubts as to the interpretation of Section 32 of the Act.

Mr. Speaker, in 1982 we adopted a charter of rights, which contains, in Sections 2 and 3, a number of specific rights and fundamental freedoms. Section 2 of the Canadian Charter of Rights and Freedoms, for instance, reads as follows, and I quote:

2. Everyone has the following fundamental freedoms:

(a) freedom of conscience and religion;

(b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication;

(c) freedom of peaceful assembly; and

(d) freedom of association.

Section 3 may be more important in this context, and I quote:

Democratic Rights

3. Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein.

That is the Charter, that is the Canadian Constitution which gives Canadians the right to be candidates, to come forward and be active in an election, and I think that the Hon. Member for Regina West was right when he said earlier that the day will come when somebody will test Section 32 of the Act before the courts, and it could then prove to be an embarrassment for a Government to be told that it is violating the Canadian Charter of Rights.

Mr. Speaker, using the British system as a model, the D'Avignon Report suggested very clear and very specific provisions for dealing with and solving the problem of political participation. I urge Hon. Members to read the four short but very explicit pages of the report of the Special Committee on the Review of Personnel Management and the Principle of

Merit and carefully read the remarks made by the Commissioners.

I will not take the time of the House to read all that, but I see in that report 12 or 13 very specific recommendations as to how to implement that recommendation.

It was simply a matter of allowing federal public servants, those who are not employed in an advisory or counselling capacity, or who have no responsibility for developing specific Government policies, all those who are at the administrative services or support level, those in the professional groups, of allowing those people to fully participate in the election process. This is only fair in my view. Of course, and here I may disagree with the Hon. Member for Regina West, senior executives, people who directly advise the Government, should be excluded in my view, from all levels of the political process.

Let us not be mistaken about that. One cannot, on one hand, give professional political advice to a Government and, on the other, divorce oneself from that context and criticize, even when one is at home, at work or among relatives. In my opinion, it is imperative to restructure that right or those arrangements so that public servants who are not expected to give political advice to the Government be free to participate and enjoy full freedom. However, if they have a political role to play in the full meaning of the word—give advice, make assessments and draft policies—I think they should not be allowed to voice criticism and be politically active because there might be a conflict of interests, obviously.

The recommendation of the D'Avignon committee or commission was echoed by the Professional Institute of the Public Service of Canada which, in a brief entitled "Parliamentary Dialogue 1984", made recommendations of its own. Only three of those relate to this issue, and I think it might be a good idea to put them on the record of this House. I quote from this "Parliamentary Dialogue 1984":

> We recommend that a special parliamentary committee be struck to draft legislation with the following objectives:
>
> 1. Grant full political rights to public servants (in line with the D'Avignon committee recommendations).
>
> 2. Indicate to all public servants, in clear and specific terms, to what extent they are allowed to be politically active, regardless of the category to which they belong, according to the D'Avignon report.

And I think that the third recommendation is just as important, Mr. Speaker:

> 3. Extend full freedom of expression to public servants so that they may speak openly on public issues, whether or not such issues directly concern the Government.

I have some reservations about this one, but I quite agree with the first two recommendations.

Mr. Speaker, the scope of the Bill under consideration is clear enough and, as I said earlier, it might be referred to a parliamentary committee for further study. At the end of my remarks, I may have a suggestion to that effect to help Hon. Members, or to expedite the process and make it possible to refer this Bill to a committee.

● (1620)

[*English*]

Earlier this week, Mr. Speaker, I asked the President of the Treasury Board (Mr. de Cotret) about another matter of vital importance to public servants. It was, of course, the very serious problem of classification standards. In his answer, the Minister touched on the six issues he was negotiating with the public service staff associations. Among those issues was indeed political participation. He did not say that in the House but outside the House, and it was reported by the media, the radio in particular, yesterday morning on *CBO Morning*. Although I asked the question today, the Minister was not in the House, unfortunately, and I got an answer from the Minister of Finance (Mr. Wilson). But I am not satisfied with the answers I was getting to my inquiries, which were very clear. Evidently the Minister of Finance is not able to give me much specific information as to what exactly is being negotiated. Nevertheless, I find it gratifying and somewhat—

Mr. Jepson: It might be a problem of understanding.

Mr. Gauthier: What was that remark?

Nevertheless, I find it gratifying that the President of the Treasury Board is negotiating the subject matter with the staff associations and, in his own words, is making very interesting progress on all six issues. I guess that means we have an agreement forthcoming on the important question of political participation, as well as that of the dental plan, classification standards and other issues.

To my amazement the staff associations had not heard of these encouraging statements or of the progress because they believed the negotiations were taking place in camera. Since the Minister was so forthcoming to me on Monday in telling me that he was very enthusiastic and encouraged by these developments with the unions, I say quite candidly that they were quite pleased with this progress, and they said so publicly on radio yesterday morning. Indeed, they think now that the Minister has agreed to their requirements and that shortly he will make public the agreement on these six difficult and, I think, important issues. No details have been given of the nature of what has been agreed to, but even the staff associations, as I am sure all Members in the House, will appreciate the Minister's coming to the House and making a statement clarifying his Government's position.

Surprised? Yes, many of those issues are complex. Classification is a very complex issue, as are political rights in their solution. I only hope that the Minister will see fit to bring the Parliament of Canada into the process of studying whatever proposal he has elaborated which he will be offering to the staff associations for negotiation. I say that advisedly because I think we would like to know about the dental plan and the cost of these things. We would like to know exactly what is in the offing for our public servants.

I said earlier, Mr. Speaker, that the Bill being proposed this afternoon by my good friend from Regina West has, in my opinion, one glaring flaw.

Mr. Dick: I knew you guys were together.

Mr. Gauthier: Did you want to speak, Paul?

Mr. Dick: I said I knew you guys were together.

Mr. Gauthier: Well, he proposed the Bill, not you. So I am talking to—

Mr. Dick: You said, "Your good friend".

Mr. Gauthier: Yes, he is my good friend. Like you, I think.

Mr. Dick: What time is that?

Mr. Gauthier: From time to time. I won't go to Calabogie anymore.

I think, Mr. Speaker, justice would be done as well as seen to be done if we were to agree here this afternoon, and I include my good friend from Lanark-Renfrew-Carleton (Mr. Dick) in this, that we would like to see this matter studied further by a committee of the House. With the agreement of the Hon. Member for Regina West, I would like to propose this motion:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-216, An Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights) be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Miscellaneous Estimates.

I see that the Hon. Member for Ottawa Centre (Mr. Cassidy) seconds this motion, and with that I will sit down, hoping that we have the agreement of all Members of this House.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Dick: Mr. Speaker, this side of the House has not even had an opportunity of speaking to this Bill. I think it would be premature to move a motion such as that.

Mr. Benjamin: It is open for debate.

Mr. Dick: I can only indicate that at this time, and only because it is at this time, the Government does not feel the matter should go to committee. We think it is premature only because it is now being discussed in another forum and we do not think it should be discussed in two forums at the same time. They are in the midst of difficult negotiations, as the Hon. Member for Ottawa-Vanier (Mr. Gauthier) indicated. These are very dicey topics. It is only for that reason. However, I think other people in this Party would like to participate in this debate.

• (1630)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I regret very much the comments just made by the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick). I would ask Members of the Government to reconsider very seriously the statement he made suggesting that it is premature to have the subject matter of this Bill referred to the Standing Committee on Miscellaneous Estimates. I say that very seriously. I respect what he said and what my friend from the riding of Ottawa-Carleton has been telling me as well. He indicated that there is some fear that an early consideration of this subject matter by the Standing Committee on Miscellaneous Estimates may jeopardize negotiations now under way, which is essentially what the Hon. Member for Lanark-Renfrew-Carleton said as well.

I have taken this issue very much to heart since I became a member of the Ontario legislature. When I was a member of another Parliament I put forward Bills on this subject. I said I would fight on this issue here in the House if I was elected. I think that there would be no objection by my Party if, once the matter was referred to the Standing Committee on Miscellaneous Estimates, it was held back for a month or two in the hope that concrete results would ensue. I would like to make that suggestion and I ask members of the government Party not to talk the Bill out and thus prevent the motion for referral of the subject matter from coming to a favourable vote.

I had the opportunity of speaking directly with one of the leaders of the public service unions involved about this matter several weeks ago after the initial discussions between The President of the Treasury Board (Mr. de Cotret) and the public service unions. I was updated on this subject less than 24 hours ago. My information is that while the subject matter has been raised, by no means does it indicate that a specific proposal had been put forward which is the subject of negotiation. Only the most preliminary indication has been given that the Treasury Board is prepared to consider the possibility of having discussions with representatives of the public service unions. There is nothing more than that, Mr. Speaker. That would indicate to me that at this point negotiations are not actually being engaged in.

From time to time I battle in caucus for the opportunity to question the President of the Treasury Board on this subject. Unfortunately I have not been able to. In the fall, when I had the opportunity to do so, he was travelling and I could not raise the issue with him at that time.

I appeal to members of the Government not to block this motion at this time. This Bill came forward with relatively little notice due to the parliamentary calendar. However, through our House Leader we have been in touch with the Government House Leader (Mr. Hnatyshyn) since this morning seeking to give advance notice to the government Party that this was coming forward. We indicated that we would certainly be willing to have the matter referred.

I welcome the motion of the Member for Ottawa-Vanier (Mr. Gauthier). I regret the fact that my predecessor, the Liberal Member for Ottawa Centre, who sat in the House for five years, never supported this particular measure. In fact, the last time this Bill was before the House of Commons he was instrumental in talking the Bill out, despite promises made by the Liberal Party prior to the 1980 campaign that it favoured political rights for public servants. I respect the position of the Hon. Member for Ottawa-Vanier. I hope he will be successful in ensuring that that is the position of the whole of his Party. It is certainly the position of my Party.

I could talk about this issue at length, Mr. Speaker. It was a major issue in my campaign. I argued for it very strongly, and I think the people in my riding responded. They believed that the vast bulk of public servants could and should have political rights like any other citizen. That is what was called for in the passage in 1982 of the Canadian Charter of Rights and Freedoms. In a few weeks a court case which I launched during the election campaign in conjunction with four members of the Public Service to test the constitutionality of these restrictions will in fact come before the Federal Court of Canada.

I would like to conclude by appealing once again to Hon. Members in the government Party. I would like to remind them of the pledges which were made by the Progressive Conservative Party in the responses that the Prime Minister (Mr. Mulroney) sent to the public service unions when they asked for his Party's position on political rights. The Progressive Conservative Party's response to the Public Service Alliance was quite unequivocal. It reads:

> The PC Party favours a general removal of the restrictions on political activity, especially for those public servants covered by collective agreements. These restrictions are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms. There are some senior public servants whose job responsibilities are very political in nature, and whose rights should be somewhat restricted to prevent conflict of interest, but we are confident that these people could be covered separately, without disenfranchising over 200,000 public servants in the process.

I am essentially in agreement with that position. I believe that position is in accordance with the Charter of Rights and Freedoms. By referring the subject matter of this Bill to the Committee on Miscellaneous Estimates we could in fact seek to put flesh and bones on that particular issue. If negotiations with the public service unions come to conclusions, the parliamentary committee could consider what was achieved in those negotiations and provide input and advice.

In its response to the Professional Institute of the Public Service of Canada, the Progressive Conservative position was even more explicit. In the summer, the Prime Minister said:

> We believe that this matter should be addressed by an all-party parliamentary committee in consultation with public service organizations, and we believe the situation can be quickly resolved. Much of the work, after all, has already been done as part of the D'Avignon Report, but the current Government has not demonstrated the political will necessary to implement the long-overdue changes.

The present Government has been in power for close to five months now. I believe that there is sincerity on its side in seeking to resolve this issue in a positive way in accordance with the promises which were made. I remind Hon. Members opposite of the very explicit promise that this matter should be addressed by an all-Party parliamentary committee in consultation with public service organizations. I have had that kind of consultation already and have been encouraged to have the matter sent to a committee.

I would ask Hon. Members to carry through on the promise that their Party made in the course of the election campaign. They should bear in mind that the timing of the consideration before the Committee on Miscellaneous Estimates can be varied relative to any negotiations which would take place. They should bear in mind that because of the Private Member's calendar it may not be possible for one of our Members to bring this matter before the House again for some time. I do not think the matter should be bottled up when there is an opportunity to carry through on a promise made during the election campaign by my Party and also by the Party of the majority of Members in the House.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I want to thank my hon. colleague for Ottawa Centre (Mr. Cassidy) for his confirmation of the sincerity of the Government in wanting to improve the political rights of public servants. I raised the matter myself during my own election campaign, and this is why I want to support the comments made by my colleague for Lanark-Renfrew-Carleton (Mr. Dick). The problem is that the discussion of this issue with the unions is now underway. It is therefore a sensitive issue. We do not want to jeopardize the negotiations. In addition, this subject will certainly come back on the floor of the House because of the limited number of Private Members' Bills on the Order Paper at the moment. Moreover, other Members have introduced Bills on the same issue and they will certainly be debated soon. It will act as a safety valve thus serving the same purpose as was proposed by the Hon. Member when he suggested that the subject matter be referred to a committee in case the negotiations with the unions are not successful.

However, as this subject will be discussed during the debate on other Bills on the Order Paper and as this Bill might even come back to us in a short time, which has already happened in the case of other Bills as the list of Private Members' Bills is not that long for the moment, I simply want to ask the Hon. Member to be patient and let these tricky discussions between the President of the Treasury Board (Mr. de Cotret) and the unions run their course.

● (1640)

[*English*]

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-216. The Bill raises a very important subject. The purpose of this Bill, which is to give political rights to civil servants, is also an important part of this Government's agenda. However, such rights will have a tremendous impact on the way our Public Service is perceived and the way it is in fact run.

I see the Member for Regina West (Mr. Benjamin) is shaking his head. I do not know how long he has lived in Regina but if he was there in the late forties, as I was, he will recall that the CCF Government at that time introduced political rights for civil servants in that province. While I commend that move, it was done in a rather heavy-handed way. There was much discussion throughout the province about the viability of the method of granting political rights, and I recall that there was a large movement to join the socialist Party because the bureaucracy and the Civil Service were frightened for their jobs. The implementation of political rights for civil servants was not done properly, and I would not want to see that happen with our federal bureaucracy. That is why I would ask that the House use caution and prudence in dealing with this subject-matter.

Certainly we should not forget the history of our Civil Service and its relation to political activity. More than 75 years ago, Parliament, through the adoption of a system of recruitment and selection based on the merit principle, eliminated political patronage in the then Civil Service. I do not believe that should be jeopardized by Bill C-216.

I am sure that Conservative Members of Parliament who have many civil servants in their ridings will fight vigorously to obtain political rights for their constituents. The Conservative Party has gone on record that it will do so. However, I believe there is much work to be done before such a measure can be implemented.

It is my understanding that the Government is currently negotiating with the unions. I believe it is very important that the view of the Public Service unions be taken into account. I would encourage the House to give this Bill careful consideration before accepting all the contents of the Bill.

I refer particularly to Clause 3. While I can accept the legislation up to Clause 3, I have grave concerns about the profound effects of the removal of Subsection 39(2) of the present Act. That subsection reads:

(2) The Board shall not certify as bargaining agent for a bargaining unit, any employee organization that

(a) receives from any of its members who are employees,

(b) handles or pays in its own name on behalf of members who are employees, or

(c) requires as a condition of membership therein the payment by any of its members of

any money for activities carried on by or on behalf of any political party.

I suggest that the ultimate effect of removing that subsection would be staggering. I believe there needs to be much more discussion before anyone would agree to exempt public service unions from demanding money from their members that otherwise might be paid to a political Party. In other words, the union could well become a political Party and an employee may have to join that Party to be in the Public Service. I find it rather disturbing for that to be in Bill C-216.

The Progressive Conservative Party also believes that some relaxation of the current restrictions on public servants' political rights should take place, particularly for those covered by collective agreements. Indeed, it will be very important that the views of the public service unions be taken into account, as well as those of the Canadian public before the Government finalizes its own views in this important matter. Any proposal will need to take into account the long-standing traditions of our Public Service and reflect the particular needs and desires of our present-day Canadian society and its concerns. We are all aware of the deep implications of the Charter of Rights in this respect.

In our society it is important that all citizens have a voice in the affairs of state and that as many as possible play an active part in public life. At the same time, public interest demands the maintenance of impartiality and professionalism in the Public Service, and of confidence in that impartiality is essential.

Members who have spoken before me have pointed out how important it is that policy advisers in the bureaucracy not criticize that advice outside of their working hours. It only makes common sense that not all members of the Civil Service could be politically active. I am sure that many civil servants throughout the country would agree with that.

I believe that by striking an appropriate balance in all of these important issues—which I believe this Bill does not—we can move on to ensure the political rights of our Public Service so that its members can take their full part in the democratic process in this great country.

Finally, I urge the House to use a great deal of caution and wisdom in supporting this Bill without a great deal of change.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I have been here nearly 17 years. I want to draw to the attention of the House that for the first time in my experience a Prime Minister has come in and paid some attention to Private Members' Business and to hear the debate among Private Members. I want the Prime Minister (Mr. Mulroney), to know that we appreciate it very much and we hope that it becomes a common practice on his part and serves as an example for any succeeding Prime Ministers, no matter whether he is here for four years or for 24 years.

Some Hon. Members: Hear, hear!

● (1650)

Mr. Benjamin: We would all be grateful if the Prime Minister would now rise in his place and take part in the debate. It would be a precedent and something which I do not think has happened since the days of Sir John A. Macdonald. Perhaps he could take part in the debate and tell his colleagues, as well as the rest of the House, that he agrees the subject matter of the Bill should be referred to the Standing Committee on Miscellaneous Estimates.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I should like to second the remarks of the Hon. Member for Regina West (Mr. Benjamin) and indicate to the Prime Minister (Mr. Mulroney) that I appreciate the fact that he did not rise in his place, thus giving me the opportunity to speak on this Bill. That was truly gracious and I much appreciate it.

I am also proud to stand in this corner of the House and be able to look at my Prime Minister because I know, with a sense of conviction, that one thing which motivates him is his concern for the working man. His entire career is an example of that.

I was also proud this summer to be part of a political Party which had in its political platform a genuine commitment the extension of the political rights of public servants. That will be done by this Government during this term of office. I thank the Prime Minister for that political platform. It was a pleasure to run on it, and it will be a pleasure to see that happen.

Also, as I stand here today, I am puzzled because one fundamental thing that makes the country one of the best in the world, if not the best, is the fact that we have workers' rights, a history and tradition which is free and democratic and which includes the right to collective bargaining. The collective bargaining process is essentially one which involves the views of management and labour. They come together to argue so that an agreement can be reached which is acceptable to both parties. When it comes to the issue of political rights for public servants, yesterday, today, and tomorrow, that process is taking place. We have a process in place where representatives of public servants through their union are at the bargaining table with the Government in an atmosphere where issues can be resolved.

I was surprised the New Democratic Party came forward today and tried to indicate to the House that the judgment of Members of the House of Commons should supersede the collective bargaining process. It really invited us, by asking for the subject matter of this Bill to be passed on to committee today, to abrogate the rights of workers to participate in the collective bargaining process. It was much like asking us to legislate workers back to work. I find that very surprising, I really do.

We on this side of the House have a sincere and genuine conviction about the rights of workers. If a matter turns out to be unresolvable in the collective bargaining process and there is need for action on the part of the Parliament of Canada, it would be appropriate for the Government to bring forward a reference establishing a committee to look at that issue and that issue alone.

There are many new Members in the House of Commons, but I urge all Hon. Members to consider whether or not it is appropriate to pass this kind of subject matter on to the Standing Committee on Miscellaneous Estimates. Essentially that committee is comprised of a group carefully selected by the nominating committee to look at budgetary matters such as budgetary consequences. Is it really the most appropriate group to look at issues relating to the Charter of Rights and Freedoms and at political issues in terms of the image of the Public Service of Canada?

Mr. Benjamin: Read the Bill.

Mr. Hawkes: I hear the Hon. Member for Regina West. I have read it. What the Bill fails to do speaks eloquently about what was on the Hon. Member's mind. In his Bill he says that we should open up the rights all the time to virtually everyone in every circumstance.

Mr. Benjamin: No, it doesn't say that.

Mr. Hawkes: It really does. It does not deal with this issue as the British Parliament has dealt with it. The British Parliament has dealt with it in a manner satisfactory to those who work in its Public Service by establishing categories of public servants. Some categories, such as people who have jobs as file clerks and so on, have all the political rights and freedoms which the rest of us enjoy. However, people in very sensitive positions are classified somewhat differently because of the belief that if they were to exercise those rights, the rights of others would be affected. I bring to the attention of the Hon. Member the fact that there are three—

Mr. Cassidy: Mr. Speaker, I rise on a point of order. In view of the importance of this debate, I would not like the Hon. member to overlook the reference to Section 32(6) in the Hon. Member's Bill, which in fact excludes deputy heads from the activities described and therefore makes the exceptions he is seeking.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa Centre (Mr. Cassidy) knows very well that that is not a point of order but is, rather, a question of debate.

Mr. Hawkes: It excludes 70 people out of a quarter of a million. If that is not virtually everyone, I do not know what is.

I bring to the attention of that Hon. Member and others that many public servants are, on behalf of all of us, in positions which require very sensitive decision-making. Let me use as an example a position which may appear simple on the surface, such as that of an immigration officer who basically has to make a decision whether or not someone is an acceptable or desirable immigrant to Canada. If he or she were to be viewed by applicants as favouring people of a particular political persuasion, would that be in the best interests of the applicants or of the country? What about those who make regulatory decisions?

Mr. Cassidy: What about them? Your Party favours the principle of the Bill. It said so in the campaign.

Mr. Hawkes: This Party favours the principle of the Bill that political freedoms and rights for Canadian public servants be extended as broadly and as securely as possible forever, so that a wrong which has existed for over a hundred years can be corrected. However, today, in February of 1985, this Party says to the House that representatives of public servants are at the bargaining table with the Treasury Board. The best and most knowledgeable representatives in terms of the sensitivities of their jobs are public servants. On this day this House should

not interfere with that process. We either believe in it, we either believe in the rights granted those workers, or we do not. The Progressive Conservative Party, the Government of Canada, in February, 1985 believes in that process and believes in those workers. We think the matter will come to its proper resolution.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The hour allotted for consideration of Private Members' Business has expired.

It being five o'clock, this House stands adjourned until 11 a.m. on Monday, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, February 11, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed from Friday, February 8, consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on Friday I had spoken for some eight or nine minutes on Bill C-26. Today I would like briefly to conclude my remarks.

The main point on which we were speaking at that particular time was not whether or not Hon. Members were against the provisions of Bill C-26 but that provisions of Bill C-26 do not extend to all people in need who are between the ages of 60 and 65. I am sure, Mr. Speaker, you would agree that it is not fair that some people be excluded from the provisions of Bill C-26.

On Friday we were speaking of a potential situation in which a widow would be eligible under this Bill while a single person of the same age and living under the same financial circumstances would not be eligible. I cannot for the life of me figure out why the Government does not insist on providing all people in need who are between the ages of 60 and 65 with the same kind of benefits. To discriminate against people because of their marital status is extremely unfair.

The other day we were discussing the fact that the Government, in its wisdom, has chosen to make certain people ineligible for this benefit. That is most unfortunate. We were also discussing the fact that the Government has decided that it has other priorities for its funds. I am sure that Hon. Members across would agree that the Government's spending of some $40 million or $50 million on coloured uniforms for the Armed Forces is a rather strange priority when those funds could be used to ensure that there are adequate benefits available for all people in need who are between the ages of 60 and 65.

[*Translation*]

Last Friday, Mr. Speaker, we were talking about the fact that, in his speech, my colleague from Montreal-Sainte-Marie (Mr. Malépart) had compared three different persons: the first was single, the second was separated or divorced, and the third was widowed. Their financial status was identical, but not their benefits. For the purpose of his speech, my colleague had decided to call his three constituents Mrs. LeBlanc, Mrs. Legris and Mrs. Lebrun.

Friday, Mr. Speaker, I pointed out to you that I had a picture which had been given to us by the Minister of National Defence (Mr. Coates), showing a Mr. LeBlanc, a Mr. Lebleu and a Mr. Legris. Messrs. LeBlanc, Lebleu and Legris are in the Armed Forces, and the Government found enough money to buy uniforms of different colours for those three gentlemen, but not enough to help the needy and the underprivileged.

In my opinion, Mr. Speaker, that is a rather strange priority for a Government which went on the campaign trail promising just about anything to anybody for any reason.

But it did make a commitment to the elderly—higher benefits. In that respect, I must say that the Conservative Government has once again hoodwinked the Canadian people by failing to provide similar benefits to Canadians whose needs are similar.

Mr. Speaker, I draw your attention to the fact that, in its approach, the Government has certainly neglected the Canadian people. And I am not the only one who says so, because in an article published this morning in a Toronto daily newspaper, Mr. Jeffrey Simpson refers to the Government priorities, a Government which has seen fit to buy uniforms for the military instead of helping needy Canadians.

[*English*]

The article to which I referred indicates in part that we should buy coloured uniforms for politicians if that is to be the priority rather than give funds to the needy. According to the author of this article, we could buy a uniform for the Minister of National Defence (Mr. Coates) in the colours of the American flag. That would be appropriate for that particular individual. For the Minister of Public Works (Mr. La Salle) we could buy a uniform made of pigskin. That would be good as it would indicate an intention of fulfilling one campaign promise that was broken by the Government. I will not bore you with all the other details, Mr. Speaker, but I will say that the author is of the view that we could have sheepskin jackets for all the Tory back-benchers who follow the Government so blindly and who do not have minds of their own on various important issues.

It is quite obvious that the provisions of Bill C-26 need to be examined very seriously. I invite the government back-benchers who are heckling at this particular moment to rise in their

places and tell the single people between the ages of 60 and 65 that they cannot have those benefits. I invite them to rise and say that the Minister is right, that we should buy coloured uniforms instead of giving money to the needy. If that is how he feels, he should tell the House and his constituents. They would be pleased to read that in *Hansard*, and they would treat it accordingly at the next election.

• (1110)

Obviously, the priorities of the Government are completely backwards. I would like briefly to describe a situation today which I described in the House last Friday. The situation involves a widow or a widower who is 60 or 61 years of age. In most cases it is the widows who are in financial need. However, the people who are in need, whether they be widows, widowers or single people, require benefits. In some cases widows receive survivor benefits from the Canada Pension Plan. However, divorced or single women do not have that benefit. So we can see that in certain cases the provisions in this legislation could be construed as being completely backwards.

It is obvious that a large segment of the population has been forgotten. I think that all legislators, before the end of this debate, will agree that the legislation must be modified. In addition, the Canadian population should seize the opportunity, when the House recesses next week, to tell their Members of Parliament that this law needs to be amended in order to ensure that no one is left out.

Another issue with which I have some difficulty is the way in which eligible individuals are determined. We could say that it is easy to determine, because we all know the definition of a widow. However, I do not believe it is easy and I would like to cite a few examples of how this issue could be complicated. If a woman's husband is deceased, of course she is a widow. But what happens if a widow remarries? Of course, if a widow remarries we could say that she is no longer a widow.

Mr. Grisé: What do you expect?

Mr. Boudria: I invite my hon. colleague on the other side of the House, who seems to be so smart on these issues, to answer the following question. What happens to the widow who remarries and subsequently divorces? Is she or is she not eligible for this pension? I would say that no one in the House has the answer to that question. According to the information which I have received, a person who remarries and subsequently divorces returns to the marital status which they had prior to the last marriage. That person would again have the widow's status which she had before. If that is the case, would she be eligible for this pension?

One thing is obvious. The Government House Leader, who is nodding, like myself recognizes that this legislation is impossible to administer in its present form. Being the objective, non-partisan person that he is, he will recognize that the only way to make the legislation work is to have it apply to all people between the ages of 60 and 65 who are in need.

Mr. Hnatyshyn: Let's get it into committee.

Mr. Boudria: Now that the Government House Leader has understood this, I am sure he will run off to tell his Cabinet colleagues that the law should not be passed in its present form. It needs to be amended to ensure that all Canadians in need will qualify and that there will not be discrimination based on marital status.

• (1115)

Mr. Deputy Speaker: Are there questions or comments on the Hon. Member's speech?

Mr. Horner: Mr. Speaker, the Hon. Member spent a great deal of time discussing the cost of these new uniforms. Has he any idea how much it has been estimated it would cost to restore the old uniforms? I understand that cost is equal to the cost of replacing the present uniforms.

Mr. Boudria: Mr. Speaker, I will give that matter all the attention it deserves. As far as I am concerned, the military are presently wearing uniforms and they can keep on wearing the ones they have. I put a question on the Order Paper months ago asking this Government what the value is of the stock of old uniforms we have on hand. The Government refuses to answer that question because it will embarrass the daylights out of it if we find out that we probably have millions of dollars worth of the old uniform stock which we can't get rid of right now. That is an embarrassing situation for this Government, Mr. Speaker. The last thing we need is a Government which intends, as its priority, to spend money on military uniforms of different colours—as colourful as they may be—for no apparent reason at all other than to satisfy some preconceived idea that the military had a long time ago about how cute they once looked when they had different coloured uniforms. Instead, I believe the Government should put that money towards meaningful social programs. I don't apologize for thinking we should put our money where it is needed, towards the seniors of this country, instead of into that kind of a scheme.

Mr. Dick: Then why didn't the Liberals do it in 20 years?

Mr. Keeper: Mr. Speaker, I have heard that some people in the military ranks, upon looking at the military expenditures, feel that the money could be better spent on refurbishing some of their equipment which is inadequate. In other words, there are more urgent and more useful ways of using these dollars, even if the dollars are to be used in the military sector. I am wondering if the Hon. Member has heard these same kinds of comments from the military people?

Mr. Boudria: Mr. Speaker, that is a very excellent question indeed put by the Hon. Member. I have had numerous conversations with constituents who are in the Armed Forces and I have yet to meet one who has told me that this investment—and I use the term generously—in new uniforms is worth while. All of the military people I have met were unanimous in saying that this is the last thing they need. They are of the view that putting the money into social programs, or even into other investments within the Armed Forces, would be prefer-

able to what is being proposed. There are other questions they want answered; I am sure the Hon. Member for Winnipeg North Centre (Mr. Keeper) has had the same reaction from military people in his own constituency. For instance, if a military person works part of the year at the Canadian Forces base at Ottawa North, which is the airborne type of military, and the rest of the year he works in another area of the Armed Forces, would that particular person have to switch uniforms twice a year because part of the year he is with the air force and part of the year he is with the army? So we will have people in fact having to have more than one set of these particular uniforms in order to satisfy the ridiculous idea of the Minister of National Defence.

To answer the question, Mr. Speaker, yes, the money would be far better spent elsewhere, even elsewhere in the military. As far as I am concerned, we should take that money and put it into the social programs represented by Bill C-26 so that the Bill can be enhanced to cover more people.

• (1120)

Mr. Deputy Speaker: If there are no more questions or comments we shall resume debate with the Hon. Member for York East (Mr. Redway).

Mr. Alan Redway (York East): Mr. Speaker, I am really delighted to have an opportunity today to address a few comments to Bill C-26 which will provide spouse's allowance to all widows and widowers between the ages of 60 and 65. I am told there is something like 85,000 of those people right across the country.

It is very difficult to know what sort of impact legislation, this legislation in particular, will have on one's own riding. However, as you may be aware, my riding encompasses parts of two of the six municipalities which make up Metropolitan Toronto; the City of North York and the borough of East York. The City of North York has a relatively young population. Only about 8 per cent of the population are 65 years of age or over. However, the portion of North York included in my riding contains the original community of Don Mills and Victoria Village, both of which were developed in the 1950s and early 1960s. Therefore the population in those particular areas is somewhat more advanced in age than is generally the case in North York as a whole.

As far as the East York portion of my riding is concerned, it is quite clear that this legislation will have a very significant impact. The borough of East York has a seniors population second only to the City of Victoria, British Columbia. In fact, depending on the study you look at, the population of seniors in the East York part of my riding is either 16 per cent or 20 per cent, and as high as 22 per cent for those 60 years of age or over. That category has been growing very substantially in recent years. Between 1971 and 1976 it went up by 1 per cent. Between 1976 and 1981 it went up by 2 per cent. A recent study by the planning department of East York indicates there is something like 6,000 people between the ages of 60 and 65 in that community, and of that about 1,000 would be single people living on their own. We have 282 ridings in this country and roughly 85,000 people who will be in a position to take advantage of this legislation. That works out to approximately 300 people per riding. If I have 1,000 people in my riding in this category, that means my constituency will potentially benefit about three times as much as any other riding. So there will be a very substantial benefit to the people of York East.

There is no doubt, Mr. Speaker, that we could have much better pensions. I do not think anyone on either side of the House, including Ministers, would not agree in their hearts that we could have better pensions if we had enough money. There are all sorts of things we could do. We could extend this spouse's allowance to cover single people as well as those divorced or separated. That goes without saying. We could also make this a universal pension. I might say that during the last election campaign there were a lot of people in my riding who pointed out to me that this is something the Government should be looking at. We should be looking at reducing the pensionable age to 60. They suggested we drop it a year at a time, starting with 64 and going down until we get to an old age security pension starting at age 60. They pointed out to me that this would have at least two dramatic effects. The first would be that all people in that age bracket who are now unemployed and cannot get a job because of their age would benefit and be able to withdraw from the labour force. Second, it would be an added incentive to people now approaching that age to retire early, therefore making jobs available for younger people. That is another reason we should be looking at improved pension benefits.

• (1125)

Another aspect is clearly the amount of spouse's allowance that we are considering. We are considering a benefit of just over $500 a month. That will total approximately $6,500 a year. Recent studies by the Metropolitan Toronto Social Planning Council indicate that it costs a single person in the senior citizen category living on their own in a home or apartment somewhere around $10,000 a year to support themselves. Therefore, Mr. Speaker, while this will be of great benefit, it will actually fall short of the money needed to live above the poverty line.

There are a number of benefits that we should be considering and a number of improvements that could be made to the old age security system. I think the Government House Leader (Mr. Hnatyshyn) put it quite correctly a few minutes ago when he said that this is much better than what we have now. It is fine to suggest that we do all of these things, and I would like to see us do all of these things, but we are facing a rather horrendous deficit. We have government expenditures for the coming year in the neighbourhood of $100 billion. Our revenue from all sources will be in the neighbourhood of $63 billion. That leaves us with a $37 billion shortfall. As much as I would like to see the benefits for seniors and near seniors extended beyond what we are suggesting today, it is obvious that this is a great step forward in light of the deficit which we face.

It is quite clear that if we want improved benefits for our senior citizens we must get our economy moving again in order

to generate the wealth to provide these benefits without interruption. We must also ensure additional benefits, such as a universal pension for everyone over the age of 60 and improved pension benefits to ensure that everyone lives above the poverty line. In that regard we should ultimately be aiming at something like a guaranteed annual wage. Of course, that guaranteed annual wage must not discourage people who have saved for their retirement. It must protect them at the same time as protecting those people who need help.

Parliament should be aiming at all of these things, Mr. Speaker, but they will all depend on the generation of more wealth in the country. Today we should be applauding the Government's move for improving the spouse's allowance benefits. All Members of the House should be dedicating themselves to getting the economy moving again, getting people back to work again, and turning people into taxpayers rather than welfare recipients so that they can generate the tax money in this country to provide for the things we are talking about today—a much better social security system and social safety network in the future.

• (1130)

Mr. Deputy Speaker: Since we have been debating this Bill for eight hours, speeches are now limited to ten minutes with no questions or comments afterwards.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to Bill C-26, an Act to amend the Old Age Security Act. The Act extends the spouse's allowance to low-income widows and widowers between 60 and 65 years of age. Single and divorced people in that age group are still excluded, according to the Bill.

While the New Democratic Party will support this legislation, I think our members have indicated a number of weaknesses in the Act which we hope the Government will address when the Bill goes to the committee. The main weakness is one which has been well documented and presented to the House. The benefits are extended to a very arbitrarily defined group. Their application is not universal at all and there is no intention for it to be universal. The Bill does nothing for low-income people between the ages of 60 and 65 who were never married or who are divorced. The fact that this legislation discriminates against a certain group is unacceptable in our society and this matter should be dealt with in the committee so that the Bill can be changed before it is enacted into law.

The other weakness that has been pointed out to the House is that if those in this particular age group are suffering financially at this time, then this Bill should be put into effect immediately instead of September, 1985, if it can be passed quickly. The fact that people need this help now means that they should receive the benefits of this legislation as soon as it can be passed. Therefore, we would like to see this legislation become effective immediately on the date of its enactment. If we recognize the need there is no reason why we should not act quickly.

The measures in this Bill are partly a response to the recommendations of the Task Force on Pension Reform which reported in December, 1984. Our member on that commission was Ted Miller, a member in the previous Parliament. He also made a minority report. He recommended expanding the general public program of Old Age Security, the Canada Pension Plan and Quebec Pension Plan by making them available at age 60. I believe our ultimate goal should be to have a universal program for all people.

Although some members of the Liberal Party in the House agree that such a change would be beneficial and should be implemented, the previous Liberal Government made no attempt to implement any of the recommendations brought before it by the Pension Reform Committee in 1983. Except for the two-stage, $50 per month increase in the guaranteed income supplement, the previous Government was content to leave pension changes to those that did not help lower income people but definitely helped the upper income groups in Canada. We support this Bill and are willing to discuss it in committee where we might be able to convince the Government to make some changes so that it will be less discriminatory.

Pensions have a very interesting history in Canada. The first old age pension legislation in Canada was introduced during a minority government in 1926. At that time the real impetus behind that particular move for pensions was instigated by J. S. Woodsworth who was the Labour Member of Parliament for Winnipeg North Centre. The measure was opposed by the Conservatives in the House back in 1926, then blocked by the Liberals and the Conservatives in the Senate.

Following the election of that year, when it became a campaign issue during the election, it was reintroduced by the King Government and passed the House and the Senate with very little difficulty. It is very interesting to note that that particular pension was $20 per month and very strictly means tested.

That particular period of history is very interesting as far as social welfare legislation in Canada is concerned and I would commend members in the House and other Canadians to read it. It shows the ability of one determined man or a group of seven Members in the House who were able to change the direction of social welfare legislation in Canada to a direction that has not changed perceptibly since that time. We have added to that legislation on several occasions.

The CCF conducted a considerable amount of policy discussion and development. When Stanley Knowles was elected in 1942, he immediately took up the responsibility of his predecessor from Winnipeg North Centre, J.S. Woodsworth, and called for pensions as a fundamental right and free from the humiliating means test. In 1952, ten years later, after considerable pressure from the CCF in the House, the Government introduced universal old age security and made it payable at age 70.

I am reviewing this history because since 1926 until now we have made inroads into taking the responsibility for senior citizens, recognizing their contribution to our country and that

we, as representatives of the people of Canada, have a responsibility for their dignity in old age with a lifestyle that is free of want. Consequently, we implemented the guaranteed income supplement, old age security, senior medicare programs as well as dental programs. Now we should be looking at the extension of these services to as many people as possible in that particular age group. Our policy suggestion has always been that if we cannot move the applicable age down to 60 universally, then what we should do is make the allowance available at age 60 for anybody who is not in the workforce. That is what we will attempt to do in committee.

• (1140)

Mr. Deputy Speaker: Continuing debate. The Hon. Member for Charlevoix (Mr. Hamelin).

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I am very happy with this opportunity to take part in the debate on Bill C-26, to amend the Old Age Security Act. Under this legislation, next September the spouse's allowance will be extended to all widows and widowers between the ages of 60 and 64 and living on low incomes. They will benefit from this allowance regardless of the age of their spouse at death.

Those Canadians will receive up to a maximum of $536.26 per month, to be indexed quarterly to the cost of living. More than 85,000 Canadians will benefit from this new measure.

Mr. Speaker, I think we should applaud this new proposal which will help consolidate and upgrade the old age security program. During the last election campaign, I met with groups of widows and widowers in my riding who took advantage of the opportunity to inform me about their extremely precarious situation. In many cases the sudden death of a spouse had left them without any significant income, often with dependents, either directly or indirectly. Those people had high hopes in our plan to upgrade the old age security system, and I am sure that today, they will be able to point with pride to their new Progressive Conservative Government that is going to "deliver the goods" and provide them with a significant measure of assistance.

The House will recall, and I think this is important considering certain arguments that have been made recently, that the implementation of this new proposal will involve additional spending of $190 million, and over $350 million in 1986-87 when the program has been in existence for one year.

Mr. Speaker, of course our Government would have liked to have done more for all individuals in the 60 to 64 age group by extending its program to those who are single, divorced or separated, as the opposition parties have insisted that we do. Unfortunately, the disastrous financial situation we have inherited from a series of previous governments precludes committing the $1.5 billion that would be involved in extending this program to all people on low incomes in this age group. Of course, the fact that previous governments saw the public treasury as a well that would never run dry is now preventing this Government from extending the program to all widows and widowers between 60 and 64, and this obviously leaves us very little room to manoeuvre and to do everything we would like to do to provide a decent standard of living for all these groups. It is also obvious that if we were not facing a deficit that will reach nearly $200 billion this year, our Government would be in a position to consider a far more generous old age security program.

I think we must regenerate Canada's wealth before we can share it. That is the objective and that is the position of the Government that was elected on September 4 of last year. We must stabilize the Government's financial situation. We are working on it very actively and we have no choice but to succeed unless we want to be haunted once again by the spectre of brankruptcy that threatened this country until September 4 of last year.

Meanwhile, although this measure is not a panacea for all the problems facing the elderly in general and widowed individuals in particular, the 85,000 Canadians who are anxiously waiting for Parliament to adopt this new measure will have cause to rejoice. I think that our Government and Progressive Conservatives and in fact the entire House will have cause for rejoicing, and I am delighted to see that this Government, as it said in the Throne Speech, is delivering the goods and is trying to gradually improve the old age security program, and I think this is a very significant measure that the House should approve.

Hon. Jean Lapierre (Shefford): Mr. Speaker, it was very interesting to listen to the debate and hear the Hon. Member for Charlevoix (Mr. Hamelin) sing the praises of this Government, but I am rather disappointed that the Hon. Member did not ask himself whether this measure was fair and equitable, whether this kind of discrimination was acceptable in a free and democratic society, and whether, now that we have our Charter of Rights and Freedoms, we can tell people: We are going to make a distinction on the basis of your marital status. Whether we can say, in a society like ours: Mrs. So-and-So, you are widowed and you are entitled to the allowance, and, to a single woman: You are not entitled to the allowance, when they are both in the same financial situation.

Mr. Speaker, I fail to understand why the previous speaker is not worried about the inherent injustice of this legislation. I think Hon. Members on the other side of the House are well aware of the fact that this Bill discriminates on the basis of religion. I see the Parliamentary Secretary, the Member for Brome-Missisquoi (Mrs. Bertrand) who is aware of the situation of nuns in Canada, especially Catholic nuns who, unfortunately or perhaps fortunately, are not allowed to marry, according to their religion, and who will now be discriminated against because they have decided to dedicate their lives to God, and although they "marry" God, they are not likely to be widowed.

Mr. Speaker, I am sure that our religious orders must be asking themselves some very serious questions about this Government. I see the Minister of Consumer and Corporate Affairs (Mr. Côté). I know he has nuns in his riding to whom he will be hard put to explain the fact that since they are not widowed, they will not be eligible for the allowance when they turn 60.

I would also like to mention the case of people who are divorced. What does the Progressive Conservative Party have against people who had an unfortunate experience in their lives and who have had to suffer the heartbreak of a divorce? Mr. Speaker, do we, as the Parliament of this country, have the right to discriminate against those who are divorced? Does our society not accept divorce, unfortunate though it may be? We should recognize the needs of these people. I realize the same applies to people who are separated. I fail to understand why this Government has decided to commit itself to meeting the needs of widows and widowers. I agree that widows and widowers have needs, but certainly not any more so than people who are single, separated or divorced.

Mr. Speaker, does poverty have a marital status? What this Government is trying to do is to treat marital satus as a basis for discrimination, and I am sure there are associations that will protest and take this decision before the courts. In Section 13, the Canadian Charter of Rights and Freedoms gives all Canadians the right to equality. I am positive that in the months and years to come, many cases will be registered with the courts.

When I see the Minister of National Health and Welfare (Mr. Epp) who sat with me on the Committee on the Constitution and made some excellent speeches against discrimination and now, the first Bill tabled by the Minister in the House contains all the elements that contravene Section 13 of the Canadian Charter of Rights and Freedoms.

Mr. Speaker, I think that in the weeks to come, Government Members will be put under pressure by those who are separated, divorced and single, and members of religious orders, and they will realize that the Bill is discriminatory and lacks the justification referred to in the Canadian Charter of Rights and Freedoms in Section 1, and I quote:

> The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

• (1150)

And to this day, after all the speeches we have heard from the Government side, no one has been able to show that that kind of discrimination is justified except by harking back to the deficit problem.

Mr. Speaker, there is no court of law where the point made by the Hon. Member for Charlevoix would hold. No court of law would tell him: Yes, in view of the deficit problem you may get away with discrimination. And this is the question in my view that the Government Members should ask themselves. They should go to their constituencies and ask those who are single, divorced or separated: Do you think this is fair?

Everybody will tell them: No, Mr. Speaker. We all agree that if the Government had been faced with a financial problem, certainly the solution would have been to progressively lower the age of entitlement. They could have said age 64 or 63, but the same should apply to everyone.

And this is what I am concerned about in this Government's philosophy: they selected one group, without any economic justification unless there is one in the briefing books of the Hon. Member for Brome-Missisquoi (Mrs. Bertrand). But I am anxious to hear her. She took part in televised debates, but then she was unable to substantiate her point.

That is the question that must absolutely be asked here, today. And I hope the Hon. Members opposite will be asking it too. I know, Mr. Speaker, that being a distinguished lawyer you have asked yourself that question, and surely you are in doubt as to whether in these circumstances discrimination is acceptable.

It is my hope, Mr. Speaker, that in upcoming minutes, upcoming hours, upcoming days, and hopefully in upcoming weeks, when this legislation is discussed, Conservative Members will manage to convince the public and the House that they have a right to resort to discrimination. It is against the spirit and the letter of the Canadian Charter of Rights and Freedoms. And certainly the courts will tell you that, Mr. Member of Parliament for Charlevoix. I am sure that within the next few months, this will be proven in court.

Now they say: Yes, that will cost millions and millions of dollars. I hope that Hon. Members can convince the Minister of Defence not to spend $54 million on uniforms. Speaking of choice for the Government, I feel it is more important to help our seniors than to change the colour of military uniforms. Mr. Speaker, our military personnel already have all the clothing they need but our senior citizens are hard put to buy clothes. And we know how destitute our citizens aged 60 to 65 and living alone can be. This is why the Government cannot hope to get off the hook by saying: "We have no more money:" They have money for new uniforms, for new cars. They want to buy guns and what have you, ships galore, and of course everything the Americans wish to sell them. But when it comes to our older people, they say: "We have no money!"

This is an argument the Opposition will not buy. We welcome the first parts of Bill C-26, but we know it is a piece of legislation that was hastily put up together. Of necessity they could not think of everything. The Minister of National Health and Welfare (Mr. Epp), who certainly has an innate sense of justice, certainly will reconsider his position at the urging of his Parliamentary Secretary who knows the real people, who certainly can tell him that in her constituency religious orders are not at all happy with that. She can tell him that in her constituency, separated or divorced people should

not be stigmatized for the rest of their lives, but should benefit now from the provisions of the legislation.

As I said, this is why, Mr. Speaker, we will try to convince them during the upcoming weeks, we will try to win them to our side. Indeed, backbenchers like the Hon. Member for Charlevoix, instead of trying to rationalize this Government's Bill, should tell the Minister: "We were elected to be fair and just." He should tell him that the separated, divorced or single people in his constituency also want this benefit and need it. This is what he should be doing. Not that I feel any urging to repeat what was said by the Hon. Member for Champlain (Mr. Champagne). But hearing the speeches made up to this day, that is the impression which one gets from the work of some Members. As we know, the Hon. Member for Champlain did not mean it as a compliment when he said his colleagues were "deuces of spades".

But I am anxious to hear him rise and tell the Minister of National Health and Welfare that the errors in the legislation should absolutely be rectified. I feel certain we would have a unanimous response from the House if tomorrow the Government were to introduce such an amendment. He could even make sure that this would be implemented now rather than in September, Mr. Speaker.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too am very pleased to take part in today's debate on Bill C-26. This Bill is indeed an important piece of legislation, aimed to extending the protection of the spousal allowance program to all widows and widowers between the ages of 60 and 64. As has already been well documented, the proposal would affect approximately 85,000 Canadians and thus add to the 94,000 Canadians who are currently already enjoying these benefits.

It is on the whole, I believe, a positive step which builds on the strength, the vision and the courage of legislation initiated by a former Liberal Government in 1975. In this regard I congratulate the Minister of National Health and Welfare (Mr. Epp). As a new Member of Parliament in this House, I have come to respect his abilities as a parliamentarian and, perhaps more important, his caring attitude as an individual.

Much has been said in this House about Bill C-26, but I would like to focus briefly on three important realities which I believe flow from this piece of legislation. The first is that of the 85,000 recipients, 72,000 or 87 per cent are women. Second, this Bill declares as ineligible over 80,000 Canadians between the ages of 60 and 64 who were never married, are separated or divorced. Third, there are countless couples between the ages of 60 and 64 who are facing severe financial pressures largely because their employment marketability is severely undermined by the traditions of our society. Their concerns are also unanswered by this Bill.

These are important realities which Bill C-26 does not address. The obvious question that Canadians are asking is, why not? While the Bill, I repeat, needs to be applauded for what it will accomplish, the legislation also speaks quite loudly about the matters that it does not advocate or will accomplish. Therefore, as parliamentarians, while we need to recognize the advantages offered by this legislation to Canadians, we cannot allow its limitations to be overlooked or forgotten.

We need to ask ourselves about the plight of Canadians who are between the crucial ages of 60 and 65 and find themselves alone with little financial security. We also need to come to grips with the harsh realities facing women within this age bracket. We need to understand the many faces of poverty and admit that they do exist with all too much frequency in our communities and across this country. We need to face those realities and we need to act. We therefore need to discuss and subsequently implement matters of pension reform, matters of homemakers' pensions and improved benefits for part-time workers.

In his speech on this Bill the Minister of National Health and Welfare spoke about poverty and the fact that widows in particular are among the poorest in Canada. He then touched upon the employment shortfalls:

> Let's not kid ourselves: in most instances, the 60 to 64-year old widow is not the one the personnel manager will hire. Why hire someone who might have only a few years until retirement while there are other young and perhaps better educated people competing for job openings available today?

The Minister was correct in his analysis. It is shared, I believe, by all Members of this House, but the scope of this analysis was all too narrow. The single, separated or divorced 60 to 64-year old is also fighting for economic survival. The single, separated or divorced 60 to 64-year old also faces employment discriminations. There are also 60 to 64-year old couples who face increasing difficulties. The situation where the husband or the wife is laid off and the salary of the other partner becomes a single salary and quite inadequate to make ends meet, also warrants a concerted effort on our part. This Bill does not make that effort.

• (1200)

Just last week I visited a couple faced with such a dilemma. The husband is 62 years old and has worked all of his life in construction. He was recently laid off but construction work has been his only employment experience. Thus he is seeking a similar job. His problem, and he realizes it, is his age. He too is the first to admit that perhaps a younger person would be more physically suited to that position. His wife, who is one year younger, has worked for 30 years cleaning and scrubbing other people's floors. She too is at the point of being physically worn out and she too feels that it would perhaps be appropriate for her to step aside in favour of a younger person in need of work. The question, however, is how can she do so?

I am not suggesting that this is the definitive experience of all Canadians. However, there are too many similar real-life cases. There certainly are enough such cases to justify a change and enough for us to realize that people in the age group of 60 to 64 merit special and careful attention from Parliament and indeed society.

During the recent federal election campaign and subsequent visits and discussions with my constituents in York West, the

most often repeated concern from old, middle and younger-aged alike was the matter of old age pension eligibility being 65 years of age. My discussions clearly indicated to me that this threashold age is in need of urgent reform. Canadians are looking to other countries that currently provide pensions for men at 60 and women at 55. These countries have undertaken this progressive legislation despite the fact that they have less resources and wealth than our country.

If the Canadian couple I illustrated earlier did have access to pensions at the ages of 60 and 55 respectively, would it not ease their lives? Would it not permit the wife to stop scrubbing floors? Would it not permit the husband to ease up and perhaps pursue a hobby rather than look for more mortar and bricks on yet another construction site? Would it not allow the couple to live a happier, less hectic and less pressurized lifestyle? Would it not also allow other younger individuals seeking work a far better chance of finding that work? It is my opinion that Canadians share this concern and that the answers to those vital questions would be in the affirmative.

Quite often our country's status among other countries is measured in terms of wealth or economic output. While this is a valid and accepted form of comparison, this measurement should also be complemented by a social indicator that would reflect the type of lifestyle that Canadians lead, the benefits they enjoy from their Government and at what age these benefits come into force. If we followed such a practice, we would be surprised to learn that while some other countries trail Canada in over-all economic production, the sum lot of the individuals in those other countries is in some cases superior to that of Canadians.

An important facet of this social equation concerns the elderly and near elderly in our society. Earlier in this debate my colleague, the Hon. Member for Mount Royal (Mrs. Finestone), reminded the House of an old proverb which says that we can judge a society by the way it treats its elderly. I believe that that proverb is a very real and accurate one and one that is central to any discussion we are to have on Bill C-26. This legislation, as I indicated at the outset, moves in the appropriate direction but it definitely needs to be strengthened in order to make up for its shortcomings and it needs to be embodied as one component of a larger and more comprehensive policy thrust.

I hope and Canadians hope that Bill C-26 is but the beginning. While this legislation will no doubt improve the lives of some 85,000 Canadians, what do we say to the other hundreds of thousands of Canadians who are asking themselves: "What about me?" What do we say to the single, divorced or separated men and women of our country who are between the ages of 60 and 64? What do we as a country say about the over-all state of affairs for Canadians approaching their sunset years? We cannot afford to leave these individuals behind. If we do, we cannot truthfully say that Canada works well and fairly for everyone.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to say a few words about Bill C-26, an Act to amend the Old Age Security Act. I would like to make three or four observations in the short time available to me. My first observation is that I acknowledge that this Bill is a step in the right direction in terms of recognizing one of the many problems that were outlined in the report presented by the Task Force on Pension Reform in December, 1983.

Just to preface my remarks, I would say that I am listening with interest to my colleagues and friends from the Liberal Party who rise to ask why the Government is not recognizing these problems. I would point out that the report commissioned by the Liberal Government through the task force hearings was tabled in 1983. If members of the Liberal Party were concerned about what was happening to the seniors of our country, there were ample opportunities to introduce legislation, particularly after the task force report laid out its recommendations so very, very clearly.

The member of the New Democratic Party who was on that task force, a member who came from British Columbia, wrote a minority report because he did not feel that the task force went far enough. He felt that there were a number of things on which the Government should act immediately. Just to put today's comments made by members from the three political Parties in some context, I think that that was an observation worth making.

We have some concerns about the legislation but we are certainly not going to hold it up. We will be raising these concerns at the appropriate time in committee. However, let us recognize that the benefits provided by the Bill, which basically extend the spouse's allowance to all low-income widows and widowers between the ages of 60 and 65, leaves single and divorced people in that age group excluded from consideration. It is a very arbitrarily defined group at which this increase in pension is aimed. The Bill offers nothing for low-income people who are between the ages of 60 and 65 who have never married or presently are divorced.

As well, it is useful to point out that the amendments, once approved by the House, will not come into effect until September of this year. We are hearing good arguments from all spokespersons that there is a need to move with some haste. I would like to think that we need not wait until September of this year before action can actually be taken.

As the person who last spoke indicated, how we treat the elderly of our society is a pretty clear reflection of how advanced, mature and civilized we are as a country. I think that there is a good deal of room to move in that respect. There is much that can be done.

There are two issues to which I would like to see some thought given on behalf of the seniors of the country, recognizing the contributions they have made to our society, and one of those is the issue of senior citizens' housing. In many communities across the country, both large and small, there is a growing need for senior citizens' housing of a variety of types.

I might say that in the province from which I come, the Province of British Columbia, while the allotments of money are somewhat limited as compared to the federal Government,

such housing does exist. However, the provincial Government, in the name of restraint, has decided that it will not build any more senior citizens' housing units in the Province of British Columbia because it is not a priority and the Government simply cannot afford to do so. I think it is a very cutting comment to say that the Government cannot afford to provide decent housing for the senior citizens of the Province of British Columbia. That tells us a great deal about where the priorities of the Government of British Columbia lie. We must look at ways and means of providing better housing for our senior citizens in the country.

As well, we should use this debate as an opportunity to flag an issue that should be dealt with now, and that is the matter of providing more opportunities for early retirement. On Friday we learned that the unemployment figures had leaped significantly higher than they had leaped for a considerable length of time. The number of unemployed in Canada appears to be growing. We heard from the Minister of State for Youth (Mrs. Champagne) and from many of the spokespersons in that Party that the young people are the ones who are being particularly hard hit during this time of recession or virtual depression-like conditions.

Those people who have the means and the will to retire at an age other than 60 could take an early retirement option and that would provide opportunities in the workplaces of the country for young people to access the job market.

• (1210)

This week a major report in one of the metropolitan newspapers indicated that many seniors have been fortunate enough to put money aside and are financially prepared for their retirement years. Those seniors are prepared to retire at an age other than 65 or, perhaps, 60. They will be able to live the rest of their lives with enjoyment and satisfaction. That early retirement will enable those seniors to do a variety of things which they have looked forward to during their working lives. Rather than paying UI or, indirectly, welfare benefits from the federal coffers, we could provide a pension for people who are considering retirement at an age earlier than the traditional age, and that would provide much-needed jobs for the young people in our society.

In conclusion, I would like to say that we will be supporting the principle of the Bill at second reading. However, we look forward to committee stage in order to consider extending the group that is involved, which has been arbitrarily defined. We will also make an effort to have this legislation become effective prior to September of this year.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, it is obvious that no other Member is interested in speaking on this legislation at this particular moment. Of course, I am sure that there are Members who wish to speak and, during the ten minutes which are allotted to me, I am sure other Members will come into the House to express their opinions.

I have listened to the debate and, when I was not able to be in the House, I read the debate in *Hansard*. I think we must realize one thing. When we pass legislation such as this we must be careful when we say that the legislation will benefit *x* number of people. In any social security legislation which is passed by the Parliament of Canada, we must be very careful when we say that it will benefit, for example, 85,000 people, as has been stated in this Chamber.

There are certain people who will qualify under this legislation. They will receive a cheque, but they will not be allowed to keep one penny. They will not benefit from the legislation. That is a very unusual statement for a Member of Parliament to make. I am referring to the thousands of people who are in institutions, or who are in government-subsidized nursing homes, senior citizens' homes or homes of special care. I bring this up today to make an appeal to the Government of Canada and to the Minister of National Health and Welfare (Mr. Epp). There are certain standards in Canada which are not being maintained. It requires a strong arm on the part of the federal Government in dealing with provincial authorities and regulations. I am referring to the whole question of the social security safety net.

I would like to illustrate a situation. Suppose a person was about to retire, without money, and that person was going into a senior citizens' home, a nursing home or a home for special care, and had a choice in which province they would retire. Where would that person retire? It is an important question. Under this legislation, with a person between the ages of 60 and 65 who is in an institution which is being subsidized under the Canada Assistance Plan and through the provincial departments of social services, it would depend on which province that person decides to live in that determines the amount of money which will be made available to them. I find that absolutely incredible.

If we looked at the comforts allowance that a senior citizen or a person between the ages of 60 and 65 is allowed to keep out of the cheque, we would find that one province in western Canada will only allow that person to keep $34. However, if that person was not receiving the cheque, they would still receive $34 from the provincial department of social services. Of course, that $34 is cost-shared under the Canada Assistance Plan and comes from the federal Government Department which is introducing the legislation. In another province that person would be allowed to keep $115. In Ontario, if the person is between the ages of 60 and 65, they would receive $77. However, if that person is older than 65 years of age, they receive $105.

Who determines on a national scale how much money a senior citizen requires to buy birthday or Christmas presents for their grandchildren, to buy pipe tobacco if the person smokes, or to buy a bottle of brandy once a month? Who determines how much money senior citizens are allowed to keep from their comforts allowances? As a policy, it is a decision of the provincial Government. No one in this Chamber can say that a measly $34 a month is adequate for a senior citizen who is living in a senior citizens' home.

We must also realize, under the financing arrangements with provincial Governments, that the deficit on the operation

of senior citizens' institutions is cost-shared monthly with the federal Government on a 50/50 basis. In other words, a person between the ages of 60 and 65 will not benefit from this legislation. That $500 cheque will go to the person and they will be given back an amount of money which is exactly equal to what they received before they qualified for the cheque. The federal Government, through one branch of the Department of National Health and Welfare, is paying $500 on the deficit of operating the home for that particular senior citizen, whereas previously the total deficit was shared on a 50/50 basis. In other words, by issuing that cheque the federal Government is reducing the provincial Government's input on the debt of that institution.

I have brought this matter up today because I have noticed that this Government wants to have a very cosy relationship with the provincial Governments. The Government will not object to provincial regulations in which the net benefit to senior citizens has varied by as much as 300 per cent between the provinces since December 31. It is alarming. We cannot call it a social security safety net. Some provinces have 90-day rules respecting welfare. People can starve under that rule. People say that we cannot starve in Canada, but the fact is that we can if there is a 90-day rule respecting welfare. In other words, if a person made more money than they would have received from welfare and they lost their job, and the amount of income from that job amounted to more than they would have received from welfare for the previous 90 days, that person would not qualify for welfare for 90 days.

Something should be done. There should be a national standard. The Minister should amend the Bill to allow a person living in an institution to keep 50 per cent of what they would receive under this legislation. The Minister should also change the rules as they apply to other branches of his Department, such as the Canada Pension. For example, let's say that someone applied for disability under Canada Pension and over a period of two or three years he argued the point with Canada Pension. Then all of a sudden he is notified by Canada Pension that he will receive $8,000 because his claim became effective two years ago. That person would then be horrified to discover that, because of a recent agreement with provincial Governments, 100 per cent of any kind of assistance he receives from the provincial department of social services for drugs and so on will be deducted from the disability payments under the Canada Pension Plan. In other words, the person ends up getting nothing for the period for which he qualified. The cheque is automatically sent to the provincial Government.

● (1220)

There is the straight injustice of the matter, Mr. Speaker, but what is more, the federal Government in effect is paying $3 for every $1 that the province puts out. In the first instance it is 50-50 cost-shared under the Canada Assistance Plan, and then there is a lump sum payment equal to the total amount of social assistance paid out. In other words, the provincial treasury actually makes money on the deal.

I am sure there are other points, Mr. Speaker, which other Hon. Members will want to make in the continuing debate on this Bill. There are many things which should be said. I call on the Government and the Minister of National Health and Welfare to give us the assurance that, when he says that 85,000 Canadians are going to benefit from this legislation, 85,000 Canadians will benefit, including those in senior citizen homes, nursing homes, homes for special care, or those in any subsidized housing which the Government cost-shares under the Canada Assistance Plan. That is not the case today. The Minister should be made aware of that fact and should change the legislation accordingly to guarantee the individual at least 50 per cent of the money which we are saying he will receive.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, at first glance, Bill C-26 should give many Canadian citizens a reason to rejoice, and rightly so. When the Government announces that a number of Canadians, widows or widowers, between the ages of 60 and 64, will be eligible for the Guaranteed Income Supplement or its equivalent, this is of course a positive point, and we on this side of the House have said as much in the course of this debate.

We have also pointed out that this improvement to previous legislation is in fact the outcome of action taken several years ago by successive Liberal Administrations which have shown an ongoing concern for senior citizens, by introducing the Old Age Security Pension, the Guaranteed Income Supplement, the Spouse's Allowance and indexing of pensions and regular increments. Bill C-26 is of course one more step in this direction, and we welcome it.

However, we do not welcome the discriminatory aspect Bill C-26 contains. It is a little like deciding, for no particular reason, to give one child an allowance of $5 a week and the other nothing, even if they happen to be twins. What is happening here? A woman of 63, for instance, who is in financial need and who is a widow will receive an allowance, and another woman who is single will not. That is the kind of discrimination we want to bring to the Government's attention and which we urgently want to see corrected.

A while ago, the Hon. Member for Charlevoix (Mr. Hamelin) in his speech explained that it was mainly for a financial reason and he quoted a figure of $1.5 or $1.4 billion. Mr. Speaker, it would not take a billion and a half to correct the injustice contained in Bill C-26. We are talking about 80,000 people and the estimated cost is around $270 million, without mentioning the fact that, by extending the benefits of Bill C-26 to single, divorced or separated people, there would be a decrease in the amount spent on cost-shared programs, as mentioned by my colleague just a moment ago, because, whether those eligible are widowed, single or divorced, if they are eligible, it is because they need assistance.

These people already receive social assistance, and since the costs of social welfare programs are shared equally by the

Federal Government and the provinces, it is obvious that the net amount of $270 million which has been mentioned would be reduced by several million dollars to take into account the savings realized under the Canada Assistance Plan.

There is also the fact that if this program were extended and its discriminatory aspects eliminated, since this is a universal program, which means that all those eligible receive benefits, we would also be removing some of the concerns of a great many senior citizens and giving them social tranquility and peace of mind about their economic security all of which would probably reflect on the state of their physical health which would also be an additional advantage.

What is even more important, Mr. Speaker, is the savings that will be made because of the subsidies. My colleague explained this earlier when he outlined very clearly how senior citizens who are affected by these programs or bills similar to the one under consideration and who are treated in senior citizens homes, and residences and asked whether they would be left with the same amount of money as they were under the regulations applied since December 1984. My colleague, who has a lot of experience in this regard, mentioned an amount of $34 in certain provinces and $77 in others, which means additional savings.

I can assure the Hon. Member for Charlevoix that the net amount necessary to eliminate the discrimination contained in Bill C-26 is not $1.5 billion, and not even $270 million, but perhaps $100 million. This is the amount which would put some equity in our system and eliminate a type of discrimination which is totally unacceptable. Later on, I would like to say a few words about the way this bill will be administered, which will be extremely difficult if it remains in its present form. What I want to emphasize however, is that we could at the same time remove this discriminatory aspect and treat all citizens equally. Nowadays, because of our changing society and societal attitudes, there is much more understanding for people who, for one reason or another, have become divorced or separated. Today, this is much more acceptable and even permissible socially. Why should these people be treated differently?

Mr. Speaker, if we are objecting to that discrimination and pointing out that the funds involved are not excessive, we also want to emphasize the administrative nightmare that will result if Bill C-26 is passed without amendments, because all kinds of cases will occur. I will ask the minister how he defines a widow or a widower. The answer will be: It is quite simple, it is the person whose spouse is dead . . . However, what happens to the person whose spouse is dead when he or she remarries or is separated? How will that situation fit with the definition? Such cases exist, and they are not uncommon, as any member of this House will know. How will you deal with such individuals? Will they be considered a widower or a widow or as separated? This is fertile ground for discrimination.

• (1230)

Let us consider also the administrative aspect of the problem; the monks and nuns to whom my colleague from Shefford (Mr. Lapierre) referred earlier have taken a vow of celibacy. Does it mean that they are entirely ineligible to government assistance? I think that it could be highly discriminatory and some answers will have to be provided with respect to the administrative aspect.

Mr. Speaker, even if Bill C-26 is an interesting improvement, and I readily admit it, I do not understand why such discriminatory provisions are included in the bill, thus creating many problems. All the members, for example, have visited homes for the aged where the main activity is a game of bridge. There will be four persons around the same bridge table having the same financial means, one of whom will receive the pension and another not.

Mr. Speaker, before concluding, since you have just indicated that the time allotted to me is almost expired I would like to come back to the financial issue and reiterate that the additional cost to the government to remove the discrimination in Bill C-26 is not as substantial as suggested by the Hon. Member for Charlevoix (Mr. Hamelin) if we take into account the savings made in social welfare and administrative costs for the care of individuals residing in senior citizens homes, then the net disbursement by the government is not $270 million but much lower. Moreover, if we also take into consideration other programs announced by the government such as the new uniforms for the Armed Forces or some of the answers given to questions on the Order Paper dealing with expenditures made by this government, I am convinced that we could give the priority to our senior citizens and remove that discrimination from Bill C-26.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I am pleased to have an opportunity to speak to Bill C-26. First of all, I rejoice with those who will qualify for the allowances, some 85,000 Canadians. It has also been pointed out that these allowances will go mostly to needy people and others experiencing difficult times. It is indeed appropriate that we rejoice, Mr. Speaker, But why have single and divorced people been left out? How is it that single people aged 60 to 65 as well as divorced people in the same age bracket are not eligible for those allowances? Are they not full-fledged citizens like others, Mr. Speaker? Why create a second class of citizens who will be treated less generously than others?

Here is what the Minister of National Health and Welfare (Mr. Epp) said about Bill C-26:

[*English*]

This is an important step towards greater social justice.

[*Translation*]

And the Minister went on to say:

[*English*]

Even in a period of economic restraint we have an obligation to those who need help most.

[*Translation*]

Mr. Speaker, I fully agree with the Minister's statement—we must help the needy even in times of economic restraint.

However, I have one question. Why does the Minister talk about social justice and help for the needy, while seemingly prepared to create an injustice? To my mind, the injustice lies in the exclusion of single persons aged 60 to 65 and of divorced people.

We have been told that we are going through difficult times and that the Government must keep a close watch on expenditures. Of course, we have to keep a close watch on expenditures, we must always do that. But at times like these, the first thing to do is to set priorities. Although the economic prospects are discouraging, money has been found to dress up our Armed Forces in brand new uniforms. This is probably a commendable endeavour, but if we think of those uniforms in terms of the issue we are now debating—excluding single and divorced people from the provisions of this Bill—I would suggest that we have to establish priorities in accordance with needs.

With respect to the military, can we say that the need was real, that the people in our Armed Forces just could not do without new uniforms? Can we say that their need was as real and urgent as those of Canadians aged 60 to 65? What we have to do, Mr. Speaker, is to decide where our priorities lie, who will benefit from our services.

Mr. Speaker, my riding of Westmorland-Kent has a very high rate of unemployment and the entire Province of New Brunswick does not fare any better: ours is the third highest rate of unemployment in Canada. Why am I mentioning the unemployment rate? Simply because I was reminded, when the relevant data were published over the week-end, that once again unemployment had gone up in Canada. If I insist on this, it is not only because the general public in my area—the people back home, as I should say—are affected, but because a particular group, namely those who are 60 years old and over, are most severely affected. These people have much more difficulty finding jobs because whenever they apply, employers unfortunately have a tendency to give the preference to less mature people. And because the unemeployment rate is very high back home, there are a great many young people looking for jobs, which makes the situation even more difficult for people who are 60 years old and over.

● (1240)

Mr. Speaker, we must help all these people who are 60 years old and over. We must see to it that they are not discriminated against. Mr. Speaker, I should like you and all Hon. Members to answer this question: Who can state positively that single and divorced people have worked less hard for Canada and, therefore, have contributed less to the economy of this country?

That is a question we must ask ourselves, Mr. Speaker. Are there any good and valid reasons to exclude these people? We must see to it not only that the relevant benefits apply to all people 60 years of age and over, but that we speed up the adoption of this bill and make it effective before September 1985.

In conclusion, Mr. Speaker, I would like to take up the statement made by the Hon. Minister of National Health and Welfare (Mr. Epp) to the effect that even in this time of economic restraint, we have an obligation to provide help to those who need it most.

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I too am pleased to say a few words today about Bill C-26. I am really surprised to see our Liberal friends launching such an irresponsible attack against our Bill.

Mr. Speaker, it goes without saying that I too would like these provisions to apply to all needy people, but it is better to help categories of people such as those most in need than not helping anybody. We have been in office for four months now and we began by gradually helping the most underprivileged Canadians. It is not as if we were helping everybody, of course, but the Liberals did even worse since they did not help anybody. So why are they now making such a fuss over the fact that we want to help a group of people who are among the most needy in our society, those between the ages of 60 and 64? If we had adequate resources, I would be the first one to stand up and say that we ought to help all others as well, even those over age 64. I wish we could help people of 50 or more if it were possible. We are doing what we can, and I think it is better than nothing at all. In twenty years, the Liberals did not even cover half the distance we have gone in four months. It seems to me they will have to show more flexibility and agree with us on that point.

Earlier today, one of my colleagues brought up the case of widowers who have remarried and then separated again. Such people do not really belong to the group of people covered in this Bill. In many such cases, they may have additional income or get matrimony allowances. In other words, their situation is different, as are their needs. I readily endorse Bill C-26 because I am convinced that it is a worthwhile measure which will help a group of our fellow Canadians who are really in need. Better to help them than not helping anybody at all. I support this Bill without any reservation and I would suggest that our friends in the Opposition are shirking their responsibilities when they speak out against it.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to discuss the impact of Bill C-26 and the spouse's allowance provisions of this important Bill. As far as this Bill goes, it will certainly provide an additional benefit to widows and widowers. It will extend the provisions made in 1975 and expanded in 1979. Benefits paid to persons between the ages of 60 and 65 will be improved. That recommendation was made by the special committee on pensions. The proposals are to be applauded as far as they go.

A great many people in the age group 60 to 65 are unemployed. They often have ill health, do not qualify for provincial disability pensions, and require additional funding. Approximately 94,000 Canadians now receive the spouse's allowance. Those people receive it because their spouses receive the old age pension and guaranteed income supplement and they meet the requirements of the income test. Bill C-26 will extend that benefit to widows and widowers in the age group 60 to 65. It is very beneficial in that regard.

To receive a benefit a person will not have to lose a spouse who is receiving the old age pension or guaranteed income supplement. They will only have to be in the appropriate age category and qualify with regard to income levels. This provision will extend the number of recipients across the country from 94,000 to 179,000. From that point of view it is a very good move.

• (1250)

The concern being expressed in old age residences and other facilities throughout the country is why there should not be total equity in this program between widows and widowers and others in the same age group with the same financial level. For instance, why can it not be provided to divorced people as well, who often face serious financial difficulties when they move from a relatively secure situation when married to a poorer financial situation when divorced?

Of course, there are those who have never married. There are men in this age group who have lost their jobs after productive years of work and women who do not have a job or are unable to work because of ill health. I believe that the demographics and studies of that age group indicate that the lowest income group are women from 60 to 65 who do not have other sources of income.

It is difficult to explain why the Government would introduce legislation that favours widows and widowers over people who have never married and those who are divorced. I have had inquiries from my constituents about why these provisions are not made available to all people in this age category with income levels of $10,728 or less. I hope the Government will introduce an amendment to assist this group because it is certainly rank discrimination on the basis of marital status.

I suggest that if the Government referred this Bill to the Supreme Court it would find that it is discrimination that would not be allowed under the Charter of Rights and Freedoms. If the Bill is passed in its present form I am sure it will be challenged in the Supreme Court on the basis of discrimination because of marital status.

I hope before the Bill passes second reading stage the Minister will extend these benefits to people who have never been married and people who are divorced. It would be quite improper for the Government to provide benefits purely on the basis of marital status. I suggest that is unacceptable to all Canadians.

It is quite possible that this legislation was debated in Cabinet before it was introduced in the House. I can only surmise that perhaps it was drafted on the basis of a recommendation by the Minister of Finance (Mr. Wilson) who was trying to save money. The fact is that it would cost somewhat more to provide the benefits to people who have never been married and to divorced people. In fact, it would cost $135 million per year to extend the benefit to separated and divorced people and it would cost $180 million per year for people who have never been married.

However, when one considers the fact that the program as it is proposed now will cost $1.345 billion, surely it is not an unreasonable financial expenditure in order to provide equity to these many other Canadians. They have worked hard in this country and have contributed to OAS. They also paid their taxes according to the earlier provisions in the Income Tax Act which provided for a separate contribution to the old age security fund. Those Canadians paid their taxes under that regime during the 1940s, '50s and part of the '60s in anticipation of receiving the full benefit when they retired. Now we see a proposal being put before the House which discriminates against this group of Canadians between 60 and 64 who are single, separated or divorced.

I hope the Government will realize the unfairness of this Bill and introduce an amendment before we finish second reading. In that way, these 80,000 or 90,000 Canadians who have contributed so much throughout their working years will not be discriminated against and hopefully the Bill will be more fair and equitable to everyone concerned.

Mr. Gauthier: Mr. Speaker, I am pleased to rise in the House to debate Bill C-26 at second reading. It being so close to one o'clock, and for the sake of continuity in my address, could I call it one o'clock and continue my comments this afternoon?

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I call it one o'clock. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 12.57 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EMPLOYMENT

CHALLENGE '85—CALL FOR PROGRAM CHANGE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, last week, two months later than usual, the Minister for Employment and Immigration (Miss MacDonald) produced her summer employment program. What did these two months of delay and procrastination give us? To begin with, as a result of these delays it gave us a program that will be more difficult to implement for students this summer. Second, it gave us a program in which there is less in real dollars this year than there was in last year's program. Third, it gave us a program in which many of the elements are the same as last year but where there are different names. For instance we have "Challenge '85" instead of "Summer Canada". Fourth, and finally, it gave us a program where there is a higher priority for employment with big business than for employment with non-profit community organizations.

It did not give us, as the Minister claims, a program that is more career related. That was a principle object of last year's program as well.

Therefore, after a delay of two months, the principal result is a summer employment program with a higher priority to big business than to community service. Now, however, there is some doubt whether big business can even deliver on those jobs that were promised. In Saturday's *Citizen* several spokespersons for big business stated they cannot guarantee the creation of 10,000 summer jobs as claimed by the Minister.

While there is still time, I ask the Minister to change this program to allocate specifically a good percentage of the money to community services and thereby assure students and regions of a greater number of summer jobs.

* * *

[*Translation*]

CANADA POST CORPORATION

REGIONAL WEEKLY NEWSPAPERS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, Canada Post Corporation is eating into the profits of small newspapers by charging delivery rates for advertising inserts with which small businesses cannot compete.

Moreover, publishers will not accept to pay for the Canada Post Corporation's deficits because they cannot expect to be subsidized whenever they run a deficit, as does the Crown Corporation.

The implication of such unfair competition is in the longer term the total disappearance of regional weekly newspapers and the information they disseminate, and in the shorter term lower profits resulting in a further reduction of already very small editorial staffs.

As a former newspaper publisher I am very much aware of everything that worries editors.

Mr. Speaker, it has come to my knowledge that the management of Canada Post Corporation intended to meet soon with spokesmen from the Government.

This is why I am asking those Government spokesmen to find, within the shortest possible time frame, a solution that is favourable to regional weekly newspapers, because their survival is at stake.

In view of the number of other complaints we have concerning the service provided by the Corporation, I urge you to impress upon the management the mandate of that Corporation, which is first and foremost to distribute the mails to all Canadians as fast as possible.

* * *

[*English*]

EMPLOYMENT

CHALLENGE '85—IMPACT ON INDIAN YOUTHS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Challenge '85, the Government's summer job program, completely fails to meet the needs of Indian young people. Population statistics show a much higher percentage of Indian young people entering the labour market than in the case of the general population. But these young people have very few economic opportunities because of growing pressure on their land and resource base. The tragic consequence of this can been seen in statistics on suicide, alcoholism, and imprisonment.

What does Challenge '85 offer? Only the native internship program which is designed for native students to "gain an understanding of how the federal bureaucracy works", as though Indians can solve their economic problems by becoming bureaucrats. Where are the funds that will go directly to Indian bands or native organizations to help them run projects that are important to them?

Last week the Minister said if the moneys were not taken up by the private sector, it would be there for other groups. In other words, Indian young people will get the crumbs that fall from the table of the private sector.

Where are the provisions for employment equity in the private sector? What provisions are there to ensure that funding is spread fairly throughout the province instead of being used up in areas where the economy is strongest and unemployment already lower?

Indian young people deserve better than this.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

THE ECONOMY

PUBLIC'S RESPONSE TO GOVERNMENT MEASURES

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, several economic and financial indicators clearly suggest that Canadians are beginning to respond positively to the measures that this Government has taken to revitalize the Canadian economy.

The new direction for our journey of economic renewal is proving to be as rewarding as it is challenging. The process of recovery is producing results that boost confidence and demonstrate to the people that this Government is capable and prepared to provide real leadership.

These improvements represent only the first few steps toward our ultimate objective, but they nonetheless point to an encouraging and hopeful trend. Since September, close to 100,000 jobs have been created; inflation has dropped to a 13 year low of 4.4 per cent in 1984; economic growth in the third quarter of the last year clocked in at an impressive 7.6 per cent, and Canada's trade surplus is at a record high level.

Our unprecedented commitment to consultation with the people of Canada on the important issues that affect them has inspired their willingness to take up the challenge and join us in our journey toward economic renewal.

Our nation is poised for greatness as we prepare to unleash the spirit of enterprise, risk-taking, and initiative that can contribute so much to economic growth, development, and confidence which this nation so badly needs.

* * *

EMPLOYMENT

CHALLENGE '85—APPLICATION TO NEWFOUNDLAND MUNICIPALITIES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I wish the Minister of Employment and Immigration (Miss MacDonald) had shown that same confidence in her summer student program that she announced recently. It is interesting to note that, of the $205 million, some $20 million is for loans to students so they can hire themselves during the summer and pay the money back to the federal Government. Even more outrageous is the fact that this program is heavily geared toward metropolitan areas. In Newfoundland, the businesses and government Departments are located in the city of St. John's. That program discriminates against the rural areas of Newfoundland.

On top of that, Mr. Speaker, the Minister announces that she is going to make the municipalities pay 25 per cent of the wages, 25 per cent of the benefits, and 100 per cent of the material costs. That works out to about 50 per cent of the total cost of the programs that has to be paid by the municipalities. In Newfoundland, no municipality can afford that.

The Minister stated that she had checked with the Gander Town Council and they said yes. I am sorry, the Gander Town Council did not say yes to that program because they just don't have the money to put into it.

The Minister should change the program now. Why wait for spring? Do it now, because she will have to change the program, and why go through the waste of money involved in printing the forms twice?

* * *

FINANCE

YIELD ON GOVERNMENT ANNUITIES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, once again I am making an earnest appeal on behalf of those Canadians who, in the past, purchased federal government annuities that are paying a very low return.

There has not been an increase in the yield on these annuities since 1976, despite assurances by the Government that increases would be reviewed from time to time to reflect on-going increases in the cost of living.

The people holding these annuities, most of them now senior citizens, have received nothing but empty promises over the years that the whole matter of government annuities would be reviewed so that this unfortunate problem could be made right by redeeming the annuities at full value, thus eliminating this longstanding hardship once and for all.

The Minister of Finance (Mr. Wilson) has implied that the annuities were originally a contract between the Government and the purchaser, and that this consideration has to be taken into account.

The purchasers are Canadian citizens who purchased these annuities in good faith, faith in the Government, faith that they would be treated fairly by those in charge and not taken advantage of because of changing circumstances.

I believe the time for rhetoric is over. Therefore, I call upon the Minister of Finance to right this injustice at long last when the Budget is presented this spring.

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ADMINISTRATION OF JUSTICE

JUDGE'S COMMENTS IN RAPE CASE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise to express my concern over some statements attributed to Mr. Justice John Bowlby which have been widely reported in the press in Canada over the course of the last few days. Mr. Justice Bowlby, sitting on the bench hearing a case in which an accused was found guilty of brutal rape, made comments

which could have led any person reading them to come to the conclusion that perhaps the victim was at least in part to blame.

I want to suggest that rape is in itself a crime that cannot be shared by the victim and the perpetrator, and it must be made clear to those who sit on the bench that comments such as this are not the kinds of comments that are acceptable to those of us who sit in the House of Commons.

Some Hon. Members: Hear, hear!

* * *

● (1410)

THE ECONOMY

STIMULATION PROVIDED BY PROFIT MOTIVE

Mr. Paul Gagnon (Calgary North): Mr. Speaker, both the Liberals and the NDP have raised questions concerning the profits of oil companies. They both think profit is a dirty word. Without profits, taxes are not paid, jobs are not created, and investments are not made. What entrepreneur will open a store, plant a field, drill a well, build a machine, fish the sea, or commence a mine, without the anticipation of reward? Profits have made our society the richest and most diverse, and have given the entrepreneurial spirit the room and the reason to soar.

The difference between our system and the communistic society is the profit motive. It was the anticipation of profit that spawned the development of computers, xeroxing technology, micro chips, and universal jet travel. I ask you, Mr. Speaker, what has the communist society invented? Profits are what drives this industry, this country, this society.

[*Translation*]

Hurray for the profits!

* * *

UNEMPLOYMENT INSURANCE

BENEFITS—DELAYS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I should like to call your attention and that of the House to a situation which exists now in Canada and especially in the province of Quebec. Unacceptable delays are presently experienced regarding the payment of unemployment insurance benefits. It is a fact that the Unemployment Insurance Commission has been faced with major staff relations problems for the past few months at its payment centre, and I could mention a number of cases where recipients have not received their benefits for the past three months. Departmental officials' reaction is that this is a labour dispute which unfortunately cannot be settled overnight.

I call on the Hon. Minister of Employment and Immigration (Miss MacDonald) to intervene personnally to ensure that unemployment benefit recipients, who cannot afford to wait for months in a row to get their benefits, get them as quickly as possible. We are aware of the problems at the data processing centre, but individuals have to pay the rent and cannot afford to wait for their cheques.

We know that for the past few months, the Unemployment Insurance Commission has built up a backlog of hundreds of files concerning people who can rightfully claim unemployment insurance benefits, having paid their contributions, and who are now faced with serious financial problems because the Minister of Employment and Immigration (Miss MacDonald) has failed to act.

Mr. Speaker, I am sure all Hon. Members are coming across similar cases in their respective ridings, and I hope that within the next few weeks, or days rather, the Minister of Employment and Immigration will personally intervene to put an end to this situation, and instead of hiring between 700 and 800 police officers—

Mr. Speaker: Order, please! I regret to interrupt the Hon. Member.

* * *

[*English*]

EXTERNAL AFFAIRS

LEGACY OF 1945 YALTA AGREEMENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, today marks the closing date of the Crimean conference ending in the Yalta agreement 40 years ago. The Yalta agreement divided Europe into two blocs of political influence and set the stage for the cold war. For 40 years millions of people have been deprived of the right to self-determination and self-government, and are subject to limited human rights and individual movement. It was at Yalta, as well, that a group of Soviet trained communists were declared the nucleus of the future Polish provisional Government, this without any Polish representation.

One cannot but wonder at the hyprocrisy of the Yalta agreement. What good was supposed to result from invoking "the right of all peoples to choose the form of government under which they will live" if no guarantees were provided to ensure that the principle would in fact be adhered to?

From the point of view of international law, the Yalta agreement does not fulfil the formal criteria of an international treaty. The legality of the agreement is further eroded because it was transacted without the agreement of the peoples affected.

Forty years after the signing of an agreement which resulted in the vast expansion of the Soviet empire and the creation of a zone of instability in the middle of Europe, it would be appropriate for the Parliament of Canada to issue a statement denouncing the Soviet domination over central and eastern

Europe, and reaffirming the right of the captive nations to recover their freedom.

* * *

DANGEROUS PRODUCTS

SOLVENT SNIFFING DEATHS IN MANITOBA

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Winnipeg Anti-Sniff Coalition, an association of some 60 groups and individuals working for prevention of solvent abuse in the Winnipeg area, has seen its efforts get bogged down over the years in a jurisdictional quagmire that appears to have no end.

Years of work to get a municipal by-law regulating the sale of sniff to minors, accomplished in 1979, were frustrated in 1982 when the Manitoba Court of Appeal held that the matter was beyond the reach of provincial authority, and was a matter for the criminal law. Subsequent discussions between the Attorney General of Manitoba and the federal Minister of Justice in late 1982 identified the Hazardous Products Act as the vehicle for federal regulatory control, and this was also the approach recommended in a Department of Justice document on the same entitled *Legal Approach to Solvent Abuse.*

Action is now long overdue. Sniffing is again on the rise in Winnipeg. In 1983-84 there were six sniff-related deaths in Manitoba. Many other children suffer both short and long-term effects from inhaling harmful chemicals. I call on the Minister of Justice (Mr. Crosbie) to bring in the appropriate legislation, and help put an end to this continuing tragedy, and the tyranny of commercial freedom and profit over public well-being.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to—

An Hon. Member: Welcome Chrétien back.

Mr. Turner (Vancouver Quadra): This is not going to be a funny matter.

I would like to put a few questions to the Solicitor General arising from his secret meeting with Premier Hatfield at the Chateau Laurier hotel on the night of October 7. Our purpose in pursuing this matter over the past two weeks has been to ensure that all Canadians are treated equally before the law, and to ensure that the senior law officers of the Crown adhere to that principle.

At the time of the meeting the Solicitor General knew that an investigation was under way by the federal police. He also knew that a federal charge against Premier Hatfield was pending. He also knew it was within his jurisdiction to order the police to lay a charge or not lay a charge. Did the Solicitor General not know and recognize that the sole purpose for such a meeting with a potential accused was to discuss the pending charge? Did the Solicitor General not know that the full purpose for the meeting was to attempt, surely, to influence the Solicitor General, or the RCMP, not to lay that charge, particularly when the counsel for the Solicitor General's Department was not present at the meeting, nor for the Department of Justice nor, indeed, a representative from the RCMP?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I will endeavour to answer the Right Hon. Member's questions. First, I must correct him. It was not a secret meeting.

As a former Minister of Justice he should know that it is not within the purview or the ability of a Solicitor General to instruct whether charges be laid or not. In fact that is completely devoid from my responsibilities as Solicitor General.

The purpose of the meeting, as I said already, was simply because the Premier of New Brunswick indicated that he had a matter of urgence to discuss with me. The hon. gentleman indicated to me, and I took his representation very seriously, on November 30 last, that one should not presume whether anyone is innocent or guilty unless and until all charges have been laid. That would apply equally to someone who was under investigation.

PRINCIPLE OF EQUALITY BEFORE THE LAW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are dealing here with the discretion left solely to the police under the jurisdiction of the Solicitor General as to whether to lay a charge or not lay a charge. The Solicitor General said that the reason he saw the potential accused was because he was a Premier. In the Solicitor General's opinion, does that not violate the principle that everyone should be treated equally before the law? More important, does that not violate, and I use the words of the Prime Minister, the sacred principled that justice should not only be done but be seen to be done?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I want to come back, with all deference and respect to my right hon. friend, for whom I have great respect, and state that I believe there is a fundamental misunderstanding as to the role of the Solicitor General. I repeat, in no way do I have prosecutory discretion or jurisdiction to instruct the RCMP to lay charges, whom to charge, or indeed as to whether charges would be laid. My responsibility is the practice, and procedures, and policies. I say to him no. I do not see anything different about seeing a Premier, except that under our system a Premier is worthy of a great deal of respect. Any

Canadian who has something of urgency to talk about with a Cabinet Minister, I think deserves a fair hearing.

• (1420)

REQUEST FOR MINISTERIAL STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we can quarrel about the legal authority of the Solicitor General. However, I waited until Parliament assembled today to hear the responses of the Solicitor General. In light of those responses, I must suggest strongly to the Minister that he sit down with the Prime Minister to discuss his continuing ability to hold the office he now holds. Under the circumstances of the Minister's responses, I believe that he has only one honourable choice to make.

Before that happens, I would ask him whether or not he would be willing to make a full statement to the House regarding his involvement with the affair in New Brunswick, the position and knowledge of the Minister of Justice regarding that particular file, and whatever knowledge the Prime Minister may have had.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, in response to my right hon. friend, I can say, as I said earlier, that I have great respect for his office and his opinions. I can also say to him categorically that there was absolutely nothing improper about the meeting. No assurances were asked for and none were given. I maintain that under the circumstances, as I indicated to the Right Hon. Member at the beginning of Question Period, it was a proper thing for me to do.

As far as my discussions with the Prime Minister are concerned, the Prime Minister and I have many discussions. I say to the hon. gentleman, with all seriousness, that I do not know what, if anything, other Ministers may know about this particular matter. I do not know what the Minister of Justice or the Prime Minister may know. I know that I kept my own counsel on this matter.

I repeat to the Right Hon. Member that I made no effort to keep this meeting in any way secret or clandestine. It was interesting to me that the Official Opposition, with all its acuity and assiduity, had to wait until a journalist asked the obvious question: "Did you see Mr. Hatfield," to which I immediately replied: "Yes, I did".

REQUEST FOR MINISTER'S RESIGNATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, it would appear as if the Solicitor General does not understand that it is a basic and fundamental principle of our criminal justice system that all persons be treated equally before the law. I would like to remind the Solicitor General that our Charter of Rights and Freedoms guarantees that every individual is equal before and under the law, and is entitled to equal protection and equal benefit of the law. It also appears as if the Minister is not aware that justice must not only be done but must appear to be done.

Would the Solicitor General not agree that by meeting with Premier Hatfield privately at a neutral, surreptitious location, he has created the appearance that justice is not being done and that Mr. Hatfield was given preferential treatment by his friends in Ottawa? Would he not agree that he has exercised poor and unacceptable judgment by involving himself personally in a criminal investigation? Will the Solicitor General not do the honourable thing and resign as Solicitor General immediately to maintain the integrity of our criminal justice system?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I listened carefully to my hon. friend's several questions and the answer to each one of them is no.

REQUEST FOR DETAILS OF DISCUSSIONS

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am sure the Solicitor General is aware that in this country it is a criminal offence to obstruct justice.

Some Hon. Members: Oh, oh!

Mr. Nunziata: It is no laughing matter, Mr. Speaker. It is a very serious matter.

Section 127 of the Criminal Code provides that anyone who attempts in any manner to obstruct, pervert or defeat the course of justice is guilty of a criminal offence.

Prior to agreeing to meet secretly with Premier Hatfield at the Chateau Laurier, was the Solicitor General not concerned that the meeting might be, or might be perceived to be an attempt to obstruct justice? During the meeting did he warn the Premier that anything the Premier said could be used in evidence against him in a court of law?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I am aware of that particular Section of the Criminal Code. I trust that my hon. friend is not accusing me of being in violation of it. If he is, I hope he will be honest enough to say so. Finally, my answer to the Hon. Member is that I am not going to conduct a post-mortem on a confidential meeting, after the Premier of New Brunswick has been tried. I am not going to see him tried in the House of Commons.

SOLICITOR GENERAL'S CONDUCT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Deputy Prime Minister. I believe the Deputy Prime Minister and I share one thing in terms of the way in which politics ought to be conducted, and that is a sense of the conduct we expect from Ministers of the Crown in the exercise of their responsibilities. Given all of the things the Deputy Prime Minister has said over many, many years, I would ask him if he does not feel that the meeting held between the Solicitor General and Premier Hatfield, given that the Solicitor General knew prior to the meeting that the Premier was under investigation, draws into question to the

Solicitor General's appropriateness in terms of the way in which he conducted himself at that time?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister himself has answered that question on several occasions in the past, and very capably so. As far back as October 26, he said in recorded media interviews the following:

> I think that the matter was handled with a very meticulous regard for all of the circumstances. The process worked well and it was done in the proper way.

At that point the Solicitor General was referring to the investigation. He went on:

> I have no intention at this point of getting involved in the mechanics of what the RCMP are doing. I have confidence that they will carry out their duties in an exemplary way. I don't intend to in any way interfere with the procedures here.

Those statements stood then and, if I understand what the Solicitor General is saying today, they stand now. If I know the Solicitor General, I am sure he will follow those most immaculate processes in the future.

RESPONSE TO INVITATION TO MEETING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Deputy Prime Minister not think that, since the Solicitor General was aware of the investigation, it was incumbent upon him to inform Mr. Hatfield, when he was requested to meet with him, that it would be inappropriate for the Solicitor General even to discuss the charges, the circumstances surrounding the charges, or for that matter the circumstances surrounding the investigation, and that Mr. Hatfield ought to pursue his concerns in some other direction?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in all justice and fairness, I think we should put matters into perspective. The Hon. House Leader for the New Democratic Party does obliquely what the Hon. Member for York South-Weston did in a rather more despicable and direct fashion, and that is accuse the Solicitor General of improprieties. If that is the accusation that Hon. Members wish to make, then, as the Solicitor General said, let them be honest enough to make it.

Without an allegation or an accusation of impropriety, there was nothing at all wrong and everything right about a Minister of the Crown acceding to the request of a head of one of our provincial Governments to meet. There is everything right about it. In perspective, some two or three weeks after that meeting, charges were laid. Surely that in itself suggests no impropriety and no interference on the part of the Solicitor General.

Some Hon. Members: Hear, hear!

Mr. Nielsen: If charges had not been laid, the Hon. Member might have a point. Beyond that, the matter went through the normal judicial system, was tried by a duly constituted court of law, and the Premier was found not guilty. Surely in all fairness and justice, based upon the experience of the Hon. Member himself, the Hon. Member should not be attempting to re-try this matter in the House of Commons.

MINISTER'S JUDGMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Deputy Prime Minister knows full well that I am not in any way trying to re-try the matter. What I am asking for is a clear understanding of what the Deputy Prime Minister expects from Cabinet Ministers in the way of judgment.

I would like to know if the Deputy Prime Minister does not at least agree that it was bad judgment on the part of the Solicitor General to agree to hold a meeting with a person, albeit a person in high office—in fact, it is perhaps even worse that he was in high office—who was under investigation by the police force over which the Solicitor General has jurisdiction. Does the Deputy Prime Minister not feel that that showed remarkably bad judgment?

● (1430)

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in all of the circumstances I consider it not to be in bad judgment. Indeed, having regard to the consequences which eventually flowed—the laying of charges, the trial, the judgment of the court—

Mr. Kaplan: One charge.

Mr. Nielsen: —the charge—surely that, in itself, indicates that no impropriety occurred at that meeting.

INFORMATION GIVEN BY MINISTER TO RCMP COMMISSIONER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to return to questioning the Solicitor General. He does not seem to realize that, in fact, the law does give him the authority to give direction to the RCMP to close files, to lay charges, or not to lay charges. It is an authority which should be exercised in a very circumspect manner, as has been set out by a number of authorities on the subject. In that connection, and with those powers—and the meeting has possibilities which have been outlined by Members on this side of the House—before holding the meeting did the Solicitor General consult with his Deputy or with the Commissioner of the RCMP to inform them about the proposed meeting or to ask their advice?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, my hon. friend and I have a fundamental disagreement as to what precisely is my jurisdiction. We might have a discussion about that. Again, I maintain that it is not my discretionary authority to instruct the RCMP as to how it should proceed in a case such as this. Indeed, we have to look at all the circumstances, as well as the responsibilities of the Attorney General for the Province of New Brunswick.

I wonder what the Opposition would say had I refused the meeting? Would they now be saying that it was my responsi-

bility, as the Minister responsible for the RCMP, to ensure that I had all the relevant information to assist me in ensuring that the force followed its policies and practices? Would they be saying that? I would say to my hon. friend that I fully informed the Commissioner of the RCMP about all of the circumstances which were involved. I hope the Hon. Member will decide—if he has the forthrightness to do so—, to tell us if he thinks I committed a breach of the law. If it is a question of whether or not it was proper, he has his opinion and I have mine.

Some Hon. Members: Hear, hear!

TIMING OF INFORMATION GIVEN TO RCMP COMMISSIONER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would be glad to talk to the Minister about what is my understanding of his responsibilities. I ask him again, before that meeting took place, did he consult his Deputy and did he speak to the Commissioner of the RCMP about it? He has not answered those questions.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can tell my hon. friend that I kept the Deputy and the RCMP Commissioner informed to the extent that I felt was proper. At this stage I will not get into a post-mortem or an analysis of the various circumstances, before or after the meeting.

PURPOSE OF MEETING

Hon. Bob Kaplan (York Centre): Mr. Speaker, the questions I have asked have not yet been answered. I would like to return to the question of what the meeting was about. What was the purpose of the meeting? What did he tell the Commissioner about it? Now that the Solicitor General has told us that he did tell the Commissioner about it, what did he tell the Commissioner?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I would remind the hon. former Minister, as I have already indicated, that I have no intention of conducting a post-mortem over the particular details of the meeting.

Mr. Kaplan: Isn't that up to the House?

Mr. MacKay: It may be up to the House. But I am telling the Hon. Member that I conducted the meeting, and all the matters involved in that meeting, to the best of my judgment. If he does not want to accept that, I regret it.

* * *

EMPLOYMENT

CHALLENGE '85—ROLE OF CORPORATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Employment and Immigration, and it has nothing to do with the Premier of New Brunswick. It deals with the meeting which she had last week, when she reported to the House that she had met with the senior representatives of eight large corporations in Canada. She said that those representatives stated that they would jointly create 10,000 jobs, and that those jobs would add to the number of jobs which would be available to young people this summer.

Over the weekend Noranda indicated that it could not guarantee its fair share. It said:

> The business we're in is in kind of bad shape these days.

Another representative from Noranda said: "You can't hire students when you're laying off mothers and fathers".

When the Minister told the House that she had those guarantees—

Miss MacDonald: I did not say guarantees.

Mr. Riis: When she said she had assurances that these individuals would deliver 10,000 jobs this summer for students, is that the case?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it should be of surprise to no one that the New Democratic Party chooses to knock the initiatives of eight corporate leaders in our country. It is a little surprising to me that the members of the New Democratic Party—who say from time to time that they have compassion for the unemployed—are now going after the initiatives which are being taken by people in the business sector. I would urge the Hon. Member to look at the fact that there are people in the business world—corporation leaders, individual small businesses, and people throughout the private sector—who are willing to do their best this summer to help young people. That is what the business leaders will do, and I would advise the Hon. Member to wait until the end of the summer before he levels his criticism at them.

Some Hon. Members: Hear, hear!

MINISTER'S STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we are not questioning what the eight representatives of the eight corporations said; we are questioning what the Minister said in the House. The Minister suggested that she had assurances that students were supporting the program. She knows full well that the entire media over the weekend were taken up with student organizations and representatives who said that they did not believe what the Minister was saying.

Mr. Speaker: Order.

Mr. Riis: Mr. Speaker, my question to the Minister is this: Who is telling the truth? The Minister said that the private sector—in fact, the eight companies—would provide 10,000 jobs. But, those companies say that they cannot provide those 10,000 jobs this summer because they cannot provide jobs for

the students' mothers and fathers. Who is telling the truth to the people of Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member would not be quite so selective in his quotes, he would read into the story that the people at the meeting informed me the number I could use—and they said "use"—was 10,000. I would like to inform the Hon. Member that he can go around second-guessing everybody and trying to run down this initiative, but this weekend in my constituency office I saw student group after student group who came in with proposals. They asked me how soon the proposals could be funded and how soon the jobs could get under way. I saw that in my riding; 211 Conservative Members saw it in their constituencies—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

THE SOLICITOR GENERAL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to direct a question to the Deputy Prime Minister concerning the answers given by the Solicitor General a few minutes ago.

Does he not feel that the Solicitor General's refusal to say clearly that he did not consult his Deputy Minister or the RCMP Commissioner before he met Mr. Hatfield is an error of judgment especially in the light of the decision delivered by the judge of the Superior Court of New Brunswick who said that the federal case began to deteriorate following interference by federal authorities?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is my understanding from the responses of the Solicitor General, and indeed from reports in the media, that the Solicitor General had conversations and briefings with the RCMP—I believe as far back as two days after the substance was found in the suitcase. But, here again, we are getting into the evidence of the trial and we are re-trying the matter here in the House of Commons. I repeat, if the Opposition has any point to make at all, it surely must be focused on the allegation of some impropriety on the part of the Solicitor General at that meeting.

• (1440)

Some Hon. Members: Oh, oh!

Mr. Nielsen: They say the meeting was improper; not at all. The meeting in itself does not constitute any impropriety.

Mr. Deans: Of course it does.

Mr. Nielsen: If there is an allegation of impropriety, which there must be to give any substance to the thrust which the Opposition are taking today, then it should be stated clearly, and forthrightly, and honestly.

Some Hon. Members: Hear, hear!

DORION INQUIRY REPORT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask the Deputy Prime Minister about something he knows quite well. I would like to refer him to the inquiry of Mr. Justice Dorion. The judgment of the then Minister of Justice, Mr. Favreau, was questioned, not because he had made the wrong decision but because he had not consulted with his officials and had put himself in a difficult position. I would like to read to the Deputy Prime Minister what Mr. Justice Dorion said:

> It should not be forgotten that a Minister, as a Judge, all his competence notwithstanding—

Mr. Speaker: I know this is a very, very important matter, but I would ask the Hon. Member to come to his supplementary question as quickly as he possibly can.

Mr. Chrétien:

> —is always a human being and his view of a case may be unconsciously distorted by relations existing between himself and the person or persons concerned.

Does the Deputy Prime Minister not think at this time that when the Solicitor General received his friend, the Premier of New Brunswick, that he was doing exactly what Mr. Justice Dorion said in his judgment in 1965?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): No, Mr. Speaker, and I have cause to recall those proceedings very clearly. I can tell the Hon. Member that, as a Member of Parliament in those days, I caused the then Minister of Justice to be aware of the facts two, if not three days, before they were raised in the House of Commons.

Mr. Chrétien: He did the honourable thing, Favreau—he resigned.

Mr. Nielsen: I can tell the Hon. Member as well that, with respect to what Hon. Members opposite are trying to do today, when I rose in my place on that side of the House and attempted to do what those Hon. Members are doing today—

Mr. Chrétien: You asked for his resignation.

Mr. Nielsen: —I specified the Section of the Criminal Code and made the direct accusation that there was a breach of that Section of the Criminal Code. The Right Hon. Leader of the Opposition, I believe, was in the House on that occasion or just after.

Mr. Chrétien: And Favreau resigned. He was honourable.

Oral Questions

ATOMIC ENERGY OF CANADA LIMITED

DISCUSSIONS WITH UNITED STATES DEPARTMENT OF DEFENSE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of External Affairs and is in regard to his answer to me on January 28 in the House. He said, and I quote from *Hansard* at page 1726:

—any discussions that are going on now between AECL and the U.S. Department of Defense have nothing to do with the modernization of the northern radar warning system—

Does the Minister stand by the statement? If he does, would he explain, in light of his answer, President Reagan's budget which states clearly that AECL is the lead funding agency, along with the U.S. Air Force, for the construction of unattended nuclear reactors for the north warning system in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I stand by my statement but, naturally, I will read President Reagan's budget with the same obvious care as its supporters in the New Democratic Party. I will then come back to the House with any change in an answer, if that reading requires a change. The point I have made in the House of Commons is that the question of the renewal of the north warning system is a separate question from any negotiations which AECL might be carrying on with the U.S. Department of Defense.

REFERENCE TO MEMORANDUM OF AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I believe I can clear that up. Would the Minister explain why, at page 681 of the Congressional Budget Request, under the subtitle "North Warning Power Project. Defense. Nuclear energy programs", it states the intention to install unattended, untested nuclear power reactors in the Canadian Arctic in 1987, and that the memorandum of agreement on cost-sharing with AECL is in progress now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, obviously what that means is that there has been a discussion between AECL and the U.S. Department of Defense having to do with the maintenance of any system which might be put in place in northern Canada. That matter has not been reviewed or cleared by the Cabinet. There has not been any approval to AECL to go ahead with that question, because the Hon. Member opposite raised to my attention the concerns of Inuit people and others in the North having to do with any kind of nuclear installation, even for heating or fuelling purposes.

The point I want to make clear is that it is of the utmost irresponsibility for Hon. Members in this House to suggest, whether deliberately or not, that there is any consideration being given to developments in northern Canada which would put nuclear weapons in Canada's North. There is no such intention.

Some Hon. Members: Hear, hear!

[*Translation*]

PUBLIC WORKS

OPTIMUM USE OF SPACE—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I should like to put a question to the Minister of Public Works.

In his last report, the Auditor General said that a maximum use of space would result in savings of $35 million a year.

Can the Minister tell us whether he intends to put on sale the buildings and lots representing 6 million square feet and costing the Government over $25 million in maintenance and contributions in lieu of taxes?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am pleased to say to my colleague that we already have reduced by 30,000 square feet the unused space mentioned by the Auditor General and that an operation is under way in order to dispose, in an orderly fashion and with due consideration for private interests, of space that will be made surplus to our needs through that good management which is given great importance in the report.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General should know that there is all the difference in the world in agreeing to meet with a provincial Premier under ordinary circumstances on a policy or administration matter and in agreeing to meet with a provincial Premier when he is under investigation for a criminal offence, with his lawyer present, in a secret place, a hotel, "a neutral place", according to his own words. The Minister should know that there is all the difference in the world in meeting under those two circumstances. Would the Minister be agreeable to meet any Canadian who is charged with a similar criminal offence in the same way he did with Premier Hatfield?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I believe I have already responded to that question. I am surprised that the former Solicitor General does not realize the difference between someone being charged and someone who is merely under investigation. I would say to him that in both cases the words of his Leader on November 30 have some relevance. There is a presumption of innocence, and for a provincial Premier to request a meeting in order to discuss or brief the Solicitor General about a matter of concern, I feel—obviously the former Solicitor General does not—that that is an acceptable thing to do.

SOLICITOR GENERAL'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, having spent four years as Solicitor General I am very aware of the long tradition in Britain, which is followed in Canada, that the Minister responsible for the police in Canada, the Solicitor General, should not intervene in any way while a criminal investigation is going on—

Miss MacDonald: He didn't.

Mr. Allmand: —with respect to individuals under investigation. The Minister himself said on January 30 on Atlantic Television: "It is not the function of the Solicitor General to get down, as the old law school saying used to be, out of the stands and get the dust of the arena in his eyes. It is not a good thing for me, nor a good thing for the process".

I would like to ask the Solicitor General again if he would do for any accused, as should be done under the Charter of Rights, what he did for the Premier of New Brunswick while that person was under investigation for a criminal offence? Would he do it?

Hon. Elmer M. MacKay (Solicitor General of Canada): Again Mr. Speaker, I come back to the former Solicitor General and make a point, which I believe is worth making, that is, there is a difference between a charge and being under investigation.

Mr. Allmand: I know that.

Mr. MacKay: There is also a difference—

Mr. Allmand: That is true, and you shouldn't do it while he is under investigation.

Mr. MacKay: Is the former Minister interested in my answer or not, Mr. Speaker?

Mr. Allmand: It hasn't been very good so far.

Mr. MacKay: I am doing my best. Perhaps I have to contend with the type of question as well.

Some Hon. Members: Hear, hear!

• (1450)

Mr. MacKay: I want to say to him that I agree it is wrong, as the old law school dictum says, to come down out of the seats and get the dust of the arena in your eyes. But I say to the former Minister that it is another thing to elicit information that any person wants to give to a Solicitor General if the circumstances are proper.

Mr. Axworthy: About what?

REQUEST FOR GOVERNMENT STATEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another question on this issue to pose to the Deputy Prime Minister. In view of the public concerns which have been aired over the last few days concerning the events which have been debated or discussed in Parliament for several days, will the Deputy Prime Minister assure the House that when the Prime Minister returns there will be a statement by the Government concerning the propriety of all the actions and meetings which have taken place, both before and subsequent to the charges being laid against Premier Hatfield?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of any substantive allegation of impropriety, I am afraid I can give no such assurance.

Mr. Chrétien: The question is judgment.

Mr. Nielsen: We have had the Hon. Member for Notre-Dame-de-Grâce-Lachine East, who should know better after having served four years in the portfolio, describe the actions of the Solicitor General at a meeting with the Premier of New Brunswick as an intervention in the process. From my understanding of his explanation, and what I have read in the media, nothing could be further from the truth.

Mr. Axworthy: What did they discuss?

Mr. Nielsen: If the Hon. Member believes that there has been an impropriety, any impropriety, during the conduct of that meeting, let him say so; then there might be some reason to go as far as he suggests.

Mr. Deans: It is appropriateness.

PROCEDURE FOLLOWED IN MARIJUANA CASES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the fact that our judicial system is based on the principle of equality before the law, could the Deputy Prime Minister explain why it is that tens of thousands of people accused of marijuana related offences would not have a prayer of meeting with the Solicitor General during the period their alleged offences are under investigation? Why is it that one citizen who happens to be a Premier should stand above the law in that way, and is that not impropriety?

Mr. Hnatyshyn: Stupid question.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I implore Hon. Members like the questioner, in the interests of fairness and justice, to put matters in more accurate perspective. The truth of the matter here is that subsequent to the meeting, which the Solicitor General has been very free in describing to us—he answered the first time he was asked the question outside this House—a charge was laid. That charge was tried in a duly constituted court of this country—

Mr. Hnatyshyn: And he was found innocent.

Mr. Nielsen: —and a verdict was reached. Surely we should not be, if I am permitted the expression, in the interests of

justice, rehashing this whole situation in the House of Commons.

MINISTERIAL DISCRETION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to get at this question. It is one thing to have the presumption of innocence before a court of law, when it is judiciously reviewed and there is a chance for examination and cross-examination. However, we are going to a separate question, that of the initiation of the proceedings and the discretion of whether or not to lay a charge. The Solicitor General knows there has been a lot of judicial and academic comment as to whether that process ought to be judicial as well. I ask the Solicitor General, did he not know he was interfering in the beginning of a prosecution and the discretion of whether or not to lay a charge, or what charge to lay? Why would he participate in a conversation when the investigation was already known and that could only have been the purpose of the meeting?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Nystrom: The godfather.

Mr. Hnatyshyn: He does not know the difference between the Attorney General and the Solicitor General.

Mr. Blackburn (Brant): You were not there.

Mr. Nielsen: Mr. Speaker, I am really astonished at the ignorance of a former Solicitor General who should know better—

Mr. Allmand: I would never do that.

Mr. Nielsen: —and a former Minister of Justice, who should know better—

Mr. Blackburn (Brant): This is called reaping the whirlwind, Erik.

Mr. Nielsen: —when they publicly attempt to leave the impression that there is something less than an arm's length relationship that exists between the Solicitor General and the RCMP.

Mr. Allmand: What was agreed to?

Mr. Nielsen: That is precisely the relationship that exists. As a former Minister of Justice he knows, as does the former Solicitor General, that when the RCMP seek advice as to whether to lay charges or the nature of such charges to be laid, it is not the Solicitor General's advice that is sought; it is the advice of the Department of Justice.

Mr. Hnatyshyn: The Attorney General.

Mr. Lapierre: Why did he go there?

Mr. Nielsen: The Attorney General of Canada, my House Leader reminds me.

Mr. Axworthy: What was the meeting about?

Mr. Nielsen: That is the routine chain, and to leave any other impression is a distortion of the truth and not worthy of the right hon. gentleman.

Mr. Chrétien: He can stop the investigation.

DISCUSSIONS INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Solicitor General and it is a very simple question. Could he tell the House exactly what he was told by Premier Hatfield and what was discussed at the meeting, and whom he reported to about what was discussed at that meeting in that hotel room?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can tell the Hon. gentleman opposite, as I said before, that I have no intention of doing a post-mortem—

Mr. Nunziata: What are you hiding?

Mr. MacKay: —on what I consider to be a confidential meeting.

I can also assure him—

Mr. Fulton: You are digging your grave, Elmer.

Mr. MacKay: I can also assure him that I informed everyone who should have been informed, including the Commissioner of the RCMP.

Mr. Nystrom: And John Crosbie?

Mr. Chrétien: Before or after?

Mr. MacKay: And I can further assure him that I kept my counsel about this matter and did not discuss it with other Cabinet colleagues.

DISCUSSION WITH RCMP COMMISSIONER

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like the Solicitor General to tell the House whether he discussed the matter with the Commissioner of the RCMP before or after his meeting with Premier Hatfield? Also, if this was a confidential meeting, why did he tell the Leader of the Opposition, earlier in Question Period, that it was not a secret meeting? He cannot have it both ways.

Hon. Elmer M. MacKay (Solicitor General of Canada): I can tell my hon. friend that he cannot have it both ways either. The meeting was not in any way secret. The meeting was held in a neutral place—

Mr. Chrétien: Why neutral? Why not in your office?

Mr. MacKay: —and it was held in a convenient place. The former Minister of Justice says why not in my office? Because it was not convenient to have it in my office that evening.

Some Hon. Members: Oh, oh!

Mr. MacKay: I suppose the next question may well be: Did I wear a necktie, or what else? I come back to the question from my hon. friend from Windsor and tell him this. I briefed the RCMP Commissioner and I have no intention of getting into timeframes and details.

Mr. Nunziata: What are you hiding?

Mr. MacKay: I am not—well, I remember them. The House will certainly know that the RCMP Commissioner is available if Members wish to ask him about it.

* * *

RAILWAYS

PROPOSAL TO ELIMINATE CABOOSES

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to return to a matter affecting the safety of the public, employees of the railroads, and thousands of jobs. I ask the Minister of Transport what the Government's policy is on the matter of cabooseless trains. Specifically, what takes priority with the Government and his Department, public and employee safety, or the ability of the railroads to save money?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, this subject has been under intensive consideration by the Canadian Transport Commission. There have been hearings across Canada, namely, in Moncton, Vancouver, Winnipeg, and Ottawa. My understanding is that the CTC returned to Winnipeg for further hearings, and there will be further hearings here in Ottawa commencing this week, I believe. When the hearings are concluded and the recommendations are brought forth, we will then be in a position to determine whether the testing of the cabooseless train should take place. I think it is only proper that we allow the CTC to adjudicate the pros and cons of that particular issue.

● (1500)

TESTING AND REPORTING PROCEDURES

Mr. Les Benjamin (Regina West): Mr. Speaker, the proposed plan for testing calls for the railway officers to compile and submit reports. In order to avoid the coyote being in charge of the chicken coop, will the Minister assure the House that, if and when testing of cabooseless trains occurs, independent experts from his Department, the CTC, or anywhere else, will do the compiling and submitting of reports, rather than officers of the railroad?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would not want to be in a position of prejudging the

recommendations that will be brought down by the CTC. I think that the Hon. Member is posing a hypothetical scenario. I would rather wait until the recommendations come down. We will then look at them and act accordingly.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: 63 and 143.

[*Text*]

FIRE DRILLS AT CBC WINNIPEG

Question No. 63—**Mr. Skelly:**

1. In the past 26 years, has the management of the main CBC building, 541 Portage Avenue, Winnipeg ever had a fire drill for their 300 employees?

2. Did the Federal Fire Commissioner inform the 300 employees that "Relax, you'll have one before your tootsies get cold"?

3. Will Labour Canada write an order requiring CBC management to hold a fire drill and, if not, for what reason?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): I am informed by the Canadian Broadcasting Corporation and the Departments of Labour and Public Works as follows:

1. Yes.

2. No.

3. Labour Canada central region has not issued a direction to CBC Winnipeg to hold fire evacuation drills. Our reason is that CBC local management are just completing their emergency measures plan. Fire wardens and floor wardens are designated and floor monitors are in the process of being appointed. A timeframe is being discussed with the CBC operating units and safety co-ordinator so that a fire department-supervised drill can be held soon, probably within the next few weeks to a month.

A fire evacuation drill was held for the CBC regional office staff in May, 1984.

A Labour Canada senior labour affairs officer is monitoring progress by attendance at the CBC safety committee meetings.

INTERNATIONAL YEAR OF THE CHILD

Question No. 143—**Mrs. Killens:**

Since the announcement by the Minister of National Health and Welfare on March 29, 1984, what is the status of the work of the Secretariat responsible for examining the progress made following the recommendations resulting from the 1979 International Year of the Child?

Hon. Jake Epp (Minister of National Health and Welfare): The status of the work of the Secretariat responsible for examining the progress made following the recommendations resulting from the 1979 International Year of the Child is as follows:

1. The Secretariat requested and has received responses from the 47 federal departments and agencies affected by the recommendations of the Canadian Commission for International Year of the Child.

2. The responses are being edited and prepared for publication early in 1985.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered, shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Boudria: Mr. Speaker, on a point of order, I want to bring to the attention of the Parliamentary Secretary to the Government House Leader (Mr. Dick) and to yourself, Sir, that question No. 131, dating from December 6, which I brought to the attention of the House on several occasions, has not yet been replied to. The same applies to question No. 148. Both of these questions involved patronage issues by the Government. The Government refuses to answer them.

Mr. Speaker: I am sure the Hon. Parliamentary Secretary will take notice of the point of order.

* * *

MOTION TO ADJOURN UNDER S.O. 30

CRIMINAL INVESTIGATION OF PREMIER OF NEW BRUNSWICK

Mr. Speaker: I have received notice under Standing Order 30 of an application from the Hon. Member for York Centre (Mr. Kaplan).

Hon. Bob Kaplan (York Centre): Mr. Speaker, in view of the refusal of the Solicitor General (Mr. MacKay) and the Deputy Prime Minister (Mr. Nielsen) to give satisfactory answers, or indeed any answers, to some of the serious matters that were raised during Question Period today, pursuant to Standing Order 30 I move, seconded by the Leader of the Opposition (Mr. Turner), the adjournment of the House to discuss a matter requiring urgent consideration, namely, the extraordinary interference by the Solicitor General in the criminal investigation of the Hon. Richard Hatfield and the admission of bias by the Attorney General of Canada (Mr. Crosbie) in the light of his responsibility to decide upon an appeal in this affair.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for York Centre indeed gave notice to myself of his application pursuant to Standing Order 30. On listening to the Hon. Member's statement in the House, I have to say that his application does cause me some concern in relation to the provisions and conditions of Standing Order 30 that must be met before an emergency debate takes place.

In the first instance, the Chair must take into account whether or not there will be some reasonable opportunity for the House to discuss the matter in some other way. On Friday last the Government House Leader (Mr. Hnatyshyn) did designate Tuesday of this week to be an allotted day and the Opposition will enjoy the privilege of controlling the subject matter of tomorrow's debate.

In the second instance, the Hon. Member's application cannot be reconciled with the condition of subsection (f) of Standing Order 30(16) which states:

the discussion under the motion must not raise any question which, according to the Standing Orders of the House, can only be debated on a distinct motion under notice.

It is a long-standing practice in our House that the conduct of an Hon. Member can be reviewed only by way of a substantive motion of which notice has been given and which will result in a decision of the House on the matter.

[*Translation*]

On Friday, June 19, 1959, Mr. Speaker Michener made a ruling which has often been quoted in such cases. Here is what he said:

—simple justice requires that no Hon. Member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

That ruling by Mr. Michener also led to Citation 40 of Beauchesne's Fifth Edition, as follows:

In any case where the propriety of a Member's action is brought into question, a specific charge must be made.

[*English*]

The Twentieth Edition of Erskine May at page 378 further clarifies the matter. It reads:

Certain matters cannot be debated, except upon a substantive motion which admits of a distinct vote of the House. Amongst these are the conduct of the sovereign, the heir to the throne or other members of the Royal Family, a Governor-General of an independent territory, the Lord Chancellor, the Speak-

er, the Chairman of Ways and Means, Members of either House of Parliament and judges of the superior courts of the United Kingdom, including persons holding the position of a judge, such as a judge in a court of bankruptcy and a county court, or a recorder. These matters cannot, therefore, be raised by way of amendment, or upon any motion for adjournment. For the same reason, no charge of a personal character can be raised, save upon a direct and substantive motion to that effect.

If the Hon. Member's application were to be accepted, it would result simply in a debate on the adjournment of the House and not in a decision on the allegations relating to the conduct of a Member. All of the precedents are clear and require that when the conduct of a Member is the subject of a debate there must be an opportunity for the House to come to a decision.

I am, therefore, duty bound to refuse the application as it does not meet the requirements of either the Standing Orders or of our practice in such matters.

GOVERNMENT ORDERS

[*Translation*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-26, an Act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): As I was saying, Mr. Speaker, before the House rose for lunch, I welcome this opportunity to take part in the debate on second reading of Bill C-26, legislation that will extend eligibility for the spouse's allowance to all widows and widowers between the ages of 60 and 64, who are living on low incomes, regardless of the age of their spouse at death. Mr. Speaker, this measure will benefit 85,000 Canadians, and I am truly delighted, and you may be sure that I shall be voting in favour of this motion.

[*English*]

As a Member of the Liberal Party which founded the spousal allowance, I support the legislation before us which extends benefits to widows and widowers. Unfortunately, this support is qualified. I am very greatly disappointed in the impact of this Bill. There are 80,000 deserving Canadians who are separated, divorced, or have chosen not to marry, and who are excluded from this extended coverage. In our day-to-day work in our constituencies we meet many of these poor people, most of whom are women, who in my view are being discriminated against because they are poor, have never married, or are divorced or separated.

I listened to some of the debates this morning. In my view this Bill could have legal implications under the Charter of

Rights which we adopted in 1982. Section 15 of the Charter which will become operative in April of this year states:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

● (1510)

The operative phrase here is "and, in particular". Since it does not mean that it is exclusive, I suggest that the Government is indeed including the extra condition of not being married as a measure of discrimination. I have been advised by some of my legal friends that indeed this could be in conflict and that we could possibly go back to Section 1 of the Charter which states that Canadians are subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

If this is not a legal discrimination then it is a moral discrimination. It is immoral to exclude 80,000 Canadians who have worked hard and happen to be poor through no fault of their own. The Conservative Government missed a golden opportunity for meaningful reform when it introduced Bill C-26. We know how the Government has wallowed in indecision since November 4 and the legislative progress made in the House speaks for itself. I suggest we have not accomplished much important legislative work and are having difficulty trying to improve this Bill.

The Conservatives have shown that they are genuinely concerned about the plight of those Canadians whom they believe are deserving and in need. I suggest to the Government that it should consider the other 80,000 Canadians who are excluded from this legislation because of their circumstances. The fact of the matter is that a 63-year old separated or divorced woman must pay the same rent as a 60-year old widow. She must pay the same food costs and the same utility bills. If she is poor she cannot cope with that situation. The Income Tax Department does not treat Canadians differently because they are widowed or separated or have never been married. The Member for Shefford (Mr. Lapierre) gave us the example of nuns who have decided not to marry and will be discriminated against if, for some reason, they decide to leave the convent between the age of 60 and 64.

Despite my Party's support for the Bill as an incremental step toward the equitable application of our social programs, I regret that this legislation discriminates on the basis of marital status. There are many people in the riding of Ottawa-Vanier who are between the ages of 60 and 64 and, because of the nature of the city, were public servants. They worked for a salary which was next to the poverty level. I do not think it is fair to expect them to go on without being allowed to participate fully in our social programs.

The Liberals never said that our social programs were perfect. That is why when we made changes, we made real changes. We did not simply try to patch the program as the Conservatives are doing in this case. The programs have changed to meet the needs of Canadians. Now it is time to meet equally the needs of equal Canadians.

[*Translation*]

Mr. Speaker, this social injustice takes me back to 1982, when I was defending in the House, before my own Government and against it, the principle of indexing pensions of public servants.

Then, the debate was on indexing pensions. Today, with Bill C-26, we are in many cases concerned with the sole income an individual can receive without having the feeling he or she is receiving charity.

Mr. Speaker, I was fighting against social injustice then and I am fighting against an even greater social injustice today.

The Minister of National Health and Welfare (Mr. Epp) said last week on February 4. "However, we cannot and will not allow a very vulnerable segment of Canada's near elderly population to continue to suffer because of circumstances completely beyond their control". That is why we cannot ignore this other group of people between the ages of 60 and 64 who also have done a great deal for Canada.

To repeat the words of the Minister himself we simply cannot tell these people that the best we can do for them is to put them on welfare.

Mr. Speaker, I hope the Government will reconsider, and I hope this Government will, either in committee or in the House, propose amendments to include the 80,000 Canadians who have been excluded from this legislation so that they too can enjoy the benefits of Bill C-26.

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, let me begin by congratulating the Minister for taking this step to extend the old age security program. The step is welcome as far as it goes because it is estimated that approximately 85,000 people living in poor circumstances will be assisted, of whom 72,000 will be women.

However, as my colleague has just said, the Bill is discriminatory in that it does not apply to single people. There are probably another 80,000 to 85,000 single older Canadians living in the same kind of poverty.

The point has been made that single people have had a greater opportunity to be in the workforce and to have acquired Canada Pension and other benefits. However, these plans do not come into play until a person is 65. In view of the high unemployment we are seeing, a number of older workers are not called back once they are laid off. Indeed, there is a serious problem facing single people living in poverty who are perhaps five years short of eligibility for the old age security pension.

We recognize that this Bill is a useful first step. We hope that the Minister and his colleagues will also consider the extensive recommendations for pension reform that were made by the parliamentary task force, chaired by the Hon. Member for Sudbury (Mr. Frith), following the publishing of the then Government's green paper on pensions which was entitled *Better Pensions for Canadians*.

For some 20 years in this country most Canadians have based their retirement financial planning on three tiers. The first tier is the universal old age security pension, with its two associate plans, the guaranteed income supplement and the spouse's allowance. The second tier is the Canada Pension Plan which, of course, is associated with labour force participation and does not provide for housewives or others who are outside of the labour force.

The third tier is private pension plans and other savings. This third tier has proved to be a very weak link in the chain. For instance, it does not recognize the mobility of Canadians. Most Canadians change jobs at least six times in a career. For many women the changes are greater because they move to accommodate their husband's careers or they leave the labour force in order to care for children. Most of the private pension plans have requirements in which vesting of the plan does not take place until the employee is 45 years old and has ten years' service with the company. It is a rather old-fashioned concept which regards the pension as a reward for long and faithful service rather than as deferred earnings, which in fact is what pension contributions are. Those involved with production of the green paper and later the Parliamentary Task Force did devote a good deal of time looking at private pension plans. There were very extensive consultations with actuaries and others in the industry who, it seems to me, are much more ready at this time than when I was elected ten years ago to move their plans into the present and to stop finding reasons against change.

● (1520)

However, whatever the defects of private pension plans, there is also the fact that in many cases they are non-existent. Smaller non-unionized businesses often do not have pension plans, and where plans do exist, part-time workers are almost entirely excluded. This particularly applies to women who often work part-time either because it is the only sensible way they can meet their family responsibilities or because it is the only work available to them.

The Parliamentary Task Force had some important recommendations about private pension plans at which I hope this Government will look. But it may be that the main instrument for improving pensions and providing a decent standard of living to retired Canadians is improving the Canada Pension Plan.

The green paper also had very extensive recommendations on this and as I said the people involved had very extensive consultations. In the past we have seen many people object to placing too much reliance on the Canada Pension Plan. Those in favour of placing greater reliance on the Canada Pension Plan point out that the plan is already universal, portable and vested immediately. Those opposed have traditionally been concerned about the economic implications of transferring large sums of money from the private sector to government.

Private plans are now worth more than $50 billion even though they cover fewer than half of Canadian workers. We

have to keep coming back to this question of coverage with the private pension plans as a serious limitation.

A very extensive examination was done of ways to improve the Canada Pension Plan and the Quebec Pension Plan. My colleague the Hon. Member for Sudbury (Mr. Frith), when he opened the discussion on this Bill, addressed himself to that. I do hope this Government will see its way to moving on those recommendations fairly soon. They have been extensively examined and there has been very extensive consultation.

We all know that to change the Canada Pension Plan requires the agreement of two-thirds of the provinces with two-thirds of the population, but since Ministers opposite keep telling us what excellent relations they have with their provincial counterparts, let us hope there will be no problem in getting this agreement.

In conclusion, Mr. Speaker, I welcome the initiative of the Minister of National Health and Welfare (Mr. Epp) as far as it goes, but I do have a problem in that there is still no help for the older single person who is, in many cases, in at least as much need of assistance as the widow or widower aged between 60 and 64. I hope an amendment might be considered at the committee stage to broaden the scope of this Bill.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, there can certainly be no forceful arguments made against a piece of legislation which is designed to extend financial benefits to some 85,000 Canadians who are in need. But I must agree with my colleague, the Hon. Member for Trinity (Miss Nicholson): it is to be regretted that another large group of Canadians also in need but who were never married, or who are divorced or separated, will be excluded from receiving these new benefits.

As all Hon. Members in this House know, there are a great many more divorced and separated people today in Canada than ever before. We also know that the unemployment rate for women who are aged 60 to 64 is particularly high even in comparison with the high national unemployment rates that we have.

It is true that all widows and widowers age 60 to 65 who are in need are now going to receive the spouse's allowance. It will cost the federal treasury for a full year of these payments some $350 million. We already spend $820 million in extending this program to those who are married. To include the needy among the separated and divorced would cost the Government another $135 million. To include those persons who are in need but never married would cost the Government another $160 million.

Obviously this new Government has recognized need, and I commend it for that. But the Government has not recognized all need. The Government has been selective. The widows and widowers who qualify must wait until next September before they receive a single payment. I am not sure what that means. Perhaps the Government is saying that hardship can be better borne during the summer months. But the widows and widowers who are eligible should not just sit around expectantly waiting for this first cheque; there is a Canadian residency requirement of which they should be aware. They should also be aware that they should have little or no outside income in order to qualify. The largest single cheque that will go to any one of these needy persons—the largest amount; there will be lesser amounts, of course—will be $536 a month. It is not a handsome sum of money at all. We in Parliament should not be congratulating ourselves too much on our generosity and largesse. Of course, these payments will increase with the rising cost of living, the inflation rate, and that is to be expected.

The other point that should be remembered by widows and widowers who are eligible is that the cheque will not arrive automatically. They must apply for the money.

I have to emphasize again, Mr. Speaker, that to my mind it is just not fair to exclude needy persons on the basis of marital status. I am unable to accept that. In saying this I recognize full well, as my colleagues in the New Democratic Party will remind me and have already reminded us today, that it was the Liberal Government that began this program. I want to say that this new Government was elected on the promise of change. So far we only have promises to change and not very much in the way of definite action.

We in Canada are not doing a very good job of redistributing income. It will be recalled by some Hon. Members that the Organization for Economic Co-operation and Development, the OECD in Paris, gave Canada a rather poor grade for its social security program. We pride ourselves on being a very generous society, but in fact that is not so at all. We do not rate very well among most of the advanced industrialized countries. We do not target our programs at all well. The situation is not being improved by Bill C-26. We eliminate two groups of people among whom are many needy persons, people who are between the ages of 60 and 65 who are divorced or separated, the same age group as those who have never married.

This new Government has at least recognized the need for better targeting of our social benefits, but in Bill C-26 the Government does not carry out what it tells us it has recognized. The recent blue paper on social policy was no better. Imagine additional hundreds of millions of dollars under one of those options flowing into the coffers of the provincial Treasuries. We know how tight-fisted provincial Treasuries are about their welfare dollars. It would be shocking if some of the case histories were known in this house based on the administration of provincial welfare programs. They are going to flow hundreds of millions of dollars back to the provinces under one of the options. What will the needy families, those in genuine, real, desperate need get? They will get 48 cents a day.

• (1530)

Women between the ages of 60 and 65 who have never married or who are divorced may be just as much in need as those who are married or widowed. There is a very large number of single elderly women in this country who are poverty-stricken. There is a very high incidence among these

people of low income or no income at all because of the unavailability of employment.

I want to repeat what my friend, the Hon. Member for Trinity (Miss Nicholson) said at the conclusion of her speech. This Bill must be amended in committee to make it just and fair. I know that will be more costly, and I have quoted the figures already, but we will have to do it. We will have to make our cuts somewhere else.

All Members of this House know that the deficit looms large and is threatening. There must be fiscal responsibility, but in restoring some measure of balance between revenues and expenditures, we must take the greatest of care not to hurt those who cannot defend themselves. We must take the greatest care to assist those in deep and painful need. Let us pass Bill C-26, but not as it is. Send it to committee, amend it and include the other two very needy groups of persons aged 60 to 65, those who never married and those who are divorced or separated and find themselves in equal need to those who are married and those who are divorced.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Epp (Provencher), seconded by Mr. Hnatyshyn, moves that Bill C-26, an Act to Amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Wealth and Social Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

An Hon. Member: On division.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

An Hon. Member: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

[*Translation*]

Mr. Gauthier: On division!

Mr. Deputy Speaker: I declare the motion carried, on division.

[*English*]

Accordingly, the Bill stands referred to the Standing Committee on Health, Welfare and Social Affairs.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed from Friday, February 1, 1985, consideration of the motion of Mr. Masse that Bill C-20, an Act to Amend the Canadian Radio-television and Telecommunications Commission Act, The Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have had a chance to look at this Bill. In the time available to me, and I believe we are now down to 10 minutes per speech, I will not be able to comment at length. However, there are couple of points certainly worth looking at.

While my Party supports the general principle of this Bill and while my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald) emphatically stated her support of the initiative in this Bill with relation to the sexual stereotyping in broadcasting, we still have some concerns over the manner in which directives are to be given to the CRTC and the manner in which the Cabinet is now taking upon itself delegated power to deregulate according to the principles of Bill C-20.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I rise on a point of order. For the benefit of the Hon. Member for Ottawa Centre, I believe the Table will confirm that we are still under the 20 minute rule for interventions in this debate at this stage.

Mr. Deputy Speaker: It is 20 minutes.

Mr. Cassidy: Thank you, Mr. Speaker. In that case, I will perhaps speak at some greater length. There is an important innovation here. I am not yet familiar with enough federal legislation to know to what extent this has been drawn from models elsewhere, but at least some effort has been given in this Bill to look at ways by which political responsibility can properly be taken where a Crown agency is concerned.

The situation which has prevailed until now with the CRTC has been that it has in fact been given, in my opinion and the opinion of my Party, too great a control over the telecommunications and broadcasting policy in this country in a way that effectively Parliament and the Government divested itself of powers that should be in the hands of Government. That does not mean that the CRTC cannot carry out a great deal of work in terms of looking at appeals and questions that come before it.

With respect to broadcasting policy, telecommunications policy and the kind of telephone system that we are to have, the issues are too important and touch too many Canadians for the matter to be simply delegated into the hands of a Crown agency, the chairman of which is quite often appointed as a favour by the Government of the day, somebody whose political credentials may in fact exceed his or her knowledge of what may be required in terms of communications policy. We must leave the matter until it is reconsidered once every five or

six years. The Government has the opportunity to make enough new appointments to the Commission as possibly to influence some future direction in telecommunications policy.

Over the years there have been a good number of studies done on broadcasting policy in this country. The subject has troubled our country largely because of the fact that we have a tradition of public broadcasting in Canada and because it is a very difficult country in which to resolve the satisfactory environment of broadcasting, given the flood of broadcasting influence which comes from south of the border and which is accessible to almost all of us because so many of us in Canada live within easy transmission reach of the United States border.

The proposals in Bill C-20 which allow the Cabinet to issue directives on any matter but then require that the said directives be scrutinized by a parliamentary committee recognize at least an effort to have something of a balance of forces. I do not think that the Cabinet or the Minister of Communications (Mr. Masse) should be intervening on a constant basis. I hope that they will not interfere with trivial matters, that where directives are given these will be directives on matters of broad policy and not directives as to whether so and so who is a friend of Findlay MacDonald or someone like that should be given a broadcasting license rather than somebody who perhaps was a friend of the former Government. Were we to see the Government using its directive power in that way, it would quickly be seen to be improper. Hopefully, it will not embark on it, or if it embarked on it, it will stop it.

One of the controls on an improper use of the directive power is the fact that these matters are to lie on the table of the House of Commons, at least in a figurative way, for 30 days. During that time, there is to be a reference to an appropriate parliamentary committee of the action of the Government in issuing a directive or notice of directive if it is trying to save a bit of time. I would assume that, given the flexibility of this House and the interests of Members, a committee would then be able to hold hearings and question the Minister or possibly the Commission over why such a directive was in fact being issued. This would perhaps inhibit the Government from using its power of directive improperly while at the same time allows the Government the right to dictate in general terms what broadcasting policy should be.

I recognize there are some difficulties with this proposal. One difficulty is that the legislation, and I think properly, says that prior to issuing a directive, the Minister or the Government should consult with the CRTC. That could lead to a situation in which the CRTC would not need to be told what to do because it would be informed by the Minister that he or she is intending to take a particular action and a particular directive would be recommended. Then, to avoid the embarrassment of having a directive made public, the CRTC would do what it was going to be told to do and it would thereby, it would hope, retain certain room to manoeuvre. If it does what it is told without being told, then perhaps it would not be told what to do the next time. I do hope that you followed that, Mr. Speaker. In other words, the consultation procedure can be used as a means by which the CRTC would come under the constant direction of the Ministry and very seldom would those directives be a matter of public record. Therefore, very seldom would the Commons committee have input or insight into the nature of the policy directions that have taken place.

● (1540)

Perhaps I can broaden my argument for a moment, Mr. Speaker. The broader question relates to the relationship between the Government and Crown agencies and Crown corporations in general. It seems to me, as has been argued for a long time, that while there must be something of an arm's-length relationship between the two, that relationship cannot be totally arm's length. In the case of the Canada Development Investment Corporation, the body which controls Canadair and de Havilland, no one in particular was responsible for those Crown corporations before they were put under the Canada Development Investment Corporation. No one was responsible because the government appointees on the board of directors thought that the private-sector members of the board of directors were exercising due care to make sure that the shareholders' money was not being squandered by those two Crown corporations. The private-sector directors thought that since there were government directors on the board, the government directors were calling the shots since the Government was the sole shareholder. Therefore, they felt that they did not need to do their jobs. In the end, hundreds of millions of dollars were wasted by those two Crown corporations and a large part of the reason for that was that there had been no thinking through of the relationship between the Government as shareholder and the Crown corporations, which were established to do what in the opinion of the House of Commons of the day was an essential public function and at the same time were meant to operate to some extent in the private sector. To some extent, those two roles conflicted.

The CRTC is an agency which is entrusted with the carrying out of government policy rather than a commercial agency which is meant to either fulfil the public economic purpose or to make money. Nonetheless, the same kind of dilemma applies. Are full and part-time members who are appointed to the board of the CRTC to act in their own lights under what they think should be broadcasting policy, are they to act according to what they are told by the Government that appointed them two, three or five years before, or are they to listen to what the Minister of the day is saying and try to accord themselves with those particular opinions even if those opinions are not the opinions they themselves hold? It is a difficult situation.

In my opinion, no member of any independent agency would allow himself, after having been appointed, simply to listen to the wind and then blow with the wind depending on what the Government of the day seems to be thinking. I do not think he would give up his control to that extent. However, where there is a clearly mandated policy which is laid down by Parliament, then it seems to me to be appropriate for him to say, "Okay, that is the way the Government wants us to do it, that is the way we will do it". If someone in that situation fundamentally

disagrees with what the Government has put forward as a directive, he or she can of course decide to resign and use his or her talents elsewhere.

I am suggesting that the mechanisms here may well be worth copying and emulating in the case of other Crown agencies and Crown corporations. I look forward to seeing that as perhaps a more desirable alternative to some of the ideologically inspired efforts of certain members of the government Party who seem to want simply to abolish Crown corporations holus-bolus on the grounds that they interfere with the free enterprise system, that it is wrong for them to exist, or for whatever other reasons they may be able to put forward.

This country has a public-enterprise history and a very proud one. We have a history of public involvement in the development of our country, which goes back prior to the creation of Crown corporations, with the public investment in the building of the Canadian Pacific Railway. The Fathers of Confederation were quite ready to have public enterprise then and they began a very large private enterprise with government grants. Nonetheless, there has been a great deal of public involvement and we in this country are very different in our political culture from the United States where there are no public enterprises such as the ones we have here.

If we want our country to stay together, I do not think that we can do without public enterprise. However, I believe it is necessary to talk about an evolution in the way Crown agencies and Crown corporations work. What is before us within Bill C-20 may in fact represent that kind of evolution.

May I suggest, however, that there are some areas in which directives may be very desirable. I for one would like to see a greater sense of public responsibility on the part of the CTV network, the largest independent or private-sector network, to carry out its responsibilities as a Canadian broadcasting entity. I have no criticism about the way the CTV covers sports. I think it does a reasonably fine job when it comes to news coverage at 11 p.m. I have no problems with those things. My problem lies with the fact that that is just about where the CTV's initiative ends. Its efforts to foster Canadian culture and a greater understanding between different parts of the country, apart from the news and a small public affairs segment, are virtually negligible. If the Government were thinking of giving directives, and if it did not feel that it was biting the hand that fed it, it might think of giving some directives to the CRTC with respect to cracking down on the CTV to ensure that it does a better job as a national broadcasting entity than it is doing now.

I am told by friends within the CRTC that the Global Television Network is in fact doing more of that kind of Canadian broadcasting than it was doing before. It is claimed by people I know within the CRTC that that is partly because of pressures put by the CRTC. If the Global network is doing so much better than the CTV when it is a much younger network and has had far more commercial difficulties than the CTV, then why the devil can the same thing not be done with respect to the CTV?

I would like to suggest—dare I say it—that there is still a thought in my mind that broadcasting is a privilege and not a right, that a broadcasting licence should be treated as a privilege and not as a right, and that if a broadcaster fails to live up to the company's undertakings to the CRTC with respect to Canadian content and service, we should have no hesitation in withdrawing that privilege and putting it in the hands of some other group and perhaps even a co-operative or a consumer-owned radio or television station undertaking which will do the job in a way that the private enterprise did not.

Regrettably, in the past the CRTC has been prepared to allow owners of broadcasting undertakings to deal with those undertakings as if they were composed of shares in any other private enterprise without regard to the public responsibilities of broadcasting. The CRTC has ratified changes in ownership of broadcasting undertakings but rarely has it bothered to look to see whether or not those changes of ownership were in the public interest. The CRTC has bought the private-sector ethic and believes that if one owner wants to sell a broadcasting station to another owner, that is okay and they should effectively have the right to do so regardless of the principle on which the CRTC is founded, which is that the air waves are public property and not private property. I am speaking as a New Democrat and as a democratic socialist. I like to think that the air waves are one of the things which are still public property and for which there should be public responsibilities if people are given the right to use them.

Perhaps I can say one other thing to the CRTC and to the Government as well. I get concerned when friends of mine give me information about the services offered by Canadian cable companies in their efforts to gain cable franchises in the United States. You would be amazed, Mr. Speaker, by the depth and the variety of the community-sponsored television and public service channels which have been offered by these Canadian companies in attempting to get franchises in the United States. What is particularly interesting about that is that this country is cabled to the extent of 60 per cent to 65 per cent of television subscribers, but these same cable companies have been quite content with not offering those services here. They have their privileges. They are able to distribute their programs. They perform some public service broadcasting, but not nearly the amount they are offering to new franchises in the United States. If they can offer these services in the United States, why is the CRTC not insisting that those cable companies keep pace with technology in terms of the services which are offered here, in order to allow subscribers in Canada to have a much greater range of services which should and could become available?

• (1550)

I would like to say a bit about the CRTC's jurisdiction over telephones. It is an area in which I feel an important directive from Cabinet will be required very soon. I watched with great misgiving, when I was a member of the provincial Government, the manoeuvering, the finagling, the planning and the strategizing by Bell Canada and other telephone companies

when they tried to abandon their responsibility to provide services at a modest cost to ordinary residential subscribers. Now they are at it again, and hearings are being held before the CRTC.

It has been argued that certain services are coming under competitive pressure and that therefore Bell Canada should be entitled to charge $20, $30 or $40 per month for residential telephone service. One of the reasons that we have had relatively good service in the past is that there has been a public service ethos in the Bell Canada system and other Canadian telephone systems, which are both privately and publicly operated. That does not mean that Bell Canada's profits might not have been excessive from time to time, but nonetheless there has been a public service ethos both in the granting of that monopoly and, I would maintain, to some extent in the carrying out of that responsibility in the Bell system. Bell is now trying to get away from that. Part of the public service ethos was that the service would be provided for $9 to $10 a month if people wanted a black telephone without fancy trimmings, and that therefore the service would be accessible to 95 per cent or 98 per cent of the population. Of all the countries we are among the most heavy users of the telephone. The reasons are weather, distance, and the nature of the country. I would not want to see that end.

It has been suggested that there are some bleeding hearts in the New Democratic Party who think, because there are 400,000 or 500,000 people being threatened with loss of service, that we should advocate subsidies. To continue to offer the services to people of modest means should be a reasonable trade-off, if a private sector telephone company is going to enjoy a monopoly and have access to every residential subscriber. The people who talk about the full cost being paid by residential subscribers should realize that the art of cost accounting is imperfect. There has been a costing study by the CRTC under way for six or seven years, in an attempt to determine whether or not Bell Canada is losing money on residential subscribers. The findings will be a matter of judgment. It cannot be brought down to specifics because it is a matter of how the costs are allocated in a system which is heavily capital-intensive. There are many cut-backs now taking place because of the impact of new technologies. For example, Bell has reduced its number of operators by more than half over the course of the last 10 or 12 years. I believe that some of the benefits of that should be made available to residential subscribers.

As far as residential subscribers are concerned, many of the capital-intensive improvements which have taken place in the telephone system are of little use. Maybe Aunt Minnie wants to talk to Aunt Ada, or Madame Dupont wants to call her doctor. The old system served those simple purposes just as well as the new system. Under those circumstances, to say that low-income residential subscribers must pay enormous charges in order to have a sophisticated system beyond what they require, is clearly unwarranted and unreasonable. Directives should be considered by the Cabinet which would tell the CRTC that it is the purpose of public policy in Canada to have a system whereby every Canadian is able to benefit at a very modest cost.

In conclusion I would like to say that Our Party is concerned about deregulation and the unilateral power of the Cabinet to determine if there is enough competition to deregulate. It could mean that the entire telephone system could be deregulated, subject only to review by a parliamentary committee which would be controlled by the government Party. That is not sufficient. When this Bill goes to committee, we will be pursuing that particular question.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Schellenberg: Mr. Speaker, I listened with a great deal of interest to the Hon. Member for Ottawa Centre (Mr. Cassidy) and, with the greatest respect, his speech was quite reasoned and very interesting. From what I understand, he generally agrees with the thrust of the Bill, but he feels there are few minor discrepancies.

He commented on what drives our nation's broadcasters. He spoke about Global-TV and CTV. There are many instances when, in fact, Global-TV and CTV surpass the efforts of the CBC. If it is agreed that profit does drive the nation's private broadcasters, what about the CBC? What would happen if we did not allow the CBC to take advertising dollars? Would that mean that there would be fewer reruns of *Dallas* and *The A-Team* and that we would have better programming in Canada if that were allowed?

Mr. Cassidy: Mr. Speaker, the Hon. Member raises a very interesting question about broadcasting policy which I would like to see the House debate soon. There has been a lot of informed and concerned comment about the impact of the $75 million in cuts which were imposed on the CBC by the Government in the economic statement of November 8. Questions about the mandate of the CBC have been raised, including the one which was raised by the Hon. Member. He asked, do we really need the CBC to bring us *Dallas*, *Dynasty* and other programs? Far too often the CBC is hard to distinguish from the CTV, either in the frequency of commercials or in the nature of its programming. Frankly, I share that concern.

I spent some time in England during the Christmas recess. It was a sheer delight to watch commercial-free television. One must ask the question whether the CBC is flagellating itself for the sake of $180 million worth of advertising revenue per annum, when in fact it could be doing a better job and possibly save a lot of the money it spends in selling the advertising. In other words, the loss would not be $180 million if it was commercial-free or had fewer commercials than it does now.

I am not quite clear about the Hon. Member's comments in relation to the profit motive. I was suggesting that the CTV and Global-TV had a real privilege in having access to the air waves. As Canadian broadcasting undertakings, it could be said that they are not living up to what is reasonably expected of them, in terms of giving us a picture of ourselves as Canadians and contributing to Canadian culture and content.

Frankly, in the case of CTV, its efforts are almost negligible in that particular area.

Mr. Taylor: Mr. Speaker, during the last Parliament there was a lot of discussion across the country about pornography. Some stations were applying to supply programs such as Playboy, which were very distasteful to the vast majority of Canadians. At that time, I sent representations to the then Minister of Communications. The answer I received every time was that the Minister generally agreed with what the people were saying, but that he had no authority. We had the situation in which an appointed board was overruling a Minister of the Crown. I thought it a very odd situation that an elected member of the Government would have to take orders from an appointed body. I would like to ask the Hon. Member, in a case where there is dispute over content, such as pornography, who should have the final say, the CRTC or the Minister representing the Government of Canada?

Mr. Cassidy: Mr. Speaker, again I think that is a good question and it is one which is difficult to answer. Of course, in our system the courts have the final say, if it is a matter of pornography, in the legal sense. I have some difficulty in answering where one goes beyond that. However, I believe that the Bill here would clearly empower the Government of the day to step in and, I would say hopefully, on a general rather than on a specific basis to decide that it is the wisdom of the Government of the day that the CRTC should get tougher on pornography and obscenity or, for that matter, it should loosen up the screws, because I think, really, things are becoming a bit ridiculous. I cannot help but remember the Hon. Member for Calgary North (Mr. Gagnon) who came up with a statement today at two o'clock in order to deliver a paean of praise to profit and the profit motive. Of course, all that the people from Playboy would be guilty of, in his opinion, would be the fact that they were trying to make a profit. I am sure the Hon. Member for Bow River (Mr. Taylor) is in favour of that as well. One has to be careful because principles can conflict from time to time on issues such as this.

● (1600)

I do question whether a directive should go from the Government of the day to tell CTV not to run a particular show or to tell First Choice not to carry the Playboy channel, and so on, because I think with that kind of meddling we would get very quickly into a situation where in fact it would be the Government, not a commission at arm's length from Government, which would be making decisions which would affect the actual program content of particular TV stations. That kind of political interference with the media is something I would have to question seriously.

Mr. Taylor: Mr. Speaker, I do not think the Hon. Member really answered my question. In my view, where there is a dispute, surely the Government of the day should have the authority to settle it. The Government must take the responsibility, particularly with a Crown corporation. When we go outside of that, it may be a different problem.

I would also like to pose a question in connection with Canadian content. I have found that the cable company in part of my riding was subjected to severe criticism by CRTC for showing some American programs. However, the people of that area wanted those American programs. The only way the cable company could stay on the air was to give them the American programs. The same programs could be heard in Ottawa and Toronto and in all the big centres, but because it was a rural area, my constituents were being denied a chance to see the programs they wanted to see. I want to emphasize, along with what the Hon. Member for Ottawa Centre (Mr. Cassidy) said, that the people of the country should have some say in this. When the people of the country want certain programs then, surely, that should be the prime criterion. The people of the country are the ones we should be serving and when we have a majority of our people wanting certain programs and someone in CRTC or the Government says "No, no, we will tell you what's good for you. You can't have that at all", then we are getting pretty close to the type of government they have in Moscow, not the kind I want in Canada.

Mr. Cassidy: Mr. Speaker, I find myself in agreement with the Hon. Member and in fundamental disagreement with him at the same time. His first argument was that his constituents should at least be able to get the same range of programming which is available in, say, Calgary, Edmonton, Toronto or Montreal. Given modern technology, that is feasible. The Hon. Member asked why on earth should they not have that rather than being confined to receiving CTV and CBC and not much else. That is a very reasonable request, and I agree with it.

However, the Hon. Member then proceeded to suggest that it is the duty of his Government to open the air waves in Canada to all kinds of trash from the United States, completely to submerge this country, which has stayed independent for about 124 years from our neighbour to the south, in such a bath of American pop culture and beyond that in fact any sense of Canadian identity would be completely submerged.

I cannot agree with that, Mr. Speaker, because I happen to be proud of being a Canadian and I happen to find that there are distinctive values and attributes to our life here in Canada which I want to see preserved. Our communication organizations and broadcasting networks are very important to me in maintaining a Canadian identity, and I would hate to see the Hon. Member getting together with members of his Party to do what he seems to want to do.

Perhaps I can say a final word. One of the problems of government these days is that governments have too much on their plate. That is one of the reasons why a Crown agency is set up. I would caution the Hon. Member against selling within his Party a doctrine that the Minister of Communications should second guess all decisions of the CRTC, because if the Minister of Communications and the Government decided to do that, they would never have time to do anything else.

Mr. Taylor: Mr. Speaker—

The Acting Speaker (Mr. Charest): The period for questions and comments is now over. We are resuming debate.

Mr. Taylor: I rise on a point of order then, Mr. Speaker. The Hon. Member mentioned things which I did not say. The people of my constituency are not asking for trash, and all the programming which comes from the United States is not trash. Some of the CBC programs are—

The Acting Speaker (Mr. Charest): Order.

Mr. Taylor: I just wanted to correct that error.

The Acting Speaker (Mr. Charest): I believe the Hon. Member for Bow River knows that that is a question of debate and not a point of order.

Before recognizing the Hon. Parliamentary Secretary, I should draw the attention of the House to the procedure which applies in this situation. Standing Order 41 (2) and (3) makes it clear that a reply should be allowed to an Hon. Member who has moved a substantive motion and that in such cases, the Speaker shall inform the House that the reply of the mover of the original motion closes the debate. This rule has been extended to include the mover of the motion for the second reading of the Bill, and this can be verified by reference to Citation 305 (1) of Beauchesne's Fifth Edition.

Citation 305 (2) of Beauchesne's Fifth Edition indicates that if a Member proposes a motion on behalf of another Member, a later speech by either will close the debate. This means that if a Minister moves the second reading of a Bill on behalf of another Minister, either Minister would have the right of reply. It might perhaps be logical to suppose that the Parliamentary Secretary in replying on behalf of his Minister, would enjoy the same right, but since the moving of a government Bill is reserved to a Minister of the Crown, we cannot take it for granted that a Parliamentary Secretary has the right to reply to the debate on a government Bill and that his speech will therefore close the debate.

We have among our precedents several instances where a Parliamentary Secretary has replied to a debate on behalf of his Minister. Having examined these precedents, some of which conflict with each other, I have come to the conclusion that the speech of the Parliamentary Secretary in such instances can close the debate only with the unanimous consent of the House. I would refer to a ruling of Mr. Speaker Michener on November 7, 1957.

He stated as follows:

> I recognize the parliamentary assistant to the Minister of Veterans Affairs. I must inform the House that if the minister were to speak now, as he was the mover of this motion, he would close the debate. I understand that the parliamentary assistant in the department is speaking in the minister's place with his authority. The rules do not appear to prescribe what consequence that has or whether it is permissible. However, I understand that the House previously has accepted the parliamentary assistant in similar circumstances and of course it is the privilege of the House to accept that position tonight.

After hearing the comments of two Hon. Members on this point of procedure, the Speaker added:

CRTC Act

> I raised the issue which has subsequently been spoken to by the two hon. members because I did not want to create a precedent which would necessarily be binding in the future. The House has accepted this practice in the past. There is one instance of it in the debates, at page 2918 of *Hansard* of April 18, 1955, where the parliamentary assistant rose on behalf of the minister and the Speaker informed the House that he would close the debate. I think it is preferable, as suggested by the hon. member for Macleod and the hon. member for Yorkton, that the House understand that the rule does not cover the matter exactly and that we proceed by leave of the House at this time and not by way of precedent.

In my view, Mr. Speaker Michener's interpretation of the procedure indicates the way we should proceed. The Parliamentary Secretary can wind up the debate with the unanimous consent of the House, otherwise, the Chair will be obliged to recognize any other Hon. Member who wishes to speak after the Parliamentary Secretary.

● (1610)

Now, as you may have noticed after my spontaneous ruling on this matter, it has been of some concern to the Chair as to whether at the beginning of this debate the Parliamentary Secretary may or may not wind up the debate for the Minister. This is the ruling of the Chair so everyone will understand. If the Parliamentary Secretary to the Minister of Communications (Mr. Scott) is to speak to this Bill, he will be closing the debate. He can only do that with unanimous consent. Does the House give unanimous consent so the Parliamentary Secretary can resume debate?

Some Hon. Members: No.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, as I begin take two here, am I to understand that my intervention at this stage will not close the debate?

The Acting Speaker (Mr. Charest): That is correct.

Mr. Scott (Hamilton-Wentworth): Would the Speaker therefore like to inquire if any other Member wishes to intervene prior to my rising to speak on behalf of the Minister?

The Acting Speaker (Mr. Charest): Does anyone else wish to resume debate on this Bill?

[*Translation*]

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): Is the Hon. Member rising on a point of order or pursuing the debate?

Mr. Guilbault (Saint-Jacques): A point of order, Mr. Speaker.

I can see that the Parliamentary Secretary is asking you to rise and ask if any other Member wishes to speak and to give him the floor first. However, nothing in the Standing Orders provides that a Member must speak before another Member. There has not been unanimous consent for him to close the debate, but we can hear him out. Other Members in the House might wish to speak after him.

[*English*]

The Acting Speaker (Mr. Charest): The Parliamentary Secretary to the Government House Leader rises on a point of order.

Mr. Dick: Mr. Speaker, I think what is happening is that the Parliamentary Secretary to the Minister would like, if possible, to see himself as the last speaker as the Minister is not here. I understand there are a couple of other Members over on the other side who want to speak. He has not started in debate at this stage and I think that if anyone else wants to speak he or she might want to rise.

Mr. Orlikow: On a point of order, Mr. Speaker. The Parliamentary Secretary cannot do what he seems to be trying to do. If he does not get up now and no other Member gets up, then the debate is concluded. However, you have made it very clear that he cannot be guaranteed that he is going to close the debate. I think the situation is as simple as that.

The Acting Speaker (Mr. Charest): Please let us have a clear understanding of what is going on. I have given my ruling concerning the conditions under which the Parliamentary Secretary may close the debate. It is only with unanimous consent, which I asked for, and which was not given. It is now up to the Parliamentary Secretary either to speak on the Bill or not to speak, and the matter is quite clear. If he wishes to close the debate later on, I presume that he may, as any other Member, ask once again for unanimous consent. But that is a matter that we will deal with at that time.

Does the Parliamentary Secretary to the Minister of Communicatons wish to resume debate?

Mr. Hnatyshyn: No.

Mr. Dick: Excuse me, Mr. Speaker. If I understand it correctly, when you recognized the Parliamentary Secretary earlier, it was on a point of order dealing with whether or not he would be able to close off debate. You have not recognized him, I believe, at this stage for debate because if you had, then of course he could not be recognized a second time at second reading stage. But if he has only been recognized for procedural reasons, then he can stay in his seat and rise in debate at a later stage if he likes.

Mr. Orlikow: If there is a debate.

The Acting Speaker (Mr. Charest): I do not think it would be proper for us to get into a full debate on this, but may I point out once again that before the Parliamentary Secretary spoke I had clearly ruled that unanimous consent was necessary if he were to close the debate. I had recognized the Parliamentary Secretary to the Minister of Communications. Unanimous consent was not given. Therefore, it is his right either to speak on the Bill or not. But one thing is clear: it will not close debate.

It was my duty at that time to advise the House of the consequences of the Parliamentary Secretary rising in debate. Unanimous consent was necessary, and the House has chosen not to permit the Parliamentary Secretary to close the debate.

Mr. Dick: Mr. Speaker, will the Parliamentary Secretary then have the right to rise later if he wants to do so in debate?

The Acting Speaker (Mr. Charest): Yes.

Mr. Manly: Mr. Speaker, I fail to understand how he would have the right to rise later in debate when he has already been recognized for debate at the present time.

The Acting Speaker (Mr. Charest): Let us understand clearly that this ruling was prepared because we had foreseen this situation. The Chair intervened before the Parliamentary Secretary addressed this Bill to advise the House of the consequences of his speaking to the Bill and to ask for unanimous consent. The Chair having intervened, the Parliamentary Secretary has not addressed this Bill.

Resuming debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, that was indeed a very interesting interlude.

Mr. Hnatyshyn: For whom? Let me know when you are finished, Aideen, I will be right back.

Mr. Guilbault (Saint-Jacques): You should be ashamed.

Miss Nicholson: I find that remark extremely offensive and unbecoming to the House Leader, who is normally very courteous.

Mr. Hnatyshyn: It was not intended that way; it was intended as a compliment.

The Acting Speaker (Mr. Charest): Order, please.

Miss Nicholson: Mr. Speaker, there are a number of factors covered in this CRTC Bill, but the one I want to comment on particularly is the increased direct control by the Government. There has been a long-standing policy in this country of trying to keep the cultural life of the country to some extent at arm's length from political decisions. This is a major change in policy which I think needs major examination, particularly when one looks at it in the context of the very deep cuts applied to the CBC and Canada Council which have had such an impact on the cultural life of our country as well as on the ability of young artists and technicians to earn a living.

• (1620)

We have all been receiving letters and briefs from cultural organizations and interested citizens. There is no need to repeat all of the arguments. One particularly cogent argument came in a copy of an open letter to the Prime Minister (Mr. Mulroney) on public broadcasting from the Canadian Association for Adult Education. It reads in part: "Not since the CBC was first established by a Conservative Government more than 50 years ago has public broadcasting been more seriously threatened or been as essential in preserving the upper half of

the North American continent as a proud and distinctive nation".

At the moment the CBC is facing a very bleak and uncertain future. Its radio and television budgets are being cut by $75 million. Special series will be shelved. Children's programming will be cut. This is extremely important to Canadians. We have heard a number of concerns in the House, and some of them have been raised by the Hon. Member from Newfoundland who is now chairing the special task force on parliamentary reform. He has been a very articulate and effective spokesman in the House for children's programming which is designed not to exploit children. It will be very sad if we start to lose control of that.

I represent a riding where a lot of young artists, musicians, actors and technicians live. The cuts in the CBC have essentially made them unemployable for the immediate future because their skills are not transferable. They cannot walk across the road and be hired by another radio or television station because this kind of hiring is not happening. Some of these young people are being forced out of the country. If a massive exodus of talent occurs, the whole country will be the poorer.

It is interesting to look at some of the statements which the Conservative Party made in its election platform. They are very different from what we are seeing at the moment. In August of 1984, the Canadian Conference of the Arts sent a questionnaire to the present Prime Minister. I will quote two statements which it was sent back. The first reads:

> We are committed to maintaining federal funding for the agencies and councils in line with inflation.

Another reply in the same questionnaire reads:

> We are committed to real growth in federal contributions to this sector.

In fact, the Government has neither maintained funding for agencies and councils in line with inflation, nor has it shown commitment to real growth in federal contributions. Instead, it has cut funding in the areas of arts, culture and communications to the extent of some $121 million. I can understand why the Parliamentary Secretary might prefer to speak at the end rather than during the course of this debate. He himself, when in opposition, vigorously defended the cultural communities. He must be somewhat embarrassed by the present situation.

Another response by the Conservative Party to the questionnaire of the Canadian Conference of the Arts reads as follows:

> Our commitment to improving the quality as well as the quantity of employment in the cultural sector is firm.

Yet, look at all the cuts we have seen and the people who have become unemployed recently. The cuts in the budget of CBC alone will result in 1,100 lay-offs. The present Minister of Communications (Mr. Masse) said in the House that he would examine areas in which cuts are proposed to ensure that Canada's arts community is not exposed to cut-backs and that, on the contrary, funds allocated for creative work and production are increased. I hope that the Minister seriously meant that commitment which he made on November 29. If the Parliamentary Secretary does speak later on in this debate, I do hope that he will address that issue. This is a very serious matter for the cultural life of the country as well as for the individuals concerned and their ambitions and aspirations.

Another official response of the Conservative Party to the August, 1984 questionnaire of the Canadian Conference of the Arts was:

> We recognize the proven job creation capacity of the cultural sector and the training opportunities provided. We believe that federal programs such as those under the National Training Act have to be made accessible to this sector.

To the present we have not seen any job-training programs in the arts and cultural sector or any other sector. I look forward to hearing this issue as well addressed in the debate.

In December, 1984 the Minister of National Revenue (Mr. Beatty) acknowledged the fact that the number of people occupied in artistic endeavours is growing faster than any other occupational group in the Canadian economy. Statistics in 1981 indicated that in the 10 years previous the number of people working in cultural occupations doubled, as compared with growth of some 30 per cent for all other occupations over the same period. It is rather puzzling that clearly some Ministers of the Government recognize that the artistic and cultural industries are growth industries, while the cuts give the impression, which I hope is misleading, that the Government regards cultural activities as a frill or luxury which can be dispensed with.

With regard to the arm's length relationship, a subject with which I started my comments, the response to the Canadian Conference of the Arts questionnaire of August 1984 reads as follows:

> We are committed without question to the arm's length principle and regard peer review as the most equitable and consistent mechanism for federal funding support to individuals, groups and institutions. The cultural agencies and councils are more able than politicians and bureaucrats to assess the need identified by the cultural sector . . .

It appears that there have been some changes in that position also since August 1984. We just heard one Conservative Member speak of the need for more direct ministerial control and management. Perhaps this could be explained to us as the debate continues.

In an interview with the *Globe and Mail* on November 29, 1984, the present Minister said that he wanted to rethink the arm's length principle. He said that his Government was moving rapidly to apply "a direct political hand" in the affairs of CBC. In the Bill before us we see a direct political hand being applied to the affairs of CRTC. There may be good reasons for this, but those reasons should be presented to us and should take into account the good reasons that existed in the past to do otherwise.

● (1630)

On November 19, the Prime Minister said in the House, "I am pleased to be able to confirm that the position of the federal Government in respect of the CBC and other groups will be to stay at arm's length at all times". One Conservative Member contributed to this debate by saying that the apparent contradiction was owing to different interpretations of arm's

length. It is an important issue which needs to be clarified. There is too much at stake for it to remain fluid.

With respect to the question of consultation, one response to the questionnaire in August, 1984, was, "We will continue to consult with groups and individuals in the cultural sector on all aspects of policy development". However, the national Director of the Canada Council told reporters that the arts community was never consulted about budget reductions.

With regard to the CBC, three private sector consultants were hired by the Government and sent there to advise. Again, this is another fundamental change between August and December.

Let me return to the Parliamentary Secretary, who was quoted last June as saying that his Party wanted "to get away from the mentality of hand-outs symbolized by the Canada Council". Perhaps the Hon. Parliamentary Secretary was not quoted accurately, he will be able to explain that, but it is very puzzling that, on the one hand, there is a commitment to funding in the response to the questionnaire from the Canadian Conference of the Arts while, on the other hand, there is the statement that the Party is against "hand-outs".

In January of this year, a Conservative Member of Parliament asked the Minister of State for Youth (Mrs. Champagne) if it was correct to assume that one of the priorities for spending in the International Year of Youth would be cultural organizations. The Minister's reply was, "The Hon. Member would be mistaken in saying that it is a priority". Surely in the International Year of Youth, one must ask what is more important as an expression of youthful idealism and concern for the country than the cultural and artistic expressions of our youth? If such organizations are not a priority, how does that fit in with the election promises?

The previous Liberal Government sought to foster the cultural and artistic expression of Canadians and worked to ensure that this expression was transmitted to all Canadians. Since my own constituency is one where many people have low incomes, many of whom are struggling artists, I keep returning not only to the inherent value of cultural and artistic expression but also to the fact that many of the people involved are young and earn very little, even in good times and with considerable government support for the arts. In terms of people employed, the Canadian arts industry is the fourth largest in Canada, with 145,000 full-time employees. The arts industry is the sixth largest in Canada in terms of salaries and wages, which total approximately $2.5 billion.

In 1983, artistic revenues amounted to 2.4 per cent of the GNP. In the year 1983 to 1984, under a Liberal Government, the total appropriation for the cultural portfolio, exclusive of museum construction, was $1.2 billion. The estimated value of the cultural sector to the Gross National Product in 1981 was $11 billion. This is larger than textiles, chemicals and aviation combined.

The Liberal Government adopted recommendations of the Applebaum Committee, among others, into a framework for federal cultural policy, which included recognition that an appropriation role for the federal Government is the creation of a climate of creativity; that strong cultural industry be encouraged; and that this be accomplished through a partnership of effort with the creative community, other levels of government and the private sector.

In 1983 to 1984, several new policies were announced by the Liberal Government to promote further the cultural community in Canada. A broadcasting program production fund was created, which produced $250 million of federal funds to generate some $750 million worth of programs from the independent production sector over five years.

The CBC was to have 80 per cent Canadian programming and prime time programming by 1988, and 50 per cent of that program was to be purchased from independents. In May, 1984, a new role for the National Film Board was defined and a number of new forms of assistance for the marketing and promotion of Canadian films was announced.

In June, 1984, Revenue Canada announced acceptance of important recommendations made by a parliamentary committee regarding the application of tax law to artists and writers. The measures included making refunds to certain eligible artists and writers by limiting the effects of reassessments of their tax returns, allowing self-employed performing artists to deduct the cost of music, acting or other lessons to develop their talents.

Up to June, 1984, we saw consistent growth in the cultural industries in Canada, encouraged by successive Liberal Governments. Now we see the new Conservative Government making severe cuts in all of those programs, as well as introducing a Bill to amend the CRTC in such a way that it will allow for much more political direction.

These are very serious matters, particularly in view of high unemployment in this country. I hope that they will be addressed, and if the decisions have not been engraved in stone I hope the Minister will reconsider them as a result of this debate.

We have seen an interesting development in the last few weeks when, in an unprecedented show of unanimity, 21 organizations representing French and English Canada unveiled a collective statement urging the Minister of Communications to act swiftly in dealing with what they regard as a deepening crisis, which they say affects the very life and soul of Canada. In their statement, the group suggests that the future of Canadian programming with the CBC is in jeopardy. They have a number of very broad recommendations, many of which would return us to the situation that existed with the Liberal Government prior to the last election. They say that the central cultural organization in Canada is the CBC, which does not exist for itself but for all Canadians. "The institution is in crisis and thus the crisis touches us all". Their recommendation is that the Minister of Communications recommend that Parliament vote a special envelope of moneys of the CBC earmarked exclusively for independently-produced Canadian programming.

• (1640)

Whether or not Ministers find this particular solution attractive, it is my hope that they will consider very carefully the effect of the cuts in the cultural industries because allied to the proposed political control of the CRTC we are being presented with is a situation that has never existed in Canada before. The Government may have good reasons to justify such a very radical change but we have not yet heard them.

The Acting Speaker (Mr. Charest): If there are no questions or comments, we will resume debate.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am glad to have this opportunity to make a few remarks on Bill C-20, an Act to amend the Canadian Radio-Television and Telecommunications Commission Act, the Broadcasting Act and Radio Act.

The Acting Speaker (Mr. Charest): I am sorry but I must interrupt the hon. gentleman because I have a matter of business to dispose of before five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural affairs—Budgetary cut-backs. (b) Level of government funding; The Hon. Member for Westmorland-Kent (Mr. Robichaud)—Tourism—Elimination of funding under Industrial and Regional Development Program. (b). Consultation with industry; The Hon. Member for Shefford (Mr. Lapierre)—Post-Secondary Education—Youth—Budgetary cuts. (b) St. Valentine's Day conference—request that student representatives be permitted to attend.

GOVERNMENT ORDERS

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATONS COMMISSION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Masse that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the

Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Manly: Mr. Speaker, we are in general support of this Bill but I do have a few comments on some of its provisions.

Part I gives the Minister the right to issue directives with regard to broad policy issues relating to the Canadian Radio-television and Telecommunications Commission. We support this. This part has a caveat which excludes anything to do with specific issuing or renewal of licences. We believe that is a very important exception. We think it is important that the Government should have the right to make these broad policy directives. It is also important that these directives are laid before the House of Commons and referred to a committee so they can be scrutinized in committee. This the Bill does. I think this is an important step and I want to recognize that.

There is one area in particular where our Party is concerned that the Government should be issuing a directive and that is in relation to the application by CNCP telecommunications to compete for long-distance services. This is not simply a specific, but a broad policy matter which I believe requires the attention of the Government. We want the Government to act on this because it affects the very important system of telephone use that we have built up in Canada where we have an extremely high number of Canadians who have access to telephones. For many Canadians the telephone is their lifeline. This is true for those who live in rural areas, for those who are handicapped in one way or another, and it is especially true for senior citizens.

We know that long-distance rates have been used to subsidize the operation of local phone services so they are available at reasonable rates. If we allow deregulation of long-distance rates, this will result in higher local rates and will mean that local phone service will in many cases be placed beyond the reach of many subscribers. This is an important area where the Government should be issuing a policy directive, and I hope we will be hearing from the Government very shortly. At the same time we are concerned about Clause 14.6 of the Bill which gives the Minister the power to exclude telephone and telegraph systems from regulations if, in the opinion of the Minister or the Commission, these services are already sufficiently competitive. We do not see this extension of the Minister's power as warranted or that it will serve the public interest.

We are in general agreement with the clause in Part II that attempts to regulate the use of satellite receivers. We see this as an important technological issue. The Government has been scrambling to catch up and to do some justice to individuals who have set up satellite receivers and at the same time not to open up the system so that the whole question of regulation of broadcasting would go by the board. Again, we would issue a plea to the Government to give every consideration to small and isolated communities which depend upon these satellite receivers for any kind of decent TV reception.

One of the areas in the Bill that is extremely important and that we in this Party are pleased to see is Clause 3 which adds the following paragraph to the Broadcasting Act. It reads:

the programming provided by the Canadian Broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;

We are glad to see that clause in the Bill because we know it is directly the result of the very strenuous work of the Hon. Member for Broadview-Greenwood (Ms. McDonald) who in the last Parliament was very active in bringing the whole question of broadcasting that was abusive to women and pornographic to the attention of Members of Parliament and the Canadian public in general. She was very active in pushing this issue and I am glad to see the Government is taking action, although, as the Member herself has said in commenting, it would be better if the wording read that the Canadian broadcasting system "must" respect and promote equality rather than "should".

In addition to these specific comments about the Bill, I have some broad concern about broadcasting in Canada, in particular the $85 million worth of cuts announced in the budget of the CBC, being a 9.5 per cent portion of its proposed budget. I hope all Members in the House would agree that the Canadian Broadcasting Corporation is very important to Canadian unity and to our sense of a Canadian identity. I am pleased to see that the Parliamentary Secretary to the Minister of Communications (Mr. Scott) agrees, and I hope he can bring other members of his Party on side because we face very strong cultural pressures from the United States. Some of these pressures are positive and some are negative. Regardless of whether they are positive or negative, it makes it very difficult for us to resist those pressures if we are dealing on a straight commercial basis. Profit motive has its place no doubt in such things as broadcasting and in the cultural area as in other areas of our society, but the profit motive is not in itself sufficient to protect Canadian unity and Canadian identity from the kinds of pressures we receive from our powerful neighbour to the south. It is important that we have a strong CBC.

● (1650)

It is interesting that while there have been some criticisms of the CBC for being inefficient, the last study that was conducted some seven years ago by McKinsey and Company came to the following principal conclusions:

1. Judging by hours produced in relation to expenditures and numbers of employees, the CBC is an efficient and productive organization compared to other public broadcasters.

It compares the CBC with public broadcasters in other parts of the world.

2. The corporation carries out its mandate with fewer resources than could the aggregate Canadian private sector as it is now constituted. Where the CBC incurs higher costs in individual program areas, it is generally due to the corporation's interpretations of its mandate responsibilities, rather than to inefficiency.

Quite apart from the question of economic efficiency, we need to recognize that the CBC cannot be judged entirely on the basis of the ratio between its costs and the size of the listening or viewing audience. It serves a wider and more important function in terms of Canadian society. My Party believes that the CBC serves a function that cannot be met by private outlet. For example, we can consider the question of what is news and how we determine what gets reported.

I heard a very interesting commentary over the CBC this morning by Barry Zwicker. He was talking about the Eaton strike and said that apart from *The Toronto Star*, *The Globe and Mail* and the CBC, there is a virtual blackout in the news media with respect to that strike against seven Eatons stores in Ontario. The facts of that strike are not getting out to the Canadian public.

While a lot of private publishing and broadcast corporations talk a great deal about freedom of expression, Mr. Zwicker pointed out that the Standard Broadcasting Company refused to carry Ontario Federation of Labour advertisements regarding the Eaton strike. This raises some serious questions about what freedom of the press really means when you have large corporations with interlocking directorates having power over broadcasting corporations. When we look at issues like that, it is important that we have a public broadcasting system such as the CBC.

If freedom of the press is going to mean anything, we need to have a strong and independent CBC. That does not mean that the CBC will be immune from criticism. I am very unhappy about some of the cuts it is making in programming, for example cutting the program *Our Native Land*. That is the one program that gives information about Indians, Metis and Inuit people on a regular basis to communities across Canada. Canadians should express their views about that very strongly. I hope the CBC administration will be responsive to that kind of representation. I believe at the same time that the CBC has to be independent.

With those comments, I will close by saying that we regard this Bill largely in a favourable light. There are some amendments that I am sure my colleagues will be moving in committee, but I thank you for this opportunity to speak.

Mr. Marchi: Mr. Speaker, I listened with great interest to the Member before me speak on government action or government directives to bodies like the CRTC, stating that his Party was in favour of that sort of contact between the Government and the broadcasting bodies of this country. At the same time, he outlined with some degree of passion and sincerity the problems that we have witnessed in recent CBC cuts to the tune of $85 million. I am curious to know how the Member can speak to both those items. From where I sit, they seem to be in direct opposition. If we are to give this Government the direct mandate to dictate to a far greater degree than in the past, what assurances does the Member have that we will not see the same devastating cuts that we have been experiencing of late? What assurance does he have that this Government will protect the broadcasting and cultural agencies across this country?

Mr. Manly: Mr. Speaker, that is a very important question. I do not have any assurance that this Government is going to protect the independence of the CBC. The cultural cut-backs we have seen, not only to the CBC but to other cultural agencies, bother me a great deal. They say they are independent of the cuts they have received from the Government, but I am not too sure they are.

The first responsibility of the Government is to ensure that the CBC has adequate funding to carry out its mandate. Second, Members of Parliament have a responsibility to be vigilant in ensuring that the Government does not interfere in a ham-handed fashion with the CBC so that it is able to maintain its independent existence. At the same time, the Government has the responsibility for being able to issue broad policy directives to the CRTC.

Mr. Keeper: Mr. Speaker, I want to make a brief comment on my colleague's speech. He mentioned the plans of the CBC to cut the program *Our Native Land*. I wonder how a Government that claims to be interested in the people who are in greatest need in this country, which claims to be committed to consulting before taking action, can stand idly by while executives from the Canadian Broadcasting Corporation slash a program that is crucial to the native community in this country. Native people are spread across this land in small populations. This program has been one way of developing a sense of national community among native people. It serves as a vital commission link for native people. I am glad my colleague mentioned that in his comments. I wish the Government would wake up and make clear its priorities and the fact that it will not stand for this kind of savage cutting of programs that people need.

Mr. Manly: Mr. Speaker, I simply want to reinforce the comment of my colleague and underline the fact that if there are going to be these budget cuts, we will be seeing program cuts that are very detrimental to the Canadian public.

Mr. Hovdebo: Mr. Speaker, I have a question for my colleague. Does he believe it is possible that the CRTC could retain its independence and at the same time have the Government establish a control over the kind of cuts that can be made in programming? If so, how would that be possible?

Mr. Manly: Mr. Speaker, we were very concerned about the way in which the Minister of Communications interfered with the CRTC in cutting some of the programs. He indicated the way in which he wanted the cuts to be implemented. The Government's responsibility is to provide adequate funding, as I said before, so that the CBC can carry out its mandate.

• (1700)

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

The Acting Speaker (Mr. Charest): Is there unanimous consent for the House to proceed to Item No. 66?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Agreed.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ADVISABILITY OF ENACTING CAR EMISSION CONTROLS

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the government should proclaim for the 1987 car models, the same car emission controls already in place in the United States, and to educate consumers and the public in order to reduce nitrous oxide in gasoline by 1987.

He said: Mr. Speaker, I appreciate your having called this Bill. As we all know, we have only one environment and it is one that we wish to preserve. We also realize that if we damage environment at the rate we are now going, there will be little left for us and for future generations to enjoy in the manner in which we have enjoyed the environment so far.

As you know, Mr. Speaker, acid rain is slowly but surely killing our lakes, rivers, forests, agricultural lands, structures and buildings and the very air that we breathe. Car emissions contribute to acid rain. Our economy depends so much on our natural resources. Therefore, our common goal must be to clean up this stuff that we emit into the air.

Pollution is not partisan; it affects every one of us. It affects the health of people we love; our wives and husbands, children and grandchildren. It affects the weak and the strong, the rich and the poor. It does not discriminate. For these reasons, I call on the Government to proclaim for the 1987 car models at least the same car emission controls already in place in the United States, and to generate support among consumers and the public in order to get their full co-operation in reducing nitrogen oxide emissions in cars sold and used in Canada as of the year 1987.

The Prime Minister (Mr. Mulroney) must intervene in the present departmental squabble between four departments. Two of these departments would like to move fast, and these are the Department of the Environment and the Department of National Health and Welfare. Two are dragging their feet namely, the Department of Transport and the Department of Energy, Mines and Resources. The Minister of Transport (Mr. Mazankowski) has been evasive and non-committal. The Minister of State for Transport (Mr. Bouchard), as we heard last Friday during Question Period, does not know about this important file. Both Minister seem to shift their responsibility for making a decision to that forlorn, uninspired Minister of

the Environment (Mrs. Blais-Grenier) whose commitment to the environment matches that of a blind horse.

Consultations took place in 1984. Now it is up to the politicians to decide. There is a division of views, and it is up to the Prime Minister to keep his environmental promises. I submit, Sir, that he must act. If he wants to maintain his credibility, he must act decisively and boldly. This is why we on this side of the House urge him to set 1987 as the target year in which United States nitrogen oxide standards will apply to automobiles sold and used in Canada.

Nitrogen oxides are formed in the combustion process. In 1980, North American man-made nitrogen oxide emissions totalled some 21.3 million tonnes, 1.7 million tonnes of which were produced in Canada. Our nitrogen oxide emissions come primarily from the transportation sector. In Canada, automobile emissions account for some 21 per cent of all man-made nitrogen oxide emissions. Our nitrogen oxide emissions are small in comparison to those of the United States but they are a cause of concern.

Nitrogen oxide has several direct effects which I would like to outline for you today, Mr. Speaker. First, nitrogen oxides are capable of damaging human respiratory tissue. Although it is difficult to find direct evidence correlating the level of nitrogen oxides with health deterioration because it is a gradual process, there are acknowledged side effects such as increased appearances of bronchitis, asthma and other lung disorders. There is evidence as well that nitrogen oxide threatens the central nervous system and brain functions and causes hypertension, eye and skin irritations and can even induce skin cancer. Again, children are the most affected.

Nitrogen oxides and hydrocarbons reacting with sunlight form a substance called ozone, which in turn is a major component of smog. We know that ozone affects human health as it affects vegetation and man-made materials. We know that ozone aggravates lung problems. We know that children are more sensitive to ozone than adults and that people with respiratory problems are most sensitive to ozone. We know that correlations have been made between hospital admissions for respiratory problems and ozone concentrations in southwestern Ontario. I would like to refer you, Mr. Speaker, to a most excellent study just completed by Dr. Payne of British Columbia on the basis of charts and data he has compiled supplied to him by the Ontario hospital insurance services.

Second, in agriculture we find that nitrogen oxides in the form of ozone affect the growth and health of plants. Scientists are telling us that the damage to agriculture amounts to losses of approximately $2 billion a year, and in Ontario alone, the average annual loss is estimated at between $20 million and $50 million. The crops affected include corn, wheat, potatoes, soybeans, tomatoes, onions, cucumbers, lettuce, white beans and tobacco.

Third, nitrogen oxides find their way into acid rain, and these emissions contribute about 30 per cent to acid precipitation. During the winter months, they contribute up to 50 per cent. The sulphur dioxide emissions make up the balance of acid rain composition in Canada, but because the emissions of nitrogen oxide convert to nitrates in the atmosphere, they fall back to earth in the form of rain, snow or dust. During the summer months, these nitrates are absorbed by plants and trees. During the winter months, they accumulate in the snowpack. When the snow melts, the acid from nitrates and sulphates is released into our streams and eventually into our lakes. In spring when the life cycle of many aquatic species begins, this can kill the eggs of frogs, salamanders and fish.

An important step in reducing acid rain is further control over the emissions of cars by installing a three-way catalytic converter in each car. This has been done successfully in the United States. In Canada today, many cars already run with a three-way catalytic converter. In a front-page article in the *Toronto Star* which appeared a couple of days ago, it was reported that the cost of a catalytic converter to the consumer is assessed at about $200.

You may recall, Mr. Speaker, that in 1981, Environment Canada began assessing the effects of improved automobile emissions standards. In September, 1982, Environment Canada announced in *The Canada Gazette* that automobile emission standards would be examined. An inter-departmental project review group, which included officials from Transport Canada, Energy, Mines and Resources and Environment Canada, was formed to undertake work in this area. Public meetings were hosted and studies were completed. Reports have assessed the costs and benefits of introducing automobile emission standards. We are now waiting for a political decision to be made.

The President of the Canadian Motor Vehicle Manufacturers' Association is reported as saying that there is no evidence to show that further controls are necessary. Then the petroleum industry seems to be concerned of all things about the fact that the catalytic converter does not permit the use of leaded gasoline. What a pathetic duet! Why is it that industry fails all the time to take up the challenge implied in the fundamental principle that the environment, be it air, water, forest or soil, must be protected and that the cost to society is greater if action is postponed?

• (1710)

To understand the importance of using unleaded gasoline, we must also take into consideration health and the environment. If unleaded gasoline is used, the environment is protected because lead is not emitted. The pressure which has been put by the lead industry comes from people who have decided to ignore the adverse health effects of leaded gasoline. Medical research has found that children are the most at risk because of the lead which is found in their blood.

The symptoms of lead in blood include damage to kidneys, liver, the reproductive system, blood circulation and production, and the brain function. A study was prepared by the Office of Policy Analysis of the United States Environmental Protection Agency which showed that there is a direct link between lead in blood levels and lead in gasoline. It is for these health reasons that the use of lead in gasoline must be reduced.

Canadian consumers should be made aware of the cars which are not friendly to the environment, and thus to our health. It is unfortunate that certain car manufacturers promote the use of leaded gasoline. Imported car companies promote it and, until recently, Chrysler did as well. The imported cars which promote the use of leaded gasoline are: Honda, with 14 models; Hyundai, with five models; Nissan, with eight models; Porsche, with one model; Renault, with one model; Skoda, with three models; and Suzuki, with one model. It should be noted that these cars can run on unleaded gasoline. In fact, that has been the case since 1974. Manufacturers' marketing strategy is to sell cars, and obviously it is made easier if they can say it is cheaper to run cars on leaded gasoline.

The time has come for the environmentally-concerned consumer to make a choice. The choice is between using a car which pollutes the air with lead and nitrogen-oxide, thus contributing to health problems and acid rain, or using a less polluting car that uses only unleaded gasoline and is equipped with a three-way catalytic converter. The moment of truth has come for those who really want a cleaner environment. Canadian and foreign manufacturers would get the message from consumers if consumers shifted their preference to cars which use unleaded gasoline and are equipped with three-way catalytic converters. Yes, many people who want to buy a car must consider what they can buy with the money which is available. Yes, many of the smaller cars—the less expensive cars—run on leaded gasoline. But if one shops carefully, one can find a car model on the market today which fits the pocketbook and protects the environment.

Environmental groups, consumer groups, teachers, politicians, editorial writers and media people can be most helpful in getting this message across to the public at large. But first the Conservative Government must keep its promises on the environment. It is the responsibility of the Minister of Transport to announce the regulations which will better control Canada's automobile emissions. The Government must give leadership if it is to convince Canadian people that it is truly committed to reducing acid rain in Canada. Then the educational program can get under way so that the public too can help to reduce nitrogen-oxide emissions and lead poisoning.

In this joint effort, we must include the support of labour. We must reassure our workers that programs will be developed which will be geared toward their needs and aspirations. It should be explained that the jobs which could be lost in the lead manufacturing industry could be offset by an increase of jobs in the refining industry. In addition, jobs will also be created in the design and construction of additional refining facilities over the next three or four years. That will be necessary in order to produce and make unleaded gasoline available to the market.

Further, provincial Governments must do their share in preventing misfuelling. Reports have shown that there has been an increase in the use of leaded gasoline in vehicles designed to use unleaded gasoline. By way of misfuelling, the public should be made aware that it undermines the program to reduce lead. In Nova Scotia, legislation was introduced which prohibited the use of smaller nozzles on leaded gas pumps. In Ontario, legislation was introduced which made it illegal to operate a vehicle with catalytic equipment which was misfuelled with leaded gasoline.

It is clear in the Gallup polls, and in general conservation with the public, that Canadians want to protect the environment. Canadians are also willing to carry their share, economically and financially, in cleaning up the environment. Therefore, the additional cost for the installation of a three-way catalytic converter would be acceptable to the average car owner who is faced with a choice.

We must introduce regulations which will reduce pollution. Federal and provincial Governments must be firm in this respect. They have the support of the Public. The benefits will go to future generations of Canadians, because economic and environmental values go hand in hand.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise to take part in the debate this afternoon, and I believe we all welcome an early opportunity to deal with this sensitive question. I would like to reply to the motion of the Hon. Member for Davenport (Mr. Caccia) which, in effect, calls upon the Government to proclaim for 1987 car models the same automotive emission standards which are in place in the United States, and to eliminate the use of toxic additives in the mix.

I understand that the Minister of Transport (Mr. Mazankowski), the Minister of the Environment (Mrs. Blais-Grenier), the Minister of Energy, Mines and Resources (Miss Carney), the Minister of Regional Industrial Expansion (Mr. Stevens), and the Minister of National Health and Welfare (Mr. Epp) have been grappling with this most important and vital issue for some time. I would remind the Hon. Member that the Minister of Transport has told the House that the matter is currently under active consideration by him and his Cabinet colleagues, and that we can expect an announcement of their decision in due course. Indeed, the Minister has used the phrase, "very soon".

It is not necessary to remind the Hon. Member of the fact that this issue is technically complex and touches such diverse interests that it requires very careful consideration. The technical reports, the work of consultants which have been contracted by the Department of the Environment, and the work of the Department's officials now form part of a growing, but to some degree not yet sophisticated, body of resource and research opinion. The preparation of those reports and the work which has led to them, on the other hand, Mr. Speaker, has taken considerably longer than, I am sure, was envisaged or expected by the Hon. Member for Davenport in his previous capacity. I think that is precisely because of the complexity of the issues, and we do not find fault with that. I believe the former Minister might have, in his own mind, wished it could have moved much faster, but in fact when he got into it, he discovered that it was, indeed, a very complex issue which was going to take considerably longer than he had earlier hoped. Indeed, the House subcommittee on acid raid noted in its last

report in June of 1984 that the reports for the Department of the Environment itself were produced considerably behind schedule.

● (1720)

Then, as the Hon. Member no doubt recalls better than most of us, the previous Government belatedly recognized the diversity of the groups which were directly and indirectly concerned in this very vital question. The medical professions and private industry both had something to say on the issue and decided that their wishes should be heard. However, that Government's notion of consultation was rather radically different from that which has since been introduced by the present Government. The previous Minister of Transport planned for each group to present its views to a panel of officials behind closed doors. No group could hear the other's arguments, nor could they defend themselves. One of the most important of the groups, the Canadian Coalition on Acid Rain, expressed its outrage at this mockery of the consultation process and refused even to attend the so-called hearings, although it had previously submitted significant amounts of basic information and comments.

One of the first actions of the present Minister of Transport was to move to rectify this problem, by inviting representations of interest groups at completely open and public hearings. These were duly held at the beginning of December last. Submissions were received from some 30 individuals and associations. The proceedings were open to the media and were transcribed verbatim. Such transcripts now form part of the public record. Many of those making submissions, particularly the associations representing concerned citizens, welcomed with enthusiasm this innovative injection of open consultation into the policy-making process.

An important part of any discussion, Mr. Speaker, about imposing more stringent limits on automotive exhaust emissions, is to understand the difference in regulatory authority for automobiles and fuels and the combustion process which occurs in the engines of cars. The Hon. Member for Davenport has touched on this in brief, and so will I. Gasoline produces heat and pressure on ignition in an internal combustion engine, as well as waste products such as unburned hydrocarbons, carbon monoxide and nitrogen oxides. The volumes of these waste products emitted by the engines depends, of course, on the efficiency of that very combustion process. The complete combustion in internal combustion engines, if it could be achieved economically, would reduce the exhaust products to relatively harmless carbon dioxide and water. State of the art emission control technology is now designed to control electronically the efficiency of the combustion process in the engine.

Transport Canada's road safety and motor vehicle regulation branch in Ottawa has prescribed exhaust emission standards. The Governor in Council, under the authority of the Clean Air Act, on advice from the Minister of the Environment, also can prescribe standards for fuels and regulate the maximum concentration of any fuel additives which may be injurious to personal health.

The emission standards imposed some 10 years ago, in January 1975, limit exhaust emissions of unburned hydrocarbons, carbon monoxide and nitrogen oxides. Since 1975, motor vehicle manufacturers have found that the most practical way of meeting Canadian emission standards has been through relatively simple catalytic converters in automotive exhaust systems. Provisions are made in catalytic converter equipped cars to ensure the vehicles use only lead-free gasoline. We all know that prolonged use of leaded gasoline will poison the catalysts themselves and render them somewhat useless. As new models of automobiles have been introduced in Canada over the years, an increasing number have burned unleaded fuel, and it is interesting to note that probably some time next year 90 per cent of the motor vehicles on our highways will in fact be burning unleaded fuels.

I would like to deal for a moment, Mr. Speaker, with those who made submissions at the public consultations and suggest that they represented all sides of this very complex issue. The diversity of their interests shows very clearly just how important the issue is and how strongly held are the opinions with respect to it. Submissions came from groups of citizens who are concerned about environmental pollution, such as STOP, an environmental organization based in Montreal; Friends of the Earth, a national and international organization; and, of course, the Canadian Coalition on Acid Rain. Each of these groups raised their concerns about the health effects of automobile exhaust emissions, particularly in cities. The Canadian Coalition on Acid Rain also submitted its concerns about the contribution of those emissions to acid rain, and demonstrated the breadth of interest by collaborating in its coalition with individual submissions from the Canadian Federation of Agriculture, Tourism Ontario, the United Auto Workers and the United Church of Canada.

Advice on the particular implications of the issue for the health of children was given by the Canadian Association for Children and Adults with Learning Disabilities, and by the Canadian Council on Children and Youth. Both of these bodies drew attention in their submissions to the vulnerability of children to health impairment from excessive exposure to exhaust gases and to residual lead from leaded gasoline.

Three Hon. Members of this House made personal representations at the hearing: the Hon. Member for Parry Sound-Muskoka (Mr. Darling), the Hon. Member for Davenport, and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). A municipal government representative, the Mayor of the District Municipality of Muskoka, brought to the hearings the opinions of her constituents in one of the areas of Canada most affected by the threat from acid rain. Two academic scientists, public-spirited atmospheric chemists, also presented evidence on their own behalf, attempting to offer the Government an impartial and independent assessment of some of the complex issue of the chemistry of air pollution and acid rain formation.

Finally, the interests of Canadians as consumers were also represented by the Canadian Automobile Association. That

association brought to the hearings the very different perspective of the interests of Canadians as motorists, emphasizing the wishes of its members to minimize the cost of motoring. Its submission reminds us that our objectives of safeguarding the health of Canadians and reducing acid rain can only be met if we are really prepared to accept the personal cost in dollars and cents which is required, and we know it to be staggering.

There are also the interests of private industry which could be most directly affected by this decison. Those appearing at the hearings represented substantial segments of the industries important to Canada, the motor vehicle manufacturing industry and the oil refining industry. Once again, the transcripts of their submissions remind us of the complexity of the issues. As we all know, representatives of the motor vehicle industry would not welcome further major regulation of their activities and the costs they consider uncalled for, and they said so. But the opinions of the domestic motor vehicle manufacturers are not identical to those of the automobile importers as they would be affected differently. Officials of the oil refining industry, on the other hand, mainly represented at the hearings by an association, showed us in their submission that this industry also considers tightened standards unwarranted and unnecessarily expensive.

• (1730)

Again, an alternative viewpoint was also heard, this time from the Canadian Renewable Fuels Association. That is a coalition of companies involved in such fields as grain production, brewing and forestry, which foresees the possibility of the lucrative Canadian industry producing gasoline blended with alcohol which could in itself also significantly lower exhaust emissions.

What I am saying, Mr. Speaker, is that the transcripts of the hearing, for anyone who wants to review them, show that the interests in this issue are many and varied. These hearings allowed them to be aired and allowed public questioning of the facts and interpretations used to support the various positions put forward. This was the final stage of gathering evidence, and innovative stage which I have suggested and which I endorse as, in all matters, being essential to the efficiency of the process.

The consultation produced a substantial debate on the scientific basis for any such decision, that is, on the extent of damage to health and the environment by exhaust gases and on the size of the contribution by exhaust emissions to acid rain. The reports prepared for the Department of the Environment also show clearly that these issues remain unresolved within the scientific community. Research into many of the important factors is apparently in its infancy, although we are doing much to correct that. The question raised in the scientific debate is whether the exhaust emissions at issue are in fact harmful in Canadian conditions. The consultant to the Department of the Environment attempted to summarize the extent of scientific evidence on the health effects in Canada but could not provide any estimates of the extent of impairment from current vehicle emissions. The effects are apparently quite subtle and have so far defied the attempts of Canadian scientists to reveal and define them adequately.

The debate about the ozone formation is particularly interesting. Here again we have an argument which says that if we reduce emissions, the ozone layer may increase. On the other hand, if we do not reduce emissions, the ozone eventually will have a serious effect on our life. Which body of thought is correct? I think those are some of the things that concern us.

Another important conflict in the scientific evidence is that of the extent of the contribution by motor vehicle exhaust emissions to acid rain. If the Hon. Member for Davenport bothered to re-read some of the submissions, he would find that there is a conflict in the scientific community about the impact of reduced emissions on the creation of ozone, but I will leave that to his own homework.

Mr. Caccia: Not in Canada. You talk like a Reagan official.

Mr. Forrestall: Apparently there is substantial agreement that the nitric acid component of acid rain is normally absorbed by the environment in Canada, which is largely nitrogen deficient. The problem arises, and I am no scientist, but as I read it, from the build-up of acids in the snowpack during our winters. This produces spring shock, the sudden release of acidity into our lakes and streams. This is harmful to all our fish and animal life, and nitric acid may be just as bad as sulphuric acid if it is dumped in this sudden shock method. What the scientific community disagrees about is the extent to which motor vehicle exhaust emissions contribute nitric acid in the sensitive areas of the country in such a way that it accumulates in the snowpack, and whether the nitric acid in the snowpack actually remains in the streams or is absorbed in the spring run-off by plants and fauna along the banks. Again, the research to date does not lead to an unequivocal finding that the effect is either large or small, and there are adherents to both points of view.

Mr. Caccia: You are way off the beam, for heaven's sake.

Mr. Forrestall: I could give many further examples of the conflicts in the scientific evidence, but I think the point is made.

Mr. Caccia: Who wrote that stuff?

Mr. Forrestall: The technical issues remain complex, indeed so complex the scientific community has not been able upon the nature, size and effects of automobile exhaust emissions or, indeed, on the improvements to be obtained from reducing them individually through tighter standards.

Mr. Caccia: That is not so.

Mr. Forrestall: That is a fact. The one thing scientists will agree upon is the necessity for further research to understand this phenomenon so that we might deal with it over time properly and adequately. Many of the groups who make submissions on this issue have strongly supported future research. We do as well.

Mr. Caccia: Those who want inaction, paid by the companies.

Mr. Forrestall: The Canadian Automobile Association urged the Department of the Environment to expand its work in monitoring air quality and its research into the effects of pollution. The Association also urged motor vehicle manufacturers to greater effort in the development of emission control systems.

Let me raise another point, Mr. Speaker. I would like to emphasize that this issue is not one for the federal Government to consider alone. The federal Government can control the performance of new motor vehicle designs as manufactured and imported, and we will. But those efforts must be supported by the provinces and indeed, all automobile owners, including ourselves, to ensure the proper operation of our cars. Each and every one of us must make sure that we maintain in good working order the built-in emission control systems.

Car owners have the responsibility to ensure the safe and effective operation of their vehicles. All provincial Governments have to ensure that mechanical staff in automobile service centres look after the proper replacement and maintenance of defective automobile and light truck emission controls. I concur with the Minister of Transport in his view that a decision on the need for more stringent emission standards needs careful study and evaluation of the costs and benefits.

Mr. Caccia: Shame. That would not be supported by the Hon. Member for Parry Sound-Muskoka (Mr. Darling).

Mr. Forrestall: The Ministries of Transport, Environment, Energy, Regional Industrial Expansion, and Health and Welfare are all dealing with this most crucial issue. I am confident they will be announcing an appropriate decision and one which the Hon. Member for Davenport, whose Bill is in front of us, will warmly accept. Thank you for allowing me to participate in your debate.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I will begin by saying that I support the proposal contained in the Private Member's Bill we are debating. I hope that very soon we will see an announcement by the Government in this area. However, I must say that some of the optimism I allowed myself in the last few weeks about an announcement by the Government concerning adopting auto emission standards at least equivalent to what pertains in the United States has seeped away, shall we say, as I listened to the kind of arguments put forward by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall).

A week or so ago the Prime Minister (Mr. Mulroney) said that if we wanted to bargain with the United States with respect to acid rain, we ought to have clean hands when we go to the bargaining table. That was a sentiment I had expressed in the House just about a week before the Prime Minister said that. I got up and encouraged the Government to proceed with an announcement on auto emission standards, among other things, so that when President Reagan met with the Prime Minister on March 17 and talked about acid rain, he would have something concrete to point to. The President of the United States would not be in a position to say that with respect to nitrous oxide emissions we have not even caught up with the United States. I still hope that we will have that kind of announcement from the Government before March 17, in spite of the tone of some of the arguments which were being advanced by the Hon. Member on the government side. It is important to show that we are willing to clean up our own back yard. That was a good sentiment expressed by the Prime Minister. I hope that in the near future he will show that he really means that by making an announcement on auto emission standards and by providing concrete funds with respect to the arrangement on acid rain made between the federal Government and the provinces. If the Prime Minister does that, we will know that this is not simply another public relations exercise on the eve of a presidential visit or just an attempt to placate the environmental concerns of Canadians.

● (1740)

I would like to comment on the statement made by the Hon. Member for Davenport (Mr. Caccia) that pollution is not partisan. Any truly important issue is not partisan to the extent that everyone must transcend his or her own particular self-interest and attempt to see the larger context. However, issues are partisan in the true sense of the word in that there are a number of different ways in which to solve any given problem. To the extent that we argue with one another here about the best approach to the solution, we are going to disagree with each other. I feel that it is needlessly pious to say that this is a non-partisan matter. There are some very serious economic, ideological and political questions involved in the issue of acid rain. To pretend that there are not is in fact political stance which is an attempt to avoid the difficult political questions which attend this issue as well as others.

The political stance of the Liberal Party is to avoid the difficult ideological and philosophical questions which attend the environmental issue in the same way as they successfully encourage Canadians to see the questions of security and disarmament in the same non-ideological and non-partisan way. Canadians want to believe that is the case. I understand that. However, I suggest to all Members that we do a disservice to the need for a good debate on these difficult topics when we fall for the illusion that there are not difficult political and ideological questions that must be faced in these issues.

Although it may seem strange, in a way I may actually prefer a Minister of the Environment who makes no pretence about being concerned about the environment. Every time she rises in her place to speak about the environment, she talks about the deficit and the economic strategies of the Government. She sees her role of Minister of the Environment as being instrumental to the Government's over-all economic strategy. She is very honest and upfront about that. I do not think Hon. Members should be upset about that, particularly the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), who has made a point of criticizing decisions made by the

Minister of the Environment. Perhaps he would like me to dwell on that for a minute.

Mr. Kilgour: Mr. Speaker, I rise on a point of order. Since the Member is from Manitoba, he will know perfectly well that accuracy is important. He will know that my complaint was with respect to some information given to the Minister rather than about the Minister.

Mr. Blaikie: With all due respect, that is neither a point of order nor is it accurate. We know that the Hon. Member for Strathcona was complaining about certain judgments made by the Minister and certain information that she received. I did not want to dwell on that. If the Hon. Member wishes, we can spend some time discussing the deficiencies in the Government's wildlife program which he himself pointed out. I would rather talk about the fact that it may be preferable to have a Minister who indicates that she sees the decisions which she is making in her Department as relevant to a particular economic strategy which we disagree with, rather than to a long-term strategy for the environment. That may be preferable to the very high-sounding speeches on acid rain and a number of other topics that we so often got from the Liberals. Yet, whenever the crunch came, they were obedient to the same economic arguments, the same bureaucratic mentality, and the same limited view of the world to which the present Government appears to be obedient. There is a level of honesty over there which one can almost appreciate in a strange and ironic way.

Pollution is a political issue on two levels. The first, of course, is credibility. The personal concern for the environment of the Hon. Member for Davenport goes back to the days before he was Minister of the Environment. I remember reading his householders. He devoted a lot of time to that issue. I think the Hon. Member has some personal credibility on this issue. However, the Liberal Party, the Liberal Government, and this Member, is so far as he speaks for the Liberal Party, have no credibility in this area as far as I am concerned.

We now have a Private Member's Bill encouraging the Government to do something that the Member, as Minister of the Environment, could have done only months ago. We are not privy to the mysterious internal workings of the Liberal caucus, Cabinet and bureaucracy. It may be that the Member wanted to do that. Only when he has retired from politics and allows the archives to release his personal correspondence will we learn what he truly tried to do while he was Minister of the Environment. The record tells us that the Liberal Party did not do what it is now saying the present Government should do. The Government should do it now. It should show that it is different from the Liberals in this regard. I hope that that announcement will be forthcoming.

Pollution is also political to the extent that very difficult ideological questions are involved. We see here the limits to the small "l" liberal approach to politics. We are so used to politics, particularly in Canada and particularly through the agency of the Liberal Party, being the politics of brokerage and conflict solving. We have many groups that want different things. The role of Government is to manage that conflict and to ensure that every group gets a little piece of the action according to how much pressure it generates, how strong a lobby group it is, and various other elements of the political process as we have known it. There are limits to that kind of politics.

The acid rain issue does not belong to any identifiable group of people. We cannot point to a particular group of people that will be harmed if we do nothing about acid rain. These environmental questions apply to everyone. They apply to the health of society, the planet and the future as a whole. That is why I believe, with respect to this issue and others, that we are at the limits of liberal politics.

• (1750)

We can take another course, which is the one the Government has basically decided to take. Rather than try to manage the conflict, it is trying to subsume all of these issues under a larger and strictly economic context. While the Department of the Environment never was particularly strong, its role has become even more subservient to the fiscal strategies of the Government. As a result of the cut-backs to that Department, the environment is becoming simply a part of a larger economic package in which the right signals are being sent out to the private sector in order to create a certain investment climate.

I have spoken before about how that approach conforms with the larger package of signals that the Government is sending to the private sector, such as deregulation of the environment, postponement of Labour Code amendments and a willingness to cut social spending rather than strengthening tax reforms, as well as various other signals being sent out by the Government.

The Progressive Conservatives' approach to the environment is to make it subservient to the other economic goals and thereby postpone the inevitable day when the environmental questions will involve fundamental economic questions about what is at the root of our problems in this country with respect to productivity and profitability.

The Government is attempting to postpone that day of reckoning in the hope that it can entice the private sector to recreate the post-war economic boom and somehow recapture the fifties through the right economic signals. It is already clear that that will not happen.

I understand the Government's desire, but such an era has come and gone and will not return. We must begin to re-evaluate our views about the economy and the environment in such a way that they will finally come together.

One reason why I am a member of the New Democratic Party is that I do not believe that the questions of the environment can be solved within the context of the profit motive. I would not have anything to do with the Progressive Conservative Party because its world view does not permit it to deal with these kinds of problems.

It will be impossible to deal with these environmental questions as long as we are dominated by an economic philosophy that makes the intermediate and short-term profit needs of the

corporate or any other sector the priority. We will never be able to address environmental questions if we are held to that particular view of the world.

Mr. Kilgour: That is not our view and you know it.

Mr. Blaikie: That is the view that the Progressive Conservative Party is in bondage to. I do not think anyone would argue with me about that—at least anybody who knows anything about the Progressive Conservative Party.

Eastern European countries, which do not have the profit motive, still have the idolization of production. It is the Communist equivalent of profit, since productivity is put over and above the well-being of the future and the environment. Whenever the objective of production or profit takes precedence over the well-being of the environment and our common future, it is necessary to reconsider how we address economic questions.

We are sitting on an environmental time bomb. This includes such issues as acid rain and the thousands of pesticides and insecticides and other chemicals that are polluting our environment or the quality of the Great Lakes water. Rather than addressing this critical situation and determining how to reverse this trend, we are talking about short-term economic goals of Governments and companies. It is that kind of blindness which will lead us to destruction if we do not smarten up.

Permit me to tell a story that I told in committee. The Hon. Member for Parry Sound-Muskoka (Mr. Darling) will recall that I had an opportunity to tell this story at the International Conference on the Environment in Nairobi which we attended. Many of the environmental problems that we experience are of a geometric nature. They grow exponentially. The time is very short between small problems becoming very serious. I ask Hon. Members to imagine a lily pond. This pond takes 28 days to be covered with lily pads. It grows from one little pad exponentially by twos until the 27th day when half the lily pond is left uncovered. Something must be done before the whole pond is covered, but there are those who say that since half the lily pond is uncovered there is no rush. However, on the 28th day the whole pond will be covered. This situation is analogous to the environment. We do not know, with respect to the Great Lakes water quality, whether we are at the 25th, 26th or 27th day. We do not know the situation with respect to acid rain. But that is the nature of the problem, and it behooves every responsible Government to begin to act now.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I am pleased to speak to this motion which, I think, is well-meant. The motion concerns our environment and we are all grateful to the Hon. Member. It is one of the issues on which Canada's public opinion is focused.

In my view, Mr. Speaker, our Government has already shown leadership in this field, regardless of what many Members have said to the contrary.

Mr. Speaker, perhaps I should remind the House that our colleague the federal Minister of Environment (Mrs. Blais-Grenier) recently signed with several provincial Ministers of the Environment an agreement which is aimed at reducing significantly various polluting emissions in our regions.

Like the previous speaker, others have made the environment issue into a political question. They wanted to make a political issue out of it. As several Members have pointed out, our society is obviously becoming ever more regulated. I think that incentive measures are a must. It is imperative that the Canadian people be made fully aware of the need to protect our environment. It happens to be one of our priorities and this debate gives us an opportunity to keep our constituents better informed. I come from a riding where the quality of life is absolutely—

The Acting Speaker (Mr. Charest): Order, please. The hour allotted for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CULTURAL AFFAIRS—BUDGETARY CUT-BACKS. (B) LEVEL OF GOVERNMENT FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am rising to speak today on a question of cut-backs in the field of arts and culture. One of the most disturbing aspects of these cut-backs that I have raised in a number of questions has been the surprise element, the betrayal, that the arts and cultural community has experienced.

The Conservatives while in Opposition, of course, said quite the contrary to what they are doing now. They were critical of the Liberal government for not being favourable enough and not giving enough support to arts and culture. During the election campaign the then Leader of the Opposition, now the Prime Minister (Mr. Mulroney) replied to a letter sent to him on arts policy and spoke officially for the Party. This letter is dated August 21, 1984, addressed to Paul J. Reynolds of the Professional Association of Canadian Theatres. I want to read some of the promises which the Prime Minister, then Leader of the Opposition, made during the election campaign so we can look at the arts and culture cut-backs relative to the promises that were made. Part of this letter reads:

Our first order of business will be full consultation with the cultural sector on opportunities which should be pursued, and dangers which must be avoided. Opportunities, such as increased Canadian program production from live

performance companies, have not been promoted by current federal policy ... Our commitment to stimulate growth, ensure federal support through arm's length agencies and councils, and encourage alternative developments in film and program development are directed toward reversing the current low priority of cultural policy.

That is absolutely preposterous when we see what the Conservatives have done since they became the Government. Let me continue this litany of false promises:

We will seek better means to stimulate investment in the film, program and theatrical industries, and will ensure recognition of research and development costs, training and employment capacity ... We will ensure that federal cultural agencies have the mandate and resources to assist the cultural sector in taking new initiatives.

Instead, what we have had is cut-backs in existing funding for the Canada Council and in existing programming for the CBC. I continue:

We believe, for example, that the Canadian Broadcasting Corporation can play a stronger role in bringing Canadian performers, writers, designers, and companies both better employment opportunities and greater exposure.

Yes, the CBC could indeed be doing this, but it cannot if there are cut-backs. The CBC needs more funding. I agree the CBC needs a changed mandate and that there ought to be public input into that changed mandate. The CBC can hardly begin to do the kind of work in drama, entertainment, the kind of full programming that we want from it while it is experiencing these kinds of cut-backs.

Let me continue with the astonishing promises:

At the level of federal policy, however, there does not seem to be a sufficient understanding of the role of cultural growth to the social and economic future of Canada.

What did this Government proceed to do, Mr. Speaker? It has been quite ignorant of the economic contribution that the arts and culture industry has made. The letter continues:

In order to ensure that federal policy is better informed by the cultural sector, we will include in the Cultural Agencies legislation a guarantee that the Minister receives and responds to recommendations from the federal agencies which work most closely with the cultural sector. For the arm's length principle to have effect, advice to the Minister must be regular and accountable on both sides.

Yet the major arts agencies have not been able to get a meeting with the Minister, the groups who actually represent the artists who are doing the work in Canada. The major ones have not yet seen the Minister who manages to fly off to other countries, make speeches and spend a lot of taxpayers' money while he is preaching restraint here at home and has been absolutely unavailable to the community he is supposed to be serving.

I would like to point out the foolishness of these cut-backs in sheer economic terms. The arts industry makes an enormous contribution. It is the number 11 industry in Canada. It is about the same size as the electrical industry or the wood industry. More people are employed in arts than in manufacturing, and this is an industry that is growing.

• (1805)

Funding for the arts has enormous economic spin-offs. Let me give one example, Stratford. Stratford received a grant of $1.5 million. Its budget is $13 million, of which $8 million comes in through sales. It injects $35 million into the local economy. Stratford activities generated $9 million in provincial and federal tax revenues. In other words, Governments get back six times what they put in. Restaurants, motels and businesses in the tourist industry in the area receive an enormous amount from a very modest investment in terms of arts and culture expenditure.

To conclude, I want to stress the economic foolishness of the Government's cut-backs. This is what the arts and culture agencies and representative groups are stressing. I would like to see them argue the merits of the case in terms of the cultural contribution. Even on the Government's own stated criteria of helping the economy, these arts and culture cut-backs are foolishness indeed.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the three-pronged question by the Hon. Member for Broadview-Greenwood (Ms. McDonald) has generated what looks like a 30 minute written response from our departmental officials. I will get as much as I can into my three minutes, and hope my Hon. friend will understand if I can not cover all the points she raised.

Let me state one important aspect of her "promises promises", speech. These budget reductions to the Canada Council, the National Film Board, the CBC or any other cultural agencies in no way diminish the importance which this Government attaches to the development of cultural expression in Canada. I can assure all Hon. Members of the personal commitment of the Minister of Communications (Mr. Masse), of my own personal commitment, and indeed the strongly held view of the Prime Minister of Canada (Mr. Mulroney) to the maintenance of support which is essential to Canada's artists and this country's arts organizations as we come through this difficult economic period.

It is, however, the view of this Government that its most urgent priority is to arrest the growth of our national debt and to reverse the debilitating effect which debt service has on our ability to act on other national concerns. The burden of implementing such reductions must be shared by all, including the cultural sector. We are convinced, however, that the impact of these measures on individual artists and arts organizations can be greatly minimized through reductions in administrative expenditures, the elimination of non-essential services, of fat, if you will, plus greater involvement of the private sector.

The budget reductions to the Canada Council were $3.5 million and reductions to the National Arts Centre were $1 million. In the case of the Canada Council, this represents 4.8 per cent of the current parliamentary appropriation of approximately $72.5 million and 4.2 per cent of the Canada Council's total operating budget, which totals almost $84 million. The reduction to the National Arts Centre represents 6.2 per cent of its anticipated parliamentary appropriation of $16.16 million and 3.4 per cent of its total operating budget of $29.1 million.

The budgetary cut experienced by the National Film Board does not amount to twice as much as the ones made to other federal areas. They are equitably shared among the cultural

agencies. Far from being unworthy of Government support, as it was suggested by the Hon. Member, the Government of Canada has given this cultural agency more importance by recently approving a new, more focused and more effective role by becoming a world-class centre of excellence in film and video production and a national training centre for advanced research, development and training in the art and technology of film and video.

With specific reference to the CBC cuts, of which we have been hearing so much lately, the Minister requested the CBC to make its budgetary reductions primarily in administrative areas and to protect programming as much as possible. The Minister made this request so that the reductions would affect as little as possible Canadian producers, artists and performers whose development the Government intends to encourage. The Minister cannot tell the CBC which programs to cut and which to leave in. That is the decision of the President of the CBC and its board of directors.

• (1810)

[*Translation*]

TOURISM—ELIMINATION OF FUNDING UNDER INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM—CONSULTATION WITH INDUSTRY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I would like to refer to a question I put on December 3 last year to the Minister of Regional Industrial Expansion, in the absence of the Minister of State for Tourism, concerning the fact that tourism projects had been cut from the Industrial and Regional Development Program.

First, however, I would like to extend my congratulations and best wishes to the Minister of State for Tourism.

Last year, the Liberals launched the IRDP, that is, the Industrial and Regional Development Program, under which $12.5 million were earmarked for tourism projects, considering the sector's needs and its economic potential. It should be understood that this program was in addition to the subsidiary agreements already signed with the provinces.

According to the new Minister at the Department of Regional Industrial Expansion, the IRDP "is aimed at promoting regional industrial development by supporting private sector initiatives, and industries and techniques offering the best potential for economic viability, sustained growth and competitiveness on the international scene".

The Minister of State for Tourism will have to agree that our Canadian tourist industry has all those characteristics. It is an industry that generates major economic activity. I therefore find it strange that while the Government agrees that the tourist industry is important, it does nothing to help it. Worse, it has eliminated tourist projects from funding under federal programs.

I am quite aware that the Government has just signed a number of subsidiary agreements with several provinces—so much the better. But let us not be mistaken. First of all, these agreements were going to be signed in any case, and second, they now represent the federal government's only contributions to the tourist industry.

Consequently, Mr. Speaker, I fail to understand why the Government decided to cut the Industrial and Regional Development Program even before signing agreements with all the provinces and territories. While these agreements were being negotiated, did the Minister suggest any development programs to the tourist industry? None whatsoever. The only announcement we have had are a number of measures that are having a very unfortunate impact on the tourist industry, and I will mention a few: the price of gas which now costs more per litre, considering the fact that 85 per cent of Canadians travel by car; a 15 per cent increase in ferry rates; forthcoming increases in VIA Rail rates, with reduction in service; admission fees to our national parks have tripled and there again, services have been reduced; and the 100 per cent increase in airport taxes, the increase in taxes on alcoholic beverages and the increase in wharfage fees in federal ports.

Contrary to what the Minister said, I do not think the tourist industry agrees with these cuts. In its enthusiasm for consultation, the Government should not forget to consult with the most important group of all: the tourist industry.

Mr. Speaker, I think we should boost the confidence of our tourist industry by giving it the means to develop its economic potential. The Industrial and Regional Development Program was one of those means.

In concluding, I would like to remind the Minister that before cutting programs, perhaps he should consider the short- and medium-term consequences the cuts announced by his Government will have on the tourist industry.

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I rise to respond to questions put by the Hon. Member for Westmorland-Kent (Mr. Robichaud) on December 3 concerning the Government's decision to render tourism projects ineligible for grants under the Industrial and Regional Development Program.

• (1815)

[*Translation*]

First of all, I would like to thank the Hon. Member for his words of congratulations.

[*English*]

I want to assure Members of the House that the decision in no way changes the Government's view of the importance of tourism and its place in the over-all economy. In fact, it reflects our intention to reorient federal support for the tourism sector toward activities which would most benefit the national economy, while achieving better regional balance in our efforts.

As the Minister of Regional Industrial Expansion (Mr. Stevens) stated in response to the relevant questions, we have determined that more effective and more regionally-sensitive tourism incentives can be delivered through tourism development sub-agreements with the various provinces and territories. In fact, we have agreements in place with Manitoba, the Northwest Territories, Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan. The last six agreements were put in place by the new PC Government in the 20 weeks since it has been sworn in.

The total value of the six agreements, which I signed, is $229 million. Most of that money will come from the federal Treasury. Indeed, I have signed more tourism agreements, worth more money, and with more provinces, than did the previous Liberal Government in the entire period it was in office. By contrast, in the entire period in which the tourism sector was eligible for IRDP grants,the previous Government spent less than $30 million on tourism IRD projects.

In conclusion, I would indicate that discussions with officials in other provinces and Yukon have begun, and we anticipate having agreements in place with every province and territory before the end of the fiscal year. I also want to assure Members that the Government is prepared to use additional federal-provincial or federal-territorial agreements and special programs to meet the specific industry development requirements in the regions.

With respect to the Hon. Member's question concerning prior consultation with the industry, I have been in continual contact with the industry representatives, including the board of the Tourism Industry Association of Canada and the executive committee of the Canadian Restaurant and Foodservices Association, as well as with many other provincial bodies. In each case, the new tourism agreements have been explained and warmly received.

Given the amount of money which the federal Government is spending on tourism—many millions of dollars more than was spent by the previous Government—through sub-agreements in preference the IRDP arrangements, I am sure the Hon. Member will be eager to come into the House again to salute myself, the Prime Minister and the Government.

● (1820)

[*Translation*]

POST-SECONDARY EDUCATION A) YOUTH—BUDGETARY CUTS. (B) VALENTINE'S DAY CONFERENCE—REQUEST THAT STUDENT REPRESENTATIVES BE PERMITTED TO ATTEND

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity for debate with the Parliamentary Secretary to the Secretary of State (Mrs. Landry). At the time I held the position she holds now, and in my riding and elsewhere, people were wondering what a Parliamentary Secretary to the Secretary of State does, whether it involved shorthand or what, and I am sure that now that she holds this position, the Hon. Member realizes that the Department of the Secretary of State is a fascinating one and that a lot of interesting things happen there.

I am glad to see the Parliamentary Secretary this evening, because on November 15 last year, I directed a question to the Secretary of State (Mr. McLean) who gave me a very unsatisfactory answer, and I am sure that his Parliamentary Secretary, with her customary verve and wit, will do a far better job than the Minister.

Mr. Speaker, on November 15 I asked the Secretary of State: Will young people be represented at the National Economic Summit, the Valentine's Day Conference which is to be held in Regina? Will the voice of young Canada be heard? I know, Mr. Speaker, that you yourself want the voice of Canada's youth to be heard. At the time, the Secretary of State, spouting his usual generalities, said: Yes, yes, yes. Do not worry, consultation is the hallmark of our Government!

Mr. Speaker, the Secretary of State certainly did not act on what he said in the House, because when the time came to cut the Student Loans Program, among other things, he did not consult our students, he did not consult our young people. When the time came to announce the Flora '85 challenge, we all know that the real challenge to the Minister of Employment and Immigration (Miss MacDonald) was to avoid youth representatives who wanted to talk about the Summer Canada program. We all know that.

The very day she held her press conference, students, the Canadian Federation of Students and young people across the country said: We were never consulted. During her press conference, the Minister of Employment and Immigration said: I consulted with large corporations and they promised me 10,000 jobs this summer. The Minister of Employment and Immigration must have let emotion or enthusiasm for her own program get the better of her, because today, in the press, business is reported as saying: We never said that.

It is obvious, Mr. Speaker, that since its coming into power, this Government has done nothing to reach out to this multitude of lonely souls which make up our Canadian youth.

We know that the role of the Minister of State for Youth (Mr. Champagne) has become incredibly insignificant. As I was saying recently, in her professional career, she always played major roles, but now she only plays two-bit parts. It is quite obvious since no issue has yet been addressed in important fields such as employment or post-secondary education. The Minister of State for Youth has no mandate.

As a responsible or senior Minister, the Secretary of State should ensure that the Minister of State for Youth can play her role fully. There will soon be an important conference, a national summit, attended supposedly by nearly 120 participants. As we speak Mr. Speaker, no representative of a youth group has yet been invited. This truly shows contempt for 30 per cent of our people, and I am certain that if the Parliamentary Secretary to the Secretary of State has not realized it

already, she will immediately act to correct this situation. I am convinced that, with her sensitivity, she realizes that it is completely unfair to leave 30 per cent of the people out of this new consultation process.

• (1825)

Consequently, in the coming discussions . . . We realize that the Secretary of State is preparing something in secret. We can see that he is planning something unpleasant with provincial representatives with regard to established programs financing. The Minister of Finance (Mr. Wilson) has announced that there will be cut-backs. However, we know how much our post-secondary education system is underfinanced right now. It is not the right time to announce cutbacks, and if the Government is determined to do so, I can tell you, Mr. Speaker, that there is no more fat to cut. As you are very familiar with the financial state of the University of Sherbrooke, you must know that it would be impossible to reduce expenditures more than has already been done. Consequently, if the Minister of Finance has ordered the Secretary of State to prepare cut-backs for the next Budget, it is essential that those directly involved, the major users of these services, be consulted.

It is unfortunate, but ever since this Government took office, a significant segment of the population has been completely ignored, and I think it is utterly disappointing. "Consultation" is the latest buzz word we hear in every speech. Before election day, the Prime Minister (Mr. Mulroney) kept talking about generosity. Now the key word is consultation, and it does not take much probing to find out that it is not real consultation.

Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) told me in this House that she had had consultations on municipal job creation projects for youths with, among others, the mayor of Gander, when in fact she should have consulted the Canadian Federation of Municipalities. I would not know to what extent the municipality of Gander is representative of Canada as a whole, but my colleague from Gander-Twillingate (Mr. Baker) called the mayor of his constituency and was told that no such program had ever been accepted.

Mr. Speaker, I am firmly convinced that, in the coming weeks and months, young Canadians will realize that this Government takes them for granted, ignores them altogether and makes them the victims of cutbacks, without consultations. I rest assured that the Parliamentary Secretary will be in a position to give us a definite answer as to whether young observers will be in Regina and whether young people will take an active part in the economic summit. That is what I expect from the Parliamentary Secretary, Mr. Speaker, and I am sure that, competent as she is, she will give us straight answers.

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I would like first to thank my hon. colleague from Shefford (Mr. Lapierre) for his kind words with reference to me. I suggest that having held the portfolio of Secretary of State he has had good training, and I hope in a few years to be able to speak as eloquently as he does.

With respect to my concern about the problems faced by my Minister, the Secretary of State, it is my view that since he came to office he has already shown great interest and concern about the situation of the young, as regards more especially post-secondary education in Canada.

Concerning the reference to consultation, perhaps the Opposition Members should get their act together. At times they say that we consult too much, and at other times that we do not consult enough.

To answer more specifically the Hon. Member's question, I think that on November 15, the question was addressed specifically to the Secretary of State concerning his alleged lack of interest, especially on that day, concerning a student delegation visiting on Parliament Hill.

I would first like at this point to describe the circumstances surrounding that demonstration, to show the Minister's interest. The demonstration was held, like so many others throughout the Province, in relation with the work then being done by the Bovey Commission. The Ontario students had chosen November 15 because on that date the commissioners had intended to submit their report to the Ontario Minister of Colleges and Universities, the Hon. Bette Stephenson.

The students wanted to show that they were aware of the issues, that they were interested in a report that could have a considerable impact on them, and that they were concerned about the decisions that might come out of it. It was therefore strictly an Ontario demonstration.

However, I would like to add that the student organizations were greatly interested in the Canadian Government's role in the field of post-secondary education.

In that context, the Secretary of State met with the representatives of the Canadian Federation of Students hardly a week before the demonstration to discuss with them federal support for post-secondary education.

Mr. Speaker, I cannot overemphasize the importance given to that consultation by the government and the Secretary of State. All ministers have agreed to consult regularly with the groups under their jurisdiction. Since his appointment in mid-September, the Secretary of State has already met a good number of representatives from the main user groups of his Department. I refer among others to the Canadian Federation of Students, the Canadian Association of University Professors and the Canadian Association of Universities and Colleges.

Moreover, the Secretary of State has already met twice the Canadian Council of Ministers of Education and another meeting is scheduled for the near future in Ottawa, more specifically at the end of March. The purpose of those meetings is to discuss a few very important matters dealing with

assistance to education such as the financing of post-secondary education and the federal-provincial agreements on the use of official languages in education. In the opinion of Mr. McLean and his provincial colleagues, this is a useful dialogue, for it demonstrates the will of both levels of goverment to cooperate and consult, something which did not exist before.

Mr. Speaker, I have given these examples to show that the consultation process is definitely in motion. It should be emphasized that these exchanges of views are just starting, but that they will continue on a regular basis for the benefit of the Canadian people as a whole.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Tuesday, February 12, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—JOB CREATION

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

That this House commends the Government of Manitoba for its positive policies of job creation which have produced the lowest unemployment level in Canada, and calls upon the Government to adopt a similar course of economic expansion rather than the discredited policies of tax increases and spending cuts which it has pursued to date and which are largely responsible for the latest unemployment statistics, which show an alarming increase of 167,000 unemployed between December, 1984 and January, 1985.

He said: Mr. Speaker, I am pleased to have the opportunity to lead off for the New Democratic Party on its Opposition Day motion. In a sense, the motion identifies the number one issue which faces the country—unemployment.

If we look around at a variety of models, there are some areas of the world and, indeed, some areas of Canada that provide us with some guidance as to what the present federal Government ought to be using as it develops its plans for the Budget and the ways and means it will use to get the economy of Canada back on track.

As a youngster I was a fan of Robert Louis Stevenson. He wrote a book entitled *The Wreckers*. The fundamental theme in that book was that a group of rather unscrupulous people on a South Pacific island set up large bonfires in the evenings on certain parts of the beach. Those bonfires were to act as beacons to ships which were sailing past and to indicate to them that those were safe areas in which to anchor. However, there were hidden shoals and when the large ships sailed in they were shipwrecked. Then the unscrupulous island people would plunder the contents of the ships, and as a result people would lose their lives.

I was reminded of that story when thinking about the nature of this debate. The federal Government is saying: "Follow us". The Minister of Employment and Immigration (Miss MacDonald) is saying: "Have faith in us. Just give us time, because we are providing guidance".

Human wreckage has resulted from that policy and that kind of direction. I do not have to go any further than my own constituency. Kamloops has an official unemployment rate of 20.3 per cent. In real terms, that means there are over 10,000 people in that region who are officially collecting unemployment insurance, over 5,500 people on welfare, and hundreds of others who do not qualify for unemployment insurance or welfare support. There are small-business people who do not qualify and fall through the social security net. There are 2,500 young people under the age of 25 who are jobless in that community. The Minister tells them not to worry because Canada Works will provide jobs. There are more than 15,000 who are unemployed and Canada Works may provide 200 jobs in the next few months. The Minister of Employment and Immigration tells us to have faith in the Government and to be patient because the private sector in Kamloops will provide thousands of jobs in the next little while.

Last weekend I was in my constituency and met with three business groups. The groups, which speak for small and medium-sized businesses, said that they were literally clinging to survival and that they were not thinking about expansion. They told me that the best scenario which could happen was that they would not go bankrupt. I also met with representatives of the ministerial association, pastors from a number of churches in the greater Kamloops area. They said that if things did not change dramatically over the next few months there would be violence, civil disobedience and bloodshed in the streets. That was told to me by pastors who are the heads of their congregations. These are people who have not only a compassion but an understanding of the realities on the main streets of Kamloops.

• (1110)

I see Hon. Members opposite laughing at that proposal. The heads of churches say that there will in fact be blood running and violence in these communities because of the economic policies being pursued by Governments in this country. Those are not my views necessarily. I am simply reflecting the views of the religious leaders in my community.

I received a letter this morning from a young man who has worked for the last 12 years but who lost his job a few months ago. He ran out of his unemployment insurance benefits. A few weeks ago he went down to the welfare office to apply for a subsidy and was told that they could not give him one at the time because his wife was working and earning $525 a month. This couple's rent for a very modest apartment is $375. They have just received a bill from B.C. Hydro for a two-month period in the amount of $148. That leaves them $2, Mr. Speaker, to live on for the month. That $2 will have to pay for their food and all the other incidentals which life demands.

This young husband is a proud man and he sees today no hope. He is told by Government services that he does not qualify for a subsidy but if he comes back in two or three

months it might be able to find a $60 a month supplement for him. Some of us in this House should try living on $2 a month. What this means, of course, is that this proud individual will now have to go downtown and get in line at the food bank. If he is lucky he will get a hamper of food after standing in line for an hour or so because inevitably at the end of the day the food supply runs out and has to be replenished. This is a reality now in one of the richest parts of Canada traditionally. This is a reality in a province which is identified as a "have" province. It is recognized as a very prosperous province generally, but the Province of British Columbia, Mr. Speaker, is on its knees. It is an economic basket case.

For a moment, Mr. Speaker, I would like to turn our attention away from that part of Canada. We found out a few days ago that unemployment has soared, increasing more in one month than it has in any single month over the last five years. The increase in the number of people who are unemployed in Canada over the last month is the equivalent of the population of cities like Sudbury, Saskatoon, Chicoutimi, Oshawa, St. John's. In other words, the size of the entire population of a city was added to the unemployment rolls in one single month. But the Government still says "Be patient, folks; relax. We are consulting with various groups and so on. We will be bringing in a Budget some time in April or May". The Budget will take effect in terms of its policy in the fall or next winter some time, but the Government says "Just relax".

I suspect that the people of Canada are not prepared to relax much longer. There are one and a half million people in this country who are unemployed and that number is growing. That means one and a half million people are not playing their rightful role in Canadian society of building the Canadian economy. There are fewer houses under construction, fewer roads being built, fewer trees being planted and fewer consumer goods being produced, all because one and a half million people are idle.

On top of that there is the cost of nearly $1 billion a month for unemployment insurance benefits from the federal Government, plus hundreds and hundreds of millions of dollars in welfare payments out of the federal Government's treasury in terms of transfer payments. We cannot afford these high levels of unemployment in the country, Mr. Speaker, because of what it does to the productive capacity in Canada and what it costs Canadians.

What has been the argument and the proposals of our Governments, Mr. Speaker? I believe we could distil the alternatives down to two. There is one school of thought which thinks the solution to unemployment is to unshackle the market-place; free enterprise, some would say. To these people, government bureaucracies are the root of all evil. If we reduce government, the private sector will enthusiastically come to life, spring into action and develop, expand and create those jobs, is the explanation we hear from the Conservatives.

• (1115)

John Kenneth Galbraith summed it up I think quite nicely when he said that these are the folks who believe that the rich are not working because they have too little money and the poor are not working because they have too much money.

These people want to take us back to an earlier time in the past when they believed government was less intrusive in the lives of individuals. How are they prepared to do that? They want to reduce the size of government. Their very first priority is to reduce expenditures on social programs and slash the deficit no matter what the consequences. This is what we have seen in the Province of British Columbia. This is the reality of the world of Bill Bennett.

In his statement on November 8 the Minister of Finance (Mr. Wilson) outlined the Government's priorities. At the top of the list was not job creation or economic development; at the top of the list was deficit reduction. The Minister's statements on November 8 sounded strangely similar to those statements of the Premier of British Columbia in his last two budgets.

Let me give a couple of examples. On November 8 the Minister of Finance said that controlling the deficit must be our priority for this year and each year of the Government's mandate. The B.C. budget of 1973 said that the Government's decision is clear—"We shall restrain expenditure and reduce the size of government". Again on November 8 the federal Minister of Finance said he believes that deficit reduction is the key to rebuilding confidence. The B.C. budget of 1983 said that the budget provides what is needed to contain the size and burden of government so the private sector, our major resource companies and all businesses large and small, will have the climate needed to ensure that our fragile recovery gains momentum.

Let us look at what happened in British Columbia. In 1983 they looked into the future and made some projections, as did the federal Minister of Finance. In B.C. they said that real provincial growth will occur in the 6 per cent range. Capital investment will increase by 15 per cent in 1984 and employment growth will increase nearly 4 per cent. That is what they thought was going to happen. That is what they wished was going to happen. It is a Peter Pan approach to economics; if you really believe it is going to happen, it will happen.

Well, Mr. Speaker, it did not happen. Real provincial growth was less than 1 per cent. In other words, it decreased. There was no economic growth in British Columbia. Capital investment fell by 5 per cent rather than increasing by 15 per cent. Employment growth fell. In other words, unemployment is increasing at a staggering rate month after month after month. What they projected simply did not occur.

While it is not surprising that opposition Members, particularly New Democrats from British Columbia, would have a rather jaundiced view of what has happened, we are not the only ones. I can quote the president of the Chartered Accountants' Association of British Columbia. On October 19, 1984 he said that B.C. is heading for hell in a hand-basket this winter. He said many of his members are telling their clients to flee British Columbia. In other words, if you are looking for opportunity, for growth and development, for investment

opportunities, do not stay in British Columbia, go east to Manitoba.

That is what Michael Walker, the chief economist for the Fraser Institute, had to say to young people. They asked him what he would suggest they do in British Columbia and he said the best news he had for young people in British Columbia is not the old "Go west, young man"; it is "Go east, young man". He meant go east to Manitoba.

An Hon. Member: How do you know that?

Mr. Riis: That is where the jobs are. That is where the in-migration is taking place. There is none to British Columbia, believe me.

The Royal Bank of Canada came out with a report in Manitoba, 1984, which said that B.C.'s problems include severe government restraint measures, persistent labour disputes, depressed consumer and business confidence. The president of the Business Council of British Columbia said the economy has not recovered, it has not turned around, and that is what we were all led to believe.

One can go on and on, Mr. Speaker, and list spokesperson after spokesperson from economic and financial agencies, respected analysts in their field. When they are honest they all say that the future of British Columbia under the restraint policy and conservative ideology of the Social Credit Government is very depressing. Most of the money now raised on the Vancouver Stock Exchange is for investment outside of British Columbia. That says something about how the investors of British Columbia feel about the future of their province.

• (1120)

It would be useful to turn to another alternative now. I indicated that one alternative was this almost religious zeal which sees the unfettered market-place as the opportunity for our economic future. Another alternative is that which we see in the Province of Manitoba. Jobs are the first priority of the Manitoba Government. Its first priority is to get the people of Manitoba working in meaningful, long-term jobs. The Government of Manitoba assumes that unemployment erodes economic growth and investor and consumer confidence. It assumes that if people have jobs they can sustain the necessary economic activity and provide the consumer demand which is the real trigger to business confidence and investment.

The Conservatives feel it is necessary to bribe people to behave in certain economic ways. They want to lure and entice business to expand. They want to provide tax incentives. Business does not need to be bribed or to have incentives provided for it. If there is a market-place and a consuming public, businesses will expand. They will not expand if there is no one to purchase their goods and services. Any government which believes it works the other way around is sorely mistaken.

The Minister of Finance in the Province of Manitoba, Mr. Schroeder, has said: "It is vitally important that the provincial Government stimulus takes place now to protect our basic strengths and enhance our ability to promote the advancement of economic recovery when it comes". In December of 1982 he said: "Efforts to reduce deficits through large-scale tax increases or expenditure cuts will only aggravate current economic problems". Manitoba has taken some very concrete action which has reduced the level of unemployment in that province. The Province of Manitoba now has the lowest unemployment level in Canada. Manitoba is a have-not province. It is not usually identified as a prosperous province. The Government of Manitoba meant it when it said that job creation and development was its number one priority.

The Government of Manitoba took action on a variety of fronts. In 1983 it put together a jobs fund. It allocated $200 million for the creation of jobs. In 1983 alone it created 21,000 jobs. In the first half of 1984 it created 10,000 jobs. If the national Government provided an equal ratio of job creation stimulus it would be spending $5 billion on getting people back to work. However, the federal Government would rather spend $12 billion on UIC payments or hundreds and hundreds of millions of dollars on welfare. It would much rather do as it did last month and spend $300 million buying up Canadian dollars. Week after week the Government spends hundreds of millions of dollars to buy its own dollars in order artificially to prop up the value of the Canadian dollar because Mr. Bouey has a passionate and committed position to maintain the dollar at 75 cents U.S. Therefore we will spend $300 million this month and perhaps another $200 million next month. Do I hear a single Conservative Member state in the House that that notion is wrong and should not be the way to spend taxpayers' money in this country? There is never a word from them.

• (1125)

Let me give some examples of programs that are funded under this jobs fund in the Province of Manitoba. There is the development of a technology resource centre in which major computer companies participated.

I see that my time is almost up.

Mr. Lewis: Good.

Mr. Riis: The Conservatives say "good" because it must be very hard on them when I point out that Manitoba is the one province in Canada where business investment is the highest per capita and where there is a migration of people into that province because that is where the opportunities exist in western Canada. Unemployment is the lowest in that province which just happens to have a New Democratic Party Government. Those are the facts.

In conclusion, if the Government is really committed to its election campaign that jobs was its number one priority, it can look at models on which to base its programs. It can look at the conservative Government in the Province of British Columbia which is ruining that economy, or at the Province of Manitoba that has developed one of the stronger economies in the country. Jobs are in fact being created on a daily basis. People are migrating there and government investment, con-

sumer confidence and investor confidence are rising. Those are the two alternatives.

We in the New Democratic Party hope and pray that as the new Government devises its plans and discusses alternatives at the First Ministers' conference later this week, it will use Manitoba as a model for getting the country's economy back on track and allowing unemployed Canadians once again to participate in a meaningful way in Canadian society and the economy.

Mr. Lewis: Mr. Speaker, I listened with great interest to the Hon. Member's speech. I have also read the motion. Given the Hon. Member's interest in the House and the fact that he has been here since 1980, does he recall there ever being an Opposition motion presented which was so subservient to the interests of a political party in a province?

Mr. Riis: Mr. Speaker, I think I understand the question. Let me preface my remarks by saying that not only have I been here for five years, but I have been an observer of the House of Commons for many more years. I have also been a concerned Canadian for 43 years. I believe we are at the most critical point in the future of our country. I do not believe there has been a Budget presented in the last three or four decades that has been more important than the upcoming Budget.

As a Member of Parliament from British Columbia, I see a particular political ideology at work in the economy. We can quote many people besides opposition politicians who describe that approach as being disastrous, one that simply leads to more unemployment and less confidence. It is a plan that results in a loss of hope for the future by older and younger Canadians in that province.

Last night I met with five businessmen from Vancouver. They are leaders in that economy and I asked them about their opinion of the economy for the next six months. They said that they saw absolutely no hope for the next six months and only wishful thinking after that.

That is why we felt it is important at this point, when we know that the Government is serious about finding a proper solution to get the economy of Canada back on track, to look to other models. The Government could look to Australia or Great Britain, but we felt that rather than looking at the international community it could look to Canada where there are two models to draw upon for information. That is why we selected the one real success story in Canada today as a model. The model just happens to be headed by a New Democratic Party Government. I suspect if it were headed by some other government, we would still identify Manitoba as an appropriate province.

• (1130)

Let us look at the successes, Mr. Speaker. Why do we look at failures for a model? This tells us a little bit about the Conservatives. They look around and say: "Listen, the economy of Great Britain is falling on its face, the economy of British Columbia is falling on its face; let us use these two areas as our models". We say let us use other countries as our models. Let us use as a model what is going on in Australia, where the unemployment rate is 8 per cent today. Perhaps we should look at Sweden or Norway where the unemployment rate is 3 per cent today. Let us look at West Germany where interest rates today are 5.5 per cent.

Many people have been caught up with the Tory rhetoric that this is it, that this is the reality, that there is no alternative. Our responsibility as a concerned and effective Opposition is to say there are other alternatives. The Province of Manitoba is one of those other alternatives.

Mr. Wenman: Mr. Speaker, in view of the Hon. Member's concern about the creation of jobs and the availability of jobs that comes through Canada's capacity to compete in the great markets of the Department of Defence of the United States or in other markets covering anything from toothpicks to mattresses to computers to military equipment, and if it offsets our gain, would the Hon. Member support the creation of additional jobs in his riding or in the Province of British Columbia where Canadian businessmen can compete? Does the Hon. Member encourage and support that kind of activity?

Mr. Riis: Mr. Speaker, I speak for my Party when I say that the kind of jobs and the kind of economic enterprise that we would like to see support for today is not necessarily the kind of enterprise that is associated with the build-up of the American arms industry.

The mayors of Canada came together and said: "You, the Government of Canada, we have billions and billions of needed urban infrastructure that must be built". It is not a question of *should* be built; it *has* to be built. I am talking about sewage treatment, water treatment facilities, senior citizens' housing, other kinds of social housing, roads, bridges. In other words, things that will be with us for decades and perhaps generations. How long does a tank last? How long does a bullet last? How long does any military technology last? It might be valid for a few weeks, a few months, at best a few years.

We are concerned that it is time now to develop the necessary supports to develop the processing, the secondary industry, the tertiary industry and the quaternary industry of this country. I do not see the present Government doing that. I see the present Government getting off on a tangent and, if you like, maintaining the status quo, saying to the large corporations: "We are going to rely on you to expand the economy". I hear a brilliant statement coming from a Conservative opposite. That is the kind of positive criticism that we can expect.

Mr. Wenman: What would you do with Bristol-Myers in Winnipeg?

Mr. Riis: In *The Financial Post* for today it is reported that the big oil companies' profits are up 50 per cent over last year. We read that corporate profits have returned to the levels they were back in 1980.

Mr. Wenman: Why don't you answer the question? Would you cancel 30,000 defence jobs in Canada?

Mr. Riis: I am suggesting that if we are going to develop the economy of Canada, we know what can be done within Canada. We know we have the resources within Canada to accomplish that; we have the will of the people, the expertise and the capital.

We in the New Democratic Party, Mr. Speaker, have faith in the people of Canada. We do not have to look outside for alternatives. We do not have to look outside for our investment money. We do not have to look outside for our expertise. We have faith in the people of Canada and I wish the Conservative Government would have faith in the people of Canada and their abilities as well.

Mr. Wenman: The Hon. Member mentioned particularly a lot of interest in Manitoba. Is the Hon. Member recommending to the Government of Mr. Pawley that the contracts with Bristol-Myers and other major employers in that area should be cancelled, or should they be expanded when there is opportunity to expand? Will the Hon. Member support that expansion and those additional jobs, or does the Hon. Member want to do away with the 30,000 jobs in Canada involved with these industries? Does the Hon. Member support that industry or does he not?

Mr. Riis: Mr. Speaker, I appreciate the point the Hon. Member is making. I have two responses for him. One, I am not going to suggest what any provincial Government should or should not do. Provincial Governments are quite capable of deciding on their own. I am suggesting some alternatives for our national Government.

I think it is appropriate, if we want to get a return on our investment of federal dollars, that we develop our educational system and our manufacturing industries. That is where the greatest return is. Take a look at our resource industries. Why do we not start processing some of those resources? In other words, we should do something new. We should initiate something new in terms of economic development. That is what the Government is elected to do. It was elected on a change of policy. It was not elected to perpetuate the same policy to which the Liberals introduced us for many, many years.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall resume debate.

Mr. Allmand: Mr. Speaker, I rise on a point of order. It is my understanding that in a debate such as this where the motion is an NDP motion the Government should respond. Unfortunately, I see no Minister here.

Mrs. McDougall: There are two.

Mr. Allmand: My understanding is that the Government responds to the motion.

Mr. Deputy Speaker: I do not think this is a point of order. Does someone wish to speak on debate?

Mrs. McDougall: Mr. Speaker, I understood that the second speaker was to be from the Liberal bench.

Mr. Allmand: It is up to you to respond. If you have no response, fine.

Mr. Deputy Speaker: This is not a point of order. I need someone to speak on debate.

Mr. Allmand: No one is responding.

Mr. Deputy Speaker: Does anyone wish to speak on debate?

Mrs. McDougall: Mr. Speaker, since the Party that is responsible for our current crisis chooses not to speak on the issue, I will be happy to speak on it.

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker I take part in this debate with considerable pride. I have roots in Manitoba through a great uncle who homesteaded there during a period when times were really tough in western Canada and it took a great sense of challenge and adventure to live there. I am very proud of the people in my family who are in Carman, Manitoba, and who have been proud supporters of my political Party and our political concepts.

I am pleased to take part in this debate because my hon. friend started off with a reference to two things that are of interest to me. One was to ships and harbours and I note that Manitoba is one of our provinces fronting on the ocean. I would also like to quote for my hon. friend his favourite author, Robert Louis Stevenson:

> You cannot run away from a weakness; you must some time fight it out or perish; and if that be so, why not now . . . ?
>
> Mankind was never so happily inspired as when it made a cathedral.

We are attempting to make this country once again a cathedral.

I am also pleased to take part in this debate because it raises some important economic and fiscal issues that we on this side of the House have been attempting to debate in an intelligent way. It is certainly nice to see members of the Opposition accepting our invitation to join in the national debate on the directions for change set up by this Government. It provides an opportunity to discuss issues in what I hope will be a rational and constructive way. Toward that end I will try and overlook the possibility that the motion is really more concerned with politics than it is with economics, or even with Robert Louis Stevenson.

I am pleased to commend any provincial government that puts forward positive policies for economic growth and job creation. To the extent that the Manitoba Government has done that, I say "well done" and I hope that Government keeps it up.

Since the motion cites Manitoba as a model, I want to take a moment to look at the facts of the case. First, the employment situation. Manitoba's unemployment rate at 8.5 per cent in January was equal to that of Saskatchewan as the lowest among the provinces, significantly below the national average of 11.2 per cent. Perhaps it was just an oversight that the

drafters of the motion forgot to include Saskatchewan in the commendation. In any case I hope the omission has nothing to do with the fact that there is, after all, a Progressive Conservative Government in the Province of Saskatchewan.

● (1140)

Let us now look at the percentage increase in employment in Manitoba since the end of the recession. At 6.3 per cent, the increase is slightly above the national average of 6.1 per cent but below the range of 8 per cent or higher in Prince Edward Island, Nova Scotia, Quebec and Ontario. Manitoba's loss of jobs during the recession at 4.3 per cent was below the national average of 5.2 per cent. In other words, its employment situation has been more stable but has shown less growth.

Since September when the Government took office, 64,000 jobs have been created in Canada and the unemployment rate has dropped. The rate of job creation in the past four months has been 1,200 per cent faster than in the same period a year earlier. I might also note, according to some recent information, that Manitoba's economic growth rate for this year is forecast at about the national average.

It is clear that attempts to draw sweeping conclusions about the success or otherwise of any given set of economic policies over relatively short periods are unconvincing, to put it mildly. They could be dismissed as harmless exercises if they did not illustrate, as the motion before the House clearly does, the continuing tendency to look for simplistic alternatives to the hard economic and fiscal challenges which are facing the nation. The Throne Speech, the economic statement, the First Ministers' conference and the national summit are all part of the renewal of the Canadian economy. These events and the consultation process are the essence of the consensus building necessary for a bright and prosperous future. We have made the renewal of the Canadian economy the top priority, with economic growth, economic opportunities and jobs our main concern.

It is simplistic, not to mention mischievous, to attribute the employment creation of provinces to provincial government policies while at the same time blaming the federal Government generally for unemployment across the country. That same federal Government's tax revenues in Manitoba have been considerably exceeded by federal spending in the province, spending in the form of federal employee wages, family allowances, unemployment insurance, old age pensions and federal-provincial transfers such as equalization, hospital insurance, medicare, post-secondary education and social assistance under the Canada Assistance Plan.

The federal Government has demonstrated its support for the well-being of Canadians. We remain fundamentally committed to that well-being, no matter where those Canadians may live in this great land. That is why the Government has come forward with the kinds of policies needed to renew the capacity of the economy of all Canada to grow and create lasting new jobs. I want to emphasize for the benefit of Hon. Members across the way the word "lasting", because it is crucial to the kind of economic process which the Government wants to build.

If I may be allowed one last look at the Manitoba situation—and this was the idea of Hon. Members across the way—we could indeed find evidence of significant public spending for job-creation purposes. About $200 million annually has been funnelled through the Manitoba jobs fund to small and medium-sized businesses in 1983-84, although I note that some economists have argued that the program does not represent new initiatives but a repackaging of existing programs. In any case, the new program has generated jobs lasting about 13 weeks on average.

As much as programs of this nature are needed, the hard fact remains that the real need is long-term jobs. Strong concern has been expressed in Manitoba over the lack of emphasis on private sector investment which leads to those opportunities. Also, the Manitoba budget last year indicated such a shift in its Government's approach to seeking longer term job opportunities.

We welcome the efforts of Governments in every province to deal with both short and long-term economic needs. We particularly welcome evidence and other Governments increasingly recognize the need for getting at the causes of economic weakness rather than merely suppressing the symptoms with more and more borrowed money. The fiscal situation of the Government of Canada, record high deficits and rapidly rising accumulated debt brought to us courtesy of the Liberal Party, is a legacy of just that kind of philosophy. This is why I fail to understand why the Liberal Party has chosen not to speak on this topic. It was a Government so fixated on treating the economic symptoms that its policies became part of the disease; it spent money as if there were no tomorrow. It was right but only in terms of its own political prospects. Unfortunately it bequeathed a lot of very expensive tomorrows for all Canadians.

We are trying to eliminate the cause of our economic weakness through an attack on the growing mountain of national debt. This is part of our comprehensive program to build a healthy and expanding economy which will create jobs and economic opportunity. Other speakers will have more time to address the fiscal situation which faces the Government. I will only say that we are at a point where the use of the kind of conventional fiscal stimulus suggested by the motion before the House would not be expansionary for the economy in any but the most fleeting and ephemeral senses. The damage to confidence would take its toll on private sector investment, and the Government's future fiscal capacity to assist in economic growth would be further eroded. In short, we cannot go on this way.

I remind Hon. Members opposite of an important maxim: we cannot cross a river in two strides. It takes time and many steps to brook a river to get us where we want to go. We have already started to take strides in the right direction. Putting the Government's fiscal house in order is therefore a crucial element in the agenda for economic renewal which the Government has placed before the country and before the

House—first, for debate here and consultation with the country, and then for action.

Contrary to the motion before the House, the Government has begun the task of restraining government expenditures in a manner entirely compatible with the continued growth of the economy and the creation of new jobs. The notion of the props being pulled out from under the economy by government restraint is totally ludicrous. In fact, even after the effect of expenditure reductions and other measures brought forward in November, the projected deficit in the next fiscal year will represent an additional stimulus of some $7 billion over and above what the previous Government had projected. If we take the motion at its face value, it is telling us that the prospect of this extra $7 billion and all the higher than expected deficits of recent years are doing little or nothing to help the economy produce the real jobs which Canadians need. That is precisely the problem which the Government is addressing by facing the deficit and the debt head on. We want to solve the problem before it becomes a crisis.

In its agenda for action the Government has set out to redefine its role so that it can provide an effective framework for the growth and job creation we need. That means removing the obstacles to change and innovation to enable the private sector to keep up with competition from around the world. We intend to foster the necessary increases in investment in a climate favourable to the birth and growth of new enterprise. We will achieve those goals in a manner which is fair and open and with the basic sense of compassion and tolerance which are very much a part of the Canadian fabric and very much a part of this Party's record. However, government alone cannot bring about economic renewal. We have put forward our direction for change, for full national consultation. We want all elements in society to help us plan the future. We recognize that this consultative process is itself challenging, too challenging for all too many Members on the other side who cannot resist the temptation to substitute shrill opportunism for real discussion.

Nevertheless, the process is working. More and more groups and individuals are making their views known on the wide range of issues put forward. The Government of the Canadian people is listening because, unlike some Hon. Members opposite, we do not have all the answers! We are listening because we are committed to changing the way the Government goes about making those policies. We were elected to do that and we intend to carry it through.

● (1150)

I noted earlier that there is not much point in trying to prove that a few months' worth of government policies are directly responsible for all the good economic news or for all the bad economic news that could be dredged up to suit a particular debating proposal. That is the kind of game the motion before the House would have us play. However, we take a balanced look at how the economy is progressing and at the various indicators of consumer and business confidence. We find far more reasons for encouragement than for the kind of despair that so often emanates from across the floor. And, I might add, we are also a great deal more realistic about how long it will take for the country to overcome all the economic and fiscal problems that were allowed to accumulate.

We have embarked on a long, hard job of rebuilding the foundations for sustained economic growth. To succeed we will have to undo a lot of mistakes that were made in the past by the former Liberal Government. These were mistakes that have become part of the very policy framework that this Government inherited. I do not believe Canadians want another Government that simply moves in and redecorates by papering over the cracks in the walls, and certainly not another Government that uses borrowed money for wallpaper.

We have made a good start on the economic reconstruction that will get the economy growing and producing lasting new jobs for Canadians. The consultation process is in high gear and will remain there until just before the Budget. As well, there is still time for Members opposite to play a more positive role in this process. I hope they will be happy to accept that invitation. At the very least, however, I would ask them to look at all the evidence and come to a balanced view of the current situation on future prospects.

Look at how many new jobs have been created in the past few months and the fact that the unemployment rate is actually below what it was at the beginning of 1984. Look at the third quarter growth rate of 7.6 per cent for the economy. Look at the 1.2 per cent growth rate in real domestic product in November, an annual rate of 15.4 per cent. Look at the increase in manufacturers' shipments and new orders in November, both up by 8 per cent or more on a year-over-year basis. Look at retail sales which are up 10.4 per cent in the same month over a year earlier.

I could go on but my point is not to exhaust the reservoir of encouraging news any more than it is to pretend that every month or every quarter brings nothing but good news. We all know that the economy has serious problems that must be addressed in a serious, long-term way, and that is what the Government has done, is doing and will continue to do throughout its mandate.

While the motion before the House does not deserve to be taken seriously in some basic respects, it does raise some key issues for debate, a debate that we on this side of the House welcome and encourage. At the same time I must regret that the motion displays the same sort of mentality that helped create some of the basic obstacles, and those obstacles are now impeding the renewed growth in the economy and more effective job creation in the country. It is a mentality that attributes to government far more power than it has or should have to do what is best carried out in the private sector by individual Canadians. It is a mentality that, worst of all, would make the past failures of government into an excuse for more of the same old bankrupt Liberal policies of borrow and spend, borrow and spend. That is the policy that has discredited the present situation.

Because of past excesses, a perfectly valid use of government fiscal capacity to support economic growth and job creation

has been severely damaged and will be crippled unless we act to restore fiscal responsibility, confidence and the growth of the private sector where the real jobs for Canadians will be created and sustained. That job is well started but there are no short cuts except those leading to more of the same kind of trouble embodied in the motion before the House.

Since the Hon. Member who moved the motion was not listening at the beginning of my remarks, perhaps I could repeat my quote from Robert Louis Stevenson. It reads as follows:

> You cannot run away from a weakness; you must some time fight it out or perish; and if that be so, why not now . . . ?

Mr. Allmand: Mr. Speaker, I have a question to put to the Hon. Minister but first I would like to make a comment. She does not seem to realize that the Opposition motion prepared by a Member of the NDP was directed to the Government. It called on the Government to do certain things and it is not my responsibility or the responsibility of the Liberal Party to respond to an Opposition motion. It is the Government's responsibility. We will participate in this debate but we will participate next. The Minister should be a little more humble while making her first appearance in the House in this debate and making ridiculous statements about who should respond to a motion directed to the Government. She finally did respond to the motion. For a while we did not know whether or not the Government had any response to make.

In her remarks the Minister said, among other things, that unemployment is a serious problem and that it takes two strides to cross a river, that it takes time to solve these problems. She also said that they do not have all of the answers and that they must consult. If that is the case, would she explain why the Prime Minister (Mr. Mulroney), on July 5 in Prince Albert during the election campaign, said: "You are going to see tens upon tens of thousands of jobs being created just as quickly as the new Government can be sworn in"? That is what his Party told the Canadian people during the election campaign. Then it was saying that it had the quick and easy answers. Today the Minister is saying that they must cross the river in two strides; they need time; they must consult. Today she is saying that the Government does not have the answers. It deceived the people during the election campaign. How can the Minister reconcile what she told the House this morning with what her Leader said in Prince Albert on July 5?

Mrs. McDougall: Mr. Speaker, I think the Hon. Member has not been listening to what we have been saying for the last few months. We have talked directly about jobs. We have talked about jobs throughout the campaign and we have been responsible for at least part of the jobs which have been created since the Government was sworn in. If the Liberal Party were in power, it would take full credit for every single job. We are more modest, Mr. Speaker. We think that there are people in the private sector and in the unions who do have some responsibility and should take some credit for the fact that they are working hard and creating jobs for Canadians.

Jobs have been created this fall. There will be more jobs created this winter, in the spring, on through 1985 and all the way through to 1988. Then in the second term of our mandate there will be more jobs.

I would like to point out that if government spending were the answer to the nation's problems, as the Hon. Member of the Liberal Party would have us understand, then why was unemployment and the deficit proceeding in lock-step toward all-time highs? That point has been made not only by myself but by many private sector economists who really viewed with a jaundiced eye what was happening in the country.

I might also point out that this country is taxed at a higher rate than most other countries and it is very difficult for people in the private sector who are paying these taxes to also create jobs, given the mountain of debt for which they are paying which was created by the former Government. This has been an ongoing problem in this country for 20 years and I think we are turning it around expeditiously.

The Canadian people as well think that we are turning it around expeditiously. The Canadian people have responded very positively. I myself have had 10 or 12 consultations with groups that have expressed faith in the economic agenda and in what we are trying to do. They have all indicated their support not just for what we are trying to do but for the fact that they intend to return to their role in the private sector and provide us with assistance.

I might also point out that in the Province of Newfoundland there have recently been very exciting developments that will lead to more jobs in that province. We all know that the former Government was not able to reach an agreement with that province and that everything was at a standstill. Newfoundland was a province that was discouraged and felt that its resources and challenges were not understood by the federal Government. Now we have a new approach of which we are all very proud. We are proud of the future the agreement will bring and the challenge that has been faced up to by the Government of Newfoundland and the Government of Canada. This was done in order to meet the challenge of the future and to create jobs in a province in which they are desperately needed. There is very little that I can add to what I said in my speech, to the government record in this connection and to the dismal failure by the Liberal Party to provide leadership in this area throughout the years before we took office.

● (1200)

Mr. McKenzie: Mr. Speaker, I would like to congratulate the Minister on her efforts, and for pointing out that Saskatchewan should have been mentioned in his motion because of that province's great economic upswing.

There are problems with this motion. The Opposition has spoken about the discredited policies of the Government and that it is opposed to tax increases. I would like to ask the Minister if she supports the payroll tax of the Manitoba Government. That tax is an unnecessary burden on business in Manitoba. Businesses in Manitoba are having a difficult time

as it is without having additional taxes imposed on them. I do not understand the motion. The motion states that the New Democratic Party is against taxes, but it does not mention the tax in Manitoba.

When that tax was first introduced, higher interest rates were in effect and consumer purchasing was down. Therefore, businesses could not pass the 1.5 per cent payroll tax on to the consumer. I will speak on this tax in more detail this afternoon. The only thing that tax produced and stimulated was inflation and unemployment. Will the Minister give the assurance to the House that the new Government will not implement a payroll tax similar to the one in Manitoba, which has been detrimental to growth and has caused increased unemployment?

Mrs. McDougall: Mr. Speaker, I thank the Hon. Member for his question. I would not in any way want to comment on the policies of the Manitoba Government in meeting its agenda. I am sure that Government understands, as does this Government, the difficulties which small and medium-sized businesses are having in meeting payroll taxes. Provincial, federal and municipal Governments all understand that.

Obviously, the Manitoba Government is making its own efforts to meet a difficult situation, as is this Government. The important point which I would like to make in that connection is that we would not dream of suggesting that the Manitoba Government should alter its policies to meet the agenda of this Government. We hope that Hon. Members will understand that the federal Government had a mandate given to it by the Canadian people to meet the challenge of providing jobs for the future. In providing those jobs, this Government expects the same respect from the provinces which it is giving to them. We know it is an important part of the process in Canada, which is a country made up of many strong regions which have different personalities and problems. Every Canadian is very proud of their own particular region or province. We are all trying to meet the same objective—a prosperous Canada which has jobs for all who want and need them.

Mr. Baker: Mr. Speaker, the Minister has indicated that she is interested in real discussion. Three times during her address she compared the number of jobs which were created since the Conservatives took power to the number of jobs which were created last year. Does the Minister realize that on a month to month basis since the Conservatives took power there have been fewer jobs created in the country than were created during the Turner administration? Does she realize that this Government has created fewer jobs in the country than were created in the last three months of the Trudeau administration? It works out to 33,000 jobs per month under the Turner administration and 32,000 jobs per month in the last three months of the Trudeau administration. However, it works out to 27,000 per month under this administration.

If she is interested in real discussion, she should not compare the figures to those of last year or to those of the Sir John A. Macdonald years. She should be honest about it. Does the Minister realize the flaw in that argument? Will she advise her Cabinet colleagues—and in particular the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney)—not to use that argument because it is a complete fallacy?

Mrs. McDougall: Mr. Speaker, I am certainly aware of the figures which have been cited by the hon. Member. I might point out to him that the Turner administration consisted almost completely of an election campaign. Members on the opposite side of the House were out on the campaign trail, essentially leaving the country to do what it does best, which is to get on with its job in the economy. With the absence of the Liberal Party in Ottawa during the past summer, more jobs were created.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I am pleased to have an opportunity to speak in this debate on what is considered by Canadians to be the most serious problem in the country today. According to the Gallup poll which was published on January 28, 1985, 56 per cent of those polled said that unemployment was Canada's top problem.

I am not in a position to comment on the Manitoba situation, although I am sure that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) will do that this afternoon. It is my understanding that Manitoba has had success—as opposed to the Conservative provinces—because it took full advantage of several federal programs which were implemented in the last year or two.

While I am not in a position to comment on employment programs in Manitoba, I am in a position to comment on the policies of the present Government. Before and during the election campaign last summer, Conservative Members promised thousands and thousands of jobs. A few minutes ago I cited the statement which the Prime Minister (Mr. Mulroney) made in Prince Albert on July 5. He said that tens upon tens of thousands of jobs would be created as soon as the new Government was sworn in.

If we compare the rhetoric of the election campaign, in relation to jobs, with the speech given today by the Minister—I admit that what the Minister said today was more reasonable—we would conclude that it was deceitful for that Party to make those promises during the election campaign because it gave a pretence to the Canadian people that it had some answers. The Government said that it had the answers, the blueprints and the means by which to solve the problem. Today the Minister quite rightly said that the Government does not have the answers and that it must consult. She said that it takes two strides to cross a river. When I asked her to reconcile her rhetoric today with the rhetoric of the election campaign, she spoke about all sorts of things but never answered the question. The Government does not have the answers. She admitted, as have many Ministers, that it will consult with everybody in the country and that hopefully a consensus will come forward. In other words, the Government will not lead, it will follow the common denominator of the

country and do things on which it will receive a broad consensus, if it can ever do that at all. I say "at all" because we have seen where the consultation process has led so far.

Since the election, what has the Government done about unemployment? The only major thing which it did was reintroduce, immediately after the election, the Canada Works program for this winter. That was a program which was introduced by the Liberal Government. The Government says that it is opposed to direct employment and throwing money at problems, but it did introduce and claim credit for the fact that the Canada Works program was put back in place for the winter. That program is very much similar to the program which we had last winter and the winter before.

What else did the Government do? After two months of procrastination it announced a summer employment program. Most of the elements of that program are very similar to the Summer Canada program of last year, although it has less real dollars and a higher priority for student employment with big business. The Government consulted for two months and ended up with a program which was not very different from the previous program. The program has a different name, and the Government has mixed the elements of that program around a bit, but it put a bigger priority on big business, which is a serious change. It is detrimental to the program. Nevertheless, the Government did not come up with anything startling or new to solve the problem of summer employment. The Government has not put forward a specific or new plan to deal with the unemployment problem.

• (1210)

What has the Government done, Mr. Speaker? It has cut here and cut there. First, it cut the First Chance program which had not simply been promised but had received the approval of the Treasury Board to go ahead. That program would have trained 100,000 young Canadians a year for five years at a cost of $1 billion a year. That program was cut and replaced with a pilot project which would train 4,000 young people a year at a cost of $27 million. So the Government abandoned a program which would have dealt with the problem in a massive way. It still admits the problem is there because it has a pilot project in order to deal with it, but it is a piddling little program called the youth training option which deals with only 4,000 young people at $27 million a year.

Second, the Government cut $432.3 million from the budget of the Department of Employment and Immigration. It cut that money from the Department which is supposed to deal with these problems. Employment assistance and entitlement had $200 million cut; mobility programs had $2.8 million cut; employment services had $1.3 million cut; and general industrial training had $40 million cut. The Summer Canada program was cut and then the Government put it back under a different name with some slight changes. In addition, the Canada student loans program which helps students deal with training and education was cut by $5 million. The young workers' exchange was cut by $3 million. Environment 2000 which provided jobs in conservation, forest management and environment protection, had $22.8 million cut. The young entrepreneurs' program had $10 million cut. Katimavik, which was an excellent program for young Canadians, had $30 million cut, and Parks Canada had $19.5 million cut.

So in the short period the Conservatives have been in government they have not done one specific new thing at all to solve the unemployment problem. Canada Works, which was our employment program, was put back, but nothing else. Government has cut a lot of programs which were beneficial to the creation of employment. That is its record so far.

Mr. Foster: PC means "poor Canada".

Mr. Allmand: The Government has no policy, no plan, and it is searching for one now. It does, however, have a general philosophy which has been expressed time and time again by the Minister of Finance (Mr. Wilson) and the Minister of Employment and Immigration (Miss MacDonald).

At this point, I must make one comment. We are having a debate on the problem of unemployment which 56 per cent of Canadians say is the most serious problem in the country, and I must say that I am extremely surprised that the Minister of Employment and Immigration and the Minister of Finance are not here. We have two Ministers of State present and I congratulate them for being here, but it shows the seriousness with which the Government is dealing with this most important problem.

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

Mr. Allmand: There is no one on the front-bench at all, and the Minister of State is here to answer the very serious charge—

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) rises on a point of order which I foresee will be the fact that the Hon. Member should not refer to the absence or presence of specific Hon. Members.

Mr. Lewis: That is right, Mr. Speaker.

Mr. Deputy Speaker: I believe the Hon. Member should know that.

Mr. Lewis: It is acknowledged parliamentary decorum not to do that. I cannot remember any instance when we ever did it while we were in opposition.

Some Hon. Members: Oh, oh!

Mr. Allmand: There is always a need for a bit of levity in a serious debate, but I would be pleased to send over to the Hon. Member some quotes from *Hansard* which show that when those members of the Government were in opposition they used to raise this matter almost daily.

Mr. Lewis: I can't remember that.

Mr. Allmand: While the Conservative Government has no programs to deal with unemployment, no specific blueprints and plans, it has enunciated a general policy. That general policy has been that if the Government more or less withdraws from the picture, gets out of direct employment, stops throwing money at the problems, as the Government has put it, then the private sector will come along and create thousands and thousands of jobs. We are told that business will pick up in the areas where the Government pulls back.

Of course, Mrs. Thatcher in England has espoused that philosophy and I believe in England there is an unemployment rate of 13 per cent. I am not saying that that is the only reason for that high unemployment rate, I am sure there are other reasons as well; but to suggest that the answer to the unemployment problem is that sort of philosophical approach is wrong. In the United States it is true that the unemployment rate has come down, but it has come down on the basis of a very strong military and defence construction industry. The manufacturing of armaments in the United States is one area where budgets are being increased, which in turn is propping up employment in that country. But that is a situation where goods are being produced, the purpose of which is to wage war, and I don't believe that in the long run that is the way to solve economic or employment problems.

As a Liberal, I disagree with the basic philosophy being espoused by the Conservative Government. We are told that in time we will see that it will work. I doubt that we will ever see it working. I wanted to put this question to the Hon. Minister of State for Finance (Mrs. McDougall) when she spoke: The Minister of Finance said on November 8 that unemployment will come down only as the United States interest rates fall and, at best, will average 9 per cent for the rest of the decade. What we have here is the Minister of Finance for the Conservative Party telling us that he really cannot do very much about the unemployment problem in Canada, that it will depend on the United States interest rates and, in any case, it is going to stay around 9 per cent for the rest of the decade. Is that the approach of the Conservative Government to unemployment? That is what its Minister of Finance said on November 8.

Mr. Hopkins: It's like everything else; it's a made in Washington policy.

Mr. Allmand: Exactly. I would like to point out to this House that the philosophy now being espoused by the Conservative Party is also at variance with the philosophy of the Conservative Party under the leadership of Mr. Clark and Mr. Diefenbaker. Those two Conservative Governments at least believed in direct employment programs. I believe Mr. Diefenbaker in the early 1960s started the winter works program, so he believed in direct employment. But we now have this new conservatism which is withdrawing from that sort of thing in the hope that the private sector will pick up the slack.

I would like to point out that in this country that will not work. The greatest periods of prosperity and job creation we have had in this country have been under what might be called mixed economy regimes. That is where Governments have intervened to sustain and promote employment and at the same time help the private sector to expand and to become more productive.

I should point out that during the election campaign the present Prime Minister promised that over the life of his first mandate 552,000 jobs would be created. That would be from the fall of 1984 to approximately the fall of 1988. In the first term of the Trudeau Government, from 1968 to 1972, 800,000 jobs were created. The Minister would say: "Sure, they were created but why should you take credit for that?" I agree with her. But the Conservative Government is now trying to take credit as well for every new job which is created. All we are saying is that if you compare the period from 1968 to 1972, which was Mr. Trudeau's first term in office, you find that 800,000 jobs were created.

Mr. Gormley: What went wrong after that?

Mr. Allmand: We still maintained a high record. I will give the facts on that and I hope you will still be as enthusiastic as you are now. Canada, even in the 1970s, had the highest record of job creation of all the western countries and there are OPEC figures to prove that.

Mr. Gormley: Why didn't you continue?

Mr. Allmand: We did continue. The situation was that the very good record of job creation was still not able to deal with the very serious problems in this country which are structural and market-oriented. There are many causes and many complex problems. The Minister today admitted they were complex problems.

It is very interesting to compare some of her statements today with what our Ministers were saying in the House last spring. Those statements are very similar, such as: "It takes time. It's a complex problem. There are many aspects to the unemployment situation in Canada". She is saying that now. However, she and her Party were not saying that during the election campaign.

• (1220)

In any case, to have prosperity in this country, economic growth, high productivity, we need the proper mix of government intervention and private initiative. The Hon. Member across the way from Manitoba can accuse me of being a socialist but I do not pay much attention to that because I know this has been a successful formula over the years. Even if the private sector does pick up and produce a lot of new jobs, and I hope they do, there are a lot of things that have to be done which will never be done by the private sector. There are services for people. The Canada Council on Social Development, appearing before the Standing Committee on Labour, Manpower and Immigration last spring, told us that they had identified in this country over 300,000 jobs which had to be done for Canadians in the area of social services that were not being done. The present chairman of the committee, the Hon. Member for Calgary West (Mr. Hawkes), I believe, was on

the committee at that time. These jobs were not being done because the financing was not there to support them, things such as taking care of senior citizens, the illiterate, continuing education, rehabilitation programs for drug and alcohol abusers, slow learner education and programs for native peoples and so on. The private sector is never going to do those kinds of things so they have to be done by governments or agencies supported directly by government.

What can be done? Is it necessary that we in this country live with double-digit unemployment for the rest of this decade or even the 9 per cent that the Minister of Finance seems willing to live with? I do not think so. If we look at some other countries in the world—I know more about them than I do about Manitoba, I hate to admit—the unemployment rate in Austria in 1983 was 4.5 per cent with an inflation rate of 3.8 per cent. It is a relatively small country living next door to an economic giant, West Germany, yet it is able to maintain through a mixed economy system a relatively low rate of unemployment and inflation.

In Japan, a completely different type of country, the unemployment rate in 1983 was 2.7 per cent and inflation was 1.8 per cent. That is a very interesting situation because Japan is very much into new technology, robots and automation. Some Canadians argue that if we bring in new technology we are going to have a higher rate of unemployment. Well, here you have Japan, a leader in the world, with 2.7 per cent unemployment. In 1983 Norway had 3.3 per cent unemployment and Sweden 3.5 per cent. So it can be done.

In the short time I have left, Mr. Speaker, I would like to point out that I personally believe, as I have recommended in several other Budget debates in the last couple of years, that we should have a six and five program for unemployment. Make the same effort in unemployment that we made in inflation when we brought it down from 12 per cent or 13 per cent to what it is now, 4 per cent or 5 per cent. We made it the highest priority and put a lot of effort into it. I think we should do the same for unemployment and we can do it through a mixed program.

To begin with, Mr. Speaker, we help the private sector become as efficient and productive as possible, even if that means the loss of jobs in certain manufacturing sectors. By doing that we will keep those wealth producers in Canada. We will not lose them by maintaining an inefficient system. We help them adapt to the new technology so they can compete with these other countries. Then we put a lot more money into retraining and upgrading so that people displaced by this new approach and the changes in our industry and economy will be redirected into those new jobs and trained accordingly. That requires not pilot projects of $27 million, it requires programs of $1 billion a year. It requires a lot of money but it is an investment in the economy of the country.

In addition to that we also need changes in our work time schedules. Through a greater emphasis on education by way of student loans and government support for education, there would be a delayed entry of young people into the workforce if they were all getting the education they really require. We should also, through encouragement and incentive, allow people who want to retire early to do so so they can leave the workforce and young people can come in at the bottom and get some of those jobs. We know that under the new Charter of Rights it will be illegal or unconstitutional forcibly to put a man out of work just because he is 65 or 60, or whatever it is; but we can have incentive programs for early retirement. I know they are being studied now and they are very important to this whole subject.

We could also encourage part-time work which has all the benefits of full-time work so people who want to train for part of the week or take care of families can also work. If we properly supported part-time work it would also leave open some jobs for other people to work at. In addition, we should support the recommendations of the many reports relating to paid educational leave for skills upgrading and training.

In conclusion, Mr. Speaker, I believe the problem can be solved. We can bring down unemployment because it has been done in the countries I referred to. But it will not be done if the Government continues to follow the philosophy it has been espousing so far. I say philosophy because I cannot criticize the Government for the programs it has put forward; there have been very few programs. However, I urge the Government to look at what is being done in other parts of the world and to listen to some of the comments being made.

There was a very interesting program last night on *The Journal* where a number of economists from Canada and the U.S. were discussing these very matters. Many of them were putting forward recommendations similar to what I am putting forward today. In any case, except for the man from McLeod, Young, Weir Limited, they did not agree with the philosophy that seems to be espoused by the Government. Therefore I urge the Government through this motion to take seriously the demands being made, that in its consultations it does not put on blinkers but looks at some of the things being done in places which have been successful in bringing down the unemployment rate.

Mr. Deputy Speaker: Questions and comments?

Mr. Foster: Mr. Speaker, the Hon. Member is a very active Member and chairman of the Special Committee on Employment which went across this country a few years ago and produced an excellent report. I want his opinion on the program announced last week, the special Student Employment and Experience Development program. Does he think it is really going to be adequate, especially in rural areas of this country?

Under that program the Government allocated $165 million to offices only. If you are in a rural area like Algoma or Manitoulin, then the funds will be allocated perhaps to Sudbury or Sault Ste. Marie. The rural communities and businesses, Indian bands, municipalities and non-profit groups will really be in competition with much larger groups from half a dozen districts. In the past ridings like Algoma would have an allocation of, say, $968,000 and now they really have none. A similar allocation would provide about 100 projects and 500

jobs. Now there is really no allocation so there is really no guarantee that those rural municipalities and other groups will receive any amount of funding. I really wonder whether this is advantageous to rural municipalities.

The other problem that I see in rural areas, and I am sure the Hon. Member would have some advice on this, is that in slow growth areas of the country where the economy is not very strong I wonder whether the private sector will use that program because they have to put up half the funding. Instead of providing additional assistance for hard-pressed areas, those funds will flow into areas which are relatively better off and have more prosperous businesses that can take advantage of the program.

• (1230)

By the same token, in the past municipalities received 100 per cent of the funding. They now have to provide 25 per cent of the compulsory contributions and all of the equipment costs. In the past that was all provided: a small municipality could employ three or four people and get $7,000 to $10,000 in funding. They now receive only 75 per cent of the funding to assist in training students. I believe we will be short of funds in rural areas.

Under the old Summer Canada program there were a lot of funds available through the departmental stream for Indian bands. In my constituency there are about 12 bands with 7,000 or 8,000 status Indians. They will now have to compete with businessmen from big cities such as North Bay and Sudbury. In the past they were able to apply for funding through the Department of Indian Affairs. The Hon. Member has had a lot of experience in this. Does he really believe that this program will be fair in assisting the slow growth areas where unemployment has hit the hardest, such as in northern Ontario, certain areas of the Maritimes and northern Quebec? Is this funding going to be gobbled up by the rich municipalities and businesses in the faster moving and more economically sound areas of the country?

Mr. Allmand: Mr. Speaker, in the last Parliament there was the Task Force on Employment Opportunities for the '80s made up of seven Members of Parliament; four from the Government, two from the Conservative Party, and one from the NDP. We travelled extensively throughout the country and met with business organizations, unions, universities and community groups. We worked for over a year and then produced a report. It was made very clear in the report that direct employment programs were necessary. It was also made clear in our recommendations that there had to be a mix between government support for private sector employment and for community and municipal employment creation.

The Member makes a good point. In the announcement made the other day of $205 million for the summer employment program, there was no specific allocation of money for community organizations and municipalities as opposed to the private sector. As a matter of fact, the Minister said that there was a priority for summer employment with the private sector and, in particular, with big business in the private sector. There are many parts of Canada where the big business private sector is not strong. In some areas such as the Gaspé, parts of Atlantic Canada, northern Ontario and Quebec it is non-existent. Yesterday in the House I asked the Minister to reconsider and put aside a good percentage of that money for community groups and municipalities.

Let us look at the allocation made under that student summer employment program. Out of the $200 million provided last year, Newfoundland got $5.5 million; this year it will only get $5.1 million. Last year Nova Scotia got $6.2 million; this year it will only get $5.7 million. Prince Edward Island received $1.2 million last year; this year it will get $.7 million. Last year New Brunswick got $5.8 million; this year it will only get $4.9 million. Last year Quebec got $43.7 million; this year it will only get $41.9 million. Every province east of Ontario will receive less money this year. Due to equalization the poorer provinces of Canada, which need help the most, are getting less money. I do not know how that is justified.

Another interesting point is that right after the Minister announced her program, executives of several of the big companies which she had consulted with said that they could not make any commitment to hire the thousands of young people that they were expected to. They said that they would try. A Noranda official said: "You can't hire students when you are laying off their mothers and fathers. At worst, Noranda expects to hire 100 students more than the 1,300 they hired last year, but the number depends on business increases". Students will be ready for work around April 15. They are relying on jobs with the big corporations. I do not know what students will do in Newfoundland, Nova Scotia and northern Ontario.

Mr. Deputy Speaker: The period for questions and comments is now over. For resumption of debate, the Hon. Parliamentary Secretary to the Minister of Veterans Affairs, (Mr. McKenzie).

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I would like to speak on this NDP motion. They are criticizing policies of tax increases and spending cuts, but they fail to make any criticism of the NDP Government which implemented a regressive anti-labour tax in Manitoba. It is called the Manitoba payroll tax. It has even been severely criticized by some of the most left-wing journalists in Manitoba. In order to cope with this tax, businesses in Manitoba have had to lay off people to cover the cost of the payroll tax which they have to pay to the NDP Government. I visited businesses in Manitoba which are expanding. It was explained to me that they could hire more people in their plants if it were not for this regressive Manitoba payroll tax. This has discouraged businesses from investing in Manitoba. They preferred to go to provinces which did not have this payroll tax. Farmers have to pay this tax as well, as though they did not have enough problems to contend with.

I see the coalition is working today. There they are, huddling again, just like they did between 1972 and 1974. I am

sure the Member for Burlington (Mr. Kempling) will remember what happened in those days.

Mr. Althouse: We are looking at the new Whip appointments.

Mr. Foster: You didn't make it, Dan. You're not going to be a Whip.

Mr. McKenzie: The NDP supported the Liberals 19 times in a row to bring about economic chaos in this country during that period. The NDP Government in Manitoba is removing the hydro rates freeze which was put in place by the previous Conservative Government. As a result hydro rates have increased. This increase in hydro rates was another shock for businesses and farmers since during the election campaign Premier Pawley promised that the freeze would not be lifted.

So much for NDP campaign promises. This regressive anti-labour tax forced Kimberley-Clark to leave the Province of Manitoba. It is now expanding in Ontario where there is no 1.5 per cent payroll tax. Shell Oil closed its plant in Manitoba because it is just too expensive to stay in business under the NDP Government in Manitoba.

Cut-backs are mentioned in this motion. However, nothing is said about the Finance Minister of Manitoba announcing that he would make cut-backs. If cut-backs have such a negative effect on employment, why is the NDP not criticizing their colleagues in Manitoba? This motion should condemn them for the cuts if they will cause unemployment.

• (1240)

In an announcement in November, the senior Cabinet Minister confirmed that the provincial Treasury Board had asked Cabinet Ministers to scrutinize certain expenditures and submit programs and services that could be cut back or limited. There is not much consistency in the motion. The NDP condemns taxes but condones provincial NDP increases in taxes in Manitoba. There is no comment about the Minister of Finance there who is introducing cut-backs.

I received a document today from the Canadian Federation of Independent Businesses. They realize that the uncontrolled spending must be brought under control. They state in their brief:

> Although CFIB suggestions for modifying the tax system are not costly in national terms, we suggest the following area where the small business community can and should contribute to the government's efforts to reduce the size of the federal deficit.

I commend that association for realizing that something must be done.

I am not in favour of commonly using the word "cut-back" because it is actually the elimination of waste, mismanagement and duplication. That is what we on this side are trying to do and it is something that was never done under successive Liberal Governments. One only needs to read the Auditor General's Report, which gets worse every year, to have evidence of uncontrolled spending. Now that the Liberals are in opposition they have an immediate answer for everything.

One of the most amusing scenes I have ever seen was during the Liberal leadership campaign last summer. During that leadership campaign one would think that the Liberals had been in opposition for 20 years because each candidate had a solution for everything. If that was the case I do not understand why we have unemployment and huge deficits today. The Liberals have been in power for 20 years with majorities during some of that time. If they had all the answers, why did they not implement all those policies in order to prevent unemployment and the high deficit?

Let us review how unemployment originally began. Between 1972 and 1975 when the Leader of the Official Opposition (Mr. Turner) was the Minister of Finance, the number of unemployed rose by 164,000 and youth unemployment climbed by 109,000. This became worse over the years until the number of unemployed at this time is 1.5 million. Where were all the brilliant policies and why were they not implemented at that time? Obviously the Liberals had the wrong policies.

In that twenty-ninth Parliament the NDP supported the Liberals in 19 consecutive non-confidence motions. During the election campaign I heard a very interesting comment on Radio Station CJOB in Winnipeg. A very prominent New Democrat said on the radio that the best governments are minority governments. Unemployment increased by 164,000 and youth unemployment climbed by 109,000 during a minority government. Is that what the NDP describe as good government?

While there are no quick fixes or instant solutions, we are certainly making great strides. The energy agreement in Newfoundland yesterday was certainly well received by the people of that province and it will create much employment. Furthermore, the economic conference and the First Ministers' conference will produce more plans with regard to creating employment. When the energy agreement is reached with the western provinces, more employment will be created at that time. We will not implement another disastrous energy policy which caused so many problems for all of Canada, particularly the west.

While we are being told about the prosperity in Manitoba, we are not hearing the same comments from the business community. Let me quote John Bulloch, President of the Canadian Federation of Independent Business, in an article in the Winnipeg *Free Press:*

> Manitoba's New Democratic Party government is the most anti-business regime in Canada, John Bulloch, president of the Canadian Federation of Independent Business, said yesterday.
>
> "It still hasn't dawned on this government that the new jobs and Manitoba's hopes for a better future depend largely on a revitalized small and medium-sized business sector," he told a news conference one day after the federation's annual meeting, held in Winnipeg this year.
>
> "The government of Manitoba clings to the lame philosophy that only it can solve all the problems and that only it can breathe new life into its sick economy."
>
> "Manitoba seems blind to the fact that its policies are doing just the opposite."

He said 60 per cent of the federation's members in Manitoba implemented pay cuts or pay freezes while the province increased the salaries of public servants by about 10 per cent.

Therefore, not everyone agrees that it is all milk and honey in Manitoba. I recall that in 1969 we had a balanced budget in Manitoba. There was stability in the country and there was steady growth. Subsequently, all Hades broke loose in that province in regard to the budget deficit that has been increasing and causing very serious problems there.

Furthermore, the NDP like to give the impression that they are the only ones interested in health care. That is not true. That Government's regressive payroll tax in Manitoba has even affected rural hospitals. An article in the Winnipeg *Sun* on December 10, 1982 states:

Municipal taxpayers may have to bail out rural hospitals that are being swamped with red ink because of the province's payroll tax.

Several hospital administrators said yesterday that the payroll tax is swelling their deficits and they don't know where they are going to get the money.

It is as if our hospitals don't have enough problems!

"The 1.5 per cent payroll tax is killing us," said one administrator who did not want to be identified. "Taxpayers aren't going to be happy about seeing a hospital tax."

Carman Memorial Hospital is typical of what is happening in many facilities across the province. The hospital pays $1,000 each month in payroll taxes and that only adds to the burden of a deficit hovering in the range of $50,000.

This additional $1,000 a month is being imposed on hospitals in small towns across the province. If that is not regressive and anti-labour, I don't know what is.

One of the strongest supporters of the New Democratic Party in Manitoba is Frances Russell, a columnist for the Winnipeg *Free Press*. She is a very strong left-wing socialist and certainly does not try to hide that fact. She recently stated in her column that "Pawley's payroll tax is no laughing matter. A regressive, anti-labour tax like this certainly is no laughing matter.

She states:

—the payroll tax is emerging as the new government's biggest embarrassment. It may even turn into a political disaster.

Let me tell the House that the Leader of the Opposition in Manitoba, the Hon. Gary Filmon, has stated that when he forms the next government, one of his first measures will be to remove this regressive anti-labour tax. We certainly hope that the NDP will summon enough courage to call an election in the near future so that we can remove this tax.

Frances Russell also states:

More importantly, the tax is proving to be a particularly bad move now that unemployment has become the number one political and economic issue in Canada. Manitoba's unemployment rate has risen 75 per cent in the past year—

About the second lowest increase in Canada.

During the last election campaign, as in previous electoral battles, the NDP has presented itself as the party that cares about the individual entrepreneur. Yet this tax bears most heavily on precisely that community, particularly in a recession when many small businesses are fighting to stave off bankruptcy.

● (1250)

That was a very regressive tax. The huge deficit in Manitoba was brought about entirely by the NDP because we had a balanced budget in 1969. This is hurting Manitoba's financial rating. Manitoba's financial position has deteriorated significantly over the last two years. A major New York ratings house stated yesterday that it had lowered the province's credit rating. Standard and Poor's dropped Manitoba's rating from AA to AA-minus. They also dropped the rating for Manitoba Hydro.

Talk about fancy bookkeeping, Mr. Speaker! We talk about the Auditor General's report here; it is not any better in Manitoba. Mr. Ziprick, Manitoba's Auditor General, has stated that the deficit in Manitoba is unreal. In an article in the Winnipeg *Free Press* we read:

The auditor also took issue with another of the government's accounting practices relating to the Crown-owned Manitoba Forestry Resources Ltd. in The Pas.

Ziprick said the province wrote off a $51.3 million liability Manfor owed to the government in November, 1983. The investment was initially made in 1973 after the province had taken over the old Churchill Forest Industries.

The $51.3 million should have been considered a government expenditure at the time instead of being carried on the books at all these years, Ziprick said—

The government's public accounts also show Manitoba spent almost $270 million last year on financial charges stemming from the province's total debt—

The province's net combined debt is almost $6 billion or about $6,000 for each man, woman and child.

We have nothing to learn from the NDP Government in Manitoba.

In closing, I want to point out to the people of Manitoba, who will want to remember this at the next provincial election, that the provincial debt is rising under the NDP in Manitoba by $81 every minute. That is a sad, sick record of a very sick, socialist government and we certainly will not be implementing anything it would recommend in our Budget.

Some Liberals mentioned that there was no funding going to municipalities in the cities, that they are all cut off.

Mr. Foster: That is right.

Mr. McKenzie: I just want to point out that on Friday of this week I shall be visiting four community groups in my riding to deliver cheques from the Conservative Government in Ottawa.

Some Hon. Members: Oh, oh.

Mr. Orlikow: Mr. Speaker, I was struck by the somewhat selective figures which the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) used. He said that in 1969 the Manitoba Government was operating without deficits. That is a very interesting date because it was in 1969 that the first NDP Government under Mr. Schreyer was elected. That Government was in office until 1977. It was replaced by a Conservative Government led by Sterling Lyon. That Government talked about the same kind of objections to deficit financing that we have heard from this Member and this Government. That Government implemented very tough restrictive policies as far as government expenditures were concerned.

I would like the Hon. Member for Winnipeg-Assiniboine to tell us—if he knows, and he should know—what the situation was in the last two years of the Lyon Government. Did it not have quite substantial deficits in the last year or two before it was defeated? Were not those deficits created by the simple political fact that the Government realized that its restrictive policies were unpopular and it had better try to regain some of the support it lost because of its tough economic measures?

Mr. McKenzie: Mr. Speaker, when a snowball starts rolling down a long steep hill, it grows and grows to a huge size. The Lyon Government inherited that from the Schreyer Government. There are no easy, quick solutions to eliminate any debt that was started by the Schreyer Government, any more than we are going to be able to stop this rolling snowball down here.

The Hon. Member said I used selective figures. I would like to have had at least an hour—

[*Editor's Note: And an object having been thrown from the gallery*]:

Mr. Blaikie: Mr. Speaker, I rise on a point of order. The Hon. Member for Beaches (Mr. Young) has just been attacked from the Gallery. Have we got security around here or what?

An Hon. Member: They have hustled him out.

Mr. McKenzie: That is somebody expressing—

Mr. Blaikie: If you think that is funny, Dan, you have another think coming.

Mr. Young: Shame on you, Dan.

Mr. Althouse: It is being spread now from all directions, Dan.

Mr. Deputy Speaker: The Hon. Member for Winnipeg-Assiniboine may continue.

Mr. McKenzie: The Lyon Government was unable in four years to correct the huge deficit which was run up by the Schreyer Government and the Hon. Member for Winnipeg North (Mr. Orlikow) should know that. He has been around here long enough. I would like to read all the debt figures into the record today but we are limited to 20 minutes. I could have explained it to him in a lot more detail. We will have such a debt in this country unless we take some very positive steps because it will just get out of control. The New Democratic Party is about the only group that feels that we should do nothing about this huge deficit, but there is no way that the Lyon Government could correct eight years of Schreyer in four years.

Mr. Orlikow: Mr. Speaker, does not the Hon. Member realize that every Government in Canada, the federal Government and all the provincial Governments, are all operating with deficits; that the deficit is caused mainly by the fact that we have so much unemployment, that more than 11 per cent of the working population is not working, which means they are not earning money? They are not drawing wages or salary and, therefore, they are not paying income tax. As a result people are not purchasing goods and services which other people produce. Rather than adding to the economy, they are costing the economy through payments of welfare and unemployment insurance.

Does the Member not realize that if governments of whatever stripe were to attack the deficit by really cutting back expenditures at a time when the private sector is not providing the jobs that are required, we would have even more unemployment, tens of thousands, indeed hundreds of thousands of people either drawing unemployment insurance or welfare, and in this kind of economy no government whatever its political stripe can really do much about reducing the deficit?

Mr. McKenzie: Mr. Speaker, we have proven beyond the shadow of a doubt in this country that this philosophy of the New Democratic Party and the Liberal Party that you solve all problems either by spending more money, borrowing more money, or going into debt has not worked. If that were the answer, we would not have 1.3 million people unemployed. The Hon. Member for Winnipeg North is overlooking completely that the money has not been spent wisely. Billions and billions of dollars have been absolutely wasted. Billions of dollars have been thrown at different programs. These programs were not well thought out. There was no consultation.

This is one of the problems we have had in Canada under the Liberals. They governed by confrontation. They spent money without consultation with the private sector and the provinces. That is why we are being so well received by the business community and the provinces. They are saying that it is a refreshing change to be able to sit down and discuss these programs in advance instead of having the federal Government forcing issues. We have to exercise caution in regard to the size of the debt and the borrowing. The policies of the Liberal Government over the years have just driven billions of dollars of investment money out of the country.

This sort of thing has done the economy in places like Kentucky a lot of good. Kentucky advertises itself as the eleventh province because so much Canadian money has gone there. The same thing has happened in Florida, California and the Carolinas. More has been done for the economy in the States than in Canada.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PUBLIC SERVICE

EMPLOYEES' PARKING FEES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government is perpetrating yet another vicious attack upon public servants in the National Capital Region. Not content with cutting thousands of jobs, sending everyone into a state of panic, and increasing unemployment, especially among women, the Minister of Public Works (Mr. La Salle) is performing another raid upon the pocketbook of public servants by increasing parking fees for government employees from $42 to $75 and, in some cases, to $85 per month. This increase of 100 per cent and more is perpetrated in many cases upon people of modest means, sole support parents, and many others who cannot afford it.

The Government preaches restraint. Does the Minister of Public Works worry about public servants? No. Do Tory Members from Ottawa-Carleton, Ottawa West, Nepean-Carleton, Gatineau, and others worry? No, they do not. They have not said a word on this issue.

The Government is overcharging public servants and uses the money to pay for its extravagance and comfort, with 40 limousines, 40 chauffeurs, 40 political commissars, and a fleet of jets flying around delivering copies of speeches of Cabinet Ministers. This is Robin Hood in reverse. The Government is taking from the poor and giving to the rich—itself.

* * *

THE LEADER OF THE OPPOSITION

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am most distressed at a comment appearing in the Saturday, February 9, edition of *The Toronto Star* and attributed to the Right Hon. Leader of the Opposition (Mr. Turner). He is reported to have expressed the idea that Miller's Ontario is not the real Ontario because Mr. Miller's Conservative Government represents only one group of provincial voters—white Anglo-Saxon Protestants.

It is beyond the realm of possibility that the Right Hon. Member could have made such a racist statement. I know he is aware of the broad spectrum make-up of the Conservative Party. He is also familiar with the diverse ethnic and religious constituency represented by the Conservative Governments both in Ottawa and in the provinces. Persons of all races, creeds, and colours are welcome in the Conservative Party, as the Leader of the Opposition well knows.

I call for the Right Hon. Member to rise in his place at three o'clock today to confirm, correct, or deny this shameful statement.

S.O. 21

CORRECTIONAL SERVICE

EARLY RETIREMENT RECOMMENDATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in 1977 the subcommittee on the penitentiary system in Canada made a very clear-cut recommendation which read as follows:

> Retirement at 55 years of age must be mandatory for all employees other than professional staff, with full pension after 25 years of service. Early voluntary retirement at age 50 after 20 years of service should be optional.

I am now calling upon the Government to recognize the exceptional pressures and stresses which are part of every day life for a penitentiary guard in a maximum security institution. The present pension structure for RCMP officers and Armed Forces personnel recognizes the extra stress of those jobs. The pension plan of air traffic controllers also recognizes a tension syndrome peculiar to that group.

The statistics on shorter life expectancy for the custodial service point to the need for immediate remedial measures. I call upon the Government to take the initiative where the Liberals failed, and to carry out the recommendation made years ago and agreed to by all three political Parties as late as last June. I call upon the Government to introduce immediately legislation to allow this group early retirement.

* * *

[*Translation*]

ENERGY

PRICE OF GASOLINE—SUGGESTED FULLSCALE REVISION OF TAX SYSTEMS

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to comment on the premiums and bonuses being offered to consumers by the oil companies. I think they should lower the price of gas instead of giving away hamburgers, glasses, dishes and discounts on cigarettes. Consumers in Beauce and Quebec are fed up with constant increases in the price of gas. They want to pay less per litre, they don't want premiums.

Why should the Quebec consumer let himself be skinned by the multinationals and the tax system without demanding an explanation, especially since last week, Canadian oil companies announced record profits? Quebecers feel they are getting a raw deal and they want to know what is going on.

Mr. Speaker, I suggest an overall review of our tax systems.

In the United States, where taxation is not as severe and oil producers engage in healthy competition instead of conspiring to "skin" the consumer, the price of gas is dropping everywhere. At this very moment, even considering the value of the U.S. dollar and the fact that their gallon is not as big as ours, it still works out to about $1.65 per gallon. In other words, almost $1 less than over here.

Canadians may rest assured that Progressive Conservative Members will work hard to protect consumers, whether they live in Beauce, in Quebec or elsewhere in Canada. It is up to us

to act, and I am confident that our Government will find a fair and equitable solution.

* * *

[*English*]

FISHERIES

CANCELLATION OF NEWFOUNDLAND CONFERENCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise today on behalf of the fishermen of the great northern peninsula of Newfoundland and Labrador, and on behalf of the many development associations, fishermen's committees, and community councils, which spent a great deal of time, effort, and money to organize, on a very large scale, a conference to be held in the northern peninsula community of St. Anthony at the end of this month, to discuss the future of the Fisheries of that area.

The meeting had been arranged. People had committed themselves to travel hundreds of miles to be at the meeting. An agenda had been set. Everything was in place. Last week the Minister of Fisheries and Oceans (Mr. Fraser) and his officials advised the organizers of the meeting that they could not attend. Subsequently, the entire exercise had to be cancelled.

The fisheries of the northern peninsula of Newfoundland and Labrador are the most underdeveloped anywhere in the country. With the formation of a new federal-provincial fish company, it is now critical that special attention be paid to this area. The people on this coast, in the highest unemployment area anywhere in the nation, deserve the time and attention of the federal Minister of Fisheries. Furthermore, they deserve respect, especially for their efforts to organize the meeting. I plead with the Minister, the Prime Minister (Mr. Mulroney), and Newfoundland's regional Minister to assure their attendance at the earliest possible—

Mr. Speaker: I regret to interrupt the Hon. Member.

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[*Translation*]

EMPLOYMENT

CHALLENGE '85—ENTHUSIASM IN TÉMISCAMINGUE OVER PROGRAM ANNOUNCEMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last week on February 6, the Minister of Employment and Immigration (Miss MacDonald) presented her student summer employment program called Challenge 85. This program, with a total budget of $205 million, is to create 95,000 jobs for next summer.

Mr. Speaker, this announcement certainly cooled off Members of the two Opposition parties who have been harrassing and criticizing our Minister for more than two months, despite patient insistence by the Minister of Employment and Immigration and our Minister of State for Youth (Mrs. Champagne) that in due time, they would be bringing in a program that was better structured, better designed and especially better adapted to the needs of students and young people.

Mr. Speaker, this program is unique in that it appeals more particularly to the private sector and our municipalities to show their confidence in students by giving them a chance to acquire practical training.

Mr. Speaker, on the weekend I held a number of consultations in my riding. I met with businessmen, representatives of chambers of commerce and municipal authorities, all of whom were quite enthusiastic, and I can assure you that in Témiscamingue, we are ready to meet "Challenge 85".

* * *

[*English*]

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT ON OFFSHORE DEVELOPMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, we in the New Democratic Party, as do all reasonable Canadians, rejoice that finally there is an agreement between Canada and Newfoundland to pave the way for the development of the Hibernia oil field.

Yesterday I was in Corner Brook, watching the signing ceremony on television. A Newfoundlander next to me said: "Those boys are going to get sore arms from patting themselves on the back so much". Be that as it may, I am glad there has been an agreement.

I have three positive suggestions. First, we should consider a constitutional amendment to enshrine provincial control of offshore resources in the Constitution. As a western Canadian, I realize how important that is. Second, we have to be careful about the pace of development and about the creation of jobs. Energy, Mines and Resources officials told the energy committee this year that there would only be 6,000 jobs in the development of the field. Expectations are very high. Let us have some hearings by the energy committee to see if we can get more jobs, and to see whether we can get some jobs for western Newfoundland and Labrador which often feel left out of the development.

Finally, I would urge that the federal and provincial Governments not forget the traditional industries like fisheries and forestry where there really are jobs for the future. I am glad that there is a deal. Let us work on it and try to create more and better jobs. Let us not forget the fish and the forests as well.

• (1410)

[*Translation*]

FORESTRY

QUEBEC—SECTORAL AGREEMENT—GOVERNMENT POSITION

Mr. André Harvey (Chicoutimi): Mr. Speaker, the Liberals in this House, who are Members of a Party that wasted public funds for fifteen years and who represent what remains of the previous Government's institutional arrogance, make it impossible for us to forget their legacy. Our forest industry, for instance, is in great difficulty, and I am therefore very pleased with the particular emphasis placed on this sector by the present government. In a matter of weeks, I think we can guarantee the people of Quebec, of whom 250,000 work in this sector, that the sectoral agreement will meet the forest industry's essential requirements relating to research, management and all forestry problems.

Mr. Speaker, it is therefore important to emphasize consultation, as our Government is doing now, and help 250,000 forestry workers in Quebec, who, just as our senior citizens and students, may be assured our Government will "deliver the goods".

* * *

[*English*]

AGRICULTURE

CANADIAN FEDERATION OF AGRICULTURE—FIFTIETH ANNIVERSARY MEETING

Mr. Maurice Foster (Algoma): Mr. Speaker, today I would like to call attention to the 50th anniversary meeting of the Canadian Federation of Agriculture which is taking place in Hull, here in the National Capital area. We welcome the delegates to the capital of our country and to Parliament this week.

The CFA represents the producers of many agricultural commodities and tens of thousands of farmers across the country. The contributions which the CFA has made over the last half century to Canadian agriculture have been very great. We pay tribute to its many members who have given so generously of their time.

The CFA has called on the Government to reinstate the Canadian Agriculture Export Corporation which has been so successful in its first few months of operation, selling $16 million worth of commodities and making arrangements for additional sales of $100 million. However, the Government has sold out to the multinational agriculture exporting corporations so it is destroying Canagrex, a company we designed to help farmers sell their commodities abroad.

Canagrex is especially important at a time when countries like the United States and others are more aggressively marketing their commodities abroad. I call on the Minister of Agriculture (Mr. Wise) and the Government to start listening to the farmers and the Canadian Federation of Agriculture, and to stop listening to the powerful multinational agriculture trading companies which are only interested in their own profits, not in the farmers of Canada.

* * *

PUNCTUALITY

LACK OF OBSERVANCE IN OTTAWA

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, in Stormont-Dundas time is a very important commodity. When we have a meeting at three o'clock, we have a meeting at three o'clock. If the meeting starts before three, then the meeting starts early. If the meeting starts after three, then the meeting starts late. There is no confusion. Even my five-year old son Michael recognizes that when the little hand is at three and the big hand is at twelve, the time is three o'clock.

In Ottawa there appears to be some confusion about time, or possibly some lack of respect for time. Many meetings do not start when scheduled because participants habitually arrive late. If a meeting is called for three o'clock, the general attitude appears to be that the commencement time is not really three o'clock but perhaps 3.05, 3.10 or 3.20.

I can offer two solutions. We could consider that Ottawa be in a different time zone and agree that everyone would be 10 or 20 minutes late. There are some obvious problems with this concept. Perhaps we should consider the simplest solution. Everyone should agree that three o'clock means three o'clock, four o'clock means four o'clock, and so on. If we agree to meet at a certain time, then we have made a definite commitment and we should feel obligated to meet at that specific time.

* * *

YOUNG OFFENDERS ACT

APPLICATION TO PERSONS AGED 16 AND 17 YEARS

Hon. Bob Kaplan (York Centre): Mr. Speaker, one of the great achievements of the last Parliament was the Young Offenders Act. On April 1, the Young Offenders Act is supposed to come into effect to include all 16 and 17-year olds across the country.

I learned this morning that the Prime Minister of Canada (Mr. Mulroney) intends, when he is in Regina, to announce that that law will not apply to 16 and 17-year olds. I know that he has had considerable pressure from some provincial Governments not to let the law apply to these young people but to continue dealing with those young people under the adult system. I would remind the Prime Minister that the setting of that age is a federal matter and that the Parliament of Canada acted unanimously. Members of the Conservative, NDP, and Liberal Parties all agreed that 16 and 17-year olds should fall under the juvenile justice system and that that system should be toughened up, and it was toughened up.

I would call on the Prime Minister not to take this step backward, and remind him that there is legal opinion to the

effect that it would be unlawful to exclude 16 and 17-year olds from the Act in some parts of the country though they are included in others once the equality provisions of the Charter of Rights come into effect.

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

NEWSPAPER REFERENCE TO MINISTER OF NATIONAL DEFENCE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am very surprised that the Prime Minister and the Deputy Prime Minister are not in their seats because we have an extremely serious matter to discuss today. First there was the question involving the administration of justice, and now we have a new problem relating to national security.

I do not know to whom I can direct my question. With your indulgence, Mr. Speaker, I could wait until the Prime Minister is here. Can anyone tell the House of Commons if the Prime Minister will come here this afternoon?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I expect that the Prime Minister will be in the House. If the Hon. Member has any questions to direct to the Government, he can go ahead and direct them. If he is waiting for the Prime Minister, he will have to wait for a few minutes yet.

Mr. Chrétien: Mr. Speaker, this is an unusual situation, and we have some extremely serious questions to ask. I do not know whether or not the Chair would like to recognize me later on when the Prime Minister will be here so I can ask him questions. I would ask other Hon. Members to ask questions now.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I direct my question to the Government House Leader. Could he, in less than five minutes, be more precise as to the time of the arrival in the Chamber of the Prime Minister?

An Hon. Member: Here he is.

Some Hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, I have some extremely serious questions to ask of the Prime Minister. The Government is finding itself in a very messy situation at this time when one of the major newspapers of Canada is saying that the Solicitor General of Canada has acted with bad judgment in the execution of his functions, and now we read in a paper that the Minister of National Defence has put himself in a very embarrassing situation that could involve our national security. In light of this, when will the Prime Minister take these problems seriously, stop being a nice guy, and make the tough decisions that the Prime Minister is supposed to make?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as my hon. friend very inelegantly and inaccurately makes a reference to a statement in the papers, I should respond in regard to one serious matter that was mentioned and that, of course, is the question of national security, to use the term used by my hon. friend. When the allegations were first brought to my attention, I immediately, within moments, initiated a series of inquiries and assured myself that at no time and under no circumstances was the national security of Canada compromised in any way. Having said that, I want to tell the House that my hon. friend, the Minister of National Defence, will be making a statement in the House at three o'clock.

● (1420)

INFORMATION GIVEN TO PRIME MINISTER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, notwithstanding the statement by the Minister, and I am happy that he will be in the House to make a statement, I think it would be in the public interest to know when the Prime Minister was informed of the incident and who informed him. Was it the Clerk of the Privy Council, the Chief of Staff, or was it any person from the NATO organization?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was informed by an appropriate official of the Government of Canada. I responded within minutes of that information being made available to me. I secured the assurances which I have just imparted to the House. I know that my hon. friend, in the interests of fairness, will want to wait for the statement of the Hon. Minister of National Defence.

[*Translation*]

ALLEGATIONS CONCERNING MINISTER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, with respect, I would like to point out to the Right Hon. Prime Minister that the questions we are asking at this time are not directed to the Minister of National Defence. We want to know what the reaction was of the Prime Minister of Canada and the attitude he took, because this is a very important matter involving Canada's reputation with its NATO allies. I would therefore like to know whether it is correct that the Right Hon. Prime Minister was informed of these events in November or early December and why he has not acted until today.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in spite of the assurance I gave the House, the Hon. Member insists on insinuating that a matter of national security was not dealt with. I have already given the House the assurance that moments after the information or the allegations were brought to my attention, I acted immediately in order to be in a position to give the House and my colleagues

the assurance that there was no national security problem of any kind whatsoever.

That being said, I know Hon. Members will want to hear the Minister's statement at three o'clock this afternoon.

[*English*]

TIMING OF INFORMATION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, we are talking about the national security of Canada. It is a very serious question. What did Canada's Chief of Defence Staff report to the Prime Minister about the allegations which are outlined in today's Ottawa *Citizen*, and when did he tell the Prime Minister? What did the Clerk of the Privy Council report to the Prime Minister about the allegations which are outlined in today's press, and when did he tell the Prime Minister? Finally, did Lord Carrington, Secretary General of the North Atlantic Treaty Organization, during his visit to Canada in late January, or any other NATO official, tell the Prime Minister or any other Canadian official about these very serious national security allegations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. colleague asked if Lord Carrington or any other NATO official brought this to my attention. The answer is in the negative in both cases. As I indicated to my hon. friend, the information was brought to my attention by an appropriate official of the Government of Canada, and I immediately acted upon it in regard to the question of national security.

PRIME MINISTER'S ACTIONS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I would like to direct a supplementary question to the Prime Minister. It is obvious that the Prime Minister has known about these allegations for some time. It is also obvious, from what he has said, that he has been informed about them. Why has it taken the Prime Minister weeks, or maybe two months, to react? Why did he not act prior to this particular moment when he is pressured into it by the media? Does the Prime Minister not realize that national security matters can affect our country's national security with our NATO partners, that he must act now, and that he should have acted previously?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend does the House a disservice. In response to a direct and important question, I indicated to my hon. friend that, immediately upon receipt of the information, I acted to assure myself and the Government that there had been no breach of security of any kind. That having been done, I think my hon. friend would also agree that it is important that individuals in this House, or elsewhere, not be tried—except in serious matters of national security—in regard to innuendo and unsubstantiated allegations. I can assure Members of the House that I acted with propriety and celerity to ensure that all information related to the suggestion of national security was dealt with properly.

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on this very serious question, certainly we believe it to be appropriate to hear the statement of the Minister of National Defence at three o'clock, before responding to that statement.

My question is directed to the Prime Minister and it concerns the meeting which took place October last between the Solicitor General and the Premier of New Brunswick. I should make it clear that it is not our objective in any way to retry charges which have already been dealt with in the courts, or to engage in a trial in the House on the basis of allegations which were based on leaks, speculation, and innuendo.

Does the Prime Minister consider it appropriate that the Solicitor General, the Minister who is responsible for the RCMP, should meet with an individual, in this case the Premier of New Brunswick, when that individual is under investigation for a federal offence, before charges have been laid in connection with that offence?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the Commissioner of the RCMP, who is a man of impeccable reputation, indicated today that at no time, directly or otherwise, was he influenced, nor was there any suggestion of influence, brought to bear by any member of the federal Cabinet or Government, including the Solicitor General. I believe that the best indication of the propriety of the conduct of the Solicitor General was the fact that sometime after that meeting a charge was laid against the Premier of New Brunswick.

SOLICITOR GENERAL'S CONDUCT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, perhaps the Prime Minister could address himself to the question. It is very straightforward. Does the Prime Minister believe that it is appropriate that the Solicitor General of this country should meet with an individual who is under investigation for an offence, before charges are laid? Under what circumstances are such meetings to be considered appropriate in the future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think this matter was effectively aired yesterday, and I think the response was pretty clear cut. Any Hon. Member who feels that he has an allegation or a charge to make against the Solicitor General, let him make it, let him put his seat up for grabs, and we will see what happens.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the question is clear. Does the Prime Minister intend to leave Canadians unclear as to whether or not he, as the Prime Minister of Canada, believes it to be appropriate that the Solicitor Gener-

al, responsible for the RCMP, should meet with an individual who is under investigation by the RCMP, before charges are laid, and subsequently communicate with the Commissioner of the RCMP that individual's side of the story? Is that really considered by the Prime Minister to be appropriate conduct by the Solicitor General?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that the Commissioner of the RCMP gave the response that any objective individual would accept, namely, that there had been no suggestion that he construed as being improper, and that there had been no improper conduct of any kind. I had hoped that that would satisfy my hon. friend, because everyone in this country knows, and I know my hon. friend knows, that the Solicitor General is a man of impeccable integrity and there should not be any suggestion to the contratry.

• (1430)

Some Hon. Members: Hear, hear!

INQUIRY RESPECTING PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister has asked that the charge be made. The charge is that an improper meeting took place which brought the administration of justice into disrepute.

Mr. Hnatyshyn: Whose charge is that? Who is thinking that?

Mr. Kaplan: What the Prime Minister has had to say about the assurances of the Commissioner only goes so far as the activities for which the Commissioner of the RCMP is responsible. Nothing has been said about discussions with justice officials, with law officers of the Crown, or discussions with individuals in the Solicitor General's Department, whether these occurred or not.

Some Hon. Members: Question.

Mr. Kaplan: All of these questions show the impropriety of the meeting. What I want to ask the Prime Minister is to confirm that he himself met with Mr. Hatfield during the course of the investigation before charges were laid, and to tell us whether the investigation was discussed.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot confirm that because I did not meet with Mr. Hatfield at any time, as my hon. friend suggests. And there was no communication to justify the insinuation of my hon. friend.

Some Hon. Members: Hear, hear!

COMMUNICATIONS INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, if I hear the Prime Minister saying that he did not meet with Mr. Hatfield from the time that the marijuana was found until the laying of the charges—which is what I take it he is saying—I want to ask whether he communicated with him in any other way, and whether his officials or staff met with or had discussions with officials or staff of Mr. Hatfield respecting this investigation.

An Hon. Member: He's fishing.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had no communication unless it was in the course of official business, and even on that I would have to look at notes. But I can assure my hon. friend that there were no communications between me and Mr. Hatfield at the time in question.

APPROPRIATENESS OF MEETING WITH PREMIER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also would like to ask the Prime Minister a question about the meeting. I want to make it clear to the Prime Minister that no one is questioning the Solicitor General's integrity.

Some Hon. Members: Oh, oh!

Mr. Frith: His judgment.

Mr. Chrétien: His ability to be a Minister.

Mr. Deans: What is being questioned is his judgment. Recognizing that what happened subsequent to the meeting between the Solicitor General and Mr. Hatfield is irrelevant, is it the judgment of the Prime Minister that it was appropriate for the Solicitor General to meet with anyone who in under investigation by the RCMP, over which the Solicitor General has jurisdiction? Is it appropriate for the Solicitor General to meet with a person who is actively under investigation—in advance of any charges being laid—to discuss the investigation or what is going on between the RCMP and that person?

Right Hon. Brian Mulroney (Prime Minister): There is no evidence or suggestion, I hope, Mr. Speaker, that the Solicitor General in any way influenced the course of the inquiry or the conduct of the case. Indeed, I would hope in fairness that my hon. friend would acknowledge the appropriateness of the remarks of the Commissioner of the RCMP, who said to the contrary. He said that he is completely satisfied that at no time was there any attempt, directly or otherwise, to influence the course of the investigation or the laying of charges. I think that the best proof of that is the fact that, some time after the meeting to which my hon. friend refers, charges against the Premier of New Brunswick were indeed laid. That confirms the integrity and the independence both of the RCMP and the Solicitor General.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question to the Prime Minister is this. Is it appropriate for the Solicitor General of Canada to hold a private meeting with an individual who is under investigation by the RCMP while the investigation is going on, and in advance of charges being laid?

An Hon. Member: Yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would suppose that in a perfect world, with absolutely perfect individuals, everything at all times would work according to totally perfect criteria. This is a country and place of human beings with judgment, and I made the determination and the decision to entrust the portfolio of Solicitor General to my hon. friend. I can assure the House Leader that the Solicitor General has done nothing which would cause me to lose faith or confidence in him in any respect.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S KNOWLEDGE OF MARIJUANA DISCOVERY

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I think it is becoming abundantly clear that the Government is stonewalling on this issue.

Mr. Hnatyshyn: Question.

Mr. Nunziata: The Solicitor General refuses to disclose to this House the nature of the discussions at that private meeting.

Mr. Crosbie: Question.

Mr. Nunziata: The Prime Minister himself, when I asked him last Thursday when he first became aware of the fact that the marijuana was found and whether he or any members of his staff communicated directly or indirectly with Premier Hatfield—

Mr. Hnatyshyn: Question.

Mr. Nunziata: —before charges were laid—the Prime Minister refused to answer. I would like to repeat my question today, and it is a very simple, straightforward question.

Mr. Crosbie: That's the first one, if that is the case.

Mr. Nunziata: And I hope we will get an answer from the Prime Minister. When did the Prime Minister first become aware that marijuana was found in the luggage of Premier Hatfield? And did he or any members of his staff communicate either directly or indirectly with Premier Hatfield in relation to the finding of the marijuana?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think—I hope, anyway—we fully answered the questions as set out last week by my hon. friend. At a given point of time, and I would have to check the date, the Minister of Justice, prior to a cabinet meeting or a meeting of Priority and Planning, took me aside to indicate that that afternoon, or the next morning, the RCMP was going to proceed to lay a charge in the case of the Queen and Mr. Hatfield. I believe that it was at that time and under those circumstances. As I have already indicated to my hon. friend, there were no communications by me and certainly none by the staff of which I would be aware at all.

PRIME MINISTER'S KNOWLEDGE OF SOLICITOR GENERAL'S MEETING

Mr. John Nunziata (York South-Weston): Mr. Speaker, it appears that the Prime Minister is shirking his responsibility.

Mr. Hnatyshyn: What is the supplementary question, Mr. Speaker?

Mr. Nunziata: My question is straightforward.

Mr. Hnatyshyn: It's a 20-minute speech.

Mr. Crosbie: Nunzirata.

Mr. Nunziata: I know, Mr. Speaker, when the Prime Minister found out that a charge would be laid. He indicated that to the House last Thursday. My question is when did he become aware that the marijuana was found in the luggage? Second, when did he first become aware of the secret private meeting, on neutral ground, between the Solicitor General and the Premier of New Brunswick? When did he first find out about those two situations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I first became aware of the meeting to which my hon. friend refers last Friday, when I heard about it for the first time.

Mr. Gauthier: What about the pot?

Mr. Mulroney: That apparently does not satisfy my hon. friends. Apparently the truth is not good enough for the Liberals who wouldn't recognize it if it was staring them in the face.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is character assassination. You are not after the truth. It is the assassination of character that you are looking for. We have stood up here and given you the full and complete answers, and it's not good enough for you.

Some Hon. Members: Oh, oh!

Mr. Mulroney: You want to assassinate reputations. That's what wrong with you.

Some Hon. Members: Hear, hear!

● (1440)

[*Translation*]

Mr. Cassidy: Mr. Speaker, I have a supplementary question on this very serious subject for the Prime Minister. My question is as follows: Does the Prime Minister consider it appropriate for the Solicitor General, who is responsible for the Royal Canadian Mounted Police, to meet a person who is being investigated by the RCMP before that person's trial has taken place?

Mr. Mulroney: Mr. Speaker, the Hon. Member is asking the same question in French which his colleague asked in English, and the same answer applies.

[*English*]

SOLICITOR GENERAL'S CONDUCT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, perhaps I can put the question in English since the Prime Minister is refusing to answer it in French.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Is it or is it not appropriate for the chief law officer of the Crown, responsible for the RCMP, to meet with a citizen of Canada who is under investigation for a criminal offence, prior to charges being laid in connection with that offence? Is that appropriate or not? Yes or no?

Right Hon. Brian Mulroney (Prime Minister): The conduct of the chief law officer of the Crown was commented upon not by myself or my hon. friend, but by one of the most outstanding law enforcement people in this country, the Commissioner of the RCMP. He said there had been no improper suggestions of any kind, and I would hope that my hon. friend would accept that.

* * *

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT ON OFFSHORE DEVELOPMENT

Mr. Morrissey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, yesterday was an historic day for the province of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

Mr. Johnson: February 11, 1985, will be looked upon by the people of Newfoundland and Labrador as the first day that we became true Canadians.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Johnson: A Progressive Conservative Government fulfilled a promise.

Some Hon. Members: Question.

Mr. Speaker: I appreciate that this is still a new procedure for some Members, but I would ask the Hon. Member to come right to the question, please.

Mr. Johnson: My question is directed to the Minister of Energy. Yesterday the former Minister of Energy, the Hon. Member for Saint-Maurice, told Newfoundlanders that two years ago he offered a better deal than what was signed yesterday.

Mr. Chrétien: Right on.

Mr. Johnson: Would the Minister tell me, in her opinion—

Some Hon. Members: Hear, hear!

Mr. Speaker: I have not heard a question. Does the Hon. Member have a question?

Some Hon. Members: No.

Mr. Johnson: Yes, Mr. Speaker. Would the Minister tell me in her opinion whether the statement made by the former Minister of Energy was true or not?

Some Hon. Members: Oh, oh!

Some Hon. Members: No.

Mr. Foster: How long did it take you to write that one, Pat?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that if the Hon. Member for Saint-Maurice had offered Premier Peckford a better deal, Premier Peckford would have taken it.

Some Hon. Members: Hear, hear!

Miss Carney: I can only assure the Member that, among the many unique advantages of the Atlantic Accord, the fundamental one was equality within Confederation. That is what Prime Minister Mulroney offered which the previous Government did not.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—LOCATION OF MEETING BETWEEN SOLICITOR GENERAL AND PREMIER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I want to return to the subject matter of the meeting between the Solicitor General and Premier Hatfield. I want to give the Solicitor General a chance to clear up some of the concerns which surround this serious matter.

He has said that the meeting was proper, and apparently the Prime Minister agrees. I think the question in the minds of the

public, and I am sure of many people on all sides of the House, including Conservative Members—

Some Hon. Members: No!

Mr. Johnston: —is, if the meeting was proper, why was the meeting held in secret? Why was the meeting not held in the Minister's office in the presence of officials of his Department, for example of Commissioner Simmonds, to whom the Prime Minister has made reference, and why was counsel not there from either his Department or the Department of Justice, instead of outside counsel, and why was there outside counsel?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the fact that the meeting was secret, as alleged, is not true. The meeting was a private meeting, and there was nothing secret about the meeting. The first time I was asked about the meeting I was glad to indicate that it had taken place. That is the first question.

Why was legal counsel there? Because I had confidence in a legal counsel that I have in connection with my duties as a Privy Councillor. The site of the meeting was simply a convenient site, and there was nothing sinister about its location or purpose. I think I dealt with most of these questions yesterday.

TOPICS OF DISCUSSION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it is fairly clear that the Solicitor General feels the meeting was proper. In that case I suggest that all doubt could be eliminated if the contents of that meeting were to be made public. In particular, could he tell us whether at that meeting he may have discussed, even inadvertently, any evidentiary issues which could have affected the conduct of the trial? Will he also tell us whether he discussed the meeting, either prior thereto or subsequently, with his colleague, the Minister of Justice and Attorney General?

Hon. Elmer M. MacKay (Solicitor General of Canada): I can give my assurances to my hon. friend, who is a former Privy Councillor—

Some Hon. Members: Still is.

Mr. MacKay: —that there were no discussions with other Cabinet colleagues about the contents of the meeting. He surely must know, being a Privy Councillor, that the kinds of discussions that take place either between myself and heads of agencies, or my deputy, are confidential and privileged information.

* * *

THE ECONOMY

NATIONAL ECONOMIC CONFERENCE—PARTICIPATION OF VISIBLE MINORITIES

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. We have all received an announcement with respect to the National Economic Conference, and Session IV to be held on March 22. There is a workshop on improving access for women, youth, natives, and the disabled. Can the Prime Minister explain to the racial minorities of this country why they are excluded from consideration in view of the need demonstrated, first, by *Equality Now*, the Abella report, the investigation of workplace discrimination in Toronto, and the recent report of a 75 per cent unemployment rate among blacks in Preston, Nova Scotia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am dismayed at the implication in the question and I want to try to correct the impression left by my hon. friend, no doubt inadvertently. I have had the occasion of meeting with Mr. Stanley Hartt, the organizer of this session, and his staff. I know it is their intention to try to put together a conference which is representative of all groups in society to the extent humanly possible.

As to those mentioned by my hon. friend, I thought, in any case, they were to have been included. It was my understanding that that is the case. But I would be happy to review it again with Mr. Hartt and come back to the House to give my hon. friend the assurance that, in my judgment, a conference held without the inclusion of the kinds of people to whom he refers would not be a successful or appropriate conference.

ASSURANCE OF PARTICIPATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I appreciate the answer that was just given. I hope that the visible minorities will not be invisible in the final announcement. I will take the Prime Minister's answer to be an indication to about one million people in the country that he will direct those concerned to correct the significant omission.

● (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to do that, should that be the case, but I think my hon. friend may have been referring to an initial advisory panel which went on to be very substantially expanded. In any case, I want go give my hon. friend the assurance that indeed those very important groups of people in our society to which he refers will very much be members of the conference.

* * *

FINANCE

BORROWING AUTHORITY BILL

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of State for Finance. The Minister of State has carried the borrowing authority Bill through and will know that it has been somehow stalled and filibustered in the other place, to the extent that the country cannot raise long-term funds on the bond market and interest

rates are likely to be seriously damaged in terms of the Government's cost of borrowing. Would the Minister tell the House what representations she has made to expedite the passage—

Mr. Speaker: Order. The Hon. Member for Skeena.

* * *

FORESTRY

REFORESTATION IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of State for Forestry. Would he confirm that the Canadian Forest Service has identified the need for expenditures of $200 million a year to replant the 600,000 acres of backlog in British Columbia? In light of this, would he explain why he is recommending to his Cabinet colleagues that only $30 million a year be spent, since he and his officials know that this is inadequate to deal with the crisis in British Columbia which constitutes 50 per cent of Canada's largest industry?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, that matter has been dealt with on several occasions in the House. The Minister of Finance and the Minister of Regional Industrial Expansion have indicated that there would be an agreement signed The British Columbia Government has indicated that it is prepared to conclude the agreement. Those negotiations are ongoing, and when there is a figure to be announced we will announce it at the proper time.

NEGOTIATION OF AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Minister of Regional Industrial Expansion. Yesterday in British Columbia the provincial Minister of Forests, Mr. Waterland, stated that as far as he is concerned the negotiations are completed and that the agreement is being held up because "it is a matter of the federal Government finding funds to pay for their part". Is that correct?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, that is not correct. Perhaps the comment attributed to the official in British Columbia is simply a reflection of how the Senate is impeding the progress of the borrowing Bill. We were left, as Opposition Members certainly know, with huge borrowing requirements and, frankly, we need the cash.

Mr. Blaikie: Abolish the Senate.

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Solicitor General. It is clear that the secret meeting held between himself and Mr. Hatfield in a hotel room in Ottawa without officials, was wrong. It is against the long standing practice in England and Canada. As indicated by my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), the only way to clear the air on this is to tell us what happened at that meeting. Even though a charge was laid later, was there anything discussed at that meeting which could have assisted the defence, which is another matter not relating to the prosecution? I want to know whether there was anything discussed at that meeting that could have helped the defence.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, unlike the other Solicitors General who questioned me yesterday, my hon. friend at least appears to know what a Solicitor General is supposed to do. May I assure him that there was nothing discussed at the meeting which was relevant to the defence or that in any way affected the subsequent results of the trial, as he knows.

I have answered all of the questions to the best of my ability as far as the background and meeting are concerned. Yesterday the Leader of the Opposition accused me of interfering in the case. The RCMP Commissioner on his own, without any suggestion from me, clearly refuted that. I hope that the Opposition would have the decency at least to withdraw that inference.

NON ATTENDANCE OF OFFICIALS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, if the meeting was a normal meeting in the ordinary course of events, even though Mr. Hatfield was under investigation by the RCMP, would the Solicitor General tell the House why he did not have departmental officials, either his Deputy Minister or other senior officials, with him at the meeting? Why did he not have legal counsel from the Department of Justice with him? Why did he not have the Commissioner of the RCMP or one of his deputies with him? Why did he not have those people present at the meeting if it was above board and normal?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I trust that the former Solicitor General is not suggesting that every time such a meeting occurs it is necessary to have departmental officials or police present. I hope he is not suggesting that. It was my decision to have the meeting. I took it because I thought it was appropriate. I did not involve others in it because I felt it was a meeting which was, by its nature, a private discussion. I took along a competent counsel. I took along a man of integrity, my chief of staff. Those are the circumstances.

NATIONAL SECURITY

CONDUCT OF NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I had hoped to be able to ask questions of the Prime Minister or the Deputy Prime Minister. I do not know if they are available. Perhaps I could address a question relating to the problems of security to the Secretary of State for External Affairs.

We have been engaged in a number of quite delicate and sensitive negotiations with allies in relation to the new radar system, NORAD agreements, and other matters pertaining to NATO. How long has the Secretary of State for External Affairs known about this matter? Did he inform our allies of the potential security problems pertaining to this matter? Were negotiations suspended during the time that this matter was under investigation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there were no security implications so there was nothing about which we had to advise our allies.

Some Hon. Members: Hear, hear!

GOVERNMENT RESPONSIBILITY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we regret very much that that action was not taken because a statement in the manual of the Secretary of State for External Affairs, which deals with security in External Affairs, indicates clearly that there was a security problem involved. It is the responsibility of the Government. Why did the Secretary of State or the Prime Minister not exercise their responsibility and inform our allies that there was a problem here which had to be cleared up, while these negotiations were going on?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member opposite is particularly difficult to get through to. There was no security problem. There was consequently no need to inform our allies.

* * *

TRUST COMPANIES

PIONEER TRUST COMPANY—FEDERAL-PROVINCIAL ROLE

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of State for Finance. Crown Trust, Greymac, and Seaway in Ontario were assisted by the provincial and federal Governments through the CDIC in re-establishing themselves under new management, resulting in no loss to any depositor. Will the Minister negotiate a similar arrangement with her provincial counterparts in Saskatchewan regarding Pioneer Trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I have stated previously, our first concern in the Pioneer Trust matter is for the insured depositors. We are proceeding as expeditiously as we can to ensure that they are looked after. We are exploring every possibility with regard to the final outcome of the situation regarding this trust company.

REQUEST THAT PUBLIC INQUIRY BE HELD

Mr. Simon de Jong (Regina East): Mr. Speaker, in light of the serious questions in this affair concerning the actions of Pioneer's senior management and those of the Government of Saskatchewan, as well as CDIC officials, who knew of Pioneer's problems for most of last year, will the Minister assure the House and the people of Saskatchewan that a full public inquiry will be held into the collapse of Pioneer Trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have been in close contact with the CDIC, with officials of my Department, and with the Province of Saskatchewan. I see no need for a public inquiry at this time. I think that the behaviour in all cases has been appropriate. We are examining every aspect of the issue at this moment.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—APPEAL INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Justice. Inasmuch as the time for the launching of an appeal of the decision in the Hatfield case has not expired, I would like to know what the position of the Minister of Justice is with regard to an appeal. I would like to know how he would be able to exercise his duties in the fair and balanced manner expected of him, after having said in this House on February 7 with regard to Mr. Hatfield,—"I know the man and am a friend of his, I am happy that he was found not guilty".

• (1500)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman might be prepared to abandon his friends whenever he sees it to his convenience to do so. I don't happen to agree.

Mr. Nunziata: He is not the Minister of Justice.

Mr. Axworthy: Get serious. You're a Minister of Justice.

Mr. Crosbie: Do you want the answer? When this question first came up I told my Deputy Minister that I expected this case to be dealt with on the same principles that would be applied to any other similar case. They assured me that they would arrive at their conclusions on that basis, and I accepted their advice and their conclusions.

With respect to your question, on January 29 Premier Hatfield was acquitted and our prosecutor in New Brunswick advised against any appeal on January 29. Two days later, my advisers in the Department informed me that, after consulta-

tion with the prosecutor and other senior law officers, no appeal was being considered.

After that, the defence ordered a transcript of the evidence, and a copy of the evidence was sent to us. My Department then reported to me: "A review of the evidence and the judgment does not lead us to alter our earlier conclusion that no appeal should be pursued." So no appeal is going to be pursued because I have been advised by my Department, my Deputy Minister, and the prosecutor, that no appeal should be pursued. Therefore no appeal is going to be pursued in this matter.

Mr. Speaker: Short supplementary.

OFFICIALS' DECISION

Hon. Herb Gray (Windsor West): Mr. Speaker, thank you for your courtesy in this regard. I would like to know how the officials in the Department of Justice could make a decision on an appeal before they had even received and reviewed the transcript?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, perhaps the hon. gentleman does not understand my version of English. I just said that the prosecutor who attended on the trial, who did the prosecuting, advised after the trial was over and the judge rendered his verdict that he did not recommend an appeal. Two days later my Deputy Minister and officials from the Department, following consultations with him, agreed. They did not need a transcript of the evidence to come to that conclusion.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It is not in every case that you get a transcript of the evidence to decide whether or not to appeal. I don't believe the hon. gentleman is a lawyer, otherwise he would know that. The gentleman sitting next to him, whispering to him, doesn't know any more either, although he is a lawyer.

Some Hon. Members: Hear, hear!

Ms. Copps: Tory justice is bad justice.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Fisheries and Forestry in both official languages.

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

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GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I rise to make a statement before my peers and my Prime Minister. This afternoon I have tendered my resignation as Minister of National Defence to the Prime Minister.

An article published today in an Ottawa newspaper contains many inaccuracies and those inaccuracies are wrong, libellous and even suggest a breach of security. I have retained counsel and can give you the assurance, Mr. Speaker, that an action has been started against the paper in question.

I have assured the Prime Minister of my innocence and my conduct. I have served in the House for 28 years. I have served under three Prime Ministers. I have always respected the House, its membership and its traditions.

I also recognize the fundamental importance of my portfolio, one which is as sensitive as any in government. I am a man of honour who respects Parliament and I especially respect my Prime Minister. Accordingly, I have resigned as Minister of National Defence, effective today.

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I want to say that I am sorry the Hon. Member—

Mr. Speaker: Order, please. I must put myself in the hands of the House. This is obviously a very emotional moment for everyone.

The Member is no longer a Minister. We are hearing statements by Ministers. I will hear the Member for Saint-Maurice (Mr. Chrétien). However, given the situation, it would be my suggestion that it may be inappropriate to hear statements in response at this time. I will recognize the Member for Saint-Maurice.

Mr. Chrétien: Mr. Speaker, I am a long-standing member of the House, and I am very sorry to hear the Minister's resignation. I believe he has done a very honourable thing today and has shown that he has the right values. Rather than cause a reflection on his duties, he has acted honourably in offering his resignation. I want to congratulate him for doing the right thing.

Some Hon. Members: Hear, hear!

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PETITIONS

CLOSURE OF WILDLIFE CENTRE

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I have the honour to

present a petition to the House on behalf of over 1,000 residents of the riding of Simcoe North and other ridings who request that the closing of the Wye Marsh Wildlife Interpretation Centre in Midland, Ontario, be reversed. This is in addition to the 1,700 names which I presented to the House on January 22, 1985.

PROTECTION OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition from 69 people from the towns of Strathmore, Rockyford and elsewhere. These petitioners humbly pray and call upon Parliament to amend the Criminal Code so that unborn human beings are protected by law from abortion, save in that rare instance where the only alternative to the death of the child is that of his or her mother.

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QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—JOB CREATION

The House resumed consideration of the motion of Mr. Riis:

That this House commends the Government of Manitoba for its positive policies of job creation which have produced the lowest unemployment level in Canada, and calls upon the Government to adopt a similar course of economic expansion rather than the discredited policies of tax increases and spending cuts which it has pursued to date and which are largely responsible for the latest unemployment statistics, which show an alarming increase of 167,000 unemployed between December, 1984 and January, 1985.

Mr. Boudria: Mr. Speaker, I rise to comment in reply to the speech made by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) prior to lunch. He stated in the House that his Government had a very good employment policy. The Conservatives may feel that they have a good employment policy. I would like to suggest, Mr. Speaker, that it depends on whose employment you are talking about. I am reading the list of political appointments that have been made since the election on September 4. It is interesting that there seems to have been numerous opportunities for employment for people of a certain political persuasion.

• (1510)

I notice, for example, that nine Hon. Members of this House have just been appointed as Assistant Whips for the Progressive Conservative caucus.

Mr. Dick: Without pay.

Mr. Boudria: There definitely is a government make-work policy here. It works well for all Conservative Members. I am glad to hear the Parliamentary Secretary saying "without pay". I would like to know whether the former Tory Member of Parliament who was appointed the Ambassador for Disarmament was appointed without pay; whether Mr. Robert Byron who was given interim supervision of the advertising management group was also hired without pay; whether Mr. Paul Marshall and Mr. Lucien Bouchard were appointed without pay; whether Mr. Lawrence Hanigan was hired without pay.

There seems to be a very good employment strategy but I would like to argue that it is relatively selective. In other words, it seems that you have to be either a defeated Tory candidate or a former member of the Tory caucus in order to avail yourself of these employment opportunities. All this comes from a Government which has stated time and time again that it did not want to partake in partisan things, and that it wanted to have a parliamentary committee review political appointments.

Those are the comments I wanted to make in reply to the remarks of the Hon. Member for Winnipeg-Assiniboine. I disagree with what he said and I disagree totally with the remarks regarding the Right Hon. Member for Vancouver Quadra (Mr. Turner). I think the Member for Vancouver Quadra was one of the finest, if not the finest, Finance Ministers this country has ever had, and indeed in a very short time he will again be Prime Minister of this country.

Mr. Deputy Speaker: We will now resume debate. The period for questions and comments has terminated.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in the debate today on an Opposition motion concerning the disastrous unemployment situation in Canada. Considering the concern all Canadians have for this very serious problem, it is entirely appropriate that the Opposition, and I want to thank the Hon. Member who moved this motion, should draw the attention of the Government to the gravity of the unemployment situation in Canada.

Mr. Speaker, I see to my dismay there are no Ministers in the House. I think there is a rule that there must be at least one Minister to take part in the debate. Mr. Speaker, if I were so inclined, I would even raise the question of whether we have a quorum, but I will refrain for the time being.

Mr. Speaker, before the election on September 4, the Progressive Conservative Party's slogan was: "Jobs, jobs,

jobs". They bored us all summer with that kind of stuff, claiming that as soon as they were elected, tens of thousands of jobs would be created in Canada and that the unemployed would at last find lucrative and productive employment. Unfortunately, Mr. Speaker, since this Government was elected, the results have been sad in the extreme. During the initial months of their mandate, they took credit for the results of policies introduced by the previous Administration. The gradual drop in unemployment we experienced at the same time was certainly due to those policies, and they used those results to very good advantage. Now, however, after several months of Conservative Government, we can see what the unemployment trend is going to be. Between December 1984 and January 1985, 167,000 men, women and young people lost their jobs, and the unemployment rate rose from 10.9 to 11.2 per cent. Since then, we have not heard the Minister of Finance (Mr. Wilson) quoting statistics or the Right Hon. Prime Minister (Mr. Mulroney) talking about job creation. We have not seen any backbenchers bragging as they were doing last fall when they took the credit for figures that were encouraging. Now that the situation is deteriorating they seem to have been struck dumb.

Last month, another 53,000 young Canadians lost their jobs—

An Hon. Member: 500,000!

Mr. Lapierre: —and this figure should be added to the 500,000 young people who are now jobless.

Meanwhile, the Minister of Employment and Immigration (Miss MacDonald) was travelling across the country and telling people: Do not worry, things are going to change! What change, Mr. Speaker? She announced her much touted program with a two-month delay, supposedly for the sake of consultation. However, looking at each aspect of this program, we must conclude that she probably used those two months to fight her Cabinet colleagues who did not want to give her the funding. After all, she said she spent those two months on consultation.

However, representatives of the Canadian Federation of Students who were with the Minister on the platform when she made her announcement—and they are certainly by far the most representative of young Canadian students—told the media a few minutes later: We were never ever consulted about the program she just announced.

An important aspect of that program was municipal involvement. Here again, the Minister supposedly took two months to consult. I got in touch with the Canadian Federation of Municipalities, Mr. Speaker, and this is the answer I was given: We were never consulted at all. This despite the fact that the Minister was talking enthusiastically about a new consensus as a result of consultation. When I put the question to her in the House, she had the nerve to say she had consulted with the Mayor of Gander. My colleague from Gander-Twillingate (Mr. Baker) called the Gander Municipal Council and said: Is it true that the Minister of Employment and Immigration called you and you said that municipal involvement in Challenge '85 was the answer to your prayers? What he answered was quite the contrary, Mr. Speaker.

The Minister of Employment and Immigration is really trying to pull the wool over the eyes of the Canadian public. She would have our young people believe that this summer the outlook will be very encouraging for them. The fact of the matter is that the statistics we saw today, and I take the Member for Champlain (Mrs. Champagne) as my witness, I will bet anything, Mr. Speaker, that we "ain't seen nothing yet", indicate that there will be a lot more young people unemployed next summer and that the Minister's program will be no help at all in dealing with the situation.

Mr. Speaker, private sector involvement was also touted as a broad consensus, and the rest. The Minister of Employment and Immigration said at her press conference: I met with seven or eight big wheels who promised us 10,000 jobs. The next day, representatives of these big corporations said: We never guaranteed her 10,000 jobs. Mr. Speaker, we now see that on three counts the Minister of Employment and Immigration has not been clear, straightforward or accurate. And this has not met with any opposition from their backbenchers.

This summer, when young people in their ridings come to see them, the municipalities will have to tell them they do not have an extra 25 per cent nor an extra 15 per cent to spend on social benefits, because the Minister got her program out too late . . . In Quebec, all municipal budgets have been voted on; they could not know that the Minister of Employment and Immigration would impose a surcharge of 25 per cent for labour plus 15 per cent for social benefits and another 20 per cent for miscellaneous expenses.

• (1520)

I know that there are former mayors here, the Hon. Member for Champlain happens to be one of them. I am sure he was a good mayor and that he knows what a municipal budget is. He had a sharp pencil in those days and I suspect every cent was accounted for in his budgets. That is why he too knows what is going to happen. Most municipalities have already produced their budget, so they are not likely to be in a position to do much to create jobs for young people. I hope he will take the floor later on to urge that such expenditures be fully paid so as to relieve the small municipalities in our ridings. It is all very well to say that the private sector will take over but, Mr. Speaker, there are some 32 municipalities in my riding, including one with a service station and a corner store, so where is the private business that will hire young people this summer, Mr. Speaker? It is the same thing in all ridings—municipalities made up mostly of farmers. The private sector is simply not prepared to hire students.

Mr. Speaker, the Minister of Employment and Immigration announced another initiative, the fall stage of Canada Works, but here we are in the middle of winter and there again, she was not clear, concise and definite.

Mr. Speaker, you will notice one thing about your allocation which is supposed to be more generous than or at least equal to

that of your predecessor: the Minister of Employment and Immigration conveniently forgot to tell you that it has to be spread out over two years instead of only one, so you can imagine what will happen next year! I know that the Hon. Member for Québec-Est (Mr. Tremblay) has already spent that money. I am convinced that during . . . I forget the name of the riding of the Hon. Member on the other side—

Mr. Hudon: Beauharnois!

Mr. Lapierre: He too has already spent all the money set aside for his riding.

Mr. Allmand: So have I.

Mr. Lapierre: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) says the same thing. You will have the surprise of your life, because the Minister of Employment and Immigration expects that money to last for two years. That is what her budget provides, Mr. Speaker; it covers two fiscal years. I am certain that our honourable colleagues will have to eat humble pie when they realize next year that the Minister of Employment and Immigration, instead of giving them the same budget as before, will give them in fact only half of it and say: "I am sorry, but you used all of it the first year, too bad!" But we shall watch her closely. If the Conservatives do not, you can rely on us, Mr. Speaker. We shall watch her because we know that she is trying to hide the truth from the unemployed, but the figures speak for themselves. There used to be all kinds of programs. We are now being told to forget about those programs because the private sector will take over. As far as private investments are concerned, it seems that up to now, our money was flowing to the States. Now foreign investments will solve our problems.

The Government destroyed FIRA. The Prime Minister went to New York on his hands and knees to make certain that the Americans would say: "We finally have a flunkey in Canada." What did we get? Except for the fact that the Prime Minister lost his dignity, what did the people in Champlain, the people in Beauharnois and the people in Shefford get? Mr. Speaker, here is what they got, absolutely nothing for now! Private investment in Canada has not increased, contrary to what the Prime Minister had forecast. Even worse, we have a serious unemployment problem. Yet, the Minister of Employment and Immigration, who should show some understanding and compassion for the unemployed, not only is not helping them to find jobs, but has also decided to reduce their unemployment benefits. She is now hiring a special team, which is being called the "Flora Hit Squad", to try and persecute the poor unemployed.

Mr. Speaker, we can see what is going on in our constituencies. All the Members, especially those whose unemployment offices come under the Longueuil Data Processing Center, are well aware of what is now happening to a great number of unemployed.

• (1530)

I am convinced that, every week, in their riding offices, my colleagues see a good many unemployed workers who complain that they are still waiting for their cheques, that they have been given the run-around by the data centre, that they have been eligible for three months but have yet to get any money at all, that the only thing left in the refrigerator is the light bulb, and that the landlord is harassing them because the rent is three months late. I know such cases and so do my colleagues. But what is the Minister of Employment and Immigration doing? Eliminating jobs instead of improving services. That has me deeply worried because not only has the Government failed to keep its promise to create jobs, but they are treating unemployed people like dirt. It is on that particular point that our colleagues opposite should urge the Minister of Employment and Immigration to give an account of herself.

We have heard of typical cases of proceedings taken against various people, more evidence of the fact that they are openly insensitive towards men and women who have precious little. In the course of the coming weeks, I intend to ask the Minister of Employment and Immigration to stop prosecuting the unemployed and persecuting poor people. I will take my hat off to her if she can find jobs for them, but that is a far cry from reality.

After seeing some of the elements of the summer program, Mr. Speaker, I am prepared to predict that her program will be a flop. I can tell you that it will not work out at the municipal level because most municipalities have already voted on their budget. I can tell you that the private sector program will not lead to a fair distribution of funds, particularly in the Province of Quebec, because cities and towns will take the lion's share to the detriment of rural communities. Since the allocations are not based on distribution by riding, there will not be fair and equitable distribution to take regional unemployment into account, and that has me worried.

Mr. Speaker, I am not interested in partisan politics, but I do want to make sure that the people . . . there is the Hon. Member for Charlevoix (Mr. Hamelin) laughing his head off, he knows very little besides partisan politics, of course, but we are used to that kind of attitude. There is one thing I want to tell the Hon. Member for Charlevoix: instead of laughing at the unemployed as he is now doing in the House, he should see to it that the jobless in his riding are properly treated, that they get their cheques on time, that UIC public servants treat them as people who have paid their premiums. He should make sure that budgets are not cut, something which his predecessor was much better at than he is. What has he done for his riding since he first came here, Mr. Speaker? I saw his householders. The important thing is to make sure that the fate of unemployed people does not become the subject of partisan political debates. I think that the backbenchers are fully aware of that. They know it is difficult to influence the Cabinet. Their letters, releases and words sometimes reflect the fact that there is not much they can do. But that is not good enough. Take the floor, say what you think, tell everybody what your constituents think. That is what counts. That is why you were elected to Parliament, not to crawl on your

knees before the Cabinet. There may be an opening, but there are too many of you for that one job. That is not what you came here for, you have to speak up for your constituents.

Let us talk about those who claimed to have the ultimate solutions to the problems of unemployment. I am sure the Hon. Member for Trois-Rivières (Mr. Vincent) promised during the election campaign that he would find new jobs for textile workers. However, the Chairman of OCRI, who is one of the officials, has just informed us that the 17,000 jobs lost in the textile-clothing-footwear industry were nothing, that it was only a beginning. What is being done to introduce adjustment measures? The Chairman, their own top official responsible for the three industries, has bluntly announced that those industries were bound to suffer from further job losses in the years to come. What action is being taken? What is being done in Trois-Rivières for Wabasso? What is being done in Cowansville for instance, for another industry, Tupperware, that is closing down, where the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) was heard to say: "That is really too bad!" Come now! None of that will address the problem of the 165 unemployed women. What concrete action is the Government intending to take?

The Parliamentary Secretary certainly has all the answers to that, Mr. Speaker. I ask him to go to Cowansville and meet the 165 women who are laid off because Tupperware is moving to Manitoba. I am sure the Parliamentary Secretary will find out that those people have specific needs, that the early retirement program, for instance, could be extended to older people aged 50 to 65, with the 80 formula. Bill C-78 is an alternative for our poorer senior citizens who have reached a certain age, Mr. Speaker.

I would like to hear my colleagues opposite urge the Government to extend early retirement provisions to other areas, to other regions in Canada, especially to deeply affected regions as there are now in Quebec.

Mr. Speaker, a lot could be said about the commitments that were made. And also a lot about the promises that were broken, Mr. Speaker.

An Hon. Member: Most of them!

Mr. Lapierre: —most of them, and probably the only promise the Right Hon. Prime Minister (Mr. Mulroney) has honoured—

An Hon. Member: The uniforms!

Mr. Lapierre: —there was the promise of new uniforms. On that point, takers beware! There was also the promise to appoint friends. The Hon. Member for Champlain (Mr. Champagne) says: As we had done. Yet, he was all for virtue and motherhood, a shining knight in armour during the elections. Yes, during the elections, those people said they would never do as the Liberals. Never! But now we realize they are doing worse. And this would be easy to prove. Do not worry, in the years to come, especially during the next elections, Mr. Speaker, the unemployed will remember those unfulfilled promises. And women also. Where is the legislation on the equality of women in the labour force? I am sorry, Mr. Speaker, the Hon. Member for Champlain does not even remember the 1980 campaign. There was the debate of his own leader. Let us stop rehashing those events of 1980, they have been in power since 1984. What about it? Now he has influence. Instead of writing to the Minister of Finance (Mr. Wilson), he should write to the Prime Minister and ask him to honour his commitments.

Mr. Speaker, all this goes to say that I am surely disappointed with this Government's performance, disappointed with their lack of imagination, and the realization that this Government which had answers to all the problems has managed to make problems worse, instead of finding solutions. And we have seen them in action for some months already. Unfortunately, all we hear about is consultation. I urge them to bring forward those solutions they had, for the well-being of Canadians, especially unemployed women.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon) has a comment.

Mr. Hudon: I want to make a comment, Mr. Speaker. I can understand my honourable colleague being disappointed. He is disappointed because he says that this will not work next summer. There is no reason why it should not. My honourable colleague is right to say that the municipal budgets have been approved. It is true that the municipal budgets have been approved, and most of them provide for premiums or hiring programs for next summer. Municipalities have always done this. It is not the first time.

The Hon. Member should at least recognize that we keep our promises. What we had promised was some participation, but we said that we would place more emphasis on the private sector. We should give the private sector a chance to prove itself next summer. We have no reason not to. You have developped an insatiable society. Last year, you approved special budgets for church roofs, judo schools, and so on. You have created such appetites that, today, no repairs are made to city halls, community halls or church roofs without an application for assistance being submitted to the Federal Government.

You have built a society in which people say: Everything must be kept as it was in the past. From now on, tomorrow is like yesterday indexed. This is impossible. Let us give new ideas and new programs a chance to prove themselves. The private sector will join in and so will the municipalities and the community sector. There is not much difference as far as the community level is concerned. If we give a chance to this program, we shall see that it can work quite well.

Mr. Lapierre: I am very glad to have heard the comments of the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon). He has learned his lesson well. However, Mr. Speaker, if he is convinced he is right, why has the Minister for Employment and Immigration mentioned a commitment for 10,000 jobs? Something different was said the

next day. Mr. Speaker, the Parliamentary Secretary is not doing justice to his Minister. She also said that she had consulted the municipalities. We can see that it is not true. She said that she had consulted the young people. She called in three or four young Conservatives. Is this what you call nation-wide consultation? The Parliamentary Secretary, who certainly has a lot of potential, should widen his field of vision if he wants to replace his Minister one day. He should have more imagination than she does, because she has not achieved much since her appointment, unfortunately. As for me, Mr. Speaker, I am sure that if a fellow like him stops learning his lessons by heart and reading the releases of his Minister and shows some imagination, he could eventually get noticed by the Prime Minister. However, if he continues to act in this way and to protect the Government like he is now doing, neither his constituents nor the Prime Minister will appreciate him.

Mr. Hamelin: Mr. Speaker, I would like to comment of course on the marvelous speech made by the Hon. Member for Shefford (Mr. Lapierre). Several times now, the numerous new Progressive Conservative members have been referred to as back-benchers. I would rather be . . . I would like to say to the Hon. Member for Shefford that, even if I sit on the front benches, I would rather be a good back-bencher than a former half-minister. For the information of the Hon. Member for Shefford, I have taken stock of our investments in the Charlevoix riding and they now reach over $5.5 million. I am very proud of that since it is far better than anything ever achieved by my predecessor, who was a senior minister in his government.

I feel of course that there is still much to be done in Canada, in Quebec, in my riding and probably in your own, my friend. We are now trying to draw up the best plans to create jobs and, if possible, permanent jobs. Some have been made available under the program recently announced by the Minister of Employment and Immigration (Miss MacDonald).

We are also working to provide other tools and we hope, Mr. Speaker, that we will find together the best means to reduce as quickly as possible the sky-high unemployment rates which in some areas of the country, especially in mine are nicely fluctuating—this is an euphemism—between 30 and 60 per cent. It was the same under my predecessor who held some important portfolios in the former government but who could not, as he admitted himself, find any cure-all. I am now actively co-operating with my constituents to find practical solutions to the unemployment problems. It is not easy. It is a difficult task and a constant challenge. Such was the proposal made by the minister. I am now trying to carry out the task and I hope for quick results.

Mr. Lapierre: As I was saying, Mr. Speaker, the Hon. Member for Charlevoix (Mr. Hamelin) missed the point. He has just indicated, in an effort to mislead Canadians, that the Minister had announced a permanent job creation program. The Hon. Member for Charlevoix is clearly off the track. We are dealing here with a temporary job creation program for students. And I am sure that when you check the blues, you will see that the Hon. Member for Charlevoix referred to a permanent program. He is all wrong. This program is meant to last a few weeks during the summer months. It will certainly not improve the 30 to 60 per cent unemployment situation in the Charlevoix riding. It will certainly not improve the unemployment situation in the Shefford riding either. That is the point I have been trying to impress on him, that this initiative is too little and too late. My hope is that he will be able to suggest new proposals to his colleague the Minister of Employment and Immigration.

Perhaps he will demonstrate more imagination than some of his colleagues, and he might be able to come forward with ideas for permanent solutions instead of merely temporary ones. I am aware that he sits on this side of the House as a part of the rump of the Progressive Conservative Party. I am sorry if I offended him when I referred to him as a back-bencher; perhaps I should have used the expression "front-bencher of the rump". Wherever he may sit, if he has some good ideas to put forward, let him rise in his place once in a while to express them, and we will be glad to listen to him, Mr. Speaker.

• (1540)

[*English*]

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member for Shefford (Mr. Lapierre). I looked at the unemployment figures which were released a few days ago by Statistics Canada and I saw that for the month of January, 1985, there were 1,483,000 people unemployed. The Hon. Member criticized the Conservative Government because of that and said that its programs were not working. However, Statistics Canada figures for the months of January, 1984, when there was a Liberal Government, indicate that there were 1,473,000 people unemployed. In other words, there are only 10,000 fewer jobs this year. As a matter of fact, if one looks at the Member's Province of Quebec, in January of 1985 there were 427,000 people unemployed. Under the Liberal Government, the rate of unemployment in January, 1984 was 14.2 per cent. I wonder where the Hon. Member was in January, 1984, when the Liberal Government was completely unsuccessful in dealing with this major problem. It seems to me that the more things change between the Liberals and the Conservatives, the more they are the same. Neither of those Parties has any programs or intentions to deal with this very major problem which afflicts the people of Canada.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Shefford (Mr. Lapierre) has one minute at his disposal to reply.

[*English*]

Mr. Lapierre: Yes, Mr. Speaker, I would like to thank the Hon. Member for his question. I want to tell him that a year ago I was not satisfied with the results and I proposed solutions to the Cabinet. I am not afraid of what I said in previous years and I will keep on pushing for solutions. I only hope that my colleagues in the Conservative Party will also push. I am

not asking for miracles, I am asking them to push to ensure that the new solutions, which they promised to the Canadian public, become reality. I would like to know where those solutions will come from. I hope some of them come from the back benches. As I said to the Parliamentary Secretary earlier, I hope he has some imagination in that regard. However, we have not seen anything new. It was supposed to be time for a change. For God's sake, where is it?

Mr. Deputy Speaker: The Hon. Member for Winnipeg-St. James (Mr. Minaker) on debate.

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, I would like to take part in the debate on the motion which has been placed before the House by the Hon. Member for Kamloops-Shuswap (Mr. Riis). It states:

That this House commends the Government of Manitoba for its positive policies of job creation which have produced the lowest unemployment level in Canada, and calls upon the Government to adopt a similar course of economic expansion—

I will speak against the motion because of my history in Manitoba. Before I do that, however, I would like to take exception to what the Hon. Member said about Manitoba. He said that it was a have-not province. As far as I am concerned, Manitoba is not a have-not province. I am very proud to be a Manitoban, and particularly proud to represent a Manitoba seat in Parliament. I take exception to his calling Manitoba a have-not province. If he is referring to the fact that we are one of the five provinces which qualify for equalization payments, I would possibly accept that. But to call Manitoba a have-not province is not correct.

I sat in opposition in the provincial Legislature for four years during the time of the Ed Schreyer Government. I also sat in the Sterling Lyon Government as a government Member. I think that regardless of what government is in power—whether it is Liberal, NDP or Conservative—they are all concerned about unemployment. No one likes to see students, youth or others in this country unemployed. I want to make it clear that we are not condemning the NDP Government of Manitoba for trying to create employment. However, I would suggest that I do not agree with that Government's approach. Later on in the debate, I will cite some of the statistics about which the Hon. Member for Winnipeg North (Mr. Orlikow) questioned the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) this morning.

The motion before us contains two questions. One of those questions is: What is the right approach? Is it that Government should provide all the jobs and that Government should become bigger and bigger? Or do we take the approach which the Conservative Government believes is correct and put the finances of the Government into shape in order to create an economic confidence in the country so as to bring private investment back to create the long-term jobs which we are looking for at the present time?

What the Hon. Member for Kamloops-Shuswap said is not new to me. I heard it many time when I was in the provincial Legislature in Manitoba. We are talking about the different philosophies of two Parties. The NDP believes that we should have bigger and bigger government, which would create jobs and have more government-owned companies. That is not surprising. One of my colleagues in the provincial Legislature—I believe it was the Hon. Member for Morris—had a copy of the Regina Manifesto, which was the philosophy of the CCF Party when it was founded in 1934. When I hear NDP Members stand up in this House and in the provincial House, I reflect back to many of the resolutions which were in that Manifesto. It called for more government involvement, ownership and spending of taxpayers' money. Therefore, it is not surprising to me that NDP Members in this House talk against the Investment Canada Bill. Neither is it surprising that they support more government spending to create more jobs. That philosophy is not particularly agreeable to me, otherwise I would be sitting with those gentlemen. I think the correct approach to this problem would be to let the free enterprise system have the initiative, interest and confidence to go ahead with its work in our economy.

This morning the Hon. Member for Kamloops-Shuswap said that the Manitoba Government had created approximately 20,000 new jobs in 1983, and that in the first half of 1984 it created another 10,000 jobs. I felt it incumbent upon me to call Statistics Canada to obtain job figures for the past few years. I looked at the yearly average of those statistics. In other words, the yearly average of employment in StatsCan figures takes into account the valleys and the peaks, month by month, for a particular year, whether it be for employment, unemployment or the labour force. When the Conservative Government in Manitoba assumed power in 1977, there were 423,000 employed people in Manitoba. Those people were employed either by Governments, federal, provincial and municipal, or by private enterprise. When the Government left office in 1981, four years later, there were 453,000 people employed. StatsCan figures indicated that we had created 30,000 new jobs. I cannot agree with the Hon. Member for Kamloops-Shuswap because the Statistics Canada figures show that in 1982 there were 442,000 people employed, in 1983 it was 461,000 and in 1984 it was 465,000. So that the total increase in jobs over the last three years under the New Democratic Government in Manitoba amounts to 12,000 new jobs. Now where are all the jobs that Party is claiming are out there? In actual fact, if the Hon. Member wants to check this month's Statistics Canada report, he will find that the actual number of employed people in Manitoba for January, 1985 was 460,000.

• (1550)

What does this mean, Mr. Speaker? We have a Government in Manitoba which is taking the same basic approach as did the former Liberal Government. It is taking the approach of spend, spend, hire the people under government programs and leave the free enterprise system where it is. It is the kind of "We don't need free enterprise" approach. Yet that Government has created only something like 12,000 new jobs according to Statistics Canada. In 1981, when the New Democratic Government took over, the figure was 453,000. In 1984 it is

465,000. Yet the Hon. Member for Kamloops-Shuswap is claiming there were 21,000 new jobs created last year in 1983 and another 10,000 jobs in the first half of 1984. Somewhere someone is a little mixed up.

What these figures make very clear, Mr. Speaker, is that the government approach in Manitoba is for short-term jobs. The average statistics take into consideration the peaks and valleys, but at the end of the year the question is: At how many new jobs have we actually averaged out? That is why our Government does not believe in that kind of approach. We are looking for long-term jobs, not short-term jobs, which will perhaps qualify a person for unemployment insurance benefits after he or she has put in a period of part-time work. I have talked to the young people in my constituency, Mr. Speaker, and they have told me that they want a job which they know will be there a year from now. They do not like this idea of taking a job for six weeks or 12 weeks and not knowing whether, after the three months is over, they will have a job or whether they will have to go on unemployment insurance. They want long-term jobs.

I have an excerpt from the Winnipeg *Free Press* of May 12, 1984. I know I am not supposed to say this, but I wish some of the Liberals were in the House at this time because it pertains to the activities of the Liberal Party in Manitoba. It relates to how the Liberal Party in Manitoba tapped into the work job program. The article states that it was hoped that the job program would not be political, but the Liberal Party seemed to have tapped into it and it actually helps pay for office help in the provincial Liberal Party's office. I do not believe that these are the kinds of jobs we are looking for. We are looking for long-term jobs which are created by private enterprise.

I was advised that one of the priorities of the Manitoba Highways Department was to put up the job program signs. We have these all over Manitoba. They are white and green. They advertise how good the job program is in Manitoba. I do not think that that is the kind of jobs we are looking for, where the priority is putting up signs. We are looking for long-term programs.

If this program is so good, why did Manitoba have the slowest rate of employment growth of all the provinces between December, 1983 and December, 1984? That statistic is right out of Statistics Canada. It had the slowest rate of growth of employment compared to all other provinces. That Government has taken the same approach as the former Liberal Government, and obviously it is not working, Sir.

The other thing that is wrong with the Manitoba job fund is that it perpetuates the notion that the best way to create jobs is for Government to give someone the money to go out and hire someone. That does not work, Sir. There has to be a reason in the first place to hire someone other than that you receive x number of dollars from a level of Government. It does not matter how many dollars you have, there is not enough job fund money to spend in order to get those 40,000 people who are unemployed in Manitoba working again. We need that free enterprise system which acts as the engine of growth in our economy.

The Hon. Member for Winnipeg North asked this morning about the deficit. I believe, if I remember correctly, he said to my colleague that the former Conservative Government had deficits as well. I would like, through you, Mr. Speaker, to advise the Hon. Member for Winnipeg North that the Conservatives took over part way through 1977, in October of 1977, and at the end of that fiscal year there was a deficit of $191.3 million. When we took over at that time it was projected to be $270 million, but we were able to cut it back to $191 million in the first six months of our term. We will take credit for the following four years. Then, from 1978 to 1979 there was a $84.3 million deficit. In 1979-1980 there was a $44.3 million deficit. We will take credit for the last half of 1982. When we changed Governments in the fall, the deficit was $251 million. That makes a total of $429 million of deficit accumulated in four years under our Progressive Conservative Government.

I would like to advise the Hon. Member for Winnipeg North Centre that in 1982-1983, under the New Democratic Government, there was a $435 million deficit. In 1983-1984 there was a $426.7 million deficit and in 1984-1985 it has been estimated that the deficit will be in the order of $488.7 million, for a total of $1.350 billion of accumulated deficit in three years. The Province of Manitoba in its first 112 years of operation accumulated a deficit of $1.344 billion. It has taken the new NDP Government in Manitoba just over three years to double that figure. Now in Manitoba, a family of four is looking at something like $619 per year in taxes just to cover the interest, Sir. Yet, even with all of that spending, which is the philosophy of the former Liberal Government and the present NDP Government in Manitoba, what are the employment statistics?

Employment in Manitoba in December of 1984 increased by only .9 per cent—that is less than 1 per cent—while in the rest of Canada, employment increased by 2.4 per cent. That tells me something, Mr. Speaker. It tells me that the rest of Canada believes that what the Conservative Government of Canada is doing is correct. But in our own Province of Manitoba, which is still under the influence of the NDP Government and its philosophy of "spend, spend, spend", employment has only increased by less than 1 per cent.

The NDP Government has done a number of things that I believe are discouraging economic expansion by the private sector. First, it introduced the one-and-a-half per cent payroll tax, which is a disincentive for people to hire in the first place, or even to create new jobs. The other thing which has happened is that under the NDP Government in Manitoba, spending by that Government has increased by 42 per cent while the economy has only grown by 24 per cent. Spending has outpaced the economic growth by some 18 per cent. The annual manufacturing investment, Mr. Speaker, has fallen off by 19.9 per cent over the last three years. Yet those Hon. Members talk about increased investment in our province. The NDP administration has gone even further. It has increased the sales tax to 6 per cent from 5 per cent. Hydro rates have increased by 22 per cent over the past three years. I was proud to be part of a Government which never increased taxes. We actually

reduced the income tax and froze hydro rates. That had its effect, no question about it. We saw the results in our time as the Government when we had 30,000 new jobs. With the present NDP Government, StatsCan shows only 12,000 jobs.

• (1600)

I think it is very clear, Mr. Speaker, that the people of Canada do not want to see that happen again. They got rid of a Liberal Government which thought the answer was to spend, that money could cure all. The only firm basis for economic recovery is a restoration of confidence. A confident private sector will act to create jobs without the need of government interference and control. Jobs created that way are far more likely to last than jobs created by the injection of short-term borrowed money into the economy. This has been the chief cause of the lack of confidence we have experienced.

The task before us is enormous and the challenges are not going to be surmounted by throwing money at our problems in the hope they will solve themselves. They must be met with steady and consistent policies backed by a government with confidence and determination. We look to the private sector, labour, professional groups and the provinces to help our Government steer the course to economic recovery and job creation. Government cannot do it all.

Mr. Deputy Speaker: Are there questions or comments on the Hon. Member's speech? If not, we shall resume debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the people of Canada remember that in the election campaign in the summer of 1984, it was the then Leader of the Opposition, the present Prime Minister (Mr. Mulroney), who defined the issue of the campaign: it was jobs, jobs, jobs. He promised that if a Conservative Government was elected, within days tens of millions of dollars would pour into this country in the form of new investment and thousands of jobs would be created. Well, we had four months in which the number of unemployed dropped each month marginally. I remind Hon. Members that it was the Prime Minister and the Minister of Employment and Immigration (Miss MacDonald) who took credit each month for that reduction in unemployment. It was claimed that it was government policies and the new feeling of confidence in the investment community which led to this reduction in unemployment. Well, the figures have come out for unemployment in January. They were a shock to the people of Canada and should have been considered by the Government as a major disaster. In the month of January we had the largest number of unemployed in recent years, some 1,480,000. That was an increase in one month of 167,000.

What has happened, Mr. Speaker? Where are the tens of thousands of jobs promised by the Prime Minister? We are told by the Minister of Finance (Mr. Wilson) that the programs and plans of the Government cannot be achieved overnight, that there is no quick fix for unemployment. But that is not what the present Prime Minister was telling the people of Canada before the election. We know that as bad as unemployment is, as reported, it is not the whole story because Statistics Canada only counts those people who are actively looking for work. We know about real unemployment in Newfoundland, in eastern Quebec, the Gaspé, and Northern Ontario. It is much greater than the official figures. In cities like Sudbury, the major employer has been steadily reducing its workforce. We know that among native people unemployment runs not at 11 per cent but at 60 per cent or 70 per cent or 80 per cent. For those people it is a disaster. I am sure there is not a Member of Parliament who has not been visited in his office or called on the telephone to be told by young people that despite the fact they had finished high school or university, despite the fact they had finished courses at community colleges in fields such as computers, they have not been able to get a job. I am sure every Member of Parliament has been visited by or heard from constituents who have worked for one or another company for anywhere from 10 to 20 years and the company has now shut down or cut back. These people in their forties or fifties are no longer working. People with a fine record of consistent and healthy employment cannot find jobs now.

What does the Government say to those people, Mr. Speaker? It says that the Government cannot do the whole job. Well, we have never questioned that. It says we have to leave it to the private sector, but at the same time it ties the hands of the private sector so it cannot improve its performance or become more efficient and cut costs. Governments of countries like Germany and Japan, countries with a mixed economy in which both the public and the private sectors are active, have realized that if they are going to find jobs for their people and keep them employed, they have to examine their material resources and human resources. They have to try to figure out where they have the advantage so they can produce efficiently and supply their own markets as well as be able to compete on the international market. That is something which we have not done.

I suggest to Members of the Conservative Party that they read a book now on the best sellers' list in the U.S. written by Lee Iacocca, the president of Chrysler. He took Chrysler, which was virtually bankrupt and which most people said should be closed down, and brought it back into a position of competing not only with foreign imports but with General Motors and Ford. I recommend that Members of the Conservative Party read Mr. Iacocca's description of why Japan has been so successful. Japan, which has a free enterprise system like ours and that in the U.S., has been successful because it has looked at its own situation and the world situation, it identified where the next generation of important industries will be, and it has gone into those industries. Japan went into the automobile industry and put all other automobile-producing countries under the gun. Now it has gone into the computer and electronic fields, and we understand that it is beginning to look at the next generation of winners, that of the field of ceramics.

Do we do that, Mr. Speaker? A large percentage of our people work in the forestry and wood products industry. A large number of people work in agriculture. A large number of

our people earn their living in the fishing industry. The Government said we have a huge deficit and must cut back on government expenditures. It cut back some $4 billion. It cut back in the funding of research in precisely the fields in which most people work and in precisely the fields in which we will have even greater difficulties if we do not get our act together.

● (1610)

All the other industrialized countries in the western world, as well as Japan, are spending 2.5 per cent or more of their Gross National Product on research and development in the fields in which they feel jobs can be created. In Canada under the former Liberal Government and now under a Conservative Government we are spending much less than that. We are spending a little more than 1.5 per cent of GNP on research and development. In Canada our situation is much different from that in other countries because the bulk of research that was being done here was either done in government laboratories or at universities funded by Government. The Government cut back on funding of its laboratories. It is going to cut back on the funding of research at the universities. It is hoping that the slack will be picked up by the private sector.

I hope that the Government is right, Mr. Speaker, but on the basis of past experience, with all the attempts of the former Liberal Government by way of tax concessions, tax write-offs, grants and loans, the private sector did not pick up the slack. I am not saying that we do not want the private sector to do it, because of course we do. The fact is that the private sector did not concentrate any efforts on research and development. It is not likely to because the major economic corporations in the country are owned by foreign interests. The multinationals, whether American, German or British, usually ensure that their research and development is done in their home country. Unless we have an industrial strategy geared to encourage the use of our resources, we are simply not going to have the kind of development we need.

I would like to say a few words about the speech of the Hon. Member for Winnipeg-St. James (Mr. Minaker). He suggested again and again that our Party is opposed to the private sector and that we believe the Government should do more and more. There is no truth in that, Mr. Speaker. The Member talked about the Regina Manifesto. Of course the Regina Manifesto talked about a great deal of public ownership because when it was drafted in 1933 the free enterprise system, as we knew it then, was dead in the water. I believe it would not be far wrong to say that 25 per cent or more of the people of Canada were unemployed at that time. The members of the CCF were not the only people who said that the free enterprise system was dead at that time. That was 50 years ago and a great deal has happened since. Germany, Spain, France, Holland, Belgium, Norway, Sweden and Denmark have had or now have social democratic Governments. All of those countries have a mixed economy. In all of those countries the Government runs and owns certain fields. The private sector owns and operates more than does the Government.

I am surprised at the Member for Winnipeg-St. James because he has not even studied the situation in Manitoba. Manitoba has a publicly owned telephone system. I was not extablished by some wild-eyed radical socialist. It was established in 1907 by a Conservative Government. The Premier at that time was Sir Rodney Roblin, who is the grandfather of the present Leader of the Conservative Party in the other Chamber. Manitoba has a publicly owned hydro electric system which was established by Liberal Governments. Nine of the ten provinces in Canada have publicly owned hydro electric systems. There has been no more successful a hydro electric system that that of the Province of Ontario. That publicly owned system was established by a Conservative Government . The Province of Ontario has had a Conservative Government for the last 40 years.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Hon. Members applaud, Mr. Speaker. I ask them why a Conservative Government, which believes in a free enterprise system, continues to have a publicly owned system. It is because it is obvious that the publicly owned power system operates more effeciently and cheaply than would a private system. That is all that we have said and all that we will continue to say. There are certain fields in which a publicly owned operation is more efficient and brings more benefit to people than a private system would.

The Government of Manitoba has decided that if it must choose between putting people to work and having a larger deficit, or cutting back on the deficit and having more people unemployed, it prefers to have a large deficit. The Government of Manitoba has spent over $200 million on jobs programs. Of course some of those jobs are temporary. However, I suggest to the Hon. Member for Winnipeg-St. James that a temporary job is better than no job at all. The Government of Manitoba did not just throw money away. It has tried to develop projects in co-operation with municipalities and the private sector. Many of those jobs are temporary, but many of them have led or will lead to permanent jobs.

Look at the situation we are in, Mr. Speaker. We have 1.5 million unemployed. Last month there were 507,000 young people between the ages of 15 and 24 unemployed. I have been here longer than most Members and I remember when the rate of unemployment was much lower than it is now. Experts at the Economic Council and in the universities told us that the problem was that people had not been trained to fill the available jobs. We have never made greater efforts to train people, Mr. Speaker. We have never spent more money on education. We have developed our high school system. We have vocational schools and community colleges. Our universities are training people in fields for which they think there will be employment opportunities. Over one-half a million of our young peole are unemployed. That is a disgrace, and I suggest that we will have a lost generation because they will eventually give up looking for jobs.

• (1620)

Not only must we reduce unemployment to a level comparable to those in countries such as Japan and Germany, but we must concentrate on those groups in our society which cannot find employment even when times are good and the unemployment rate is half of what it is now. I am talking about the handicapped people, hardly any of whom work. Many are working in sheltered work shops at much below the minimum wage. I am also talking about our native communities where 70 per cent to 80 per cent of the people are unemployed. I am talking about regions in Newfoundland where over 50 per cent of the people are unemployed.

Not only must we reduce the number of unemployed, we must offer hope to Canadians. We must make a special effort to find ways to bring meaningful work to those segments of our society which have difficulty finding employment even in the best of times.

The Government today is telling us the same thing we have heard from Liberal Governments over the years. It is doing what it can and the rest must be left to the private sector. I am saying that that is not good enough and the Government must do much more because it has the responsibility of ensuring that every Canadian who wants and is willing to work can work at meaningful jobs.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon) has a question.

Mr. Hudon: Just a comment, Mr. Speaker. We hear about the increasing number of businesses which are experiencing a great many problems, when they are not closing their operations outright.

It would be nice some day to hear about the increasing number of businesses which are contributing more and more to the rise in the GNP and which are doing fine. We hear only about the things which are going wrong. There are a number of things which are going well in our society and the private sector; there are a number of businesses which are experiencing rapid growth and will create the jobs Canada needs, as outlined in our policy.

My hon. colleague rightly said that there are a great many students who cannot find jobs in their particular field. In my previous occupation I have had to deal with a great number of young people who had been told that the labour market was soft and could not provide the necessary job opportunities, and that they would be at the mercy of the hiring individuals' whim. Would it not be advisable—and I put the question to my hon. colleague—to put in place a system whereby a young person would be confronted with the labour market during the course of his or her education, placing him or her in a position to make a difficult decision at the tender age of 18 instead of 27, thus sparing him or her 8 years of vainly seeking a first job? That person might make this difficult decision and change his or her study and career orientation.

[*English*]

Mr. Orlikow: Mr. Speaker, I agree with the Hon. Member if he is suggesting that our educational system is wrong when people between the ages of 5 to 22 who go to school are finished with their education. I also agree with him if he is suggesting that in the future people will more likely be forced to change jobs.

I suggest to the Member from Quebec that he ought to be primarily concerned about what is happening in his province. The clothing and textile industry has been very important to the Province of Quebec in providing employment to many hundreds of thousands of people. Very often that industry is the only major employer in a city or town, and he should be concerned about the cut-backs in the clothing and textile industry which have made it unable to meet foreign competition.

I ask the Hon. Member whether it is not the responsibility of the Government to sit down with industry and labour to try to plan alternatives for those cities and towns where the major industry, such as the clothing and textile industry, is closing. Can that be left to the free enterprise system? I suggest to the Hon. Member that when a company closes down after many years, the plant and equipment have depreciated. The shareholders probably are not suffering, but those who suffer are the people who work in the plant, live in the town and have made their homes there. They are the ones without work. I ask the Hon. Member to think about that when considering the role of the private and public sectors.

Mr. Malone: Mr. Speaker, it does not scare me as much that the Member for Winnipeg North (Mr. Orlikow) says what he says as that I think he believes what he says.

To follow his suggestion would set us on a treadmill that would crumble the pillars of our financial community. His prescription is to create jobs now, and he implies that this is the responsibility of the Government. Apart from the fact that Canada is nearly $200 billion in debt and that one out of every $3 is used purely to pay for the interest on our accumulated debt, the New Democratic Party and their Liberal Party friends introduced the National Energy Program. A spokesman for an oil company indicated in a western newspaper last weekend that that program shut down 300 jobs. Furthermore, the company re-established those jobs in another country. Those policies have not only eliminated jobs but they have created jobs in other countries.

Why did the NDP and the Liberals, through their National Energy Program, prevent two tar sands plants from being built? They should know that in 25 years a tar sands plant will create $108 billion of investment directly for the Province of Ontario and an additional $25 billion of direct investment for the Province of Quebec in order to acquire materials, iron and steel products and financing. Mr. Underhill came to this conclusion in a study he made on behalf of the Chamber of Commerce in Calgary.

The two opposition Parties talked about creating jobs now and said that the Government can do it. That would increase the debt, break the pillars of our economy, drive those sectors that were working into ruin and chase jobs out of the country. And they have the audacity to tell us that we should do something! We are taking action. We are going to rebuild the engine of the economy to get Canada working again. We will not do so by taking their approach, which obviously leads to debt and a crippling of the economy.

I want the Member for Winnipeg North to tell us why he chased all those jobs out of Canada when he supported the Liberals and the NDP?

Mr. Orlikow: Mr. Speaker, I do not believe that the Member for Crowfoot (Mr. Malone) listened to my speech. I made it very clear that we are living in a mixed economy in which both the public and private sectors will have an important role to play in the future. I am sure I said that in the foreseeable future in our country, in the United States and in other countries of western Europe the private sector will provide more jobs than the public sector. The Member said that I said we believe everything should be done by the Government. He is dead wrong.

• (1630)

Let me say something about the tar sands plants. When the tar sands plants were being discussed and planned, we were in a period when the cost of energy, the world price of oil, was going up about 15 per cent a year. When the tar sands plants were being discussed—and they would have taken three or four years to complete—the price to produce a barrel of oil from the tar sands was being calculated as being in the neighbourhood of $60 to $70 a barrel. Since the world price of oil was supposed to go up about 15 per cent a year, by the time the tar sands oil was to come on the market, the world price would be $60 to $70 a barrel and tar sands oil would be competitive. I ask the Member, what has happened? Instead of the world price of oil going up, it has gone down. Oil costs somewhere between $27 or $28 a barrel.

Where would we be in Canada today if every tar sands plant that had been started was in production and producing oil at a cost of $70 a barrel, with the world price less than $30 a barrel? That is a question the Member and his Government should answer instead of continually criticizing the National Energy Program, which had many faults and we pointed them out at the time.

Mr. Baker: I want to remind the Hon. Member from Alberta that he should know that since the Tories became the Government, there is no talk about tar sands any more, it is "off the coast of Newfoundland".

Mr. Malone: You bet.

Mr. Baker: I have a question for the Hon. Member. He has been here many years. He has watched Governments bring in programs and Governments change their minds half way through programs. The Minister of Employment and Immigration (Miss MacDonald) claims that she has the support of all Conservative Members of this House in charging all municipalities in Canada, if they want to have a student employment program, about 50 per cent of the total cost—25 per cent of wages, 25 per cent of benefits and 100 per cent of material costs. Since that is clearly unworkable and will not survive as a regulation, does the Hon. Member not think that the Minister will change that now or that she will change it in two weeks' time? Does he not believe that the Minister brought this measure knowing full well that it is not going to work and that she has to change it? Does the Hon. Member agree with that?

Mr. Orlikow: Mr. Speaker, I do not know when the Minister will change her mind. I agree with the Hon. Member that she will have to change her mind.

We have a Government which has blind faith in what is called the free enterprise system, Mr. Speaker. The Government seems to believe that any job in the private sector is productive and worth-while and that every job in the public sector is somehow make-work and useless.

If you look at any city—and I will not talk about the rural areas because I do not know them as well as I know the cities in Canada—you will see that the infrastructure is running down: the sewer system, the water system, the mass transit system. All those things are not working as well as they did. They are not meeting the needs of the people because we are not investing the money to improve them or to keep them up to standard. The Government would have been much better off to have let the municipalities, all of which have long lists of necessary projects, be first in rather than last in on the Canada Works Program and the Summer Canada Program.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Davenport (Mr. Caccia)—Transport—Automobile emission controls; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—Auditor General's report—Job classifications. (b) Agreement inquiry; the Hon. Member for Regina East (Mr. de Jong)—Trust Companies—Pioneer Trust Company. (b) Protection of investors and depositors.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—JOB CREATION

The House resumed consideration of the motion of Mr. Riis:

That, this House commends the Government of Manitoba for its positive policies of job creation which have produced the lowest unemployment level in Canada, and calls upon the Government to adopt a similar course of economic expansion rather than the discredited policies of tax increases and spending cuts which it has pursued to date and which are largely responsible for the latest unemployment statistics, which show an alarming increase of 167,000 unemployed between December 1984 and January 1985.

Mr. Simon de Jong (Regina East): Mr. Speaker, I am happy to have this opportunity to enter into debate this afternoon on the motion introduced by my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis). I have listened to the debates in this House today. Very often these kinds of debates are philosophical. I think it important that this House of Commons, the House of representatives of the men and women of Canada, should spend time discussing and debating and having a discourse on the various philosophies of how economic and social development can occur.

We see in the Province of Manitoba an alternative model of development, different from what exists in all the other provinces, and certainly different from the policies and programs of our present federal Government. It is a policy based on the notion and the philosophy that there is a legitimate role of government, that government has a role to play in the economic well-being of the country. It is not just a passive role, Mr. Speaker. Government has a responsibility to play an active role in determining the well-being of our economy.

Many of our friends across the way would disagree with that. Many believe that what government does is necessarily wasteful, unproductive and an impediment toward sound economic recovery. If only we can clear government out of the way and allow the private system to do its thing, so to speak, then economic prosperity would descend upon all of us and it will be fine, thank you very much.

I think that is a relatively simplistic notion. It is a reactive, regressive notion. It is a notion that has been tried in the past and shown not to work. We are living in a society today that is very centralized and interdependent, one that depends upon a well functioning, efficient and active government, but for a government to sit back and allow the forces of the marketplace to determine the economic well-being, I think is foolish and will not work.

When we hear from our Conservative friends—and we heard this message from our Liberal friends when they were in government—that private enterprise must be a major vehicle for economic recovery, I am dismayed. We look at our present economic situation and we know we have had free enterprise government in this country since it was founded. We know we have the so-called free enterprise governments in nine of our provinces, and yet we are dealing with record high levels of unemployment and economic hardship. These same people say, "We have too much government and that is why we have these problems", but they are the ones who have been in power all this time. If there is any blame, surely the Tory and Liberal Governments have to be blamed because they have been in charge of our economy together with the captains of industry and finance who have made the economic decisions for us. Surely they are the ones we have to blame for record high levels of unemployment, for the deficits and for the economic mess in which we find ourselves.

● (1640)

Let there be no doubt about it; we are in an economic mess. Our country has a wealth of resources and a sparse population. We are young and much needs to be done. For us to end up with massive deficits and record high levels of unemployment surely leads any reasonable man or woman to say that something is wrong. Surely we have to blame the people who have been in charge of the economic destiny of the country, namely, large financial and industrial institutions as well as Liberal and Tory Governments. Their economic model has not worked and is not working.

In the Province of Manitoba there is another economic model which believes that people come first and disagrees with the comments which I heard just a few minutes ago made by the Hon. Member for Crowfoot (Mr. Malone) who was concerned about the crumbling of the major financial pillars of the country. We are concerned about the financial pillars, but our first concern is the human pillars of the country. We are concerned because there are men and women who do not have enough food to put on their tables every night. We are concerned because thre are men and women who line up every day waiting for a bowl of soup or a sandwich, and that is their only sustenance. We are concerned about the pillar of basic human decency—people having the right to food and a secure roof over their heads. This is why the Government of Manitoba has put people first. If it means a deficit, unfortunately it means a deficit. However, it would rather have a deficit than large numbers of people declaring personal bankruptcy or large numbers of people going without a decent meal. I suppose it is a difference in priorities. There is no doubt, from the comments of Conservative speakers, that their priority is the financial pillar of the country. Our priority is the human pillar, as I said. We would rather have a deficit than see people starve. That is our priority, and that is the priority of the Government of Manitoba.

It is important to have alternatives, living as we do in a day and age of very rapid economic and social changes. I would be the first to admit that no one has a blueprint, no one has all the solutions. We are dealing with economic and social situations with which societies in the past have not had to deal. We are dealing with a technology which is rapidly expanding and wiping out jobs all over the place. Perhaps this means that the traditional notion of work and life's goals have to change. The traditional lifestyle of working five days a week for 30 or 40 years in pursuit of a career, retiring with a gold watch and in many cases dying of a heart attack after retirement, the traditional lifestyle which sustained our parents, grandparents

and great-grandparents, was important in the development of the country. Perhaps much of it is no longer applicable, given the newer technologies and the types of changes that are being introduced in society. The whole notion of work and how men and women acquire income will have to be changed as we go into the 21st century.

New problems face governments and the men and women who represent their fellow citizens. There are difficult decisions to be made. There is no doubt that we are in a crisis, that there are tremendously large deficit and that the cost of servicing them are extremely high. While recognizing that, I wish members of the Conservative Party would also recognize the tremendous difficulties faced by ordinary men and women in their lives. I wish they would also show the same concern about starvation and malnutrition in this country as they show about deficits and the cost of servicing them. Surely honourable men and women would place people before deficits and financial statements in their list of priorities. I expect members of the Conservative Party to place to welfare of their fellow citizens before deficits, the largeness of them and the cost of servicing them.

Let me return to the point I was trying to make. There are no easy solutions. There are no blueprints, so to speak. All we know is the general directions in which society must go in order for us to begin to find some of the possible solutions to the economic, social and cultural problems we face in this day and age. One of the directions is surely one of co-operation. The different sectors in society—business, labour and government—must learn how to co-opperate. The days of confrontation must be over. There has to be give and take. This means that government is involved as an active partner, not a passive one. Many Conservative colleagues would attempt to suggest that government's role is to get the heck out of there and leave it up to the private sector. That type of thinking is old thinking and will not help us to attain the solutions we need. We must accept the fact that government has a role to play.

Mr. Malone: Why?

Mr. de Jong: I hear the Hon. Member for Crowfoot. It is sad when men and women who put themselves forward to govern do not even know why they should govern. Indeed I find it sad. If they do not know why they should be governing, they should get out of there and let people govern who know why they should be governing. If the Hon. Member for Crowfoot does not have the role of government in his head yet, I am afraid we are in a sadder situation than I previously thought. Maybe that is the reason the Hon. Member is not in Cabinet. I hope at least the cabinet Ministers know why they are governing and the role which government has to play.

There is no denying that in this day and age, in this very complex period in the history of the human race, government has an essential function to play. If the Hon. Member for Crowfoot and some of his colleagues do not understand that, indeed it is a sad day.

I could go on enumerating the many reasons we need government. I should like to give one simple example which is occurring back home with Pioneer Trust. Some of our Conservative colleagues believe that government should not be involved, that it should get out of it, that it should not even regulate trust industries. If that were to occur, we would see bandits in the field and people losing their deposits. People in Regina right now are losing their deposits and life savings, retired businessmen and farmers who sold their land and do not have any pensions but have $100,000 or $120,000 in Pioneer Trust. All at once they are discovering that half of their life savings have been wiped away because of the great engines of free enterprise.

• (1650)

Mr. Orlikow: They think the Government shouldn't do anything.

Mr. de Jong: On top of that, they believe that the Government should not do anything. These people are really crazy. It is scary and frightening, though it is understandable in some ways. When a society goes through very rapid change as we have over the past few decades, a reaction sets in. People become afraid of change. They seek some stability. They seek a way to return to the way things were before. We find attempts to return to the times of Doris Day, Dwight D. Eisenhower and apple pie. Just wishing that to happen will not make it happen. In fact, it is quite impossible to turn back the clock.

As these Hon. Members attempt to grapple with contemporary problems, I hope they realize that returning to the simple days of the 1940s and 1950s will not happen. I hope they will smarten up and begin to realize that they are living in the contemporary world, and I hope that they will begin to offer some contemporary solutions and introduce some contemporary thinking.

I am sure that it will take a while for that to happen to the Hon. Member for Crowfoot and to some of his colleagues. After all, he comes from dinosaur country, and the ghosts of the dinosaurs still wander about those lonely and bleak plains. We can understand that. However, I certainly hope that other Members, and particularly cabinet Ministers, will begin to realize why they are in Government. I hope they will begin to realize what their function is and to know the job they are supposed to do.

To return to the point I was making earlier, for us to begin to develop and evolve solutions to these contemporary problems, we need a co-operative model. We need co-operation between business, labour and government. We need to understand the important role that government also must play in the arrangement of things. We have to understand and appreciate as well the role that labour must play. We also have to appreciate the role that capital and business must play. However, we have seen that the new right-wing Tory solution is that Government should decrease its function, that labour should reduce its demands and its wages, and that—

An Hon. Member: Right on.

Mr. de Jong: An Hon. Member said, right on. The Tory solution means that we should give greater benefits to the private sector and then somehow or other development and jobs will appear.

I am reminded of a statement made by the Alberta Minister of Employment who said at the beginning of the summer that unemployment was good because it kept wages down and it kept the workers more productive. It kept the workers frightened of losing their jobs and so they were less likely to make new demands.

In these hard economic times, we see that working people are supposed to lower their expectations. We find that people on unemployment insurance, pensioners or people on welfare are to expect less, that the people who are the captains of industry and finance are supposed to get more wealth, and that this in turn will somehow generate jobs.

Government members never talk about the responsibilities of capital. Has the Government ever asked the investment industry in the country to keep its money in Canada? No. The Hon. Member for Crowfoot criticized the National Energy Program. I as well criticized the National Energy Program and I too voted against it, though I suspect for different reasons from those of the Hon. Member for Crowfoot. I remember reading in the financial pages of *The Globe and Mail* that the oil industry in the country had a pretty good year last year. In fact, it had one of its record profit years. Companies like Exxon in the United States were not having all that great a year, but the oil companies in Canada were having a good year.

Mr. Riis: Up 50 per cent.

Mr. de Jong: Up 50 per cent. That is not bad. Is that money staying in this country?

Mr. Malone: Yes.

Mr. de Jong: Now we hear the Hon. Member for Crowfoot saying, yes. A few moments ago, he said that the National Energy Program was driving investment out of the country. Now he is saying that those profits are staying in the country. I would suggest that a great many of those profits are leaving this country.

International capital has no loyalty to any particular country. International capital is not loyal to this country even though its profits are made from the resources of this country. Much of that money will be laundered through dummy companies in the Bahamas so taxes will not be paid on it, and then it will get reinvested in other places. Hon. Members says that that is just smart accountaing practices. Of course, if one is in charge of an oil company, those are smart accounting practices. However, if Hon. Members suggest that smart accounting practices will create jobs for Canadian men and women, they are wrong. Indeed, they have their heads in the sand. Indeed, their prescription for the solution to the problems we are facing will create more disaster. Therefore, I believe we have put forward a good motion, a motion that lauds a provincial Government that is attempting to develop a different program that offers different solutions, solutions based on the notion that people come first.

Mr. Deputy Speaker: Questions and comments?

Mr. Malone: Mr. Speaker, I am sure you are somewhat surprised that I would rise after that speech. However, I have noted the logic of the Hon. Member for Regina East (Mr. de Jong). He is a person who would take the view that all ducks are good swimmers, Simon is a good swimmer and therefore Simon is a duck.

I listened to the Hon. Member's convoluted statement consisting of things that he threw up in the air that landed we know not where and that he claimed to be somehow logical, factual. Therefore, on the basis of what he has said, Canada should somehow accept that as a legitimate speech to be made in the House of commons. I could tell the Hon. Member that it was a testament as to why there are only about 30 members of the New Democratic Party.

The Hon. Member went on to say that we said that we did not need government after I had questioned him as to whether or not government could be as efficient in creating jobs as the private sector. He took that to mean that we felt that governments were bad. Surely he knows that the federal Government of Canada is Progressive Conservative and that six provincial Government are Progressive Conservative. Obviously it is not Party policy to believe that Government is no good. We are here; he is not.

The Hon. Member said that the new energy program must be good because the oil industry is expanding and growing. Of course it is growing. It is growing precisely because there is a Progressive Conservative Government in Canada. It was in the four previous years that the energy industry was chased into Venezuela, the United States, Australia and New Zealand, and not only the industry for the western sedimentary basin but for the industrial sector in Canada as well. Those jobs were chased out of Canada along with billions of dollars of investment capital.

The Hon. Member simply cannot say that the industry is making a comeback. I just came back from a meeting with IPAC. They are here today and investing today because there is an expectation of change in the direction of policy. Every time oil companies begin to drill new wells, there is a new sense of activity being felt. The Hon. Member for Regina East ought to know that because his province feels the impact when the oil industry begins to develop and grow.

When the Hon. Member says that the oil industry is up 50 per cent, he deludes himself. He knows very well that it is up 50 per cent following four of the most disastrous years in its history. He also knows that it is up 50 per cent because the industry believes that there will be a turnaround. I would ask him how he could possibly stand there and shout out these so-called facts and figures, which he knows do not really represent reality or truth, to try to make people believe that he is giving suggestions as to how Canada can get back to a solid

bottom line economically and be competitive in the international market.

• (1700)

Mr. de Jong: Mr. Speaker, the Hon. Member has failed to convince me, and I believe many others as well, that his examples for development in the oil industry are what will solve our problems. I would suggest that part of the major reason there has been a downturn in the oil industry is that the price of oil has fallen on the world market. When he suggests—

Mr. Malone: Is it up or down?

Mr. de Jong: You are sitting down and I am standing up, so keep it easy.

We hear the Hon. Member for Crowfoot suggest that the decline in the oil industry is because of the National Energy Program, and that with a Conservative Government that program will be scrapped and the oil giants will have increased confidence. "Increased confidence" is another key slogan. Listening to the Tories reminds me of the Moonies. They have key phrases which get them all excited. Certain buttons get pushed. It is like mind training, and one of the key phrases is "increased confidence". It is as though they had jars of increased confidence which they hand out and sniff. They say that because a Tory Government was elected, increased confidence is occurring and money will be reinvested in oil development.

I would suggest that if the price of oil on the international market decreases, we will not have the increased confidence which will fuel activity in the oil industry. The only way to get increased activity in the oil industry is for the Government to give it further tax breaks and incentives until it makes sense for the oil companies to continue the economic activity.

It will be interesting to see how the Tory Government changes the National Energy Program. I would suggest that many of the oil companies, despite the rhetoric, have been able to live with it and have come to like it. I believe we will see opposition from oil industry people to the changes which will be made to the National Energy Program. Then we will see the Hon. Member for Crowfoot eating crow.

So much of the rhetoric has been to blame all the economic ills in western Canada on the National Energy Program. Once this excuse disappears, what excuse will be left? At some stage Tories will have to look at themselves and begin to accept some responsibility for what is happening, rather than pulling out a scapegoat everytime they want to make a boisterous speech which is full of sound and fury.

Mr. Crosby: Mr. Speaker, I have a comment and a question for the Hon. Member. I listened intently to the Hon. Member for Winnipeg North (Mr. Orlikow) who supported the motion which was presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis). There was a Manitoban and a British Columbian who supported the motion, and now we have a Member from Saskatchewan adding his glorification to the motion.

He said that it was a "good motion" and one which "lauded a provincial Government", but he forgot to address himself to the pith and substance of it, which commends the Government of Manitoba for its policies. Three westerners have lauded a motion which inferentially condemns every other province of Canada and the people of those provinces.

I would point out to the Hon. Member for Regina East (Mr. de Jong) that in 1983-84 the Province of Nova Scotia had the highest rate of growth in Canada. That is quite an accomplishment for a small, disadvantaged province like Nova Scotia. The Government, the private sector and mainly the people of Nova Scotia caused that economy to grow. I think the people of Nova Scotia will resent the western clique in the New Democratic Party who are inferentially condemning the efforts of the people of Nova Scotia by way of lauding the Province of Manitoba for its policies. I think the same could be said of every province of Canada which has laboured diligently on behalf of its people to establish better economic conditions. It is a well known fact that if we praise one we can be guilty of condemning others. That is exactly what the NDP has done with this motion. I would like the Hon. Member for Regina East to answer that. What has he got to say that is good about the Province of Nova Scotia and the other provinces of Canada?

I would like to add one comment before he answers that question. I want him to know that the policies which gave rise to the economic superiority of Manitoba were policies established by Duff Roblin when he was Premier. He took the hard decision to establish hydro and other resources in that province, which fueled the growth in the Province of Manitoba. It has little, if anything, to do with the current Government of the Province of Manitoba.

Mr. de Jong: Mr. Speaker, I was delighted to hear the Hon. Member, when talking about his home Province of Nova Scotia, mention that one of the important players was government. I salute him for being civilized and enlightened enough to recognize that government has a role to play. The Hon. Member has been here for some time and I think he does recognize that government has a role to play.

He also recognized that it was the Government of Mr. Roblin which helped to develop hydro and other resources in the Province of Manitoba. Again, he recognized that Government had a role to play. It was a Tory Government, and it knew it had to play an activist role, otherwise those resources would not have been developed. What frightens me is that other Members believe that Mr. Roblin was wrong, that the Government of Nova Scotia in helping to develop jobs is wrong, and that governments should not have a role to play. They believe that if we left private enterprise alone, it would solve all our problems, develop hydro, create jobs and so on. It is that simplistic notion that scares the daylights out of me.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, some very positive developments are taking place in the economy

and our Government, although the motion before the House today seems to ignore entirely what has been happening during the last few months. I would like to point out, for instance, that during the third quarter, our economic growth has been remarkable, as much as 7.6 per cent. Mortgage rates have dropped at least 2 per cent since we took up our mandate, and this only since September 4. Canada's trade surplus is at a record high. Last year, inflation was at its lowest level since 1971, which will improve our competitive position abroad.

When we were brought to power on September 4, Canadians were clearly saying they wanted a fresh start. They had looked at past measures and realized that they had not been terribly effective. They saw there was too much confrontation between administrations, too much confrontation between the private and the public sector, too much confrontation between the Federal Government and the provinces. Canadians realized it was time the Government was involved in developing the answers, but involved in a sensible way instead of compounding the problem as had been the case before.

• (1710)

The message on September 4, Mr. Speaker, was loud and clear. Our immediate response was the strategy for economic renewal announced last November.

Canadians must, however, understand that the Government cannot manage this country's economy alone, controlling every little detail. That is not its mandate, Mr. Speaker. Its mandate is to administer the country in such a way that the economy progresses, but without undue intervention.

The Government does not dominate the economy, Mr. Speaker. It is part of the economy, one element of a living organism. It is a set of institutions and bodies that are involved in the production and consumer activities we call economic life.

Every healthy organism depends on the equilibrium of its components. If one of these components starts to grow excessively, the excessive demands it makes will weaken the organism. The Government's role is to maintain a correct balance in the economy between public and private interests. It must manage its own affairs to the best of its ability. It must provide for proper planning and avoid being forced into an excessively high deficit like the one we have today. It should also provide the economy with a general framework of policies, programs and regulations that will promote economic growth and create as much employment as possible. That is why we were elected.

To illustrate the importance of this notion of equilibrium, let us take inflation as an example. For many years this has been the economy's number one problem. Although Canadians have made tremendous progress in controlling inflation, the federal Government's structural and financial policies did not play the role they should have played in this struggle. In some cases, they made the fight against inflation even more difficult. One of the basic differences in what the Mulroney Government is doing is its more balanced approach to economic policy, an approach in which monetary, financial and structural policies are all oriented in the same direction. The main goal of this approach will be to sustain non-inflationary growth and to create jobs by bringing interest rates down as far as possible. This approach demands that Parliament reduce financial imbalances and correct a number of structural problems. That is the direction we started to take following last November's economic message, and it will guide our decisions in the future.

Last November, the theme was how to control and manage an ever-increasing deficit. We must continue to do so and do it carefully and sensibly. The nation cannot go on mortgaging its future and hope to sustain economic growth, as was the case before September 4, Mr. Speaker, which was what Canadians understood when they gave us a clear mandate.

The measures we have already taken, namely, the expenditure cuts and other initiatives announced in the economic message, should start having a positive effect on the deficit in the next fiscal year.

There are those who claim that wanting to manage the national debt is to be insensitive to people's needs. That is not true, Mr. Speaker. Canadians realize that only by putting our finances in order will we be able to avoid overwhelming problems for the people of Canada, problems that would bring about a rise in interest rates, loss of jobs and a drop in investment. The measures we have already taken are those that we think will benefit the majority of Canadians. The measures we will take in future will meet the same criterion, and that is this Government's primary concern.

The deficit is not the only obstacle, Mr. Speaker. We will also have to restructure Government policies, regulations and economic programs to allow the creative energies of Canadians to be exercised freely. We must give individuals and firms in the private sector enough room to manœuvre and make it possible for them to use their creativity and talents as productively and profitably as possible for the economy of this country. That is the challenge for 1985. That is why we have started one of the most thorough public policy reviews Canada has ever known. Our goal is a complete restructuring of Government policy over the next few years that will make our economy productive and, especially, make it more competitive.

Productive businesses must grow and create jobs, and make rational long-term plans. We have experienced in Canada a succession of arbitrary changes that created uncertainty and undermined confidence, both at home and abroad, especially where our small businesses are concerned. It is obvious that the recent experience has been harmful. Yet the status quo is no more acceptable. We are introducing changes, but in a consistent, reasoned way, and this is why this Government is involved in so much consultation.

There are many areas where action is needed. For instance, our new competition policy scheme would promote confidence. Government legislation has to be updated so that the production, distribution and treatment of information and computerization may contribute to our economic growth to a greater extent. Other statutes and regulations that affect the operation of businesses in Canada must also be streamlined, and above all modernized, Mr. Speaker. As we know, we have statutes that should have been amended long ago, but the previous

Government did not attend to that. We also support a larger degree of flexibility and productivity in our economy, and the adaptation to modern technology.

Mr. Speaker, no one can contribute more to this renewal and to the providing of new opportunities than small businesses. While they have always been neglected, for a number of years already they have been creating most jobs in Canada. Not only that, they have the greatest job creation potential in new fields. If we really want to entrust our economic growth to the private sector, Mr. Speaker, we must ensure that the free enterprise spirit will be rewarded through and with the entrepreneur. The Government must do all it can to help the entrepreneur, and above all to promote entrepreneurship.

We have indicated that the Government could lead the way. It can create a favourable climate. Moreover, whatever measures the Government can take, cost nothing in many cases or almost nothing to the Public Treasury, but we should not delude ourselves about the implications of that process. We have set ourselves the task of establishing in the economy a better balance between the public and the private sectors. Within the new framework we are putting in place, Canadians will have to expect less from governments and more from the private sector.

One of the key areas in which the private sector can meet the challenge is that of investments. An increase in productive investments would benefit all segments of the economy. We must remember, Mr. Speaker, that investments result directly in job creation and production growth. Just as important, Mr. Speaker, investment decisions will have to be taken to cope with rapid technological changes and an evolving world market. We should support any future improvement in productivity and above all in competition, mainly in the private sector.

Canada does not hold its rightful place among industrialized nations. If we are to be truly competitive at the world level, if we are to really develop new markets, we have to go into research and development. An increased level of research and development requires a major effort for which the Government alone should not be relied upon. Canadian businesses must have the will to contribute to that effort.

Training and retraining are also essential ingredients of our economic growth. They do make it a lot easier for the business community to hire the qualified staff it needs to be competitive. Equally important, they help people be more flexible when facing an ever-changing market place or a new and different occupation. That has to be our national priority. Time has come for the private sector to wonder how it might play a more significant role so that training and upgrading will be tailored to its real needs.

Mr. Speaker, access to export markets is another major obstacle which stands between the business community and success. It is a major challenge as well, and if we manage to live up to it we will be able to create many jobs. However, we must be prepared to take the odd chance and be more dynamic on foreign markets, yet remain convinced that we can indeed be competitive. And the only way to be more competititive, Mr. Speaker, is to boost our productivity and modernize our facilities. Mr. Speaker, none of that is possible unless we change our attitude and our work methods. It simply cannot be achieved overnight. Since September 4, the Opposition keeps repeating nothing has been done, nothing has been done. They were in office for twenty years. Earlier this afternoon, I heard the Hon. Member for Shefford (Mr. Lapierre) talk about administrative decisions taken by the Canadian Industrial Renewal Board, but he did not bother to say that the CIRB management was appointed by the Liberals, not by us, not by this Government. If the administrative decisions of the CIRB are not coming out fast enough for the Liberals, they should talk to the management, they put them there. There is no way they can be critical about what is going on right now. Besides, the Hon. Member ought to know that this board is not answerable to the Department of Regional Industrial Expansion.

• (1720)

When we were elected last fall, Mr. Speaker, we examined the economic outlook and realized that it was not very promising. So we decided to draft an economic development plan, a plan to improve the economic outlook and to set up new structures more conducive to the expansion of the private sector. What we had in mind was to make significant progress in key sectors such as trade, research, development and investment. We know that by taking action in all these areas, we shall finally be able to have a healthy economy. That is what Canadians have been hoping for since September 4.

International figures are already showing that Canada has now gone ahead of a few other industrialized countries as far as industrial competition and standard of living are concerned.

The figures have been favourable since September 4 and the economic achievements I have just mentioned are encouraging. They should restore confidence and raise the level of expectations in Canada. However, we should not become too confident. We cannot forget that everything is not perfect in our country. Our economy is still held back by excessively high real interest rates and by progress made in the United States. Too much of our recent economic growth is the result of our enormous trade surplus, and business investment remains weak. The situation of our resource industries is still very precarious. Finally, our enormous annual deficit and increasing national debt threaten our prospects for lasting economic development and job creation.

Mr. Speaker, this brief examination of the recent ups and downs of our economic performance reminds us that we must continue to make level-headed and realistic judgments about our performance and economic prospects. It remains that we can do much more and that we are progressing daily. Canada still has unlimited opportunities, and while the Opposition may believe that there is nothing to do, Mr. Speaker, there is, in fact, much to do and this Government is committed to do it.

The business community still shows great confidence in the Government elected on September 4 and in the commitment necessary for economic renewal. That is what some favourable

economic indicators are telling us. It is also what small businesses are saying. That is why foreign investors are more interested in Canada than before. As these new investments create job opportunities, Canadians will become less concerned about the future of their jobs, their family and their country. They will tend to consume more. This is why confidence is so important. I believe that we have every reason to be confident and optimistic. Obviously, if any country in the world has every chance to succeed, it is Canada. We should believe in the initiatives taken by the Government and support them. With the assistance of the private sector, private business and small businesses, with a special emphasis on entrepreneurship, and in spite of the motion of the New Democratic Party today, this is what we must do.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

Mr. Riis: Mr. Speaker, the Hon. Member referred to the problems that increased interested rates would cause. If it is a choice between increasing rates or a softening of the Canadian dollar, would he go along with his Prime Minister (Mr. Mulroney) in saying he would prefer the lower dollar?

[*Translation*]

Mr. Vincent: Mr. Speaker, I think that the Minister of Finance (Mr. Wilson) and the Prime Minister have already made their views known in this regard and outlined exactly what will be the policy of this Government.

[*English*]

Mr. Taylor: Mr. Speaker, I would like to congratulate the Hon. Member on a very fine address. There is a point I have been wanting to clear up and I have not been able to be recognized until now. A number of speakers today, particularly in the opposition Parties, have been comparing the number of unemployed in the fall and winter with those in the spring and summer. We all know unemployment increases in the fall and winter in normal years. It is a normal procedure. To compare the number of jobs in the fall and winter with those in the spring and summer is like comparing apples with horses. There is just no comparison, and it creates the wrong impression entirely.

Would the Hon. Member agree that it is unfair to make this kind of comparison? It gives a false picture entirely, and I think all of us want to be accurate when we present a picture to the people of Canada.

[*Translation*]

Mr. Vincent: It is clear, Mr. Speaker, that my honourable colleague is quite right. It is time to stop misleading the Canadian people into believing just about anything, as was done in the past. We know what Canada's economic conditions are and we know that certain things happen at the same time each year. Certain things occur in the fall, and others in the spring or in the summer. We know that. What the Hon. Member says is quite true. The Opposition always tries to show that it is not the same, that it is different and that it was always better before. If such was the case, Mr. Speaker, I wonder why they are still there. I am in complete agreement with my hon. colleague.

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have been listening with some interest to the debate this afternoon, and this is once again an opportunity for this House to discuss what is without question one of the most important and significant issues facing Canadians. That is why I would like to begin my remarks with a small plea to Members on both sides of the House to come at this issue without illusion, mythology or theology. We should try to demonstrate to the Canadian people that we are both learning from history and preparing for the future based on reality, not on fantasy.

I listened to the speech made by the Hon. Member for Trois-Rivières (Mr. Vincent). He had some interesting prepared comments and statistics about what has happened and what has not happened. I want to address my remarks to him as a new Member and other new Members and say that I think it would be a mistake if we were simply to pretend nothing good happened in the past and all that is happening now is perfect. That is simply not the case.

I was intrigued by his comments about interest rates. Let us be honest, the interest rate policy is in large part dictated by what happens in money markets in the United States. The U.S. is the largest financial market in the world. It determines the international flow of money. It determines the level of interest rates which all countries pay. Therefore, any Canadian Government of whatever stripe is always forced into the position of having at least to respond and be sensitive to that fact. We are not an island unto ourselves.

Mr. Riis: What about Austria?

Mr. Axworthy: It is not possible for us to isolate ourselves from a country with which we share a 5,000 kilometre border, a country with which we conduct 70 per cent of our trade. Large parts of our commercial exchange are affected by what happens in the U.S. Don't kid yourselves by saying that somehow it is going to change simply because you are here. That is not the key. The question is what kind of response is to be made.

The Hon. Member and others have talked about how to control inflation. We were the ones who controlled inflation. It did not happen on September 4. The inflation rate was down to 4 per cent before then and went down to 3.5 per cent after then. It had nothing to do with the election. We had to take very tough and strong measures, some of which were very unpleasant, to bring the inflation rate down. I hope the Conservative Government will accept the responsibility of keeping it that way. Let us not forget history. Let us not be like some Soviet revisionist historian and wipe out the past. There is an old cliché which says that those who will not learn from the past are bound to repeat it. We must realize that

inflation is always a problem. We have to deal with the matter but we cannot deal with it through some theological answer.

• (1730)

I was interested to hear the Hon. Member talk about the way in which the Government is freeing up the forces of private enterprise and allowing more competition. Which Government brought in the major policy of deregulation? It was not the Conservative Government. A year ago the Liberal Government deregulated the airline industry and provided more competition. Conservative back-benchers had better ask some tough questions about the Minister of Transport (Mr. Mazankowski) because he is stopping the program. He is putting the brakes on it. He is falling back into the trap of holding on to what the old vested interests had to say. Therefore, the airline industry is now getting a different set of signals. It was not the Conservatives who argued for the removal of excess regulations. It was the Liberal Government that did that.

That is an important truth, because the negotiations which we had with the provinces on deregulating the trucking industry have now been held up for six months. The agreement was on the table last September. The Conservative Government has stopped that agreement from going ahead. That agreement had been arrived at by all the nice words that Conservatives love to use: consultation, discussion, co-operation, and federal-provincial agreements. That had all been done. It was on the table and had been agreed upon. The Conservative Government stopped it. If Conservative Members are really concerned about that, they should do something about it. They should ask members of the Ministry why they are being trapped by functionaires and the old vested interests. The whole move to deregulation has been put on hold in the transportation industry. That is a very serious consequence because we were making progress. Without even examining the issue, the Prime Minister of Canada (Mr. Mulroney) said that they were not going to touch Air Canada. That issue was to have been discussed by way of public hearing in a House of Commons Transport Committee. The new Prime Minister of Canada put the stop to that. Why has the Prime Minister stopped that particular intervention?

My point is that government Members should not delude themselves.

Mr. Gormley: We are not.

Mr. Axworthy: Oh yes you are. I have listened to what you have said. There is a rank air of illusion in this Chamber every time a Conservative back-bencher rises to his feet with prepared notes from the Department of Finance.

An Hon. Member: You were not here.

Mr. Axworthy: I don't see any economic Ministers here either. They are so concerned about job creation that they have not found time to come to the Chamber for this very important debate.

Mr. Gormley: Mr. Speaker, I rise on a point of order. Is it acceptable in debate for the Hon. Member to refer to the absence from the House of certain Members?

The Acting Speaker (Mr. Charest): It has already been said by different Speakers, as the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) knows, that it is not acceptable for a Member to comment on the presence or absence of other Members in the House.

Mr. Frith: This must have been asked by a Tory of a Tory.

Mr. Axworthy: Mr. Speaker, in response to the point of order, it is obvious from observing who is in the Chamber at the present time that the Minister is not exactly committed to coming to grips with the issues which are being debated by Members of Parliament.

This is an important resolution because it does point to a very important model. I would like to talk about how growth can be created in the country. This is probably the most important issue that we face. What is the role of Government in that particular exercise? How do we begin to develop the intervention and activity which will help create growth in the private and public sectors?

Mr. Gormley: Not by spending money like you did.

Mr. Axworthy: I am going to answer that. It is clear how his comment that the Hon. Member does not know what he is talking about. I am here to educate him, and I am quite happy to do that. That is what the debate is for.

Mr. Gormley: I'm not the one who spent millions, Lloyd.

Mr. Axworthy: I will come to that. In 1980, the Province of Manitoba had been ravaged by the Sterling Lyon Government. We had the highest rate of unemployment and the lowest rate of growth. Because of the lack of provincial Government activity in that province, we had the lowest rate of growth in Canada. There was nothing going on. There was no capital construction, no investment in the schools, and no private investment going on. That was the reality of Manitoba in 1980. By 1984, we had the highest rate of growth in Canada and one of the lowest rates of unemployment. Something happened in those four years which created a difference. What happened was a prime example of full co-operation between the federal Government, the provincial Government, municipal Governments and the private sector. That is where the resolution goes wrong. It only points to one level of partnership. The fact is that there was a partnership of all the major sectors in that economy. There was a different kind of federal involvement that went back to the grass-roots at the community level to help make policy and provide federal investment. What was important about the Manitoba experiment is that it was not simply a transfer of funds. It was a direct active involvement in regional economic development.

I will give one example. The federal Government initiated the core area initiative because we recognized that one of the best ways to generate growth in that province was through the

City of Winnipeg, which represents the major economic engine in that province. The centre part of the city had been allowed to deteriorate. There was no investment going on and it was not an attractive area to which to bring private sector involvement. We proposed to the provincial and municipal Governments that we would each put up one-third of the funds to invest in incentives for private business, to provide for community redevelopment, and to provide for a major restructuring of the downtown area. Three levels of Government co-operated. We managed together. We sat down on a monthly basis with the Mayor of the City of Winnipeg, the provincial Minister and the regional Minister and talked about how we could join efforts to create development for the City of Winnipeg.

We are seeing the results now. Close to 50 new small businesses have started up in one warehouse district. This is not government intervention. They are new small businesses in the service sector, the manufacturing area, and the retail area. The Member for the Battlefords-Meadow Lake (Mr. Gormley) should go and look at that because an entire section of the city has been turned around. Private business, using the incentive grants, is sponsoring that.

We have also provided for close to 3,000 units of housing being either built or rehabilitated. That was the major source of private construction activity in that city. The Tories do not understand that kind of thing, but the private sector of Manitoba understands it because, for the first time, it was given the incentive to go back to work.

A third area of co-operation between the federal, provincial and municipal Governments was the provision of a major incentive for development in the north of Portage la Prairie. We put a package together to provide for capital infrastructure, a new investment, and then used that to attract major development into that area. The result has been that a major developer has announced that he will go into the northern part of Portage la Prairie to create 200,000 square feet of new commercial space. There are presently negotiations going on for another 300 or 400 units of needed rental housing.

That is co-operation as it should really happen. Government should not be afraid to work with the private sector or the provincial or municipal governments. They should work together to create growth.

• (1740)

The result in that area was that we were able to provide several thousand new jobs. Furthermore, not only was the actual core area initiative itself important, each level of Government could use it as a framework for development and be in a position to provide further investment to enhance and attract further activity.

Members have heard us in opposition complain mightily about the cancellation of a National Research Council Centre which was to be part of that downtown development program in Winnipeg. We complained about it because it was a way the federal Government could effectively help the Province of Manitoba acquire new capacity in high-tech research and development. The side benefit of that is that it was designed to attract a number of new high-tech manufacturing industries to the City of Winnipeg.

There were four major companies that were prepared to locate in Winnipeg and establish technology-oriented activities. They have now put their plans on hold because the federal Government cancelled the project. That is why it is important that the Government at the federal level recognize that it has an important and positive impact as an investor in communities, working in conjunction with other levels of government.

That is why we strongly object to the present plans of the Minister of Regional and Industrial Expansion (Mr. Stevens) simply to transfer the funding. This means that the federal Government is denying itself the ability to provide further federal investment of this kind. It is removing itself from the planning and development activities in that region. It no longer has the capacity to determine how federal investments, whether in research or scientific development, capital structure or airports, are able to add to a growth business.

Let me give another example from Manitoba of tri-level co-operation. It was the signing of a major transportation agreement. After sitting down with the provincial Governments and discussing what would be the primary form of economic development, it was recognized that the Province of Manitoba was a major centre of transportation. Many of the facilities had been allowed to deteriorate over the years. We signed an agreement amounting to over $200 million to restore totally the Port of Churchill, repair the railway lines, and bring to Winnipeg for the first time the development, research and manufacturing of light grain cars that would be utilized in the entire grain network in western Canada as well as on the Churchill line. The agreement also included the expansion of the airport system and research and development.

I suggest to Hon. Members, who think they know so much, that this was done in conjunction with the private sector: thirty of the top business people in Winnipeg, many of whom were Conservative bagmen, financiers and campaign managers—I can name them—and I know the Member for Winnipeg-St. James (Mr. Minaker) knows who I am talking about. They told me that they wanted to provide new investment at the University of Manitoba in management studies because they believed that that is the way of the future. They asked if the federal Government would help them. We worked with associates of that faculty and designed a management study program, transportation research centre because we recognized that new research was the way of the future. That was done with the province, the private sector and the universities, with the federal Government involving itself directly in economic development at the local level while using its investment funds to provide opportunities for new training, new research and new products.

That is an important model to be followed. It is very important that the Government not get itself so wrapped up in its theology that government should not play such a role that it withdraws from those potential investment opportunities to help the regions of Canada grow.

An Hon. Member: What about the people who said no? They said no to you.

Mr. Axworthy: Oh no, they didn't.

An Hon. Member: You are still in a dream.

Mr. Axworthy: I am talking about reality. I am talking about hard jobs. I am also talking about a reality in which there are a lot of people in Manitoba saying, "My God, I wish the other guys were back".

Mr. Gormley: Name one, Lloyd.

Mr. Axworthy: I presented a petition in the House which contained 1,000 names of people who are objecting to the activity of the Government of Canada selling the National Research Council Centre. That was done in one weekend. We do not need much more help than that. There are thousands more who believe the same thing.

The Conservative Government never came to Manitoba to say that it will cancel the National Research Council Centre or the research grants. It was campaigning on a lie. The Conservatives did not say that they were going to cut back on those kinds of federal investments. They did not have a mandate to do it, and that is why Canadians have a serious mistrust of the Government. They can no longer believe the Government.

Not only did it not have a mandate to change that, it is now betraying that trust and losing the opportunities to create in Manitoba the high level technology job development that we began three years ago.

This is where the NDP resolution is wrong. The NDP should not only be taking credit for the Manitoba Government. While important and positive advances have been made in Manitoba, it has happened because there were several players and several partners. For all the talk we have heard from federal Conservative Members and Ministers about co-operation, consultation, negotiation and agreement, the NDP should look at the model of Manitoba to see how it works and how it turned that province around. Manitoba had the lowest rate of growth and one of the highest unemployment rates, but now it has a high rate of growth and it had some opportunities until the present Government began ripping those agreements apart and not taking its activities there.

The people of Manitoba are asking what happened to that co-operation and openness with respect to $72 million of equalization payments. Where is the co-operation when every level of government in that province and the private sector have asked for the restoration of that national research centre? Where is the co-operation with respect to the investment in such things as new training facilities in new community colleges?

The Hon. Member for Trois-Rivières said that it is important to train people. Our Government put $1 billion into the training program in 1982. The Conservatives are not the first to think of this. Part of the $1 billion that we put into that program was designed to provide direct transfers to the community colleges run by the provinces and to the private sector to develop new training facilities.

Today, there is no longer any money for that skills growth fund. The Minister of Employment and Immigration (Miss MacDonald) has not contributed any money to provide for the new CAD-CAM centres and high-tech development centres. The ability to give assistance to provincial governments, native bands, women's groups and community corporations in order to develop new training facilities has been cut off.

The Government says that it believes in the investment in our human resources. I say to the Government, invest in them. Why did it cut the program off and stop funding the skills growth fund which is designed to help those provinces and expand the community colleges in every province in the country?

I believe there are lessons to be learned from the Manitoba example. They are lessons on co-operation and on how to work with the province to provide economic development. In order to accomplish this, it is necessary to have a federal Government that wants to participate as a partner and wants to invest.

Therefore, I would like to move an amendment to the motion, seconded by the Hon. Member for Sudbury (Mr. Frith): The amended motion would read:

That this House commends the Government of Manitoba and the former Liberal Government for their positive policies of job creation which have produced the lowest unemployment level in Canada, and calls upon the Government to adopt a similar course of economic expansion rather than the discredited policies of tax increases and spending cuts which it has pursued to date and which are largely responsible for the latest unemployment statistics, which show an alarming increase of 167,000 unemployed between December, 1984, and January, 1985.

● (1750)

Mr. Gormley: Mr. Speaker, I have a brief comment. I am very fortunate to represent the community of North Battleford, which is the birthplace of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Let me say that the people there are able to contain the sadness at the fact that he is now living in Winnipeg. While I do not want to attack another Member personally, I suggest that what we have just heard is not only a sad example but a shameful defence of the kind of obscene waste of taxpayers' money to which the people of Canada quite resolutely said no on September 4.

We have heard these lame theories of economic development. I think the people of this country, and certainly their representatives in the House, acknowledge that there is definitely a role for government. I do not believe that any Member of our Government would disagree that there is a role for government, provincial governments, labour and all people to work together to promote a healthy and vibrant economy. It is not the role of government to waste untold millions of dollars on so-called economic development, as this Member from Winnipeg so shamefully claims when he says that that in some sense is economic development. That is wasting the taxpayers' money by simply giving vast quantities of money to projects

that did not promote in the long run economic development and, what is more important, human dignity. I think perhaps this Member owes this House a clearer explanation of just what he did to this country in his capacity as the one who dispensed all of this money in the name of so-called economic development.

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for the opportunity to elaborate even further on the very constructive developments that took place in the Province of Manitoba. I want to register on behalf of that province a serious objection to the language he used in calling it shameful. Those projects were not federal waste. They were done in consultation with the Chambers of Commerce of that Province, with the City of Winnipeg, the Province of Manitoba, and a wide variety of community organizations. The Hon. Member for The Battlefords—Meadow Lake has just in effect insulted thousands of people in Manitoba who worked together on those projects. We are used to that kind of arrogance on the part of the Conservatives.

Some Hon. Members: Oh, oh!

An Hon. Member: Who is calling the kettle black?

Mr. Axworthy: That is the sort of arrogance that says "we know what is best".

Some Hon. Members: Oh, oh!

Mr. Axworthy: The Hon. Member talks about dignity, Mr. Speaker. Let me talk to him about it. I would be glad to take him on a tour any time to talk to the thousands of people who lived in the core area of Winnipeg, people who had no jobs but who are now being trained and will get employment and have the dignity which work brings, all because of the expenditure of money by my Government. I would like to take the Member to the two or three thousand people who now hold housing units who did not have housing units before. He can tell them that they do not have dignity because of that investment. I would like the Hon. Member to talk to the students at the University of Manitoba who are now having an opportunity to be trained in new management studies and in new transportation research studies who are going on to new opportunities for jobs in a high technology world. The Member can tell them that they do not have dignity any more. I would like to take the Member and show him the opportunities for those kinds of investments that took place in a wide variety of neighbourhoods where people were able to start new businesses. I could take him to the warehouse district in Winnipeg where over 50 new businesses were started because of the core initiative. He can talk to the owners of those businesses and say, "You do not have dignity because the federal Liberal gave you an incentive grant to get your business started. We Tories would not do that. We would let you be without a business, without any ownership but with your dignity". That is basically what the Conservatives are talking about; they do not care about people. They do not care about a region like Manitoba. They simply believe in their theology that the best way to do things is to do nothing at all.

I say to the Hon. Member that if he wants to learn how to start developing an economy, the best place for him to come to is Winnipeg. He will learn an awful lot more there than listening to anybody else in his Government.

Mr. Minaker: Mr. Speaker, I would like to comment. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) has indicated that our contracts and agreements are being ripped up along with the people in our cities and province. I would like that corrected because that is not the case. The Hon. Member implied that we as a Government are not honouring the commitments of the former Government with regard to agreements that were signed in the centre core area initiative—

Mr. Axworthy: How shameful and wasteful.

Mr. Minaker: —as well as with the former Minister of Transportation. These agreements to which the former Government committed itself are being honoured.

Mr. Axworthy: But they are shameful and wasteful.

Mr. Minaker: The Hon. Member implied that these commitments are not being carried out, but they are. The Member indicated that the National Research Council Centre is not being built, but it is being built. On the one hand the Member prides himself on the co-operation between the private entrepreneur, the free enterpriser, and his Government, but on the other hand he is firmly against the free enterprise system working with our Government to see that that National Research Council Centre is undertaken by private enterprise.

I sometimes find it difficult to understand the Hon. Member for Winnipeg-Fort Garry when he tries to imply that the contracts to which his Government had committed itself are not being honoured by this Government. They are. But if promises have been wildly made by individual Members that there is no history of commitment anywhere on paper, that is a different matter. I would think that we as a Government should not be committed to somebody's airy-fairy idea of certain projects that he throws around at certain times in an election campaign without any commitment from the government of which he was a part.

Mr. Axworthy: First, Mr. Speaker, I would say that the Hon. Member for Winnipeg-St. James (Mr. Minaker) should get together with his colleague in front of him who said that all these things are so shameful and wasteful, that the Conservatives cannot stand it, but who now is saying, "We are very proud to go ahead and continue them". Contradiction is probably the possession of small minds, and I think we have just seen an apt example of that today.

Some Hon. Members: Oh, oh!

Mr. Axworthy: When we talk about what things have been ripped up, it was the economic statement of the Minister of

Finance (Mr. Wilson) where it was written in black and white that the Tories were cancelling the NRC Centre. They said it was cancelled. That was $50 million wiped out of the window—gone.

There has been a lot of pressure from other Members of Parliament, the private sector and universities to restore this centre. We all hope the Government here will have the good sense to respond. If it wants to set up a research co-op of some kind, we would want to do that. The fact is that the project was cancelled by the Minister of Finance, but there is now sufficient public and community pressure to bring it back.

We also had a major commitment to the establishment of the VIA Rail repair base in the City of Winnipeg, which has also just been cancelled by the Minister. This was designed to designate Winnipeg as the major terminal for rail passenger traffic in western Canada. That would have established and confirmed again that Winnipeg is a major transportation centre for the West. That was part of the transportation discussions with the Province of Manitoba. The Hon. Member said it was not ripped up. But it was cancelled. The Minister of Transport (Mr. Mazankowski) has said so.

On the question of Churchill, we were in a committee hearing the other day. We asked the members of the Hudson's Bay Route Association, "Have you met with the Minister to talk about the work of Churchill?" We learned that no one had talked to them yet. We asked what was going on with the development of the light grain car at the Transcona shops. The answer was, "We do not know. No one is talking to us. The CNR has decided somehow to stow it. It is no longer happening. It is kind of held in abeyance, held in limbo".

If the Hon. Member for Winnipeg-St. James is saying that this Government will have the wisdom and good sense to continue the work that we started, then I would applaud him. But I have just heard from other Members that they did not like what we are doing, so we had to find out who is speaking for this Government. It may be that, as always, the backbenchers are beginning to sound like the Ministers. They are contradicting one another.

Mr. Dingwall: Mr. Speaker, I have a brief question for the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). In view of his experience in his former portfolio of employment and immigration, does he not think that the way in which Challenge '85 was conceived by the Tory Government that program discriminates against the less fortunate regions of this country, namely Atlantic Canada, parts of Manitoba, parts of western Canada, Quebec and Ontario? Does the Hon. Member not think—

The Acting Speaker (Mr. Charest): Order, please. The period for questions and comments is now over.

Mr. Keeper: Mr. Speaker, I rise on a point of order. In light of the importance of this whole question to Winnipeg and the fact that nobody from my Party has been able to ask a question on the matter, since it is almost six o'clock, could the House allow a question from this Party?

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): First, the Hon. Member for Winnipeg-North Centre (Mr. Keeper) asked for unanimous consent to allow him to ask a question. Obviously there is not unanimous consent.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. On the same point of order, I just wish to tell you that our Party would be very agreeable to giving unanimous consent provided that I am allowed to complete my question.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) has moved an amendment to the motion that is now before the House. We find the amendment to be in accordance with the rules.

• (1800)

Mr. Axworthy, seconded by Mr. Caccia—Mr. Frith not being in his assigned seat—moves, if I may phrase it in this manner, that after the word "Manitoba", the following words be added: "and the former Liberal Government".

We are now debating the amendment on the motion before the House.

Mr. Dingwall: On debate, Mr. Speaker—

Some Hon. Members: Six o'clock.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being six o'clock, it is my duty to interrupt the proceedings on the motion before the House under the provisions of Standing Order 62(11).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

TRUST COMPANIES—PIONEER TRUST COMPANY. (B) PROTECTION OF INVESTORS AND DEPOSITORS

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise at this point concerning questions which I directed to the Minister of State for Finance (Mrs. McDougall) on February 7, 1985. I asked the Minister to confirm whether Pioneer Trust of Regina, Saskatchewan, was in serious financial difficulties.

In my supplementary question I asked her to guarantee that there would be a public inquiry or that at least the results of any internal inquiry would be made public. The Minister was good enough to give a decent answer. She said:

> Mr. Speaker, I am sympathetic to the Hon. Member's question. I have already informed him that I will let him know of any further developments.

Further developments certainly occurred, in that two and a half hours later I was informed by the Minister's office that the Minister of Finance of the Province of Saskatchewan was at that moment making a public announcement, which in essence indicated that Pioneer Trust was closing its doors at four o'clock Regina time, that it would be placed in receivership, and that its assets would be taken over by Canadian Deposit Insurance Corporation.

That evening I sent a letter by hand to the Minister, again making the request that a public inquiry be held into all matters pertaining to Pioneer Trust. I indicated that I believed it was in the public interest that there be an open inquiry into the reasons Pioneer Trust had to close its business and into the efforts that were made to keep it solvent. Also I indicated that depositors, shareholders in Pioneer Management Limited and the general public were entitled to a full accounting. I have requested on various occasions since then that a public inquiry be held, as there are many questions about Pioneer Trust which have been left unanswered.

Let me enumerate some of them. First, we are concerned whether the federal Government, particularly Canadian Deposit Insurance Corporation, did everything possible to protect the interests of depositors. We feel that CDIC must have known of the problems which Pioneer had for most of 1984, if not before. Surely a cursory look at its financial statements over the last number of years would indicate that many of its assets were in real estate and that the value of those assets, particularly real estate assets in western Canada, particularly in British Columbia and Alberta, have declined in value.

Therefore, it is important to depositors in Pioneer Trust to know that the federal Government, through CDIC, did everything possible and reasonable to avert this disaster which has occurred and to make certain that Pioneer remained in a liquid and viable form and able to meet its obligations. That is one of the questions which I think a public inquiry should address. A public inquiry should look into the business practices of Pioneer Trust.

● (1805)

There is a great deal of uncertainty and many rumours floating around Regina and there is the feeling that perhaps improper loans were made and that a high enough interest rate was not charged on loans that were made. Did the company use sound business practices? Did it do the things it was supposed to do according to its charter of incorporation? These are all unanswered questions.

We would also like to know how much federal and provincial consultation occurred and when it occurred. Many of the events surrounding this past week seem to indicate that there might have been a breakdown in communications. I believe that members of the Minister's staff were genuinely surprised when they learned on February 7 that the Saskatchewan Government had decided not to proceed with insuring the $30-million share issue that Pioneer Trust was going to market. We wonder what type of communication did occur between the federal and provincial Governments.

We are also concerned about the type of decisions that the Provincial Government has made. Before Christmas, the provincial Government announced that it would guarantee that $30-million share issue. That created a sense of optimism and trust. It now turns out that that was a false sense of optimism and trust. We are wondering whether or not the provincial Government knew what it was doing.

In summation, there are a great many questions that deserve to be answered in a full and public inquiry. We urge the Government to consider seriously establishing a public inquiry.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I rise in response to the quite genuine concerns on the part of the Hon. Member for Regina East (Mr. de Jong). I too have been concerned about this situation. I am happy to put on the record the steps that have been taken.

Senior management of Pioneer Trust Company made the decision to close the company's offices until further notice at the close of business on February 7, 1985. Management's decision came as a result of its inability to obtain support for a preferred share issue which Pioneer's shareholders had hoped to arrange. The proceeds of the preferred share issue would have been used in large part to replenish the capital base of the trust company. Given that this issue could not be successfully marketed, the continued operation of Pioneer no longer seemed viable and it therefore ceased operations.

On learning of management's decision and the proposed action, I in my capacity directed the federal Superintendent of Insurance to take control of Pioneer's assets so that the interests of the depositors would be best protected. Officers of the Department of Insurance were dispatched immediately to the company's offices and the Canada Deposit Insurance Corporation was informed. An application to have the company wound up pursuant to the provisions of the Winding-up Act has been filed in the Court of Queen's Bench of Saskatchewan.

Pioneer Trust has approximately $243 million of deposits, of which about 90 per cent are fully insured by the Canada Deposit Insurance Corporation. Officials of CDIC are now in Regina working on arrangements so that depositors may receive their funds to the extent of the $60,000 limit as quickly as possible once the winding-up order is issued. I am hopeful that by tomorrow there will be an announcement made outlining the arrangements that depositors can make.

Pioneer's current financial problems result mainly from the large proportion of its mortgage portfolio which is in arrears and from the necessity to write down the values of certain of its real estate investments, particularly those in areas which have experienced market depression. As a result of these

problems, the company experienced on the one hand a drain on its cash flow due to non-payment of mortgages and on the other a steady erosion of its capital base due to operating and capital losses. In the final analysis, the company became unable to meet the liquidity requirements imposed upon it by the Trust Companies Act and its borrowings exceeded those permitted by that statute.

On June 4, 1984, a hearing was held before the previous Minister of State for Finance which officials of the company attended. As a result of that hearing, limitations were placed on the company's licence with a view to restricting its investments to short-term high-quality debt securities, thereby bolstering its liquidity position and with a view to progressively reducing the company's borrowings by limitation of the interest rates offered by the company to depositors. The company's authorized borrowing multiple was also reduced, with the company being given until December 31, 1984 to comply.

• (1810)

The Hon. Member had two questions. One question dealt with the public inquiry, and I am satisfied that that is not necessary at this point. But I would like to reassure the House, with respect to other western trust companies, that I am not aware of any which are, as he has put it, on the brink of collapse.

PUBLIC SERVICE—AUDITOR GENERAL'S REPORT—JOB CLASSIFICATIONS. (B) AGREEMENT INQUIRY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, during the Question Period last Friday, I had hoped to pursue an important matter with the President of the Treasury Board (Mr. de Cotret). The matter dealt with the six issues which he is, by his own admission, currently discussing with Public Service staff associations.

All I wanted was some clarification, some precision, from the Minister as to whether in fact those six issues were: the master contract, political rights, a dental plan, adjustment procedures, amendments to the Public Service Staff Relations Act, and Public Service pensions.

Some clarification was and is certainly needed because, until the Minister mentioned the six issues in the House, no one else had, I had not, nor had the staff associations. As a matter of fact, the associations were stunned by the Minister's statement as they believed that the conversations they had with the Minister were *in camera* and, therefore, confidential.

Perhaps the Minister did not mean to mention the six issues. Perhaps they just popped into his head and on to the floor of the House when the Minister made a passing reference to the election promises which were made by his Party and by his Leader during the last election campaign.

The Minister's Leader and his Party made many promises during that campaign; in fact, hundreds of them. Fortunately, not all of them dealt with Public Service matters. In any case, my friend the Minister was not in the House last Friday and his colleague, the Minister of Finance (Mr. Wilson), undertook to answer in place of the President of the Treasury Board. The Minister of Finance either did not choose, or was not able to answer my question about which six issues precisely are being negotiated at this time. Instead, he told me how productive the discussions with the staff associations have been—at least that is the gospel according to the President of the Treasury Board—and how these discussions are expected to result in a great improvement in labour-management relations.

That is all very nice if it is true, but again the staff associations were somewhat mystified. They said last week that they had not yet had any hard input from the President of the Treasury Board on the positions which they had put forward to the Government for consideration. So it would seem to me that not only am I in the dark, and some of the participants in the Minister's discussions still in the dark, about the six issues that are under discussion, but so are the thousands of public servants in this country and the millions of Canadians who are most immediately concerned with the outcome of these negotiations.

I am hoping that this evening—

Mr. Lewis: Point of order.

Mr. Gauthier: —someone who can speak with authority on behalf of the Government will be able to tell us which six—

Mr. Lewis: Point of order.

The Acting Speaker (Mr. Charest): Please, may I say to the Parliamentary Secretary to the President of the Treasury Board (Mr. Lewis) that a point of order is not allowed during this period.

Mr. Lewis: I want to know exactly what questions he was asking and I want exact dates, because the matter of the questions which the Member asked of the President of the Treasury Board came up once before. This Member is now asking—

The Acting Speaker (Mr. Charest): Order, please.

Mr. Lewis: I will fix this.

The Acting Speaker (Mr. Charest): Please, let the Hon. Member for Ottawa-Vanier finish his question.

Mr. Gauthier: Mr. Speaker, maybe if the Hon. Member would sit down and listen to what is going on, he could fix his own time, get his work done and give us a reasonably good answer. I justs said that I was hoping I would get an answer to the question I asked last Friday.

Mr. Lewis: When did you ask the question?

• (1815)

Mr. Gauthier: On Friday, Sir. I also asked, Mr. Speaker, because of the interesting progress which the President of the Treasury Board says he is making, because of the very productive discussions that he tells his colleagues he is having, when we can expect a signed agreement on all of these six issues. But

no one was able or cared to tell me, or the House, what was happening. In fact, the Minister of Finance, on a vital, urgent matters, such as this, only told me that he did not think it was helpful for him or me, "... to try to draw these discussions onto the floor of the House of Commons...".

I was surprised to hear that from the Minister of Finance. I know he qualified it slightly by referring to, and again I quote, "... a point when they..."—talking about the negotiations—"... are at a sensitive stage and are clearly resulting in an improvement in the tone of labour-management relations". We are all in favour of that. But we only have the Minister's word about any improvement, Mr. Speaker. There has been no hard input from the President of the Treasury Board on the association's proposals. There is no agreement signed. There is nothing to prove the Minister's statement. As far as "drawing" the discussions on to the floor of the House of Commons is concerned, it seems to me that that is a much more appropriate place than in the corridors of the House, which is where the President of the Treasury Board took them. It is far more legitimate, as far as I am concerned, to have the details given on the floor of the House, to Members of Parliament, than given to the media outside the House as was done last week.

My purpose, Mr. Speaker, has never been in any way to interfere with any discussions that might be under way or in any way to prejudice them, either on the floor of the House or anywhere else. My purpose has only been to obtain answers to questions which I have raised here in this House. They were legitimate questions, seriously asked. I hope that someone on the government side will be able to give me some answers.

I might add, Mr. Speaker, that I am still waiting for an answer to a question I raised on February 4 which was specifically: when new contracts are negotiated with the Public Service Alliance or with Public Service unions in general, will job classification be made negotiable? The President of the Treasury Board answered that progress was to be expected and that, indeed, he was very happy with the progress being made on the six issues. I raise this question with the Parliamentary Secretary: where are we at this time?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, it is going to be quite a job, but I will try to enlighten the Hon. Member. The President of the Treasury Board (Mr. de Cotret) said in the House on February 4, in response to a question raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), that he had had a number of meetings over the past few months with the Public Service union leaders and that progress was being made on the package of issues under discussion. Outside the House later that day, in response to reporters' questions, he reiterated that discussion to date had gone along quite well and added that he hoped to have an agreement on the package in a very short time.

The Hon. Member for Ottawa-Vanier seek to disrupt any negotiations which the Government might be having with the union.

Mr. Gauthier: Nonsense.

Mr. Lewis: We are not about to let that happen, Mr. Speaker. It is unfortunate that the President's remarks have been interpreted in some quarters as an indication that the Government is near or has reached an agreement with the unions. Further discussions are required with the unions before the President of the Treasury Board is in a position to ask his colleagues to approve a course of action for the reasonable disposition of the issues. Unfortunately, the President had to cancel his last scheduled meeting with the unions on rather short notice but it is his firm intention to resume discussions with them at an early date with a view to having decisions taken on the issues within the time frame he has outlined to them in discussions.

When the parties last met, there was tacit agreement that while talks continued, they would refrain from staking out their positions publicly and would confine themselves to stating that there are a number of issues and solutions and that discussions are taking place on them. In contrast to the way the previous administration dealt with unions, we keep our word. It is evident, Mr. Speaker, from the discussions which have taken place that the union leaders share this Government's desire to improve union management relations in the Public Service. This is in direct contrast to the way relations deteriorated under the former Liberal Government.

I will not frustrate their desires, nor will I break the Party's confidences and jeopardize a mutually satisfactory outcome of the discussions. I wish to assure the Hon. Member, however, that the President of the Treasury Board intends to resume discussions with the unions on the issues at the earliest possible date and remains confident that an early agreement can be reached.

TRANSPORT—AUTOMOBILE EMISSION CONTROLS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last Friday, during Question Period, the Minister of State for Transport (Mr. Bouchard) made the absurd and incorrect statement that the responsibility of replying to my question on car pollution controls rested with the Minister of the Environment (Mrs. Blais-Grenier). The Department of Transport, as the Minister well knows, is the only Department responsible for introducing automobile emission controls. I do not know whether to ask myself whether the Minister of State for Transport (Mr. Bouchard) really knows what his Department is responsible for, or whether we should all view this incident as another example of a Government that does not know what it is doing. But one thing is obvious. We have two Ministers of Transport who share two different views on what their Department should be doing. One shirks his responsibility by shifting the onus of responsibility to the Minister of the Environment. The other, the senior Minister of Transport (Mr. Mazankowski), recognizes that automobile emission controls is a matter for which his Department has the responsibility, but he procrastinates. He would rather not decide. Meanwhile, we have a Prime Minister (Mr. Mulroney) who talks a good fight about the need for a cleaner environment. He wants to go to Quebec City next month for his meeting with President Reagan with

"clean hands". But the Prime Minister should know that if he wants to be squeaky clean for the President of the United States, he should talk to his Ministers of Transport about announcing automobile emission controls very soon.

• (1820)

Of course, if he is really in a talkative mood, Mr. Speaker, he might remind the Minister of the Environment that she should also be concerned about automobile emission controls, because so far she has not demonstrated a great environmental concern. Of course, the Prime Minister may just have to face up to reality and come to grips with the fact that he has a Department of Transport headed by two Ministers, who either do not understand the importance of the meeting with President Reagan or who just do not care if an accord is reached on finding a joint solution to our common problem of acid rain.

The Prime Minister must decide which way he is going to lean. If he supports the Minister of Transport, who seems reluctant to make a decision on emission controls, he faces the problem of disregarding his own environmental problems. Let us hope the Prime Minister will be able to overcome the reticence of his recalcitrant Minister of Transport.

The battle on this important issue, Mr. Speaker, will take place behind the closed doors of Cabinet. Most likely it will centre on when rather than whether the new regulations will become effective. Who will win? Will it be the Prime Minister, so his hands will be clean for President Reagan? Will it be the Minister of Transport, who wants to take more time before he takes action? Or will it be the Minister of the Environment, who so far has indicated she is more concerned with industry than the environment? Let us hope, Mr. Speaker, the Prime Minister will emerge as the winner. The bottom line question is, when will the car emission controls become effective? Will it be 1987, 1988, 1989 or 1990, or will it be later? From an environmental as well an economic point of view, the obvious answer is 1987.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am quite amused by the Hon. Member's comments. One has to ask oneself, where was the Hon. Member over the past few years? He mentioned procrastination. Where was he during the last Government?

Mr. Caccia: Laying the groundwork for you.

Mr. Lewis: He mentioned cabinet meetings. Where was he during these Cabinet meetings? He asks, what success did we have? Well, I ask the Hon. Member what success he had? Was he not holding the position of Minister of the Environment, or was he perhaps trying to fool the people?

Mr. Gauthier: Best Minister we ever had.

Mr. Lewis: There were a lot of rhetorical questions being asked by the Hon. Member when the fact of the matter was that he was the Minister of the Environment and watched all the delay and procrastination on the part of the previous Liberal Government. That is a shame, and the Hon. Member should know better than to bring it up.

I want the Hon. Member to know that for more than two years officials of the Departments of Transport, Environment, Health and Welfare, Energy, Mines and Resources, and Regional Industrial Expansion have been studying the effects of motor vehicle exhaust emission on the health of Canadians and on the environment through the formation of acid rain. That is probably the first time the Hon. Member ever heard that. These studies have also considered the potential impact of possible regulatory changes on the petroleum and automotive industries as well as on consumers. I want to tell the Hon. Member that there have been a large number of reports, all prepared under the previous administration. But the previous administration did nothing. I want the Hon. Member to know that in less than six months since we have been in office we have been able to arrange public hearings where all interested Parties could table data and express views. In addition, the present Government has managed the completion of all the analytical work. In contrast to the complete inaction when the Hon. Member was the Minister, the results are in and are presently being reviewed by the Ministers of Transport, the Environment, Health, Energy and Industry. I can assure the Hon. Member for Davenport (Mr. Caccia) that in contrast to the years of inaction by the Liberal Party, there will be an appropriate announcement very shortly.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Wednesday, February 13, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT LEVELS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in light of the recent unemployment statistics it is clear that the plight of unemployed Canadians is no better since the Government promise to create "jobs, jobs, jobs". Indeed, there are 167,000 more Canadians out of work now than there were last month.

Atlantic Canadians were hit with the news from the Atlantic Provinces Economic Council that the growth of the Atlantic economy will slow down this year and that unemployment levels will remain rather frightening. In addition to this distressing news, we are advised by Statistics Canada that the number of full time jobs fell by 48,000; employment declined by an estimated 6,000 in Newfoundland, by 4,000 in Nova Scotia, and by 11,000 in Alberta; 23,000 jobs were lost in the construction industry, and 26,000 jobs were lost in the trade sector.

A glance at the unemployment rates for some of our major cities shows devastating increases; St. John's, Newfoundland 17.1; Sudbury, Ontario, 16.5; Hamilton, Ontario, 10.4; and, yes, Mr. Speaker, in my own riding, the town of Glace Bay, it is in excess of 55 per cent. I would urge the Government, Mr. Speaker, to take its responsibilities seriously and put into effect job-creation programs now which will affect and assist the unemployed in creating meaningful jobs.

* * *

LABOUR RELATIONS

SETTLEMENT OF CAN-CAR RAIL STRIKE AT THUNDER BAY, ONT.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, last evening members of the United Auto Workers Local 1075 ratified a collective agreement with Can-Car Rail of Thunder Bay, a subsidiary of the provincially owned Urban Transportation Development Corporation. The vote signalled an end to a 12-week strike which has been devastating for the workers and their families, and which was drawn out by the company's attempts to reduce the work force drastically through contracting-out provisions in the collective agreement.

I am happy to say that the workers were able to prevent such job losses, and were also able to win, among other things, improvements to their pensions. In a community with over 19 per cent unemployment, it is a relief to all of us to see an equitable settlement to this problem. It is now important that all levels of Government get behind the company and the workers to ensure a long-term future for the plant.

During negotiations, UTDC withdrew a $60-million contract to build equipment for the City of Boston. This means at least 100 jobs over the next two years for this company and its workers. I call on the Minister of Employment and Immigration (Miss MacDonald) to contact the President of UTDC immediately to encourage it to re-award this contract to the Thunder Bay plant.

I also call on the Minister of Transport (Mr. Mazankowski) to meet with officials of UTDC to negotiate a sizable order for double decker rail cars as a replacement for VIA's ancient rolling stock. Can-Car is the only Canadian company with experience in the production of such cars.

* * *

PENITENTIARIES

ELBOW LAKE WORK CAMP IN BRITISH COLUMBIA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, from time to time we read and hear about our correctional institutions. Two weeks ago I had the pleasure of accompanying the Solicitor General (Mr. MacKay) on a tour of the Elbow Lake work camp institution located in my constituency. I must say that I was very impressed with this institution's philosophy and physical lay-out. Elbow Lake is a minimum security S-2 institution, with a population of 50 inmates and 27 staff. It is located in the rural community area of Harrison Mills.

It seems that this institution's major philosophy is to instill a strong work ethic in the inmates. This is accomplished by allowing the inmates to participate in the institution's forestry program.

The forestry program which Elbow Lake employs is vertically integrated, in that every phase of logging, sawmilling, and stand treatment is involved to some degree. It is equipped to train men in the basic skills required in outside industry. An inmate should have readily marketable skills in tree stand treatment, logging, and sawmilling. Its client, the B.C. Forest Service, offers substantive employment to its inmates, creating

S.O. 21

a valuable contribution to the community, while maintaining the aims and objectives of the Correctional Service of Canada.

This institution enjoys a very good working relationship with the Citizens Advisory Committee, which is composed of prominent area residents who have adopted a position of advocacy on behalf of Elbow Lake with various agencies in the community. I think this is truly an admirable model for the Correctional Service to follow. As a prisoner from this institution said in his letter to me, and I quote: "A work camp like this one is a God-send. I will go back into society with none of the bitterness usually fostered on inmates in regular prisons".

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

UNEMPLOYMENT

ACCUSATION CONCERNING STATISTICS

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, my comments are directed to Hon. Members of the Liberal Opposition and concern the latest unemployment statistics and the charge that the present Government is responsible for them.

Mr. Speaker, may I remind opposition members that they are the ones that brought about the present situation, and as someone once said: Canada is like a patient—and I think most of my colleagues in this House will agree—who has been neglected, even worse, slowly poisoned for nearly twenty years. And who is responsible for this criminal negligence, if you will pardon the expression, with respect to the Canadian economy? None other than our Liberal friends who were in power for nearly twenty years.

Mr. Speaker, you will understand, and so will our Liberal friends if they are capable of doing so, that it is scientifically impossible and metaphysically unthinkable to rebuild in six months what this country has lost over the last twenty years. At the very least, the present Governnment has introduced policies and mechanisms that will need time to prove their effectiveness and put an end to the state of chronic financial anemia we inherited from our predecessors.

Mr. Speaker, with respect I would ask our Liberal neighbours to consider their own burden of guilt before pointing an accusing finger at the Progressive Conservatives.

Mr. Speaker: Order please. I am sorry to interrupt the Hon. Member.

[*English*]

NORTHERN AFFAIRS

OIL SHIPMENTS THROUGH NORTHWEST PASSAGE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, last week the Minister of Indian Affairs and Northern Development (Mr. Crombie) gave the go-ahead to Panarctic Oils Ltd. to proceed with its Bent Horn project. The Bent Horn field is located on Cameron Island in the Canadian High Arctic. While this is a small scale pilot project, it is significant and symbolic in that, for the first time, crude oil produced in the High Arctic will be shipped by tanker through the Northwest Passage to southern markets. This project will begin this summer, Mr. Speaker.

Of greater importance, however, is the standard of the ship which will be used to transport this oil. This House should be aware that the vessel scheduled to carry the oil south from Cameron Island this summer, the M.V. *Arctic,* does not meet the safety regulations of the Arctic Waters Pollution Prevention Act. While conversion work will begin on the ship during the winter, it will not be brought up to standard in time for this summer's planned activity. The Government, therefore, will be breaking existing safety regulations if it permits the M.V. *Arctic* to carry oil south from Cameron Island this summer.

To get around this problem, the ship's operator, Canarctic, is in the process of applying to Transport Canada for an exemption from the regulations. I think the Government ought to clarify its intentions immediately. It must respect the existing legislation and regulations. There must not be a shipping free-for-all in the High Arctic.

* * *

● (1410)

THE ECONOMY

UNITED CHURCH STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, two years ago the Canadian Conference of Catholic Bishops released a document entitled *Ethical Reflections on the Economic Crisis.* The controversy it generated over the moral implications of government economic policies which left 1.5 million Canadians unemployed goes on today. The Catholic bishops have today been joined by the United Church of Canada which, in a statement released in Regina yesterday, condemned government policies which do not give first priority to our number one problem, unemployment.

The United Church has proposed a five-point program to solve the moral crisis of the Canadian economy. First is a fairer tax system that would see an end to the free lunches given to many upper income Canadians and corporations who pay no income tax. They also propose increasing the levels of social assistance so that no Canadian lives below the poverty line. They propose the Government undertake a serious full employment program as Sweden, Norway, Austria, and the

Province of Manitoba have done. They propose the Government reverse the policy of eliminating social programs to reduce the deficit. They also propose that we pursue a lower interest rate policy in Canada.

I am proud to say that each of these proposals has found a voice in this House through the New Democratic Party. Unless we heed these words of wisdom from the spiritual leaders of our country, our moral crisis will only worsen and Canada will become a less humane place in which to live.

* * *

[*Translation*]

HOUSE OF COMMONS

COURAGE OF HON. MEMBER FOR CUMBERLAND-COLCHESTER (MR. COATES)

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, twenty-four hours after the Minister of National Defence resigned, I can still hear the word resignation echoing in my junior politician's ears. I found February 12, 1985, the most difficult day of my short political career. I was deeply affected because Mr. Coates is indeed a man of honour. Whatever the circumstances, a decision of this kind requires a great deal of courage, and I could not but be impressed. That is why my admiration for the Hon. Member for Cumberland-Colchester (Mr. Coates) remains unchanged, and I wish to inform the House that it was a great pleasure for me to work with the Minister in my capacity of Vice-Chairman of the Committee on External Affairs and National Defence.

* * *

[*English*]

VIA RAIL

TRANSPORTATION OF STRANDED AIRLINE PASSENGERS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, congratulations to VIA Rail for coming to the rescue of hundreds of passengers unable to fly from Metro-Toronto to Ottawa yesterday because weather closed the airport. Personnel at these stations and on the trains looked after the extra numbers with confidence, concern, and courtesy. But I have to ask what can be done to make these extra numbers be regular numbers for the railway? Obviously VIA has to be faster and more frequent in its service to compete with the airlines, but that raises the question of what we can provide to help it do that.

We need to give rail passenger service between major population centres far more priority than we have been prepared to do in the past. Metro-Toronto could not have its high quality transit service without a large provincial subsidy. The universally acclaimed GO train service, serving commuters from Pickering to Hamilton, could not operate without provincial aid. Giving VIA the same priority, in the Montreal-Toronto-Ottawa triangle it serves, would help not only one out of every three people in Canada, it would also contribute positively to coping with the energy challenge of the future. That challenge does not confront us immediately because of the oil glut, but it will return and we now have to plan for that time and improve railway service between major population centres.

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AIRPORTS

PUROLATOR COURIER SERVICE—APPLICATION TO LOCATE AT HAMILTON AIRPORT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Purolator Courier Service of Canada has announced its intention to locate its eastern Canada national and international sorting—

Some Hon. Members: Louder.

• (1415)

Ms. Copps: I realize, Mr. Speaker, that Members are hurting today. I wish they would listen to this because it involves jobs for Hamiltonians.

The company's plans call for immediate construction of a new facility for the sorting of millions of parcels, and a new Canada customs quarters to service the large volume of international traffic which is expected. In addition to the creation of dozens of new construction jobs, the plan calls for 70 permanent jobs in the Hamilton-Wentworth area. Future expansion will create many new jobs and bring new development to an area which is currently suffering an unemployment rate of more than 10 per cent. This plan has received the enthusiastic support of the people of Hamilton-Wentworth.

Unfortunately, the federal Ministry of Transport is blocking this application. The Minister of Transport (Mr. Mazankowski) will have an opportunity today to meet with the mayor of Hamilton and officials of the city who will be putting their case forward. I would urge the Minsiter to overturn the misguided decision of his officials denying Purolator Courier service the right to locate its service at the Hamilton International Civic Airport because this means jobs for Hamiltonians, and it may be a start of the fulfilment of some of the government promises which have yet to see fruition in Hamilton.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—STATEMENT ISSUED BY PREMIER HATFIELD

Hon. Bob Kaplan (York Centre): Mr. Speaker, I submit to you that there is no excuse today for the absence of the Prime Minister and of the Deputy Prime Minister from the House.

Some Hon. Members: Order, order.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

An Hon. Member: Where is he?

Mr. Kaplan: In their absence I want to address my question to the Minister of Justice.

Mr. Hnatyshyn: Where is Mr. Turner?

An Hon. Member: We want Joe Clark.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame, shame.

Mr. Speaker: Order. Order. Time belongs to Members. I rose because I could not hear the question of the Hon. Member because of the noise. May I ask eveyrone in the House to allow Members to put their questions, and Ministers to answer.

Mr. Kaplan: Mr. Speaker, for your benefit, I will repeat that—

Some Hon. Members: Order.

Some Hon. Members: Shame, shame.

Mr. Kaplan: —I consider it disgraceful that the Prime Minister and the Deputy Prime Minister are absent today. I want to direct my questions to the Minister of Justice.

My Party has been pointing to the evidence of special treatment of Premier Hatfield during the marijuana investigation which has been raised in the House. This morning Premier Hatfield himself informed his province that he has been the victim of an alleged conspiracy against him. One can only conclude that he sincerely believes that a member or members of the RCMP are out to get him and have lied under oath about informing Pat Ryan about the drug bust, and that Justice officials have violated their duties in the timing of laying charges and in the conduct of that aspect of the prosecution.

The Minister cannot tell the House that those allegations made by the Premier are wrong. I therefore ask him to do the only thing that can be done to clear the air in this case, that is, to announce that an open, judicial inquiry will be conducted into this whole affair.

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will respond in the absence of the Prime Minister, who is on his way to Regina where a very important conference starts tomorrow—

Mr. Axworthy: Is he taking VIA Rail?

Mr. Crosbie: —and in the absence of the Leader of the Opposition, who is not here today.

Some Hon. Members: Hear, hear!

Mr. Crosbie: As the Hon. Member mentioned, the Liberal Opposition has been alleging for weeks, untruly, that there has been bias displayed in connection with the Hatfield case in favour of Premier Hatfield. Today Premier Hatfield alleges that bias has been displayed against him, which shows conclusively how we have trod the right line so that everyone is blaming us of being biased against them. What more proof could we have?

• (1420)

With respect to the call for an inquiry, there is no reason to call for an inquiry simply because the Opposition wants to dream up spurious allegations in connection with this matter. There is nothing to be investigated. I am satisfied that proper procedures have been in effect all along the way.

An internal investigation is under way by the RCMP with reference to any possible leak which may have occurred in that Force. Everything is being done to ensure that the system of justice remains untarnished, except for the wild accusations of the gentlemen opposite.

[*Translation*]

NEW BRUNSWICK PREMIER'S ALLEGATIONS—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, in that case I would like to know whether the Prime Minister rejects the allegations made by Premier Hatfield, allegations that concern not only the Royal Canadian Mounted Police—where an inquiry is indeed being held, but an internal inquiry—but also those allegations that concern the Minister's own officials.

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have no information that any officials from the Department of Justice did anything improper in this matter. There was one official of the Department of Justice who, unwisely, took a phone call from a Liberal MP. The official was sandbagged by that MP, while treating him in an honourable fashion. He gave him no information that that Liberal Member of Parliament did not already have, and then saw his name in the press.

That is the only unwise action of which I am aware from the Department of Justice. However, if any evidence is supplied by

Premier Hatfield, any concrete facts that show that somebody in the Department of Justice, or acting for the Department of Justice, leaked information, believe me that the full weight of the arm of the Minister of Justice will descend on the offender.

Some Hon. Members: Hear, hear!

Mr. Kaplan: We will look forward to that.

DECISION NOT TO APPEAL VERDICT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Minister about the way the question of appeal in the Hatfield case was decided. He told us yesterday that there would be no appeal in the Hatfield case and that he was acting strictly on the advice of the prosecutor in New Brunswick, and of his officials.

Today we read the prosecutor saying that the appeal was still under active consideration as currently as yesterday—yesterday, after the Minister's statement. The Minister muddied the waters in this case by telling us that he did not have an independent mind and that he could not make the decision about appeal.

Mr. Hnatyshyn: Is that a direct quote?

Mr. Kaplan: How does the Minister explain this contradiction? Did he mislead the House about the question of how the appeal decision was made?

An Hon. Member: Cover up.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the information I gave to the House yesterday was based on information that was given to me by my officials—

Some Hon. Members: Oh, oh!

Mr. Axworthy: Now he is blaming the officials.

Mr. Crosbie: —who, from the beginning, were instructed by me that they were to proceed as they would in every case of any Canadian that might be involved, forgetting that it was a premier or prominent politician. There would be no political interference, and there hasn't been.

Based on information that they gave me yesterday, I advised the House of what had happened with respect to the appeal, and what happened is exactly what I said yesterday.

On the day that the trial concluded there was a discussion between Mr. David Hughes, Q.C., to whom I have never spoken in my life, whom I do not know, and with whom I have never had a word on the telephone—

An Hon. Member: Whom you appointed.

Mr. Crosbie: —who was appointed by the Deputy Minister of Justice because I told him to find a lawyer, to make sure he was good, and that he was someone independent of politics. He was appointed by my officials without my interference.

After the trial was over and the case was dismissed, officials in my Department were advised by Mr. Hughes against any appeal. They agreed with him. Two days later they gave me a memorandum saying "No thought has been given to an appeal." This is all fact. After a transcript of the evidence was received, they gave me the same advice.

I now have a telex in my hand—

Some Hon. Members: Order.

Mr. Crosbie: I know that I am taking a bit of time, but there are serious allegations that I misinformed the House. Permit me to read this telex from C. David Hughes, Q.C., to the Deputy Minister of Justice.

Some Hon. Members: Order.

Mr. Gauthier: Table it.

Mr. Crosbie: If the sheep will stop bleating.

Some Hon. Members: Oh, oh!

● (1425)

Mr. Crosbie: The telex reads:

This is to clarify any possible misunderstanding relating to the question of an appeal in the case of Richard B. Hatfield. It has been and remains my view that no appeal is warranted in the circumstances. An opinion to this effect was conveyed to the Assistant Deputy Attorney General on January 29, 1985, the day the trial concluded. My opinion remains unaltered notwithstanding a review of the trial transcript, prepared at the request of the defence which was made available to me last week.

The signature is C. David Hughes. That should put the matter in its proper context.

Some Hon. Members: Hear, hear!

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GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE—STATEMENT ATTRIBUTED TO PRIME MINISTER

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, statements made this morning by the Prime Minister about the resignation of the former Minister of National Defence are almost beyond belief. I wish he were here, but in his absence I will put my question to the Acting Prime Minister.

Mr. Axworthy: Whoever that may be.

Mr. Hopkins: The Prime Minister said he first learned about the allegations on January 22. Why did the Prime Minister not act until yesterday after a press report, and what on earth does he mean when he said this morning in a quote from the Canadian Press that other "security inquiries of an on-going nature had been undertaken at his request". With what did those other inquiries deal? Were there more than one going on at the same time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister of Canada made it abundantly clear that immediately upon being advised of rumours on January 22 he caused a security investigation to be undertaken, which had the result of proving conclusively that there was at no time any breach of Canadian security.

With regard to the Member's second question, he should know, and if he does not know, his leader, the former Prime Minister of Canada, will tell him, that it is the normal practice of Prime Ministers when they are appointing Ministers to Cabinet, or are contemplating other sensitive considerations, to ask for security checks and security clearances. That is a normal part of the practice of Canada carried out by this Prime Minister as by others.

Some Hon. Members: Hear, hear!

Mr. Hopkins: Mr. Speaker, I hope the Acting Prime Minister today is not telling us that the security checks were being taken months after the Minister had been appointed.

INVESTIGATION INQUIRIES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, in order to determine the depth of the investigation which the Prime Minister undertook regarding the allegations that appeared in the press, will he state what Canadian investigative authorities were involved, whether any investigative agencies among our allies were involved or made contributions to that investigation, and how much time passed from the time the Prime Minister initiated the investigation until he, in fact, had the final report in his hand?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the investigations were carried out as all these investigations are, by the Canadian authorities established for those purposes. They were carried out by Canadian authorities as is the normal case.

The Prime Minister first became aware of rumours on January 22. Within minutes he caused a security investigation to commence. There was a preliminary report that indicated there was no security risk to the country. The Prime Minister, not satisfied with that, asked for more intense security reports. Those were carried on. A final report came into his possession at mid-day yesterday.

Mr. Axworthy: Coincidence, sheer coincidence.

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NUCLEAR ARMAMENTS

UNITED STATES' DEPLOYMENT PLANS—CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Acting Prime Minister. On January 10, Canada's Chief of Defence Staff, General Theriault, learned for the first time of American plans to deploy nuclear weapons on Canadian soil. Last month a senior U.S. official, through our embassy in Washington, advised us that there are no current plans to deploy nuclear weapons in Canada. We learned today there are current plans. I would ask the Acting Prime Minister whether he would take this opportunity, through this House, to advise the United States that, under no circumstances, will we accept the deployment of U.S. nuclear weapons in Canada.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have made it clear on several occasions in this House, and I am pleased to make it clear again, that there are no plans which would involve the stationing of nuclear weapons on Canadian soil, and that any contingency plans that might be developed in the event of a crisis or an emergency could take effect only with the concurrence of Canada. I have made that abundantly clear before. I am pleased to do it again, and I am pleased to repeat, as I have in the past, that insofar as this Government is concerned, if there were a request to station nuclear arms here, we would clearly reserve the right to refuse the stationing of nuclear arms on Canadian soil.

• (1430)

REQUEST THAT UNITED STATES BE INFORMED

Mr. Jim Fulton (Skeena): Mr. Speaker, I am not sure the Acting Prime Minister understands the point I am making. On January 21 the former Minister of National Defence said in the House, and I quote, "there are no such plans" to place nuclear weapons in Canada. We have clearly been lied to by the United States in terms of the plans. It was made abundantly clear to our officials last month in Washington that there were no plans. We learn today that there are current plans in the United States to deploy nuclear weapons in Canada. Would the Acting Prime Minister take this opportunity to make it abundantly clear, first, that we are dismayed that the United States would lie to us about this and, second, that under no circumstances would U.S. nuclear weapons be deployed in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have not been lied to by the United States. I want to stay strictly within the rules of Parliament in what I am about to say. I would hope that no Member of the House of Commons would attempt to mislead Canadians into fear about the possibility of nuclear weapons being stationed on Canadian soil. There are no plans of that kind. Any plans which might develop in the event of a crisis would allow the Government of Canada to refuse the stationing of nuclear weapons on this soil. This Government would exercise that option to refuse that stationing if we determined that that was in the Canadian interest. It is a Canadian decision, not an American decision. At least so far as this Party and this Government are concerned, it is Canadians who decide Canadian policy, not someone else.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR CLARIFICATION OF NUCLEAR INSTALLATIONS IN CANADA AND CANADIAN-AMERICAN RELATIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs who is acting for the Prime Minister today in the House. I would like to point out, as my colleague did earlier, that considering the problems being discussed in the House today, it is rather surprising and indeed extraordinary that the Prime Minister was not in the House Monday, is not in the House today and that he is not . . . I am sorry—

[*English*]

Some Hon. Members: Oh, oh!

Mr. Dick: Maybe John Turner isn't your Leader.

Mr. Siddon: Who is your Leader over there?

Mr. Speaker: Order, please. Maybe Members now know why it is, in Beauchesne, regarded as an unparliamentary matter to refer to the presence or absence of any particular Member. Does the Hon. Member have a question?

[*Translation*]

Mr. Chrétien: The fact remains that there are a number of questions that should be answered at this time, either by the Prime Minister or even the Deputy Prime Minister, neither of whom are here. I therefore wish to direct a question to the Secretary of State for External Affairs on a subject other than the one I would have liked to raise, and that because of the absence of the Prime Minister.

I therefore wish to ask the Minister, in connection with the question raised by the Member for the New Democratic Party a few minutes ago, why, considering the supposedly good relations we have today with the Americans, we are seeing daily articles in the American press according to which the U.S. Defense Department and the U.S. Department of the Secretary of State are making plans regarding the installation of nuclear facilities in Canada, and why even today, before this House, the Minister maintains there is no plan although all U.S. journalists are aware of them. When is the Secretary of State for External Affairs going to find out what is going on in our international relations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the former Minister and former Liberal leadership candidate almost asked me why I am not informed on federal-provincial relations, and I can inform him that it is because we respect federal-provincial relations, and today, the Prime Minister of Canada is meeting with the provincial Premiers to fulfil our obligations as federalists.

Regarding the question he has just raised again in the House, I can inform the Hon. Member that he would be better off keeping up with Canadian developments by reading the Montreal *Gazette* instead of the New York Times, because the article published in the New York *Times* was identical to an article that appeared in the Montreal *Gazette* a month ago.

INQUIRY RESPECTING WHEN AMERICAN GOVERNMENT WILL BE INFORMED OF CANADIAN POSITION ON "STAR WARS"

Hon. Jean Chrétien (Saint-Maurice): I have a supplementary, Mr. Speaker. Federal-provincial relations have nothing to do with it. The meeting starts tomorrow. There are Government planes that can get you there fast, as the Conservatives well know.

[*English*]

Mr. Speaker: Perhaps the Hon. Member would like to ask a question.

[*Traduction*]

Mr. Chrétien: I did not mention federal-provincial relations. The Minister did.

I would like to know when the Minister is going to inform the U.S. Government that only a few months ago, this House unanimously declared its opposition to "Star Wars" and that it has clearly said many times that we do not want any nuclear arms in Canada. The Americans better get our message pretty soon!

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member is much fiercer in the Opposition than he was as a Member of Cabinet.

For the information of the Hon. Member, the first meeting of the Prime Minister of Canada and the provincial Premiers will be held this afternoon in Regina, and that is why the Prime Minister is there.

As far as the second part of his question is concerned, I can inform the Hon. Member that I have indicated previously here in the House—and the opposition parties were able to respond—the Government of Canada's opposition to the so-called Star Wars project.

* * *

[*English*]

GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Acting Prime Minister. As I understand the Government's position with regard to the former Minister of National Defence, it is that he did nothing illegal and that whatever actions he undertook did not create a national security problem. Was it, then, a matter of his judgment with regard to the exercise of his responsibility that requested or demanded of the Prime Minister that he ask for his resignation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just so that the facts might be absolutely clear, the resignation of the former Minister of National Defence was offered by that Member of Parliament. If the Hon. Member will read the eloquent and honourable statement made in the House yesterday by my colleague, the former Minister of National Defence, he will know that the former Minister offered his resignation because he believed that public allegations impaired his ability to carry out his sensitive responsibilities in the extremely sensitive and important portfolio of Minister of National Defence, and because he believed those allegations impeded his freedom to pursue an action in the courts.

Some Hon. Members: Hear, hear!

STATEMENTS ATTRIBUTED TO PMO EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am sure the Acting Prime Minister realizes that everyone feels a great degree of sorrow over what happened.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: That is true.

Mr. Deans: It is true. It is true. But, nevertheless, it is necessary to understand the circumstances clearly. I want to ask the Acting Prime Minister whether in fact the statements attributed to employees in the Prime Minister's Office are incorrect, inasmuch as they indicated that the Prime Minister asked for the resignation of the Minister of National Defence.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member will understand, that is a matter he will have to raise with the Prime Minister. It is my understanding that the resignation was offered by the Minister of National Defence and accepted by the Prime Minister.

* * *

• (1440)

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a supplementary question for the Acting Prime Minister on another matter somewhat related, but different. Given that we have had a significant amount of exchange in the House of Commons over the meeting between the Solicitor General and a person—it is a question of judgment—

Mr. Speaker: With great respect, I have a feeling that this question is not at all supplementary. Does the Member have a supplementary question?

Mr. Deans: Mr. Speaker, I am asking about a matter of judgment, the judgment of Cabinet Ministers. Given that there has been a significant amount of exchange over the appropriateness of the meeting that took place between the present Solicitor General and an individual who was under investigation by the RCMP at the time of the meeting, and the purpose of the meeting was to discuss the investigation, does the Acting Prime Minister feel that the Government ought to set out clearly what its policy is with regard to meetings of that type being held, and with whom those meeting can be held in the future?

Mr. Speaker: With respect, the supplementary question is a long way away from the original purpose of supplementaries. May I use this occasion to say that I do not regard that question as a supplementary. The Hon. Member for Winnipeg-Fort Garry.

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NUCLEAR ARMAMENTS

CANADA—UNITED STATES DISCUSSIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to address my question to the Acting Prime Minister, the Secretary of State for External Affairs, and the Acting Minister of National Defence, because the question involves all of those capacities. He just said that the Defence Minister resigned because he could not carry out his duties.

We now know that during the time when we were going through very delicate negotiations with the United States concerning the question of the deployment of U.S. nuclear weapons in Canada that it was the Defence Minister who was conducting those negotiations. Considering that much of the information given to the House at that time was not correct and that there are active contingency plans, would it not be the proper course of action for the Government to go back with the United States and undertake new negotiations concerning what are the conditions, if any, under which nuclear weapons would be used, and that we should follow Lord Carrington's advice and have a major ministerial meeting of NATO to determine what are the procedures and how we get involved in the planning of those contingency plans, not in their use during an emergency?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will try, and I am sure you will encourage me not to take the whole Question Period trying to unscramble and answer the several questions involved. Just quickly, the answer that I gave with regard to the former Minister of National Defence was that he felt that the public allegations impeded his ability. It was his view which led to his decision. Second, there are no active plans of the kind described by the Hon. Member for Winnipeg-Fort Garry. Third, Lord Carrington suggested no such thing.

REQUEST FOR NEW DISCUSSIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): With all due respect, Mr. Speaker, the Secretary of State for External Affairs is wrong. The fact is there are active contingency plans and they so state in today's *New York Times*—

Some Hon. Members: Oh, oh!

Mr. Axworthy: I cannot help it if *The New York Times* has better information than the Government of Canada about what is going on in our country.

Mr. Speaker: Does the Member have a question?

Mr. Axworthy: I would again ask the Secretary of State for External Affairs whether the Government is prepared to undertake new discussions and negotiations with the United States to determine under what circumstances they have plans to deploy nuclear weapons. Also, are there plans to use Canadian air force bases for SAC bombers during a time of emergency?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for Saint-Maurice approves of the Hon. Member for Fort Garry.

Mr. Chrétien: Right on.

Mr. Clark (Yellowhead): That is not surprising.

The position, as I have stated several times in this House of Commons, is that there is, as there was when the Hon. Member was a member of the Government of Canada, a protection for Canada against the stationing of nuclear arms, against the application of any contingency plans, in that we have the right to refuse those arms. I do not know what the Government of which he was a member would have done, presented with that situation, but I know that if this Government is presented with that situation, we reserve the right to say no to nuclear arms on Canadian soil. That is as clear as can be.

I have raised on earlier occasions, as has Lord Carrington, the value of finding some mechanism by which there can be a discussion of the parameters within which the Government of Canada and the Government of the United States might better define the circumstances of crisis or of emergency. We are actively pursuing those discussions.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST THAT PROGRAM *THE FRIENDLY GIANT* BE REINSTATED

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have a slightly more friendly question to address to the Minister of Communications. I recently spoke in this House on the cancellation of a truly wholesome, non-violent, indigenous Canadian children's program. Last Thursday the President of the CBC, in a good speech to the Canadian Club in Winnipeg, said "CBC English television is not Canadian enough". Why is the truly Canadian children's program *The Friendly Giant* being phased out, and will it be reinstated?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, that is a very good question, and I should be happy to raise the matter with the President of the Canadian Broadcasting Corporation, as soon as possible.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—CONDUCT OF ATTORNEY GENERAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a question for the Attorney General. With reference to the investigation and subsequent charging of the Premier of New Brunswick, the Attorney General indicated that he gave specific instructions that this matter was to be treated as if this were an ordinary citizen. He said: "Forget it is a Premier in your treatment of this matter." Does the Attorney General believe that that standard which he applied in his Ministry should be adopted and accepted by other Ministers, including the Solicitor General?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would hope that everybody in this House would adopt the same course of conduct as I do.

Some Hon. Members: Hear, hear!

CONDUCT OF SOLICITOR GENERAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is addressed to the Solicitor General who has said he does not accept that standard. In view of the fact that hundreds of thousands of Canadians come under investigation each year by the RCMP for a variety of possible charges, does the Solicitor General intend to meet in the future with individuals who come under investigation by the RCMP, and under what circumstances does he intend to have such meetings?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can say to the Hon. Member that that question is in some respects manifestly absurd. I could not possibly meet with all the people to whom the Hon. Member refers. I would have to consider every matter very carefully, as I did the one to which he refers.

Presence in Gallery

GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Secretary of State for External Affairs and Acting Prime Minister. I understood him to tell the House that the Minister of National Defence did not resign because of a breach of security. If that is the case, can he tell the House why the Minister of National Defence did not announce his resignation immediately after the Prime Minister said he learned of the matter three weeks ago and shortly after he informed the Prime Minister about his side of the story?

Right Hon. Joe Clark (Secretary of State for External Affairs): First, Mr. Speaker, I presume that is a question that could only be answered by the former Minister of National Defence. I presume from reading the statement that was made by the Minister of National Defence yesterday that he believed that his ability to function in the very sensitive position of Minister of that portfolio was impeded by the public allegations, and that he also thought that his freedom to pursue an action in the courts was impeded by those public allegations.

NEWSPAPER REPORT

Hon. Herb Gray (Windsor West): Mr. Speaker, can I take it from what the Acting Prime Minister said that the Minister of National Defence would never have resigned and he would still be a Minister if this matter had not been reported in *The Citizen*? What an admission.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what I am pleased to confirm is that there was no breach of security involved in the activities of the former Minister of National Defence. I think it is a reasonable interpretation that he felt that his ability to carry out his very sensitive responsibilities, and his ability to pursue actions in law as a result of that publication, were limited by the allegations made and publicized, not only in that newspaper but also picked up and caused to become a matter of current and constant debate in the House of Commons.

* * *

● (1450)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DR. MAVIS GILMOUR, MINISTER OF EDUCATION FOR JAMAICA

Mr. Speaker: May I interrupt the proceedings briefly to advise Members of the presence in our gallery of Dr. Mavis Gilmour, Minister of Education for Jamaica.

Some Hon. Members: Hear, hear!

ADMINISTRATION OF JUSTICE

POSSIBLE CONDUCT OF CITY POLICE CHIEF

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General has just said that while he could not possibly meet with every person who was under investigation by the RCMP in the course of a year, that he would, however, consider the possibility of meeting with any individual very carefully. Therefore, he is saying that it is appropriate to meet with an individual who is under investigation, in certain circumstances.

My question is this. Would it be appropriate for the chief of police of a Canadian city to meet with a prominent citizen, such as the mayor of that city, if the mayor is under investigation for a criminal offence and wants to discuss the alleged offence?

Some Hon. Members: That's a hypothetical question.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I would remind the Hon. Member that a question like that, in my respectful opinion, is hypothetical, and, unlike the Department of National Revenue, I do not give advance rulings.

Some Hon. Members: Hear, hear!

INQUIRY DIRECTED TO ATTORNEY GENERAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Attorney General, who is the senior law officer for the Crown, and who is responsible for giving guidance with respect to the integrity of the justice system.

Suppose the mayor of a Canadian city, who was under investigation by police for a marijuana offence—

Some Hon. Members: Suppose!

Mr. Cassidy: —sought to meet with the Chief of police in that particular city to discuss—

Mr. Speaker: Order, please. I allowed the first question because I presumed that it might be all right. However, there is a very clear tradition in the House that hypothetical questions are not put.

PREMIER'S TRIAL—LAYING OF CHARGE

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister of Justice.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The Hon. Member for Snakeville.

Mr. Speaker: Order, please. I am having a great deal of trouble hearing Members who are asking questions. May I please be allowed to hear the question?

An Hon. Member: It's Wednesday.

Mr. Speaker: I know it is Wednesday. It is perfectly obvious that it is Wednesday. But, in fairness to the Hon. Member, I should be allowed, if that is all right, to hear his question.

Mr. Nunziata: Thank you, Mr. Speaker. I would like to direct a question to the Minister of Justice. What is at stake in the Richard Hatfield case is the integrity of our criminal justice system. What has happened over the last number of days tears at the very fabric of our criminal justice system.

Some Hon. Members: Oh, oh!

Mr. Nunziata: We in the Liberal Party want to ensure that in this particular case justice was served.

Last Thursday, on February 7, the Minister of Justice—

Mr. Speaker: With great respect, I did ask the House to allow me to hear the Member's question. Could the Member now ask it, so I can hear it?

Mr. Nunziata: On February 7 the Minister stated in the House:

> The RCMP was not instructed by the Department of Justice to do anything.

I have an affidavit which was sworn by Mr. Richard Waller, who is an inspector with the RCMP. In the affidavit, which was sworn on December 10, he stated:

> —that at a meeting held at the Justice Building in the City of Ottawa, Province of Ontario on the 24th day of October 1984, I was instructed to lay a charge against Richard B. Hatfield under Section 3(2) of the Narcotic Control Act;

I would like to ask the Minister of Justice who is being honest—He or Inspector Waller.

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the integrity of the Canadian justice system is under attack today because of the hon. gentleman opposite and his spurious allegations.

Some Hon. Members: Hear, hear!

Mr. Crosbie: As I said before, the RCMP, or any prosecuting people who are within federal jurisdiction, are entitled to ask Department of Justice legal officers for advice and guidance; which they did. When Inspector Waller says that he was instructed to lay a charge, presumably Department of Justice officials said yes, that a charge should be laid and that all the legal elements were there for a charge to be laid. So, Inspector Waller said that he was instructed.

But Commissioner Simmonds made it plain by his statements in the press today that the independence of the RCMP is so well established that the case would have continued even if the Solicitor General had tried to call them off; which he did not. The Hon. Member does not understand the relationship between the RCMP and the law officers of the Crown. We do not give the RCMP instructions, it asks for advice. No one instructed. Yes, they were advised that charges should be laid, in the legal opinion of the Department of Justice. So, justice was done. So, Premier Hatfield was not favoured. It is the direct opposite of all the nonsense the Hon. Member has been getting on with for the last two weeks.

Some Hon. Members: Hear, hear!

WORDING OF CHARGE

Mr. John Nunziata (York South-Weston): Mr. Speaker, Inspector Waller swore under oath that not only was he instructed to lay a charge but, further, that the wording of the charge was prepared by lawyers in the Department of Justice. Why will the Minister of Justice not come clean with the House of Commons and tell the House the truth? Is he or is he not being dishonest with Canadians and the House of Commons?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I cannot get any more indignant than I have already. I am beyond indignation. Naturally, lawyers of the Department of Justice formulate charges. They are there to give independent legal advice when the police ask for it. It does not matter whether it concerns premiers, potentates, or whomever it is, as long as I am here they are going to lay the charges, and I will see that the charges are properly laid.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Caucuses today must have been absolutely fascinating. The Hon. Member for Yorkton-Melville.

SOLICITOR GENERAL'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is very difficult to hear.

I also would like to direct a question to the Solicitor General. The Solicitor General said in the House a few minutes ago that under certain circumstances it would be appropriate for him to meet with people who are under investigation by the RCMP. My specific question to the Solicitor General is: Under what circumstances does he intend to meet with people who are under investigation by the RCMP?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can only say to the Hon. Member opposite that he appears, like a lot of other Members, to have absolutely no real understanding of what the role of the Solicitor General is. I will make my point by saying this. The former Solicitor General, the Hon. Member for York Centre, said on Global-TV the Solicitor General can say, "take that case—see if you can get the goods on this person, that can give directions like that"—he suggested that was the kind of Solicitor General who met with Premier Hatfield. I do not know what his idea is of what a Solicitor General does, but I can tell you that this Solicitor General does not have that perception.

Petitions

MEETING WITH PREMIER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is also directed to the Solicitor General. Does he accept the position of the Minister of Justice, namely, that no special treatment should be accorded to a Premier? If he accepts that position, then what led him to have a meeting with Premier Hatfield?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I accept the position of my hon. colleague, the Minister of Justice. As I said earlier, I give every consideration to whatever situation arises in exercising my discretion as to what I should or should not do.

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GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In listening to his answers, he told us that on January 22 the Prime Minister became aware of incidents which happened, according to the newspaper report, on November 29. Notwithstanding that delay, within minutes, if I may quote him, he "flew into action", to ask for an investigation of these events.

• (1500)

Would the Minister tell the House whether there are any other incidents of a security nature of which he is aware, or which may have been brought to his attention, either before or since he assumed his role as Acting Minister of National Defence, which might have caused the Prime Minister to act in such a fashion, other than incidents reported in the Ottawa *Citizen* yesterday?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I congratulate the Hon. Member on his fishing expedition. The answer is a categoric no.

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CLERK OF PETITIONS' REPORTS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, February 12, 1985 meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AID

INTERIM REPORT ON AFRICAN FAMINE RELIEF

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise to give a brief interim report on the Canadian response to the crisis of famine in Africa. Since November, nearly 500,000 individual Canadians have personally contributed money to African famine relief. The average individual donation has been $65 per person which, Sir, is double the amount normally contributed to non-governmental organizations. We are witnessing an unprecedented humanitarian response which continues in intensity and is made more remarkable by the difficult economic conditions in our own country.

Acting in that spirit, with unanimous support of Parliament I announced a special $50 million fund for Africa in November. The Government committed part of that fund to match the money donated by Canadians. Originally, it was projected that the matching portion of the fund would be limited to between $15 million and $20 million. As a result of the overwhelming public response, I am announcing today the Government's decision to increase the limit on matching by providing an additional contribution to the fund for Africa of $15 million.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The system of matching was an important catalyst in mobilizing contributions by Canadian citizens and encouraging the co-operation of non-governmental organizations, and I am confident that a high level of contributions will continue, even though a firm limit has been now set on the matching portion of the fund for Africa.

The Hon. David MacDonald was appointed the Special Co-ordinator for the African Crisis. He will complete his original mandate on March 31 and is preparing a detailed report. That will be submitted in March to the Government and then to the Standing Committee on External Affairs and National Defence. I have expressed to the Chairman of that Committee my hope that Mr. MacDonald's report could be considered as a high priority so the Government can have the recommendations of both the Committee and Mr. MacDonald when we consider any further special steps Canada might take in response to the crisis in Africa, including measures to encourage the continuing direct involvement of individual Canadians.

I want to advise the House of some of the initiatives Canada has taken so far.

[*Translation*]

Food products valued at $6.5 million have been shipped to Ethiopa through the World Food Program.

In the next few weeks, additional food shipments worth $11 million will be sent to the three Sahel countries—Mali, Niger and Chad.

Additional grants of $6 million have been given to the Canadian Food Grains Bank to finance the shipment of 30,000 tonnes of food to the region of the Horn of Africa—including Ethiopia—and Sahel.

[*English*]

A grant of $3 million for UNICEF is targeted specifically at health care for mothers and children and the development of long-term nutritional and sanitary service measures.

I want to stress that this is in addition to CIDA's regular Africa program which this year totals almost $300 million. Most of that money is directed to CIDA's programs that have longer-term objectives, aiming to assist African countries to become self-sustaining, particularly in agriculture. This is in keeping with the Canadian people's expectation that their generous contributions to African relief will be part of a lasting solution to these terrible recurrent tragedies that have been so wasteful of human life.

[*Translation*]

Keeping that objective in mind, I am pleased to announce that the Minister of Finance (Mr. Wilson) has advised the president of the World Bank that, over the next four years, Canada will contribute $100 million to the World Bank's special voluntary contribution mechanism for sub-Saharan Africa. This new World Bank initiative will complement its regular program in Africa and is designed to help African countries make the necessary political and institutional reforms to boost their own production. To date, donor countries, including Canada, are committed to give about $1 billion in direct and additional contributions.

[*English*]

The heartening response by Canadians has been a lesson about sacrifice and generosity to all of us. This Parliament can be proud of its quick response to unparalleled suffering, but we should be more proud of and gratified with the response of thousands of individuals and groups across this country.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The suffering in Africa is far from over, and I look forward to continuing to work with other Hon. Members of this House in developing means to express our continuing concern and commitment to bring relief to that devastated region.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to thank the Minister for his speech.

When we discussed this problem in similar circumstances in the fall, I said that this was a situation that did not lend itself to political controversy, and that we would have to work together with the government authorities. I am very proud to see that Canadians have responded so generously to the appeal for a contribution from the private sector, and that their response was so overwhelming. I would like to join the Secretary of State for External Affairs (Mr. Clark) in congratulating Canadians on their generosity and their sense of duty. I am, however, a little disappointed that the Government was unable to meet the commitment made at the time to match contributions made by the private sector. I understand the problem, but it is still disappointing that the Government failed to keep its promise.

[*English*]

I would like to point out as well that we all agree that it is a very important situation, and I am proud that we work together this way in the House of Commons. I am pleased to see that the Minister has many times recognized that the previous administration was the best of all of the nations in the world in recognizing the danger in Ethiopia, and in relation to the GNP we were the largest contributor of funds and, in real terms, the second largest. I think we should all be proud of that.

On the other hand, despite the unanimity and agreement I am showing today, I would not like the public to be under the wrong impression. It is very nice to have money at this time, Mr. Speaker, but we have to keep in mind that CIDA's budget was cut by hundreds of millions of dollars by the Minister of Finance (Mr. Wilson) when he made his economic statement. To reinstate some of that money looks pretty good at this time, but we should not lose sight of the fact there were some cuts brought about at that time. I hope the Secretary of State for External Affairs (Mr. Clark) will be able to persuade his colleague, the Minister of Finance, to restore the level of commitment we had before.

● (1510)

The goal of Canadians in foreign aid is to achieve as early as possible the 0.7 per cent of GNP Aid level. I think the Minister, in his policies, has postponed that goal and I do not know if we will ever reach it if we keep postponing it. I hope he will be as successful with the Minister of Finance as his colleague, the Minister of National Health and Welfare (Mr. Epp), who managed to keep universality, and as successful as the Minister of Employment and Immigration (Miss MacDonald), who has managed to bring back a limited program for student employment. Then it would not just be foreign aid which is cut by the Minister of Finance.

The Minister has travelled the world and so have I. Despite the problems we are having in Canada, we realize that we do not have problems here really. Sometimes we tend to exaggerate a bit the situation here, and that is normal in political debate; but we have to tell Canadians that we are a very fortunate nation and that foreign aid is not only a good thing to do, it is an obligation for fortunate nations like Canada. Canadians have responded with their money and I think the Minister should keep on fighting to restore the aid level which existed before. He will have in that endeavour the support of this critic who sometimes finds he is not criticizing enough. I receive hell from the Whip at times that I am not tough enough with you. It is a problem but I do not want to be

political on that. I think this amount of money should be restored and that we have to match the generosity of Canadians. It is the desire of Canadians that we have to carry on our policies there.

I would like to go back to that point because I did not criticize the Minister last week when he named Roy McMurtry as High Commissioner to London. There is one man who was in this House for years talking about hunger in the world and food development around the world. I refer to the former Minister of Agriculture who I appointed to the FAO because he was the best and most knowledgeable person for the job. That was confirmed by documents tabled not long ago. It was not an idea of mine to find a cozy spot for my friend, Gene Whelan; it was because there is a need at the FAO for a strong hand.

Many of the problems that exist today exist because the FAO is not being managed well enough. A long time ago an official of the Department of External Affairs said we need somebody there who can have clout. I am telling you that you can change your mind and I will not blame you, but if you were to change your mind and put back Gene Whelan in the FAO, I think all Members of the House would recognize that there is a strong man there. He will go to these international bureaucrats who overlooked the Ethiopian situation when he was the Minister of Agriculture of the day and was telling them that Ethiopia was the area of crisis. If Gene Whelan were to go there with his green hat, these guys would listen and the best interests of Canada and the best interests of food management in the world will be well served. I advise the Minister to reconsider his decision on that appointment.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to respond to the statement by the Right Hon. Minister. First of all, we welcome the increase in the matching funds being made available. I think some clarifications are needed about the announcement and I want to ask a few questions.

Certainly Canadians have responded generously and I wonder why some arbitrary ceiling would be put on this generosity. It seems to me the Minister might consider that Canadians vote with their pocket-books. In so far as they are prepared to give, the Government ought to respond to that by removing this arbitrary ceiling.

I would like to ask very specifically about the $15 million. Is this a new $15 million which is being added, or is it being recycled from somewhere else? The previous speaker from the Liberal Party noted there were cut-backs in CIDA funding and IDRC funding. Is the Minister prepared to have those cuts restored? Some of those moneys taken out of one pocket and put into another pocket for emergency funding were otherwise destined to be spent in Africa on the very problem they have been diverted to. So it is not entirely new money, and if we want to talk about the generous response we are able to provide, we should be talking about new money, not just recycled money.

I would like to correct the impression given by the previous speaker that Canada has been the greatest per capita contributor. This is simply not the case. A number of western European countries have higher per capita donations, such countries as Holland, Norway and Sweden. I note with a certain amount of shame that Ethiopia was excluded from external aid by the previous Liberal Government for a number of years. This generosity is now making up for some neglect over a number of years.

Finally, I would like to ask the Minister to respond to the very precise list of needs compiled by Mr. Jansson, the UN co-ordinator for Ethiopia. Specifically, he asked for 1.3 million metric tonnes of food for this year. I suggest that a reasonable response for Canada would be in the order of 200,000 metric tonnes of grain. This is the area we have been asked to contribute to. There are other items on the list which Mr. Jansson has forwarded, but they can be provided by other countries. As a grain-growing country, this is certainly the contribution we ought to be making. I note that India last year provided 100,000 metric tonnes of grain, so when I suggest a figure of 200,000 tonnes it is not an unbelieveable figure. If a poor country which has experienced famine itself can be generous to the tune of 100,000 tonnes, why can we not afford 200,000? I would like to see a response in very precise terms on that, as well as on the question of restoring the funding which has been redirected to CIDA and IDRC.

Mr. Speaker: Questions?

Mr. Tobin: Mr. Speaker, I would like to take this opportunity as well to comment on the interim report by the Secretary of State for External Affairs (Mr. Clark). I want to welcome, as other Members have, this announcement today of an additional $15 million to be used to provide relief to famine victims in Ethiopia. I assume that applies to famine victims in the sub-Sahel of Africa generally. I think the Minister, in appointing Mr. David MacDonald as his Canadian African famine co-ordinator, wisely put emphasis on the several dozen nations of Africa which are severely affected, not just on Ethiopia.

Some time ago in this House questions were raised as a result of a CBC documentary about the way in which Canadian aid or aid generally was being used in Ethiopia. I am sure the Minister noted it was not a persistent series of—

Mr. Dick: Question.

Mr. Tobin: I am coming to the question, Mr. Speaker. I thought, given the nature of the matter—I guess I was sadly mistaken—that this House was able to—

Mr. Speaker: With due respect, I will take no time out of this to explain the situation. I have several Members who wish to put questions. The purpose of this period is for questioning the Minister. The Hon. Member takes the subject seriously and I know he does. He may have a statement he wishes to make at the appropriate time tomorrow. That is his privilege. I have a number of Members waiting to ask questions so I presume he would like to come to his.

Mr. Tobin: Mr. Speaker, Canada cut $180 million out of our CIDA program in the fiscal year 1985-86. The concern has been expressed by many of those involved in the aid business that nations of the western world make a serious mistake in simply channelling long-term development funds into short-term emergency assistance. In order to prevent further crises down the road in Ethiopia and many other nations, will the Minister undertake a restoration of the long-term aid dollars necessary to prevent the type of African famine we have seen to date? Will he undertake to make that representation to his Cabinet?

● (1520)

Mr. Clark (Yellowhead): I will begin by thanking the Hon. Member for his consistent support for the efforts of Canada in this regard. He was one of the Members of Parliament who travelled with Mr. MacDonald to Africa. If I may say so, he made a signal and positive contribution to the activities of that commission.

I could enter into an argument with the Member and the Member for Saint-Maurice (Mr. Chrétien) over who cut what from CIDA, because there were cuts in the summer of 1984 when the Member for Saint-Maurice was the Minister. There were also some changes in the CIDA budget announced in the statement by my colleague, the Minister of Finance (Mr. Wilson). I think that is really partisanship and is not appropriate to the approach we have taken to this question.

I believe, as he does, that we face two urgent requirements. One is to do what we can to help the starving. The other, which in the long run is far more important, is to put money and, perhaps more importantly than that, Canadian talent into helping several countries of Africa put their agriculture and economies on a sustaining basis. CIDA will be doing that. I hope that during the discussions when Mr. MacDonald appears before the standing committee there will be an opportunity to discuss concrete ways in which Canada can do that. I met yesterday with Mr. Brad Morse, the director of the United Nations special projects regarding Africa, to discuss how we can co-operate with the United Nations to do that.

I will continue my efforts to find and direct as much money as we can in our current economic circumstances to those purposes. I welcome the continuing support of the Hon. Member and his colleagues.

Mr. Skelly: Mr. Speaker, I would like to ask five short questions of the Minister concerning his report. Would the Minister confirm that all the warehouse space in Ethiopia is being bought up by the Government and that that is creating problems in terms of slowing distribution and the possibility of diverting? Would the Minister confirm that the Government is not providing land support, that once food is dropped at the port there is no money to move it to distribution staging areas? As one example, it cost $5,000 to move 20 tonnes of food from port to distribution areas. There are no trucks and no infrastructure.

My third question is with regard to a Canadian organized airlift in which the East Germans, the Libyans and Interflug had to supply the aircraft. There is no Canadian aircraft there even though we have enormous expertise in this country. The food was moved from port to staging area a month ago and is still sitting in the staging area because there is no distribution.

Fourth, Canada's aid was channelled through a tripartite agreement between the United Nations High Commission on Refugees, the Relief and Rehabilitation Commission of Ethiopia and Canada, which was signed in Geneva many months ago. The United Nations Commission in Ethiopia has failed to deliver on the infrastructure to help Canadian organizations communicate and deliver their material.

Mr. Speaker: With great respect, I will get to the Hon. Member's fifth question if we have time. There are several Members who wish to ask questions. The Hon. Minister may wish to respond to the first four.

Mr. Clark (Yellowhead): Mr. Speaker, I am afraid that I cannot answer in detail because I do not have the information at hand. It is precisely because I do not have that detailed information that I have made such a point of suggesting that Mr. MacDonald's report go to committee and that there be detailed discussion there.

I can confirm generally, as I have throughout, that the Government and authorities of Ethiopia have given us and the non-governmental organizations on the ground their undertaking to expedite delivery of aid to the starving as much as possible. Obviously, that will not happen perfectly. If there is something other than natural imperfection, in other words, if there is government policy in Ethiopia at issue, we would want to use such influence as we have to ensure that the Government of Ethiopia is doing what it can to deliver aid to those in need.

Ms. McDonald: Mr. Speaker, I asked a number of questions which have not been responded to by the Minister. I wonder if I could have answers to them. They are not technical questions.

Mr. Clark (Yellowhead): I have made note of at least two of the questions. With regard to new funds, these are not new funds; some of the funds are transferred. I would like to be able to give the Member a precise breakdown of how much of the $15 million is new to our envelope but I cannot. I can say that in the neighbourhood of $6 million to $7 million, which is slightly less than half, is new to our envelope. The Hon. Member was concerned that some of the transfers may have been from other funds available to Africa. That is not the case. They have come from other aspects of the External Affairs envelope.

The Hon. Member suggested that there should be no limit on matching. In a perfect world I would agree that there should be no limit on matching. The Government is operating under very serious economic restraints. It is our judgment, which I believe is broadly concurred in by the non-governmental organizations, that the period of matching grants as a

catalyst may well be past. We may well be in a situation in which Canadians are prepared to contribute without the catalyst of matching grants. That will mean that such money as the Government of Canada has available for these purposes will be available to be directed to other purposes, including longer range development.

With regard to the list of proposals by Mr. Jansson, I request that the Hon. Member direct that question to Mr. MacDonald when he appears before the standing committee. I am afraid I do not have the answer to that at hand.

Mr. Langdon: Mr. Speaker, the questions which I would like to ask arise from the conference which the Minister was deeply involved in in January with respect to longer term development prospects for Africa after the crisis in Ethiopia has been resolved. I would like to raise two particular points that were important in the discussions at that conference.

The first has to do with the policy which the Canadian Government has followed. It has not considered certain African countries to be targets for concentrated aid. This was sometimes for political reasons, as was the case with Ethiopia during the 1978 to 1983 period. The country which was particularly stressed at that conference was Mozambique, which itself is facing—

Mr. Speaker: Does the Member have a question, please?

Mr. Langdon: Yes. In fact, the question—

Mr. Speaker: It is just like Question Period. Is there a question?

Mr. Langdon: Is the Government now able to announce that Mozambique specifically will be a possible recipient? Is the Government also prepared to announce that it is now going to move on another recommendation from that conference that, for an experimental period at least, we consider untying CIDA funds with respect to rural development projects within Africa? That tying has been a major impediment in the underlying building of infrastructure to try to help avoid these crises in the future.

Mr. Clark (Yellowhead): Mr. Speaker, I think it is worth drawing to the attention of the House that all of the Members who have asked questions today have been involved in one way or another very directly in the program of response to Ethiopia. Three of them have been in Africa as part of the Government's program. The Hon. Member who just put a question was a very active member of a very productive seminar at the beginning of the year. I am most interested in maintaining that multipartisan approach to this issue. It seems to me that one of the best instruments to do that is the standing committee.

I will not pretend that the only reason I am not in a position to answer the two questions put by the Hon. Member is because I want them to be considered by the standing committee. We have simply not been able to address some of the those questions in the department yet. I say absolutely sincerely that I look for guidance from the standing committee, once Mr. MacDonald's report is before it, as to what we should be doing.

There have been seminars which have been helpful. There have been visits which have been helpful. I think the lesson we have learned is that part of the reason for the unprecedented interest of Canadians in the response to this crisis is that it has not been affected by partisanship. I want to maintain that momentum and I think discussion of questions of the kind raised by the Hon. Member at the standing committee and then Government action on those recommendations is the best way to proceed.

• (1530)

Mr. Speaker: Last question, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie).

Mr. McKenzie: Mr. Speaker, I have a brief question for the Secretary of State for External Affairs (Mr. Clark). There are repeated news reports that the Marxist-Leninist Government that governs Ethiopia is armed to the teeth. Is the Marxist-Leninist Government buying these weapons or are they being provided free? What is the purpose of a country like Ethiopia being armed to the teeth?

If the Minister does not have all of the information, could the committee provide some information about that? I think the Canadian people would like to be informed about why that Marxist-Leninist Government in Ethiopia is so armed.

Mr. Clark (Yellowhead): Mr. Speaker, there are arms in Ethiopia. There is a civil war in Ethiopia. That is part of the problem we are facing. I presume that some of the arms are purchased and that some come by other means.

If I may tell the House, my daughter was among the thousands of Canadians who agreed to the contribution of the family allowance cheque to which she has a claim to the funds of Ethiopia. She spent an evening with a great aunt of hers and came home the other day, accusing me that her money for Ethiopia had been sent to the market, by which the meant the Byward Market. She was very concerned about that. It turned out that she or her great aunt were confused between the market and the Marxist. I assured her that whatever difficulties may arise—I can offer this assurance to Canadians—the great majority of the contributions we are making are getting through to people in need in Ethiopia.

Mr. Foster: Mr. Speaker, I rise on a point of order. I have a couple of brief questions for the Minister. I wonder if I may obtain the unanimous support of the House to put the questions to the Minister, because they are very pertinent.

Mr. Speaker: I fully respect that they are pertinent questions, but I am sorry, there are traditions about the length of the question period after a Minister's statement. The reason I rose earlier was to suggest to Members that their questions be shorter in order to accommodate more Members. In my judgment, I am afraid that the appropriate time has expired.

Mr. Foster: On a point of order—

Mr. Speaker: In my judgment, the appropriate time has expired.

Mr. Skelly: Mr. Speaker, I rise on a point of order. Would you clarify for me, as a Member, that another Member in the House cannot rise and ask for the unanimous consent of Members to do something?

Mr. Speaker: The Standing Orders are absolutely clear about when the question period after a Minister's statement ends. It ends when the Speaker deems that it ends.

Mr. Foster: I was asking for consent to put a question to the Minister.

Mr. Speaker: The Standing Orders say that the question period ends when the Speaker says that it ends. There is no point of order appeal from that decision.

Mr. Foster: We are really discriminated against.

Mr. Speaker: The Member says that I am discriminating. I recognized no one but Opposition questioners until the end, when I recognized the one Government Member. On two separate occasions I appealed to members of both Opposition Parties to be short so that more Members could ask questions.

With due respect to the Member for Algoma (Mr. Foster), I find the suggestion, *sotto voce* or not *sotto voce*, that I am discriminating is unfair. I must limit the time according to my judgment because the tradition has been very clearly—the Member has been here long enough to know it—that the collective period of time does not generally exceed the collective total amount of time taken for the statement, unless there is a very good reason. In fact, we have exceeded that time today because I knew Members wished to put questions. I went beyond the normal time, but at some point I must end it in order to get to the day's business. I have exercised that judgment from which there is no appeal.

Mr. Skelly: Mr. Speaker, without disrespect to the Speaker, for future guidance—

Mr. Speaker: What is the point of order?

Mr. Skelly: The point of order is that in guiding the House—

Mr. Speaker: What is the point of order, please? I think I have been utterly clear on this matter.

Mr. Skelly: The point of order is that in a matter—

Mr. Speaker: What is the point of order?

Mr. Skelly: I will come to my point of order, Mr. Speaker, if you will permit me. I am asking that—

Mr. Speaker: Order. The Member for Comox-Powell River (Mr. Skelly) on a point of order.

Mr. Skelly: Mr. Speaker, I would like to ask whether, in future cases concerning matters of high interest and serious non-partisan concern in the House, it is possible that the previous traditions would not be rigidly held so that there would be some flexibility on all parts, recognizing the pressing concern. I simply ask if that is a possibility.

Mr. Speaker: I accept that the Hon. Member's concern is serious. That is why I indicated that I went beyond what is normal in the House in this case. I granted more time and more questions than usual. That is precisely why I asked the Hon. Member to restrict himself from five to four in order to allow others to speak in the limited time that is available.

If there was enough time I would have come back to the Hon. Member for Comox-Powell River so he could put more questions. However, given the number of people who wished to raise questions, I exercised my judgment in a way that I thought was appropriate. I thought the subject was important and I let the questions continue for longer than normal. I thought that was appropriate in the circumstances. Petitions.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege just to clarify the points made by the Speaker.

Mr. Speaker: We are on petitions. The Hon. Member for Shefford (Mr. Lapierre).

[*Translation*]

Mr. Lapierre: Mr. Speaker, the Hon. Member for Saint-Maurice (Mr. Chrétien) raised a question of privilege. I think he should have the floor before me.

[*English*]

Mr. Chrétien: Mr. Speaker, I do not intervene very often with questions of privilege. I rise because of a statement that I want to be clarified. If I understood you correctly, you said that even with unanimous consent of the House you would not allow more questions. That affects my privilege because it is the House that can decide unanimously what to do.

Mr. Speaker: With great respect, the Speaker is required by the Standing Orders to make a judgment at some point as to when the appropriate question period is over. That is not appealable. There is no such thing as an appeal on that matter in the House.

The Member is attempting to resort to unanimous consent apparently to change the decision of the Speaker. It cannot be done. There is no provision to allow it. I must make a judgment at some point and that is what the Standing Order obligates me to do. With due respect, that is the end of it. The Hon. Member for Shefford.

* * *

[*Translation*]

PETITIONS

UNEMPLOYMENT INSURANCE CHEQUES

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have the honour to present a petition of the undersigned residents of

Canada who now exercise their ancient and unchallenged right to present a common grievance, with the assurance that your honourable House will provide a remedy.

They humbly sheweth that:

The inordinate amount of time taken by payment centre officials to forward unemployment insurance cheques is unacceptable; and that the labour dispute between the Unemployment Insurance Commission and payment centre officials do not concern recipients who do not have the means or are not in a position to wait for their benefits for months on end.

Wherefore the undersigned humbly call upon Parliament to urge the Minister of Employment and Immigration (Miss MacDonald) to intervene in this case so as to set things straight as soon as possible.

[*English*]

CALL FOR ESTABLISHMENT OF PENITENTIARY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise to present a petition on behalf of approximately 5,000 citizens of my riding in central Newfoundland calling on the Government to establish immediately a minimum-medium security penitentiary in the Town of Windsor.

Whereas there is no such penitentiary in Newfoundland, and never has been, this petition calls on the Government now to keep the commitment of the former administration and establish that penitentiary in Windsor, Newfoundland.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-222, an Act to amend the Canadian Human Rights Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, as the title indicates, the purpose of the Bill is to make an amendment to the Canadian Human Rights Act.

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

CRIMINAL CODE

MEASURE TO AMEND

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-223, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, the purpose of this Bill is to impose a death sentence in all cases of first degree murder.

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

* * *

• (1540)

WESTERN GRAIN STABILIZATION ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)) moved for leave to introduce Bill C-29, an Act to amend the Western Grain Stabilization Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 88, 93, 155 and 213.

[*Text*]

PARLIAMENT HILL PEACE CAMP

Question No. 88—**Mr. Blenkarn:**

Is the Minister of Public Works contemplating passing regulations with respect to those who would like to set up camps on Parliament Hill to protest government activity?

Hon. Roch La Salle (Minister of Public Works): All regulations concerning the use of all government-owned property in Canada are now under review.

PROTEST CAMPS ON PARLIAMENT HILL

Question No. 93—**Mr. Blenkarn:**

Will a fee be charged to those setting up protest camps on Parliament Hill and, if so, will the Government provide a schedule of these fees?

Hon. Roch La Salle (Minister of Public Works): The charging of fees to those setting up protest camps on Parliament Hill is not being considered at the present time.

SCIENCE AND TECHNOLOGY PROGRAMS—CUTS IN PROJECTS

Question No. 155—**Mr. Orlikow:**

Has the Department of Fisheries and Oceans cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Among the program changes within the Department resulting from the expenditure reductions announced on November 8, 1984, were certain activities of a scientific and technological nature. In deciding on these reductions, special importance was attached to maintaining the Department's scientific capacity. Consequently, these reductions were chosen so as not to hamper the Department in carrying out its mandate of improving our knowledge of the fisheries resource base, of providing information to ocean-based industries, or of studying long-term ocean-related science issues.

The specific program reductions are as follows:

Expenditure Reductions	$000 1985/86	1986/87	1987/88
OSS remote-sensing program (termination of program)	600	500	—
Terminate use of Coast Guard icebreakers for data collection	50	50	50
Arctic Biological Station—Ste. Anne de Bellevue (closure)	750	350	350
Technology Laboratory (Pacific) Vancouver (closure)	1,038	1,038	1,038
Ellerslie Fisheries Station (relocation of research section to the station at Miminegash)	40	40	40
Northern oil and gas action plan[1] (program reduction)	4,500	4,500	4,500
Office of Energy Research and Development[2] (program reduction)	1,794	1,794	1,794

[1] Funding to DFO is provided under a national program coordinated by DIAND. Final interdepartmental allocation decisions have not as yet been made. The resources indicated are approximations.

[2] Funding to DFO is provided under a national program coordinated by EM&R.

DPW—CONTRACTS AWARDED

Question No. 213—**Mr. Boudria:**

1. With reference to the answer to question No. 112, what are the names of the individuals or companies who were awarded four contracts by the Department of Public Works, originating in whole or in part, from the constituency of Manicouagan?

2. In each case what was the value of the contract?

Point of Order—Ms. Mitchell

Hon. Roch La Salle (Minister of Public Works): 1 and 2. The names of the four contractors from the constituency of Manicouagan and the value of each contract awarded by Public Works Canada are as follows:

Name	Contract Amount
Entreprises C.V.S. Enr., Port-Cartier, Québec	$ 6,720
Construction G. Desrosiers, Sept-Îles, Québec	$23,302
M. Roland Doyle, Havre-St. Pierre, Québec	$11,799
Construction A. Parisée Inc., Sept-Îles, Québec	$58,670

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

SOCIAL SECURITY

REQUEST TO TABLE DISCUSSION PAPER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise on a point of order. I would like to ask for unanimous consent of the House to table a document entitled "Child Benefit Reform, a New Democratic Option" and to ask that this document be referred to the Standing Committee on Health, Welfare and Social Affairs as part of the consultation process which the Government has requested.

I have written to the Minister of National Health and Welfare (Mr. Epp) and also to the three House Leaders. I have also consulted with the Government House Leader about this matter. I hope that these documents could be tabled today.

Mr. Speaker: I regret to advise the Hon. Member that even by unanimous consent a Private Member may not table a document in the House of Commons. I am sure the Hon. Member did not know that when she rose to seek unanimous consent. With respect, it cannot be done.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed from Monday, February 11, 1985, consideration of the motion of Mr. Masse that Bill C-20, an Act to Amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, as someone who grew up in the television and telecommunications age, I welcome this opportunity to speak to the very interesting subject before the House today.

Mr. Speaker, television has had a considerable influence on the lives of all Canadians, especially those who were born in the 50's and after. I know there are a few in the House, not many on the Government side but there are a few.

Mr. Speaker, it is also a fact that television is starting to influence the lives of all Canadians more and more. For instance, did you know that Canadians now spend half their leisure time watching television? This means twenty-three hours a week watching television. The average Canadian will spend a total of nine years and his or her life watching television. It is also a fact that television as an instrument of social policy is very important for Canada, especially, Mr. Speaker, because of our geographical location along the American border, and the fact that 75 per cent of the television programs we receive in Canada are American.

Even now, with our national CBC channel, we are in a situation where our national culture is threatened by the fact that every day, Canadians are confronted with 75 per cent American content on television.

Mr. Speaker, before passing this Bill, we must ask ourselves: Is television a right that belongs to the Canadian people or is it a right that belongs to government and especially the Government in power in this Parliament?

Mr. Speaker, I would like to suggest that television is not the property of any government, either the former Liberal Government or the present Conservative Government. We are not here to exercise control over television. Television belongs to all Canadians, and Mr. Speaker, I shall, if I may, quote a former Canadian Prime Minister, a Conservative Prime Minister, who said that public television was very important for Canada.

[*English*]

I would like to point out to the House that a former Prime Minister, one whom I am sure Members on the government side of the House will well remember, R. B. Bennett, when introducing the Broadcasting Act into the House of Commons, stated that this country must be assured of complete Canadian control of broadcasting from Canadian sources free from foreign interference or influence. He was unequivocal about the method. I think this is important in this new tone of private sector involvement which has come forth from this Government, and as well is the very real fear expressed by the Canadian people that if this particular motion is allowed to pass we may see public ownership of our public air waves being threatened as it never was before.

When Prime Minister Bennett introduced the Broadcasting Act, he told the Canadian people that no other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures of broadcasting. I do not think any government would be warranted in leaving the air to private exploitation instead of reserving it for the use of the people. That was the position taken by a former Conservative Government, and it was supported in later developments with respect to broadcasting when we heard from—

[*Translation*]

—the Hon. Lionel Chevrier who is well known, particularly in Quebec, and who said: The main reason for promoting public television in Canada is that we would like to have popular and cultural programs produced in Canada, by Canadians and about Canada. We have nothing against American programs, but we do not want them to be in a position to monopolize our broadcasting time.

[*English*]

Lionel Chevrier felt that public television was important enough that American programming should not be allowed to dominate the Canadian air waves. We see in 1985 a situation where 75 per cent of our television, of which the average Canadian will spend nine years of his or her life watching, happens to be non-Canadian; in fact, American programming.

Mr. de Jong: That is what happened under the Liberal Government.

Ms. Copps: It is clear that this motion before us to allow the Government to take control, indirectly or directly, over the Canadian Radio-television and Telecommunications Commission will further exacerbate a situation which is already unacceptable and which has been further threatened by the Government's decision to cut back on funding to that instrument of national, cultural and public policy, the Canadian Broadcasting Corporation.

We have in past governments, dating since the inception of television, made a commitment in this House and to the people of Canada that public broadcasting is an essential component, as integral and important as our railway system which links east to west. I had the opportunity of waking up Monday morning in Halifax to the tones of the same radio program which I would have had an opportunity to hear in Hamilton or out in Vancouver. It was radio programming by our public broadcasting corporation, CBC. It has been a link in Canadian lives across the country. The Government suggests that a

cut-back of a few million here and there will not affect Canadian culture, which I think has been a bonus for all of us and has helped to fight in some small measure the onslaught of Americanism on our public air waves.

• (1550)

Another myth is that Canadians are not interested in watching Canadian broadcasting. I should like to look at some of the regular programs of the CBC. On a regular basis, 1.8 million Canadians watch *The National*; 1.6 million Canadians watch *The Journal*; over 1.5 million Canadians watch *The Fifth Estate*; and 1.6 million Canadians watch *Fraggle Rock*. We heard our friend on the government side of the House speaking about the benefits of *The Friendly Giant*. *Fraggle Rock* is being watched by 1.6 million Canadian adults and children across the country. What about *The Tommy Hunter Show*? I am sure my friends in the Maritimes would hate to see that go down the tubes; 1.5 million Canadians watch that variety program.

Mr. Angus: What about *Don Messer's Jubilee*?

Ms. Copps: Yes, what about *Don Messer's Jubilee*? It was a very good example of a variety program which really was a link across the country. Those of us who have had an opportunity to see theatre recently will know that *Don Messer's Jubilee* was a part of the times. When I grew up, it was my first link with the Maritimes. I would really hate to see *The Tommy Hunter Show*, *The Beachcombers* and *Hockey Night in Canada* go the way of *Don Messer's Jubilee*. *Hockey Night in Canada* is probably watched more by Liberals than by Conservatives because we happen to be the best hockey players in the House. The audience for *Hockey Night in Canada* amounts to between two million and three million Canadians. Approximately 1.25 million Canadians watch *The Nature of Things*.

There has been a suggestion by government Members that the cut-backs thrust upon the CBC will not affect the kind of Canadian culture and programming we have come to enjoy. However, I would suggest that programs like *Chautauqua Girl*, which in fact was watched by 2.6 million Canadians, would not have been produced under a Conservative regime imposing millions of dollars of cuts upon CBC. What about *The Grey Fox*, another great Canadian production? Over two million people watched it. *Gentle Sinners* drew 2.26 million viewers. We may find it hard to believe, in this new notion of privatization thrust upon us by the Government, that CBC television produces 90 per cent of Canadian television drama. The thrust of this particular Bill, as well as the thrust of the cut-backs which have been forced upon the CBC by the Government, tells Canadians that not only will the Government impose cuts on the CBC, not only does it want to take over direct control of the CRTC, but it has formed its own committee to tell CBC where in fact to make its cuts.

Canadians will have to ask themselves whether, when they voted for the Government in unprecedented numbers on September 4, they voted for the abolition of the one cultural link which has kept the country together. Did they vote for the abolishment of an instrument which is doing something, in its own small way, to battle the statistic that 75 per cent of television is American programming? Did Canadians vote to abolish *Fraggle Rock* and *The Friendly Giant*? Or did they expect that the Government would live up to its promise to ensure that these vehicles of cultural development would be part of the sacred trust about which the Prime Minister (Mr. Mulroney) spoke?

Canadians supported the Government *en masse*, not to make cut-backs but because they actually believed the promises of the Prime Minister and his Government when they said that they were committed to universality and to the cultural heritage of organizations such as the CBC. Unlike Members on the government side of the House, the Liberal Party believes that Canadians believe in Canadian culture and in encouraging Canadian drama. In fact, public attitude to the arts reflects our position on this particular Bill. I should like to indicate that 82 per cent of Canadians feel it is important to encourage, promote and develop talent and artistic activities, that 78 per cent of Canadians believe that the Government should support distinctively Canadian films, and that 75 per cent of Canadians feel that the CRTC should concentrate on improving the quality of programming.

Another issue is that somehow, if we support publicly funded television and radio, a public vehicle for cultural appreciation across the country, it will cost Canadian jobs. There is a notion on the government side of the House that all things American lead to job creation when the facts show otherwise. In terms of government expenditures in the arts and in the arts as an industry, the arts is one of the top 20 manufacturing industries in Canada. The arts is a job-creation vehicle as well as a cultural link from coast to coast. It is the largest manufacturing industry in terms of employment in the country. It is the sixth largest in terms of salaries and wages. Artists are not living off the fat of the land. Even though they are the greatest in number, they are only the sixth largest in salaries. It is the eleventh largest vehicle in terms of revenues; that is, a revenue-producing manufacturing industry. The arts-related workforce comprises 4 per cent of the Canadian labour force. Approximately 414,000 individuals made their way in the arts in fiscal year 1982-83. Between 1971 and 1981, under a Liberal Government, the arts labour force increased by 74 per cent. It is fair to say that one of the reasons for that expansion was a clear commitment to Canadianize not only the content of our public air waves but to ensure that the arts and theatre had a very strong and leading role to play in society.

When we talk about attending a Canadian play or watching a Canadian movie, of every revenue dollar earned in other manufacturing industries, only 20 cents is spent on salaries and wages; but the arts happens to be one of the most labour-intensive industries in the country. For every dollar spent to see a Canadian production, play or film, 66 per cent goes to salaries and wages. Even given that figure, average wages in the performing arts are less than half those in other

manufacturing industries. Artists are not making themselves rich at the expense of taxpayers; they are creating a very labour-intensive, revenue-producing industry which creates jobs for Canadians. In fact, these jobs would not otherwise be available if we sold off our public air waves, as is being suggested by the Government.

I think government Members should use this opportunity to clear up the confusion surrounding the actual role of CBC in 1985. Also they should clear up the undercurrent of concern which has been expressed not only at the level of the arts community but by the public at large. That concern is specifically directed toward discussions, concerns and rumours, certainly published rumours, that private companies are looking to put together a package to purchase organizations such as the Canadian Broadcasting Corporation. It has gone beyond the realm of simply being the private fantasies of certain government Members because in fact we have seen published reports that private companies are developing plans and programs which could potentially look at something like the purchase of the CBC.

• (1600)

It is certainly the position of this Party, and I think it should be the reiterated position of the Government, that any private consortium or corporation, either with background in the broadcasting field or without, should keep its hands off the Canadian Broadcasting Corporation because the CBC and Radio-Canada have been instruments and tools through which all Canadians can voice some kind of a national identity.

[*Translation*]

Mr. Speaker, as a Canadian who was brought up with television, I think that a few members in this House remember very well the time when radio was our only link between the Atlantic and the Pacific. I belong to the generation of youngsters who saw the advent of television. A good many of you who have young children are aware that television has a growing influence on them.

Mr. Speaker, I wish the Government would, once and for all, give Canadians the assurance and guarantee that the CBC will never be affected or sold, never bought by any private companies, with or without experience in radio and TV broadcasting. To my mind, Mr. Speaker, our CBC network is much like our railways—it links all Canadians, and whether I am in Montreal, Hamilton or Vancouver, I will always be able to listen to the CBC news, I will always be able to watch the program *Le point*.

Mr. Speaker, as introduced by this Government, the Bill is a clear indication that TV broadcasting and communications will no longer be the prerogative and right of all Canadian men and women, but that they will depend on the political whim and power of the state.

I am not here as a Canadian only to uphold the rights of the Government, I am here to defend the right of all Canadians, men and women alike, to have ready access to our airwaves without interference from any political faction or any Government. We are now seeing the CRTC give up direct responsibility over our airwaves. In my opinion, considering that we are being inundated by American TV programs, the situation is becoming intolerable for all Canadians, especially those who would like to keep our Canadian culture.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments?

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I wish to make just a brief comment. I listened with great interest to the intervention of the Hon. Member for Hamilton East (Ms. Copps). There are many points that she made with which I cannot disagree. However, I would not want the hon. lady to mislead the House, unintentionally, by suggesting that public television is in danger as a result of Bill C-20. I do not think we can let her get away with the remark that there is anything in this Bill that threatens the existence of public television. In fact, the Prime Minister (Mr. Mulroney) has made it very clear that the CBC is not for sale.

I for one stand up for the integrity of the CBC. Most if not all Members on this side of the House do the same. I would like the hon. lady to point out any section of the Bill which threatens public broadcasting.

If the Hon. Member is talking about the cut-backs that have recently been announced for the Canadian Broadcasting Corporation, that is not outlined in this Bill. It is true that many Hon. Members have bootlegged the CBC cut-backs as part of the debate on Bill C-20. I would also point out to the hon. lady from Hamilton East that this Bill is deeply rooted in Liberal Government thinking from the previous administration, as it was originally presented by the Hon. Francis Fox. This is basically the same Bill that we are asking to be sent to committee for detailed examination.

Ms. Copps: Mr. Speaker, I want to thank the Hon. Member for Hamilton-Wentworth (Mr. Scott) for his intervention. I know of his long-standing history in the broadcasting business. Our great Channel 11 television station in Hamilton, although private, is good.

I am not sure whether the Hon. Member caught the whole gist of what I was trying to say. The comments I made were directed specifically to this Bill in the sense that the CRTC will now be giving up its ultimate authority, in terms of decision-making relating to both public and private broadcasting stations, to Parliament, specifically to the Cabinet of this Government. In that decision to move the power away from the CRTC, an independent, non-political, quasi-judicial body, and into the House of Commons, I feel that Canadian people are giving up the right to have the kind of independent control exclusive of Cabinet or political affiliation which existed under the previous legislation.

My comments relating to the CBC were to ask the Government to take this opportunity to clear up, not only rumours which have been circulating in the cultural community, but

also published reports of private consortiums that are looking at putting together a package for the possible purchase of the CBC. It was my intention in the context of this Bill to allow the Government to clear up once and for all the confusion. Naturally Canadians are confused when they see that one of the first acts of this Government is the slicing of the CBC budget by millions of dollars.

I might add that, notwithstanding the alleged promise of the Prime Minister never to sell the CBC, the Prime Minister also said that he would never take away baby bonuses from families earning $35,000 a year. We know that is currently under consideration. The Prime Minister also said that he would never, either in the short term or long term, take away tax exemptions from families with children, and we know that is under consideration.

I do not believe we want to get into a debate on what the Prime Minister has said or has not said in the past or will say or will not say in the future. Believe me, that could become very convoluted. I hope the Government will use this opportunity to clear for the record, once and for all, the status, present and future, of the CBC, so that Canadians can rest assured that this tool of national unity for Canadians will remain preserved and will continue to flourish.

Mr. Angus: Mr. Speaker, I listened with interest to the Hon. Member's comments. The suggestion has been made by some people regarding the removal of commercials from the CBC television network, much in the same way that commercials were removed from the CBC radio arm. Does the Hon. Member agree with that approach? Also, does she agree with the suggestion that all of the American programs should be dumped from CBC television in favour of rerunning a number of very good specials which she mentioned in her speech?

Ms. Copps: Mr. Speaker, I am certainly not a programming expert. I would not suggest that all American programming be dumped. Certainly, there is programming on both sides of the border that is worth keeping. I would not want to see an over-all, unanimous decision not to allow any kind of foreign programming on our Canadian Broadcasting Corporation airwaves. Certainly the radio broadcasting service has been extremely well served by having a non-commercial access to Canadians.

With respect to the actual television revenues, obviously when you are looking at the revenue statement of the Canadian Broadcasting Corporation you have to take into account whether the Government is prepared to replace those lost revenues with further revenues. In light of the Government's decision to cut back on the budget, it might place the CBC in a very detrimental position if the Government were to impose a cut-back on commercials without a corresponding increase in revenues.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that even with the significant reduction of about $75 million from the Canadian Broadcasting Corporation budget, the subsidy to the CBC is about $32 for every man, woman and child in this country. That cut was only about $3 for every man, woman and child in this country. Bearing in mind that the country is running at least a $35 billion deficit, does the Hon. Member not feel that there should be some paring back in some of our costs to the Government?

● (1610)

Ms. Copps: Mr. Speaker, I am sorry the Hon. Member for Mississauga South (Mr. Blenkarn) missed the point of my intervention. The point was that the arts community is one of the top employers in the country. I realize that the Hon. Member can only look at things in terms of the blinded deficit reduction mentality which has characterized most of his interventions in the House. But I think that the arts community is the largest manufacturing employer in the country. I would not want to go back to my riding, which has over a 10 per cent unemployment rate, and tell the artists, who are barely scraping up a living wage above the poverty line, that their programming and their occupations are going to be reduced as a result of government cut-backs.

The Hon. Member does not seem to realize that the impact of the CBC cut-backs will be directly felt in terms of lost jobs for artists across Canada. There are 414,000 Canadians—4 per cent of the Canadian workforce—who are directly or indirectly working in arts-related fields. That $75 million cut-back will have a very direct effect on jobs, if we consider that 66 cents out of every dollar which is spent in the arts goes to salaries. I consider that cut-back a direct attack on jobs for Canadians. I understood when the Government was elected that its first priority was not deficit reduction but jobs.

Mr. Blenkarn: Mr. Speaker, this subsidy addresses itself to one form of the cultural community. The Member was talking about the entire cultural community. Is it her belief that we are being fair to the cultural community in pouring the massive amount of money we do into one Crown corporation, and not perhaps treating sculpture and other forms of dramatic arts with anything like the generosity which is accorded to that corporation? If she is really interested in jobs, would it not be more sensible to assist the arts in general, rather than this one specific and rather large Crown corporation?

Ms. Copps: Mr. Speaker, I am not sure what kind of involvement the Hon. Member has with the arts community, but he should know that the CBC, certainly in terms of television arts and drama, has produced 90 per cent of the dramatic programming across the country. Therefore, it indirectly and directly employs thousands of those artists about whom he spoke.

I would also add that I find it somewhat confusing that the Member would suggest that moneys should be taken from the CBC and given to other members of the arts community, when he knows full well that in his own Government's financial statement the cut-backs were not restricted to the CBC. In fact, they were levied across the arts community at large. That is why there are people such as Pierre Burton, June Callwood and David Suzuki crying out against government cut-backs to

the arts community in general. I do not think the Government can be very proud of its reputation with the arts community at large. Therefore, he should not suggest that we should take from one in order to give to the other because, in fact, the Government has taken from both in order to give transfer payments to provincial Governments.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired. On debate, the Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on the amendments to the Canadian Radio-television and Telecommunications Commission Act. I found myself agreeing wholeheartedly with the previous speaker, with the exception of one point. I am not sure that the people of Canada voted for the Prime Minister (Mr. Mulroney) because they thought he would keep his promises. I think the people of Canada voted for the Prime Minister in unprecedented numbers because he was not a Liberal.

With respect to the Bill, I suggest that sometimes we forget that communications is a service for which the Government has a responsibility. Therefore, if we consider that our responsibility as a Government, then we should provide a minimum service which would be available to all people. When we are talking about communications—radio, television and telephone services—we should ensure that those services are available to as many people as possible and, as well, that they should be affordable to the general population.

In our wisdom, or lack of it, we in Canada have allowed a large portion of the communications system to be privately owned and operated for a profit. Profit is the aim of the operation. We have found it necessary in the past, and I am sure we will in the future, to regulate the industry in order to ensure that the services are available to all people at a minimum cost.

One of the great uniting factors in Canada has been the CBC, as was stated by the previous speaker. Other national systems have also contributed in the areas of radio and television, as has our well integrated and developed telephone system. My concern, which is shared by many Canadians, is that with the trend toward deregulation and the projection of a profit motive in the industry, we will be reducing the number of Canadians who have access to some of the services which have previously been available to them.

If we approach these national services in the way which is being suggested by the Government—not necessarily in this Bill, but generally in its philosophy—we will be making the communications services available at a cost which will make the profit more important than the service.

I would like to deal with three services which have been reduced because of the policies of this Government and the previous Government. The first area deals with services to the hard of hearing and profoundly deaf. The second area deals with the use and licensing of satellite dishes for television reception in remote areas, and the third area deals with the suggested deregulation of long distance service with the introduction of CNCP into the market.

I would like to speak first on the hard of hearing and the profoundly deaf. Technology is in place for the hard of hearing to be able to use telephones. Telephone companies have suggested that it would be quite possible to make the required technology a part of every telephone in the country. That would make it possible for a person who is hard of hearing to use any telephone which is at their disposal. However, the CRTC decided that it would not make this technology available and that it would not force all producers of telephones in Canada to include it in the manufacturing of the instrument. We need to keep the kind of regulations in place which would ensure this kind of equality and allow hard of hearing people to be able to use the phone anywhere. Perhaps we should review this decision. Perhaps it should be looked at again.

• (1620)

Profoundly deaf people are able to use an instrument called the TDY to communicate over long distance, but it is a typing operation and is slower. It takes a lot more telephone time than an ordinary telephone call. Some telephone companies have recognized the extra burden of cost this would be to the profoundly deaf individual and have given these individuals a break in the area of cost, but others have not. The local telephone companies here in Ontario—although some low-cost break is given—do not provide the extra time for the profoundly deaf to use the telephone. Perhaps we should require that the telephone companies do that, but we can only do it by extended regulating by the CRTC.

I think we should recognize that in order to have a good communications service, it must be available to all people. For example, the areas of Canada which have been unable to access a lot of radio and TV programs are the remote areas of this country, the far north, parts of northern Saskatchewan, Manitoba, Alberta, northern British Columbia and northern Ontario. Because these radio and TV programs are not available to the people in those areas, many communities and individuals have sought to deal with this broadcasting disparity by purchasing and installing their own receiving equipment and rebroadcasting or otherwise distributing the signals on an unregulated basis. This seems like a very acceptable entrepreneurial solution to providing this service and I hope this Bill will seek to clarify the definition of such rebroadcasting facilities which are sometimes found in large apartment blocks and hotels. This Bill, I understand, will bring them all under the jurisdiction of the CRTC. However, for many communities in remote areas which have satellite reception and equipment and are not licensed, this legislation will cause problems.

Some Hon. Members of this House, including government Members, have made commitments to their communities that they would help these communities gain access to these television programs without intervention by the RCMP, as is happening now. In the case of remote areas and under-served communities, these problems are now being addressed—and I give the Government credit for this—by the task force on the

distribution in under-served Canadian communities of satellite received broadcasting services. This task force was supposed to report on February 11.

We in this Party support this Bill on the understanding that the Government will act quickly on the recommendations of the task force and that options will be implemented for increasing the level of service and reducing the cost to these under-served communities. We feel that the extension of regulations is important in ensuring the viability of the Canadian broadcasting environment.

We would recommend that two or three basic principles be included. First is the guaranteeing of availability of Canadian information and cultural programming across the country. That should be a standard we do not move away from but should increase where it is presently deficient.

Second, we should ensure that new measures are found to fill the needs of those in remote areas who are now discriminated against. That is the approach I think we should take. I hope the Government, in giving these powers to the CRTC, will recognize that the Bill as it now reads will cause problems for those remote communities which are presently using satellites to receive services which they otherwise would not.

The third area of concern, Mr. Speaker, is the possible results of deregulation of long distance rates. The possibilities of what might happen if we deregulate the cost of long distance rates have been well documented across Canada. We have a living example in the States where the increases have been substantial. If CNCP Telecommunications services is allowed to compete freely, it will decrease the long distance cost somewhat for people using the service.

It will decrease the cost of long distance telephone service, but who uses the long distance telephone service? The large corporations, a few individuals and businesses across Canada are the major users of long distance services. The deregulation of rates will mostly affect the greatest number of users. These are people who use the phone daily for communication with their family and so on. Local service will be increased greatly by the deregulation of the long distance rate. This has been well documented and put before the CRTC. There are some of us who believe the CRTC has no right to rule in this particular area, but that is another matter.

Deregulation in Canada is estimated likely to raise the local rates for telephone service between 70 per cent and 125 per cent depending on which province you live in. Ninety-eight per cent of Canadian households have telephones. Of these people, 25 per cent to 30 per cent live at close to the poverty level or below the poverty line. That means, Mr. Speaker, if we proceed with deregulation as requested by CNCP Telecommunications, 20 per cent to 30 per cent of the persons presently using their telephones may not be able to continue to do so because they will not be able to afford it. That makes the communications system of Canada no longer a service. It then becomes a profit-oriented operation which is not available to everyone in the country because of cost. As I mentioned before, Mr. Speaker, there are many of us who are not at all sure that the CRTC has the right to make a decision on this issue.

My last and final area of concern is that although the CRTC is a responsible body, the responsible organization for regulation of the telephone and broadcasting services, this country does not have in place a really viable communications policy. Therefore, there is no doubt that Canada needs a clear and articulated communications policy established by government. The CRTC should operate within that policy and make sure the service is provided to all Canadians.

• (1630)

In the last number of years, because the communications industry has grown like topsy, the CRTC has been forced to make decisions in areas where it has not made decisions in the past. This was done in the absence of policy from the former Government. I hope this Government recognizes that and brings forward a comprehensive communications policy within which the regulatory body, the CRTC, can work. If these changes have a tendency to increase the Government's tendency to privatization, then I think policy should be stated in terms which will protect people in remote areas and the lower level of income earners. These policies that I suggest the Government should place before this House should be made in light of fairness and service to all Canadians. We could support the Government in that kind of change in policy.

The Acting Speaker (Mr. Paproski): Questions or comments on the Hon. Member's speech? Debate.

Mr. George Henderson (Egmont): Mr. Speaker, I am pleased today to speak on Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act. Over the past month I have received many calls of concern on the issues which fall under the jurisdiction of the Minister of Communications (Mr. Masse). Some of these issues are dealt with in the Bill, others I hope will be dealt with in the very near future. The Department of Communications has certainly been receiving more than its usual share of attention in the past few months. Of course, the cut-backs to the CBC and to Canada Council are of great concern to the people of Canada and certainly to the people of Prince Edward Island. I feel certain that the Minister of Communications will continue to receive representations on this matter from the people of Canada in the months to come.

With reference to the Bill before us, I received representations from cable operators concerned about the effect unauthorized foreign satellite signals originating from unlicenced operators will have on their operations which are licenced by the CRTC. These companies cannot compete with these signals without breaking the terms of their agreement. Few communities in my riding have access to cable services. In the more remote areas, satellite receivers are becoming a very popular item as more and more Prince Edward Islanders attempt to bring a wider variety of entertainment into their homes. Of course, I do not want to see that privilege taken

away from them, but at the same time I have some concerns over the quality of programming coming across on some of those unauthorized signals. In the interests of the future of our cable companies and the quality of programming received by satellite receiver owners, I am happy to see that this legislation is introduced once again to the House of Commons.

As I mentioned before, there are areas of my riding which are somewhat remote, there are very few sources of entertainment locally, so television and radio are very important to the people of my riding. There are farmers and fishermen who rely heavily on television and radio for their communications because of the local farm and fishing broadcasts which keep them up to date on weather conditions, market prices and general happenings in their industries. The CBC is one of the most important sources of this information in both television and radio formats. Basically, all the homes in Prince Edward Island listen to the *Radio Noon* program. It brings them reports on the prices of produce, fish, on research and development in those industries, and reports on developments which may affect their livelihood. *Radio Noon* is one of the major sources of information for these people, one that cannot easily be replaced. The local noon program in Prince Edward Island was eliminated with the *Radio Noon* broadcast from Halifax being substituted. Years ago we used to receive Halifax *Radio Noon* broadcast, but ratings in P.E.I. showed that only 5 per cent of the population listened to that program. However, when the program was moved to Charlottetown, ratings rose to 30 per cent. I was talking to some CBC employees just today on that very program and they say that in the last year or so the ratings have been up more than that. So I think the Islanders want to hear about their own industry and local events. It is difficult, of course, to get all the information locally, but *Radio Noon*, when it is returned to Halifax on April 1, will mean that a very valuable information source for all Prince Edward Islanders will be gone.

Window on Resources is of course another local television program covering the Island's primary industries, and that was eliminated in December. The primary industries of agriculture and the fishery are the very backbone of the P.E.I. economy. They deserve good local coverage. *Soundings*, which provides information to the fishing industry, has an uncertain future. Since part of the program is heard on *Radio Noon,* I am concerned about whether this program will report in the future.

Last weekend I had the opportunity to meet with one of the major farmers' organizations in the Province of P.E.I., the National Farmers' Union. Its members presented a brief on a number of issues pertaining to the agricultural community in P.E.I. The first item on the agenda was the cut-backs in programming and how it affected them. They made the point that these programs have done so much for their agricultural community. The Prince Edward Island Women's Institute is concerned about it because that was a vehicle for programming to get their message across. They were able to show what activities the Institute is carrying out on its own. Organizations such as the Maritime Fishermen's Union used that as an information vehicle to get sound advice to the rural people. Mr. Wayne Easter, President of the National Farmers Union noted in this brief that nationally the CBC cuts will not be felt as greatly by farmers as they will be in the Atlantic region, and especially in Prince Edward Island. He pointed out that the amount of $75 million was a political decision. We must understand that it was within the Government's jurisdiction to make that decision. The CBC must decide how the cuts are to be exercised.

● (1640)

Other speakers here today mentioned some of the artistic programs that are involved, such as *The Tommy Hunter Show* and *Don Messer's Jubilee* which originated from Prince Edward Island. Those shows are part of our Canadian heritage. Almost every home in Atlantic Canada was taking full advantage of those shows. Another program which will go by the wayside is called *Sounds of the Island*. That is a winter program which is on once a week and which features local talent. There is nothing more attractive to rural Canadians than seeing someone from their own community perform. They feel good about that. They believe, and rightly so, that there is a lot of good quality entertainment which needs exposure through local programming.

When pay-television was introduced to Prince Edward Island, I received hundreds of letters from Islanders who were concerned about the quality of programming that could come into their homes and the effect it could have on their children and on all of society. Over the years, television programs have become more and more violent and more sexually explicit. With satellite dishes, cable television, and video recorders, television is becoming a centre of family life. Television has become a tool of education, and the characters portrayed on television have become role models to Canadians. When young people watch *Hockey Night in Canada*, they watch for the Wayne Gretzkys of hockey. When they watch Canadian football, they watch for the stars. In many cases young people pattern their lives after the so-called stars. In Canada we have some excellent sports figures. Every superstar, no matter what facet of life they represent or what occupation they pursue, becomes an idol to someone.

I am happy to see that this Bill addresses, to some degree, the quality of programming. The Bill states that:

—the programming provided by the Canadian broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;

I am uncertain of how all of this will be achieved. I hope that Canadian programming will be maintained at a high standard without undue or unwarranted censorship. There is a very fine line between outright censorship and the protection that is outlined in this Bill. Further study of issues such as this will be required in committee in order to ensure that the rights of Canadians are not interfered with.

There is a significant Acadian population in my riding. I have received many letters from individuals and organizations who are very concerned about the effect that a 20 per cent

reduction in CBC's French operating budget will have on the future of French programming. It is difficult to maintain a minority language in a culture without significant support from communications sources such as radio and television. In the Acadian regions of my riding the French services provided by the CBC are the only French broadcasting services available. Any reductions in these services will have a very detrimental effect on the future of the French language and culture in Prince Edward Island.

On the local FM CBC station, *La Marée de l'Île* provides an hour and a half of Prince Edward Island-directed programming five days a week. This program is relatively new and only came about because of pressures from the local francophone organizations, which have a great interest in the future of the French language and culture in Prince Edward Island. I hope to see programming such as this increased rather than eliminated.

I have received letters from individuals and groups concerned about the cut-backs to the Canada Council. These cut-backs will affect the future of culture in Prince Edward Island as well as in the rest of Canada. They will also affect the employment of a great many Canadians. The Canada Council is closing its regional office in Moncton, which is the only office in the Atlantic provinces. The cancellation of the toll free telephone line to the Canada Council office will further affect the contact that the East Coast will have with the Canada Council and with other writers and artists across the country. Artists will lose their access to free financing and marketing advice. The Arts Advisory Board, which consists of representatives from all regions of the country, has been abolished. The loss of programs such as this threatens the direction of the arts community in Canada. It is important that arts be maintained as an alternative source of entertainment and employment for Canadians. The arts is a very important industry in Canada.

Mr. McDermid: Does the private sector support the arts?

Mr. Henderson: The private sector supports it in some way.

Mr. McDermid: Should it not support it more?

The Acting Speaker (Mr. Paproski): We will come to questions and comments a little later.

Mr. Henderson: I will talk about the private sector in communications and the arts. As the Hon. Member across the way has mentioned, it may well support the arts in some regions. In areas of the country where there is not a great private sector and the business communities are small, it is not able to support the arts. As an example, there is some private funding involved in the Confederation Centre of the Arts in Charlottetown. However, it relied heavily on financing from the Government of Canada and the provincial government of Prince Edward Island. If the private sector had been charged with the total responsibility of financing the Confederation Centre of the Arts in Charlottetown, it would have been closed long ago. We all know the great service which the Centre of the Arts does for the arts community. The play *Anne of Green Gables* is very attractive to Canadians as well as many other people around the world. The Japanese are very interested in the story of *Anne of Green Gables*. It brings many tourists to Prince Edward Island. I have talked to people who have seen that play as often as five times. It is certainly renowned throughout Canada. Some of the musicals that are staged at Confederation Centre are very important. It is incumbent upon government to support those artistic performances in our country.

● (1650)

The Hon. Member may be correct in stating that the private sector may be able to contribute more than it is to the artistic endeavours in central Canada, but this means that if extra funding is available it could be given to rural regions of the country rather than to those areas which have a so-called private sector base.

Canadians rely heavily on services provided under the authority of the Minister of Communications. I hope the Minister will take steps to protect the CBC programming that is directed at children, our primary producers or the francophone community outside of Quebec, and to ensure the quality and Canadian content in that broadcasting. I believe we will benefit from greater Canadian content as we are already subject to much programming from the United States. I have visited the United States and watched their programs, some that come to Canada. I believe that those programs are not of the same quality as those produced by the CTV, the CBC, our radio and print news media. I believe we should protect and maintain the quality of our weekly journals and daily newspapers throughout the country because they understand and reflect the fabric of Canada. Thank you, Mr. Speaker.

Mr. Foster: Mr. Speaker, after listening to the Hon. Member's speech, I realized that his area is very similar to northern Ontario. Both are removed from the gigantic metropolitan areas of the country.

The Minister of Communications (Mr. Masse) has made a drastic cut of some $75 million and an additional $10 million in technological advances for the CBC. I share many of the Hon. Member's views about the CBC.

A few years ago there was an extended coverage program in Canada that was designed to bring CBC Radio to approximately 98 per cent or 99 per cent of Canadians. That additional funding, which is a small percentage of those cuts which have taken place this year, has in fact extended the broadcasting to all areas of northern Ontario and many areas in the high Arctic, either through FM stations or low power relay transmitters. I believe this coverage is important to those areas in order to get greater information. While our locally owned and operated radio stations are important, I believe that national broadcasting corporation in our vast and diverse country is essential. The local stations tend to concentrate on local news as the CBC obviously has a distinct advantage in broadcasting international and national news. I believe that CBC news coverage is important, especially to smaller remote communi-

ties like those in the Maritimes, the North and northern Ontario.

Let me comment on the public affairs and information programs. Since I live in a part of Ontario that is close to the United States, we receive public broadcasting information programs from that source. While they are valuable programs, I do not believe that they compare at all to the information explosion we get from CBC programs like *Radio Noon*, which is very important for resources, and *This Country in the Morning*, which ties the entire country together. There are other programs such as *Fresh Air*—

Mr. McDermid: Mr. Speaker, I rise on a point of order. I understand that this is a period in which we can ask questions of the previous speaker and make comments. The Hon. Member sounds as if he were making a full-fledged speech. Some of us want to ask questions.

The Acting Speaker (Mr. Paproski): I am sure that the Hon. Member is coming to his question.

Mr. Foster: I was just getting to that, Mr. Speaker. I am sure the Hon. Member who comes from Prince Edward Island shares many of my views that the CBC plays a paramount role in providing a national network for national and international news. This is especially true for people in the smaller communities. The cuts being made are inappropriate and will be harmful if they begin to eliminate these major resource and information programs. I would be interested to hear the Hon. Member's comments about that.

Mr. Henderson: Mr. Speaker, I agree with some of the Hon. Member's comments. As I said in my remarks, one of the major farm organizations and the Federation of Agriculture in P.E.I. are also extremely concerned about cuts in local programming as it affects their industries. I am sure that this applies to the Hon. Member's area as well.

Many of the programs originated locally. I recall some of these programs which began years ago. I remember a documentary program about oyster culture. The commentators went to the source in that documentary film and spoke about the artificial breeding of oysters, including the rearing of larvae that were suspended in water tanks and the culture of flagellates and diatoms for the food chain. They showed the whole process, which is an extremely interesting process to those who are involved in the fishery. They showed the rearing of oysters in the rivers and estuaries, the harvesting of oysters, the cultivation in all aspects, the marketing, and how oysters are properly packaged. That is how those industries have grown over the years, Mr. Speaker. That is how the shell fish industry in Prince Edward Island has grown. It was as a result of the dissemination of information of great interest to the fishermen and to those involved in fish farming and aquaculture.

• (1700)

Mr. McDermid: Mr. Speaker, first I enjoyed the talk given by the Hon. Member for Egmont (Mr. Henderson). I always enjoy listening to his speeches in the House. The cuts that are being made in the CBC, I think the Hon. Member will agree, are the decision of the president and the Board of Directors of the CBC and not of the Government.

Second, over the Christmas break I had the opportunity to watch CBC almost exclusively. It has some excellent programs and I agree with the Hon. Member about that. One program I want to mention especially entitled *The Tin Flute* was broadcast over three evenings. During those three evenings the only time I saw any commercials was on the Friday night. On Wednesday and Thursday nights there was promo after promo after promo for the same programs. These promos were shown until you were so sick of seeing them that you wanted to throw up.

Does the Hon. Member not think that the CBC could be more aggressive in marketing its very excellent products, such as *The Tin Flute* and seeking commercials? I am told that CBC salesmen sit on their butts. They wait for orders instead of aggressively seeking commercials for the excellent and widely-watched programs.

I am a former broadcaster. I have broadcast for a CBC affiliate and for the private sector. The private sector is very aggressive and gets commercials. This is not so for the CBC. Does the Hon. Member not think that the difference made in cuts of public expenditures could be made up by aggressive salesmanship for commercial programs?

Mr. Henderson: Mr. Speaker, I cannot honestly say whether they can or cannot. I would hate to see the CBC become too commercialized. That is one of the problems you see south of the border with the independent networks. You get an awful lot of commercials. Whether there are ways for the Canadian Broadcasting Corporation to raise funds without ruining the intent of the program I do not know. I presume there are. If there are, why do we not ensure that that revenue is generated before making the cuts? The Hon. Member is correct. The Government made the $75 million cut. The administration of CBC and the program cuts are done within the CBC. No one is quarreling with that. I have difficulty with the decision made by the CBC because it is saying, when it makes those cuts, that the Government forced the CBC to make the cuts by cutting the budget. How that works out, I do not know.

Mr. McDermid: What about cuts in salary?

Mr. Henderson: That is the Hon. Member's suggestion. Everyone is entitled to suggestions. I am extremely concerned about the kinds of programming that the ordinary rural Canadian wants and needs to benefit not only his own personal entertainment but the kind of informational services that help small business. Cuts should not be made there.

Mr. McDermid: Mr. Speaker, I have no argument with what the Hon. Member is saying. In this country we have a money-squeeze problem. One cannot go on spending $100 billion while taking in only $70 billion or $75 billion. Everybody has to pay his or her fair share. This is the fair share for the CBC. If the CBC wants to make up the difference, it has

the avenue to do so and should do so. The CBC has excellent programming. One prime time television we watch the same stupid promos over and over and over again. They are shown every five or six minutes and do not bring in one cent of revenue.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate (Mr. Baker) has about 30 seconds for his question.

Mr. Baker: Mr. Speaker, with all due respect to the Hon. Member, I think his point is well made. This is the CRTC Bill. What we are looking for is some recourse to CBC cuts, such as the discontinuance of CBG Gander. We thought there would be a monitoring agency when the Minister announced the three-man committee and that it would monitor the cuts of the CBC. We are anxiously awaiting to hear the Parliamentary Secretary to the Minister of Communications (Mr. Scott) who will be speaking in a few moments. We hope he will respond to these criticisms, and especially the closure of CBG in Gander, of particular interest to me.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Bow River (Mr. Taylor) have a short question?

Mr. Taylor: Yes, Mr. Speaker, I have two quick points. The Hon. Member mentioned the difficulty of audibility in certain areas of his province. I have a similar problem in the Lake Louise area, which is not in the far North but in the mountains. People have been trying and trying to get CBC to give them a signal that they can enjoy.

Does the Hon. Member have some way of contacting the CBC in which a government station or a station financed mostly by government money could be getting into those areas which private industry cannot reach?

One other point. When the Hon. Member talks about the CBC holding Canada together, one should remember that some of the one-sided programs the CBC has put out have hurt Confederation and will hurt it greatly if continued.

The Acting Speaker (Mr. Paproski): I am sure the Hon. Member will be able to discuss the matter with the Hon. Member for Bow River (Mr. Taylor) after six o'clock this evening. We shall now resume debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, my intervention in this debate will be short. There are a few points, however, that I wish to put on the record.

First, it has dismayed me for some time how technological change forces governments to react. The legislation we have in front of us is a reaction. It was originally in most of its form introduced by the Liberals. That Bill was never passed, but now with some changes it has been reintroduced by the Conservative Government.

I am reminded of a committee meeting I attended around 1980. I was the critic for my Party on cultural events. I was relatively new to the ways of the House at that time. Illegal dishes were very much on everyone's mind. The then Minister in charge, Mr. Francis Fox, was threatening legal action. In this general setting, the committee met. I suggested to Minister Fox that technological changes were occurring that would greatly force changes in the objectives of our broadcasting legislation and the Broadcasting Act and that in no way was it possible for the Government to hold back and attempt to legislate technological change and innovation. I remember the Minister at the time pooh-poohed me. I suppose he was looking down at me who was then a new Member. He suggested that I did not know what I was talking about, that dishes were selling for around $100,000, were of a cumbersome size, and that outside of a few instances where they were being used, he saw no immediate danger of their being used on a massive scale. In fact, he suggested that it would take several decades before we would have to look at that problem. It has been less than five years and the size of dishes has indeed come down. They are much more attractive now. They are much smaller. The price of dishes is also coming down. I suggest that in the next number of years their size will further decrease, there will be greater mass production of them, and they will become cheaper and accessible to more and more people.

• (1710)

There are changes in technology. This is what broadcasting is all about or what was envisaged in broadcasting by the men and women who originally drafted the Broadcasting Act. It now gives Canadians access to channels from all over the world. The original intent of the Broadcasting Act to preserve a Canadian broadcasting system in order to maintain a Canadian cultural identity is now being threatened, not by any ideology or act of Parliament but by the technology which is becoming available. Unfortunately in this situation, as well as in many others, we have a technological imperative, which is that all governments do essentially is to react—they allow the change to occur, the crisis to be created, and then they try to fill up the holes with pieces of legislation.

When I was a new Member sitting for the first time on the committee dealing with communications and cultural events, I suggested that we really needed a new Broadcasting Act, that we had to rethink our whole notion of what is broadcasting, that we had to begin to anticipate the newer technologies which were being invented and innovated, and that we had to sit down with our political agenda to maintain a Canadian cultural identity in terms of what it meant, given the new technologies. I believe that what I called for in 1980 at that committee meeting is still very valid today. We need a new Broadcasting Act. We need some new definitions of what is broadcasting. The present legislation does not really cover it. All we have are CRTC decisions, which in essence have become policy decisions because there is a legislative vacuum and we have legislation which is inappropriate to contemporary realities.

I wish to reaffirm—and I believe most Members of the House feel the same way—that in order to maintain a unique Canadian identity, Parliament has a responsibility. First, it is in the national interest, as well as in our economic, social and cultural interests, to maintain a Canadian identity. We should

not be swallowed up in the mass broadcasting cultural milieu which is being created south of the border. In order to withstand that very powerful magnetism, we need collective action as a nation. We need clear and distinct government policies which ensure a Canadian cultural identity supported by the arts and institutions such as the Canadian Arts Council and the CBC. These are essential instruments in maintaining our cultural identity.

Of course there will be a price to pay for this. There is no doubt about it. Some of the decisions the Government and Parliament will have to make are: How much are we prepared to pay, or how important is it for us to maintain that cultural identity? I believe that it is very important. Without a cultural identity we will eventually begin to lose our political and economic identity, as well as our economic and political freedoms. Cultural identity is just as important as economic and political freedoms. I am prepared to pay a price for that, whether it be $35, $40 or $50 a year because it is that important to me.

I agree with many government Members who were quick to point out some of the shortcomings within the Canadian Broadcasting Corporation. The CBC needs a bit of a shake-up. It has become like an old mother hen. There are folks in there whose creative energies have long gone. It needs some new excitement, some innovation and some new creative impulses. That Corporation needs some new blood, but cutting is not injecting new blood; it is just bleeding. We have to inject new blood. This does not mean that we should take blood out, because that weakens an important instrument which maintains our Canadian cultural identity. I do not believe the Government knows what it is doing. It has to sit down and rethink the nature of broadcasting and the meaning of technological change. It should rethink how it can best act in these changes to ensure the maintenance of the Canadian cultural identity and what it can do to change the CBC to make it more effective and attractive to the Canadian viewing audience so that it can maintain its audiences, not lose them to American programming.

These are not easy questions to answer. I am not saying that they are. This is why I reacted with horror to the simplistic solution of the Government to hack away at the CBC and somehow or other it would be able to set its house in order. That is irresponsible behaviour.

I am hoping for some wisdom on the part of the Government and some realization that CBC is important as a cultural institution, that the Canadian cultural identity is important, and that these matters should be handled with care and great consideration.

I do not dispute that our scarce resources, especially taxpayers' money, should be husbanded and managed carefully. I was as horrified as members of the Conservative Party when we saw the waste of previous Liberal Governments, but I find the Tory solution just as repugnant. Husbanding and preserving means that things should be done with a lot of consideration and care. I think what we have seen is blind chopping away rather than careful husbanding and preserving.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Hon. Member dwelt for some time on the way in which the CBC was created. Could he tell us whether some of the cuts he mentioned in his speech will affect regional programming or jobs in the area which he represents?

• (1720)

Mr. de Jong: Absolutely, Mr. Speaker. We in western Canada have always fought to have more regional broadcasting in Saskatchewan. That occurred under the Liberal administration as well. There was a tremendous push toward greater centralization out of the major offices in Toronto and Montreal. I know people in Regina within the CBC who had to fight tooth and nail to preserve some of the turf, so to speak, in western Canada.

They have had to cut programs. Some of those cuts were occurring because of the policies of the previous administration. The Tories have made a bad situation even worse. We are going to have even less local and regional broadcasting and programs than before.

Mr. Skelly: Mr. Speaker, I would like to consult my colleague for his opinion on the effect of these cut-backs. He knows that investigative journalism within the CBC was cut with the encouragement of the previous administration, and, I presume, the management of the CBC. Investigative journalism groups, especially in CBC Radio, were instrumental in changing the face of Canada to some degree. A small group attached to *CBC Sunday Morning* was able to get spruce bud worm spraying cut in half in New Brunswick after doing detailed research into it. This investigative journalism research presented on CBC *Sunday Morning* over a period of three years won a battle for the atomic veterans of Canada. It is now understood that most of this money—and maybe my colleague can verify this—for investigative journalism within the CBC was drawn off into that big toothy grin of the program *The Journal*. Many of the programs have suffered. Now the whole CBC will be called into question. It is probably one of the finest organizations in Canada. The cut-backs will gut that organization to the bottom.

I know the Hon. Member is from a rural area. In many areas of this country, there is still no television. The only sort of intellectual stimulation and quality programming comes from CBC Radio. In my area, we receive radio signals from the United States such as Los Angeles much better than we do the CBC. Is it fair that the Conservative Government should encourage these kinds of deep cut-backs that would destroy the kind of quality produced by the CBC, especially the loss of investigative journalism as one example, and the failure to provide decent radio communication, in particular in the rural areas of Canada?

Mr. de Jong: Yes, Mr. Speaker, indeed. I deeply regret the cuts, particularly in the area of investigative journalism. The CBC in Saskatchewan has played an important role, as part of the fifth estate, of being able to develop stories, develop issues and do the important job that good investigative journalism is

all about. The CBC in Saskatchewan has also had its scoops, so to speak, and has contributed to the well-being of the public as a whole in doing so.

As well, the cuts will affect rural areas, particularly areas in northern Saskatchewan. Native programming and northern programs are all under the axe. These are areas that are on the fringe, at least geographically, of mainstream Canadian society. These are the areas that really constitute the vast majority, in terms of geography, of this country. If we want to keep this country together, one of the essential threads in keeping that fabric together is the CBC.

When you start cutting out that thread, what you do is to increase the sense of isolation and the sense of alienation the different geographical sectors of this country will feel. Instead of helping to create a quilt of the many different parts that constitute Canada, you will loosen those ties which contribute to the sense of cohesion that we need in Canada in order to survive as a country and as a national entity.

Mr. Nickerson: Mr. Speaker, I have some comments on the very perceptive observations of the Hon. Member for Regina East (Mr. de Jong). He points out quite rightly that legislation lags behind technology. He points to the day when you will be able to buy for $25 a little instrument about the size of a cigarette package that you can stick on your windowsill which will enable you to tune in to any one of 250 satellites.

What this is going to bring to Canadians is freedom of choice. The Government in its wisdom, or lack thereof, will no longer be able to say, "There are four broadcasters operating in this area. We will insist that you carry so much Canadian content. We will tell you which programs you can broadcast and which ones you cannot". At that time, and the circumstances apply very much today in many areas, people will be able to turn off or tune in to whatever they want.

This will bring freedom of choice to Canadians. It means that the Government will not be able to dictate what people listen to or look at over television. If the Government or the people of Canada think it is important that there be Canadian content, the only way that will be possible will be to have programs that the people themselves want to listen to or watch.

I wonder whether there is a better way of ensuring that this happens than by putting a billion dollars or thereabout of public funds into the CBC to produce a broadcasting system which people very often choose not to listen to or look at. In the city I come from, the CBC spends a lot of money. The little local broadcasting station will pick up about 85 per cent of the listening audience on CBC. Might it not be possible to reallocate some of that billion dollars of public funds into some other mechanism whereby programs can be picked up by private broadcasters, the public funds can be used better, and proper Canadian content is ensured?

Mr. de Jong: Mr. Speaker, I generally have no objection to the comments and suggestions made by the Hon. Member. I think we need new and creative approaches. I entirely agree that making it illegal to receive signals from all over the world just will not work. It is like King Canute telling the ocean waves to stand back. You can do that until doomsday, but it just will not happen.

We have to create programs that people want to watch. That means many new approaches. For example, some things prevented the CBC from airing National Film Board films. That was stupid. Some of the private production houses in this country have produced some really good material.

The Acting Speaker (Mr. Paproski): Order, please. Questions and comments have now terminated.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to stand in my place today and take this opportunity to address myself to Bill C-20. I will begin by telling the Hon. Member who sat down just a few moments ago that I appreciated very much his comments with respect to this matter, as indeed I have taken a great deal of interest in the comments of many Members in this House.

When one separates the wheat from the chaff in the discussion that has occurred in this debate and separates the partisan comments where Members find themselves in the position of either defending or denouncing government measures and cut-backs, one discovers that throughout the debate in the comments of every Member of Parliament who has spoken there is an abiding appreciation of the important place that the CBC, the National Film Board, the Canadian film and Video Certification Offices, the Canada Council and many other cultural organizations and mass media organizations play—

• (1730)

The Acting Speaker (Mr. Paproski): Order, please. If hon. gentlemen would like to carry on a conversation, they can go behind the curtain or into the lobby. I would like to hear the speech of the Hon. Member.

Mr. Tobin: Mr. Speaker, one has no trouble realizing that the role which these various institutions play within Canada is appreciated by all Members of the House. The Hon. Member for Western Arctic (Mr. Nickerson) indicated to two Members of the House that he wants to ensure that Canadians have freedom of choice. He wants to see an end to the day when the Minister of Communications, or another Minister of the Government of Canada, can dictate to Canadians what they should watch. I think it is fair to say that 85 per cent of the population of this country has complete freedom of choice, or as much freedom as can reasonably be expected, with respect to viewing television channels or listening to radio stations.

I am a bit worried, if the Hon. Member is suggesting that cutting back the CBC, funds to the National Film Board or the National Arts Centre to make those institutions more competitive and having the CBC compete against other networks will somehow improve the means of communication in Canada. In a very large chunk of the country, including the area which I represent—the west coast of Newfoundland and the great northern peninsula of Newfoudland and the western Arctic from which the Hon. Member hails as well as parts of

western Canada, the citizens in many communities have no other communication option but the CBC. When we talk about the billion dollar budget of the CBC and make comparisons between the CBC needs for that money to provide the nation with a national network and CTV or Global-TV being able to do it for less, we are forgetting that there is only one communications network in the country that has a mandate, responsibility and obligation to provide television in every community which has over 500 people from one end of Canada to the other. CBC is also the only radio network that has the obligation and responsibility to provide programming from one end of Canada to the other.

It is a bit short-sighted and nefarious to say that, because the CBC is approaching a billion dollars in spending, it must necessarily be fat. The CTV is not providing programming in the great northern peninsula of Newfoundland, the Port au Port Peninsula of Newfoundland, the south coast of Newfoundland or the Bay of Islands of Newfoundland. In fact, a large number of rural regions in Canada do not receive programming from CTV, Global-TV or private radio networks. The reason is simple. The private networks are licensed and regulated by the CRTC, but they are quite rightly in the business of making a buck. If there are not advertising dollars to justify providing television signals across 500 miles of rugged coastline on the northern peninsula to 30,000 people, then those networks will not be there. But the CBC, with its so-called fat budget, is there because it has to be there. It does not make money providing a signal to Labrador, to the great northern peninsula, the Port au Port Peninsula, the Gaspé, northern New Brunswick or the western Arctic. But it is there. It is the only network in the country which ensures that Canadians, no matter where they live, can be assured of a basic service. Therefore, it is a fundamental mistake to stand in the House and talk about the CBC in terms of its efficiency versus that of the private networks. It is in a totally different business.

I have had the pleasure and the honour of working for both the CTV and the CBC networks. There is no question that in some regions CBC is better outfitted, that its equipment is more modern and its facilities are up to date. However, when I worked for CTV in the Province of Newfoundland, with the budget we had, we tried to put on the best news casts we could provide. We were not concerned about whether or not St. Anthony had a reporter or whether any of the reporters ever saw St. Anthony, Newfoundland. In fact, the CTV network today, in a province as rural as Newfoundland, including Labrador, has one team of reporters in the capital city of St. John's. By contrast, CBC has stations in St. John's, Grand Falls, Corner Brook, Labrador City and Goose Bay. Members may not appreciate that, but I am attempting to point out that on a per capita basis CBC spends much more money in providing the service to the people of Newfoundland. Everybody in Newfoundland receives equal service, which is not the case when a private network is involved.

The Hon. Member for Western Arctic suggested that if CBC wants to maintain its share of the market it must compete on an entertainment basis and that it must provide an equal entertainment value for people to make a choice. When Canadians are given the choice between Canadian-produced programs and American produced programs, they respond dramatically and watch the Canadian-produced programs. The national news reaches 1.8 million people in the country on most week nights. *The Journal* reaches 4 million Canadians per week, with almost 1.6 million people watching every night. *The Fifth Estate* reaches 1.5 million people. *Fraggle Rock* reaches 1,600,000 Canadians. Canadians are responding to Canadian-produced programs. But if we think that we are going to change CBC, the Canadian film industry or the National Film Board, or enhance Canadian culture without first doing an analysis of what is required within the industry, and understanding the ramifications of cutting dollars to the Canadian film industry and how those dollars ripple down through what is still a very fragile industry, then I am sorry because that is not the way to do it.

We should not forget that we share a border with a fascinating neighbour to the south which has a population of 250 million people. The United States has very well established and well oiled broadcasting film and entertainment industries. In Canada we have only begun to make headway in recent years. If we think that by cutting back we will make the Canadian industry more competitive, then I am sorry. I share with Members opposite the concern that we must ensure that we get a better bang for our buck with respect to the current budget of the CBC. I also share the belief that we can get much better value for our dollars from the CBC. I believe as well that it is not being irresponsible to suggest that there is fat within the CBC to be cut, particularly on the administration side, but I do not think that having the Minister, one month after the election, start by arbitrarily picking $85 million out of the air and having a panic reaction as to where cuts should be made within the organization, is doing any kind of service to the people of our country.

• (1740)

My riding has a population of 90,000 people. My constituency has 500 miles of coastline, and over 50 per cent of its communities have a population of under 1,000 people. It is difficult enough to try to service that area and ensure that those Canadians living along the 500 miles of coastline have their right to be heard, and have not only their problems aired but their aspirations reported, not only in their own home province but across this nation. The CBC has one station in the City of Corner Brook. But when these cut-backs were announced, arbitrarily and without proper consultation, what happened, Mr. Speaker? We were told that that station will have five personnel wiped out. If the 90,000 people in my riding lived in four city blocks, I would not be upset, but they do not, they live along 500 miles of coastline. That one station is now left with a handful of reporters who are trying to give decent coverage and representation to people who live all the way from Burgeo on the south coast to St. Anthony and southern Labrador in the northern peninsula. That is an impossible task, Mr. Speaker. For most Canadians who live in

urban settings and high-density population areas, access to media can be had as quickly as it takes to make a telephone call or to call a press conference. That is not the case for the people on the great northern peninsula, whose aspirations and problems are as legitimate as the aspirations and problems of someone living in Toronto, Vancouver or St. John's, Newfoundland. For my constituents to take advantage of their broadcasting system and their right to be heard, it requires making an appointment. In other words, if someone lives in St. Anthony, and if a newsworthy event happens, it gets reported a week later. If someone is anticipating something newsworthy occurring, an appointment has to be made with the CBC. That kind of situation can only worsen.

When I tell this kind of story about the CBC's mandate and the incredible cost of providing coverage to those areas, I am not speaking just about Humber-Port au Port-St. Barbe or just about Newfoundland. The same is true in northern British Columbia, the northern provinces of western Canada and, indeed, in some parts of northern Ontario and Quebec. Canadians who live in my part of the country and resign themselves nightly to only one choice when watching television, namely the CBC, very often engage in a favourite pastime. It is called "cursing the CBC" My friend, the Hon. Member for Western Arctic smiles. But it needs to be said, Mr. Speaker, that even though they must watch the same programs night after night, the CBC is there providing the signal. The other private networks are not. Although these people get tired of watching the same channel, the programming nature of the CBC, whether it be regionally developed entertainment or news programs, at least makes it possible to see a reflection of themselves, their communities, their aspirations and, indeed, the problems they confront on a day-to-day basis. There is a very deep and abiding appreciation of the value of having the CBC, be it radio or television, in the northern areas.

When we look at the breakdown of the $85 million cuts being proposed for the CBC, we find the figures rather interesting. We see $30 million being cut from administration. I cannot comment on that. I do not think anyone in this House can properly comment on that. It seems a good area at which to target a cut-back because there has not been a proper debate or an impartial investigation. The Minister appointed loggers, axemen, to decide where the cut-backs are to be made. We see $15.5 million being cut from network programming, Mr. Speaker. What does that mean? It means that in the areas where Canadians can avail themselves of a dozen TV channels, there is a $15.5 million cut across the board. We see a $10.4 million cut from regional programming. What does that mean? It means that in those parts of this country where people cannot avail themselves of a dozen or two dozen different stations or channels, in those parts of the country where the only available network is CBC Radio or television, $10.4 million is slashed.

In the case of the riding of my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), it does not mean that they are going to lose two or three jobs at CBG Gander; it means CBG Gander is closing outright. It means that the people who live in the great community of Gander in the area of Notre Dame Bay, the fishermen who depend upon the CBC to be heard, to get weather forecasts, cannot do so any longer. On the northeast coast of Newfoundland, the great historic fishing area of Newfoundland, the people no longer have access, except by long distance telephone, to any means of communication with people outside of their own rural—and I emphasize "isolated"—communities. That is what it means, Mr. Speaker. The $10.4 million cut means that for the people of Labrador West in the Towns of Labrador City and Wabush, where the Iron Ore Co. of Canada is located—which used to be run by a gentleman who has now gained a new distinction in this country—jobs have been lost. The towns are flat on their back and the local economy has been crushed. It means they have not only lost the Iron Ore Co. of Canada they have not only seen a devastating blow struck at Wabush Mines, they have not only lost their jobs and their hope and dignity, but they cannot tell anyone about it anymore. And I am talking about the area where the former President of IOCC, Mr. Mulroney, used to—

Mr. Hnatyshyn: Order.

Mr. Mazankowski: Order.

Mr. Tobin: The present Prime Minister (Mr. Mulroney) used to manage affairs, Mr. Speaker.

Ms. Copps: He didn't manage them.

Mr. Tobin: Mismanaged or managed affairs, Mr. Speaker. But these people can no longer be heard. I do not want to be partisan, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: You wouldn't know how to be partisan.

Mr. Tobin: I really think those Hon. Members, Mr. Speaker, should stop and appreciate the fact that in a province of 500,000 souls, a province about to embark on new prosperity—as the Prime Minister and the Premier told us a few days ago—and which is about to explode into the 20th century, into the mainstream of Canadian society, we in Newfoundland have seen dramatic cut-backs in regional programming, dramatic cut-backs in our ability to express ourselves to our fellow Canadians, and we are concerned that we may not be able to share the message, the dream and the success story which is about to unfold—if we believe the Premier of Newfoundland, God forbid. These cut-backs should not go ahead without proper consultation, without proper consideration here in the richness of Parliament Hill and the splendour of the House of Commons, without knowing how the cut-backs will impact on the loneliest fisherman on the bill of Cape St. George on the Port-au-Port Peninsula.

• (1750)

The Acting Speaker (Mr. Paproski): Questions or comments?

Ms. Copps: Mr. Speaker, as all Members know, certainly we on this side of the House have no intention of being partisan in the questions we ask. The Hon. Member has outlined very succinctly the difficulties with respect to the isolation faced by the fishermen of Newfoundland and how important it is for them to get signals from the outside. However, as an Ontarian who has often enjoyed the political commentary that we hear from Newfoundland on CBC Radio, I wonder if the Hon. Member could elaborate on what role the CBC has played, not only in getting information to Newfoundland but in getting the message of Newfoundland politicians out to the country at large.

I have often enjoyed the turn of phrase which has been utilized by my hon. colleague here today. I think this is a hallmark of debate and discussion in the legislature in Newfoundland. Certainly having had the pleasure in the past of hearing one of the great orators of all time in the person of Joey Smallwood, I think that kind of message has been disseminated largely through the radio programs of the CBC. Could the Hon. Member comment on whether he feels the CBC has played any role in getting Newfoundland's message out to other Canadians?

Mr. Tobin: Mr. Speaker, I would like to thank my colleague for her questions. They are most appropriate. There are two stories to be told. Not only has the CBC allowed Newfoundlanders the opportunity, which opportunity they have of course taken advantage of, to ensure that the threads which make up the Canadian mosaic include Newfoundland threads, but it has also allowed us to provide our own unique and distinctive flavour to this mosaic. As well, Newfoundlanders, because of the CBC facilities, have had a chance to communicate with each other on the Island. I think we often forget that until 1965 the people of Newfoundland were not even connected by highway. Until 15 years ago there were still large parts of the northeastern coast which had no road connections. In my own riding, the great northern peninsula has been accessible by road only in the last 15 years. So the role of the CBC has been important in terms of sharing our thoughts and views with our fellow Canadians, as well as those other things which make us distinct and unique and, I hope, interesting.

The CBC has also provided Newfoundlanders with the chance to talk to each other. Some great and very popular cultural organizations have grown out of the facilities provided by the CBC. I think of the wonderful Grand Band in Newfoundland and some theatre groups like Codco and Rising Tide Theatre, one of which was here just a few years ago with the play *Joey* which sold out at the National Arts Centre. Incidentally, this is another organization subjected to severe cut-backs as outlined by the current Minister of Communications (Mr. Masse).

I said earlier that as a Newfoundlander I am not inward looking about the effects of these cut-backs on my province only. I know the story which can be told about the cut-backs in Newfoundland, the effect on fishermen and people in the forest industry, as well as the thousands of fishermen on boats at sea who depend upon the fishermen's broadcast every night to stay in touch with their families, receive messages and find out what the weather is going to be. I know that story can be told all across this country and I do not think we have taken a sufficiently serious and hard look at what the impact will be before we rush ahead with simply cutting dollars. We have also wrongly been comparing CBC service with that being provided by private networks. The private networks are wonderful, God bless them, but they are not in St. Anthony, not on the bill of Cape St. George, and they are not in the Western Arctic. CBC has that mandate and it is expensive programming to provide.

[*Translation*]

Ms. Copps: Mr. Speaker, I also wish the Hon. Member, our communications critic, would elaborate on the role of the CBC. During the debate on the Constitution, and the decision by Nova Scotia, and the support given by the former Prime Minister . . . Newfoundland's decision and the support shown by the former Liberal Minister . . . and I think we should remember here in the House that it was always the Progressive Conservative Party that was against Newfoundland joining Confederation.

Could the Hon. Member be more specific and say whether the CBC has played a role since Newfoundland decided to join Confederation with the support of our former Premier, Mr. Smallwood and the Liberal Party in Newfoundland? Was the CBC instrumental in enhancing the feeling of the people of Newfoundland that they are still part of Canada, this great country of ours? And will this feeling be affected by the Conservative Government's decision to make cuts in the CBC's budget?

[*English*]

Mr. Tobin: Mr. Speaker, it goes without saying that the CBC has been there with respect to any historical event. It has provided as wide and diverse news coverage as possible. The CBC has served as a vehicle for national unity in this country, and in fact within provincial boundaries. However, I would not want to give the impression, because I have been the defender of the CBC today, that I have always been happy with the CBC. It would have been an amazing thing to have applied to my arm two or three days before the last federal election something to check my blood pressure while I was watching the CBC polls being broadcast across this country. As a Liberal candidate in the great riding of Humber-Port au Port-St. Barbe, it is a very disconcerting thing to see your demise forecast even before the grand event took place. I would not want to suggest in any way, shape or form that I am a blind advocate of everything the CBC has ever said or done and that they have always been right. Of course they have been wrong on occasion and I am here to prove it.

Unlike the Hon. Member for Comox-Powell River (Mr. Skelly), Mr. Speaker, whose only interest in the CBC seems to be to save the jobs of highly paid management people—at least that was one of the messages I took from his comments a

few minutes ago—I am more concerned about the real benefits—

Mr. Skelly: A point of order. Mr. Speaker. The Hon. Member's remarks are not only inaccurate and completely outrageous but he has misled the House.

The Acting Speaker (Mr. Paproski): I regret that that is not a point of order, it is debate. The Hon. Member has 30 seconds in which to complete his comments.

Mr. Tobin: Mr. Speaker, I hope the time—

The Acting Speaker (Mr. Paproski): I gave you that in the 30 seconds.

Mr. Tobin: No, one minute. I started—

Some Hon. Members: Order.

Mr. McDermid: Are you questioning the Speaker?

Mr. Tobin: No, I am not questioning—I have the greatest respect for this particular Speaker. In fact, there is no gentleman I respect more.

The Acting Speaker (Mr. Paproski): I would just like to say the Hon. Member has 15 seconds.

Mr. Tobin: Mr. Speaker, if I only have 15 seconds, let me say that another reason for the existence of the CBC and a benefit of the CBC is that it can show all Canadians the fairness, great eloquence and articulation of one of the finest men who ever sat in the Chair in this House of Commons, namely, Mr. Speaker!

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I regret but the time for questions and comments has been terminated. It is now debate and I would like to recognize the Hon. Member for Westmorland-Kent (Mr. Robichaud).

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker . . . First of all, could I have the Chair's attention? Mr. Speaker—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I would like the Hon. Member to realize that according to the Standing Orders all speeches will now be of 10 minutes' duration.

Would the House like to call it six o'clock?

Mr. Prud'homme: Mr. Speaker, am I to understand that, whenever the Government decides to call Bill C-20 again, the Hon. Member will have the floor first and he will be allowed a full 10 minutes, since he has not spoken yet?

The Acting Speaker (Mr. Paproski): Yes, the Hon. Member is correct.

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, February 14, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 13, 1985, consideration of the motion of Mr. Masse that Bill C-20, an Act to Amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I am very pleased with this opportunity to take part in the debate on Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act.

I must say I find it interesting and most gratifying to speak to a Bill initially tabled and introduced in the House of Commons by the Liberal Government in the spring of 1984. The Government at the time and its Minister had worked very hard to promote the development of our communications industry and its specific role in serving Canadians.

Its role is, of course, to promote the development of Canadian culture across the country while considering, and this is very important, Canada's cultural diversity.

On the basis of this experience, the Liberals proposed in Bill C-20 that the Governor in Council have the right to issue certain directives to the Canadian Radio-television and Telecommunications Commission. This is in fact repeated by the Minister of Communications (Mr. Masse) in clause 14.1. However, the difference, and there is a vast difference between the former and the present Governments, is that the previous Government had won the confidence of the industry and the CRTC by initiating legislation and bills aimed at expanding communications in Canada. The problem is that today, the Party opposite does not have that expertise in communications, nor does it have the confidence of the communications industry.

Mr. Speaker, I think it is very difficult to win the confidence of the industry when the Government has announced an unconscionable number of cutbacks, and nothing else. I am thinking of the budgetary cutbacks affecting cultural agencies such as the National Film Board, the CRTC, the National Arts Centre and the Canada Council.

As far as the Canada Council is concerned, the Minister of Communications has decided to close the Council's Atlantic office located in Moncton, New Brunswick. I am sure the Minister must have received, as I did, a number of letters from the Conseil de promotion et de diffusion de la culture in New Brunswick, expressing their dissatisfaction. Mr. Speaker, I must explain that this organization regroups 14 associations directly involved in promoting and disseminating culture. I would add that our part of the country is relatively sparsely populated and our culture, the Acadian culture, is that of a minority. If we did not have those cultural organizations we would lose contact with other groups in Canada and we would be unable to make our culture known in other parts of Canada.

Mr. Speaker, I wonder whether the Minister realized that by closing the office in Moncton, he was in fact cutting off artists in Atlantic Canada from those in the rest of the country. If our Atlantic artists are to make a career in the arts, they must go outside the Atlantic provinces and make a name for themselves in the rest of Canada. By closing the Canada Council office, the Minister is compounding the isolation of the Maritimes and their people. Mr. Speaker, if we consider that the key role of the Department of Communications is to promote Canadian culture across the country, let me tell you that the Government is not going in the right direction.

That is not all, however, since the Minister has decided to proceed with further, equally disastrous, cutbacks. For instance, the new Government slashed $7 million off budgets to promote cultural projects. And, of course, they keep chanting: Hurrah for Canadian culture! Next, we will be asking: What Canadian culture? At the rate it is being stifled, we will soon be hard-pressed to maintain our own culture throughout the country.

As a matter of fact, I am afraid I denote a growing trend towards the isolation of the various cultures. This comment is strengthened by the fact that the party in office has pared the budget of the Crown corporation whose original mandate was to upgrade Canadian culture throughout the country. I wonder how the Canadian Broadcasting Corporation will be able to live up to its mandate now that its operations have been curtailed by $85 million. One cannot talk about reduced

funding without mentioning lay-offs in the same breath. Most lays-offs involved the main centres, but the fact remains that back home, in the Maritimes, quite a few employees of the Crown corporation lost their job. Need I emphasize that reduced staff in administration and especially in programming has a direct impact on the overall operations of the Crown corporation.

• (1110)

In a region such as ours, the Acadian region, it is essential that a corporation such as the CBC be in a position to operate without restraints. First, to us the CBC means a Canadian or national presence but, more than that, it maintains the French fact and the French culture in the Maritimes through its French network, Radio-Canada. We do have other francophone media in the region, Mr. Speaker, but not as many as we would wish. The CBC cutbacks gave rise to immediate reaction from organizations such as the Fédération des francophones hors Québec and Nova Scotia's Fédération des Acadiens. Quite rightly, those associations spoke up against the cutbacks.

People have always praised the CBC for its contribution to cultural minorities. It was Radio-Canada that opened the first francophone TV stations in the Maritimes and, to this day, there are still no private television stations broadcasting French programs in the Maritimes—only Radio-Canada does. Most local programs and productions originate from Radio-Canada.

If I may, Mr. Speaker, I should like to say a few words about consultation. They used to say that there would be no cutbacks without consultation first, but I must point out that again those were empty words.

In concluding my remarks, Mr. Speaker, still on the issue of consultation, I happen to have here an interesting note about—

[*English*]

The National Director of the Canada Council, Brian Anthony, told reporters that the arts community was never consulted about the budget reductions.

[*Translation*]

And finally, Mr. Speaker, I am concerned about the fact that the party across the floor is still busy making further cutbacks in the field of communications, again without consulting the groups involved. I can only decry this unilateral approach and I am firmly convinced that leaders in the communications industry will never have confidence in a Government which shows so little concern for their industry.

• (1115)

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I was anxious to speak in the House today because in my riding Saint-Michel-Ahuntsic, we have a very specific problem that concerns the CRTC. About three years ago, a community group came to my office with a community radio project called *Radio communautaire du nord de Montréal*. In a big city like Montreal, people who stay home like to hear local news. It is like a local newspaper. In my riding there are four local newspapers, and I know my constituents would rather read these papers than the big Montreal dailies.

With this in mind, I agreed to support the community project I mentioned earlier because it covers about five or six ridings in Montreal North, not just my own. I gave the group a "Canada Works 1983-84" of $17,292. I gave them a "Summer Canada 1984-85" of $6,424. They also received a grant from the Department of the Secretary of State in 1984, for $5,700. I also obtained a "Section 38" for the fall of 1984, for $11,000. Mr. Speaker, the point I am trying to make is that it is particularly important to my riding that this project be approved by the CRTC.

Radio communautaire du nord de Montréal has held several neighbourhood meetings. It launched a leadership campaign and received many programming requests. It has concluded its viability study and sent its application to the CRTC. They were ready to submit their brief to the CRTC last fall, but, not surprisingly, considering what happened on September 4 last year, everything was postponed. Last week, I met Mr. Guy Jolicœur, the project's promoter, who informed me he was very disappointed after receiving a letter from the CRTC advising him that his appointment for submitting his brief had been postponed for one year. This kind of delay is intolerable.

Mr. Speaker, my riding has 10 homes for the elderly, and 12.1 per cent of these people are over 65, while 23.4 per cent are between 45 and 64. I also have disabled people in my riding. Among the 10 per cent that are disabled, many are blind. It is a wellknown fact that people with this kind of disability listen to the radio all day and all evening, since they cannot watch television and few are able to read braille.

When I look at the cuts announced in the paper issued last November by the President of the Treasury Board (Mr. de Cotret), I find that $75 million have been taken away from the CBC's communications department; $7.5 million from the cultural agencies; $7 million from cultural projects, and $10 million from the CBC's high technology equipment budget. Finally, and this affects my own community project, $22 million have been taken away from the broadcasting licensing department.

I have attempted to give a concrete example of the frustration and aggravation experienced by a small community which had already given clear indication of its needs. I hope the Government will reconsider its decision, Mr. Speaker, because I am sure quite a number of other small communities across Canada are just as disappointed as I am.

I feel I have a responsibility to speak for the handicapped who will be severely affected by Government cutbacks in the communications area.

I was on the task force which considered the needs of the handicapped during the 32nd Parliament. At that time we had

hearings in 18 cities all across Canada; we received 600 briefs and produced the "Obstacle" Report, in which we brought forward 130 recommendations. The fourth chapter dealt with information and communications and contained 14 recommendations having to do with the needs of the handicapped in the area of communications.

Mr. Speaker, one out of ten Canadians is handicapped, and that means 2.4 million Canadians. It would be urgent for the Government to develop a national policy on their needs in the area of communications. One of the recommendations was that community radio stations should allocate time for the broadcasting of regional and local news. This is something altogether different from national news.

Recommendation 54 was that the CRTC should develop programs with subtitles, provided of course that a broadcasting permit be obtained within a reasonable time. Licensing would be conditional on the addition of subtitles.

Will the $10 million cutback in the CBC's high technology equipment allocation hinder the development of the new subtitling system? Present day technology now allows cable viewers using a special decoding device to watch information on the screen.

• (1120)

The spokesmen for the handicapped consider that method of communications as being essential to cope with a wide range of needs of the hard of hearing in the area of information and leisure. We should keep in mind, Mr. Speaker, that all statistics point to the fact that we will have to serve an aging population in the future, and that means an increasing number of persons with hearing problems, our older people being more numerous. In 1985, the average age is said to be 72 for men and 74 for women.

Another recommendation affecting the daily life of all our people with hearing problems is the prohibitive cost of long-distance calls. Because the method for receiving the message is slow, due to the fact that the message must be typed and received on a small screen, the Government should ask provincial governments and telephone companies as a priority to apply a rate reduction as soon as possible. I must say that Bell Canada has already accepted this, but the country is served by other smaller telephone companies.

I should like to touch on the question of the CBC regional service. In 1977, less than 10 years ago, the CBC was allowed to set up facilities in a city of the Lower St. Lawrence called Rimouski. How surprising! The entire population had to get involved beginning with Mrs. Éva Côté, then president of the Liberal Association and former Member for the constituency of Rimouski. She worked in close co-operation with Jeanne Sauvé, then Minister of Communications. Some eight years later, the CJBR station in Rimouski is facing cuts and lay-offs. With 45,000 residents, Rimouski is an important city. Indeed, it is considered as the economic center of the Lower St. Lawrence.

One has to wonder whether the Government opposite is not moving backwards. I could go on and on but the Speaker is now indicating that I should very soon put an end to my remarks.

Before closing, Mr. Speaker, I would like to mention that I am concerned about our Canadian artists. They are also affected by this legislation. Without programs such as *Les beaux dimanches*, there would have been no opportunity to appreciate the works of Marcel Dubé, hear Maureen Forester, or see Karen Kain dance. Some people such as Toller Cranston, Louise Marleau, Anne Murray and many others would be known only abroad. Some 20 years ago, all our Quebec artists had to go into exile in France to launch their career. I will not speak of Rich Little nor of Paul Anka and all the others who went to the United States to become famous. We are pleased and very proud to say that all those people are Canadians. They belong to our culture. I think that it is a good reason enough to oppose that Bill.

• (1125)

Mr. Desrosiers: Mr. Speaker, I would like to comment if I may.

Mr. Deputy Speaker: Unfortunately, comments are not allowed at this stage of the debate on the Bill.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to participate in the debate on Bill C-20 relating to the CRTC. It will do a number of things. In particular, it will give the Government the power to direct the CRTC to implement government policy. As we are living in a very rapidly changing world in telecommunications, especially as it relates to satellite communications, to the changing role of cable television and of direct broadcast, the Government really needs this power.

When we look at many rural areas in the country, we see a situation developing where local television broadcasting stations have a very difficult time being financially successful. Often they are owned by the local cable network which carries 10 or 12 other channels—American ones, other Canadian ones and so on. Naturally the viewers want to watch these channels. Without a cable fee each month to subscribers, the local television station broadcasting off air would have a very difficult time making it financially. We have to have policies, and the Government has to be in the position to make policies so that we can maintain local television stations and ensure that they have the power to raise money through cable systems.

In the outlying areas of the country we see a twin stick operation in many cases, where local television stations carry CBC and CTV network broadcasting; for example, we see that in Sault Ste. Marie and in places like Sudbury. It took a few years for the CRTC to recognize the necessity for the cable and local television broadcasting facilities being tied together.

In a sense we have that situation because without it local television stations could not be viable economically.

Some people would say that carrying CBC, CTV, Global and the other networks does not matter. However, I think it matters for us to have locally produced programs. They increase Canadian content. They give us local information about the area or district which they serve. It is very important for the Government to continue to adopt policies which ensure strong local broadcasting capacities for our stations.

One of the great concerns of many Hon. Members, at least on this side of the House, is just what policies the Government will adopt. In the recent economic statement of the Minister of Finance (Mr. Wilson), we find serious cut-backs in all manner of the arts. With the new power being provided in this Bill, we have to wonder just what policies the Government will announce. We have already seen the following cut-backs: $75 million in the CBC, $1.5 million in the National Film Board, $1.5 million in the CRTC, $1 million in the NAC, $7.5 million in the Canada Council and $7 million in the communications department.

• (1130)

I am especially conscious of these cut-backs because I had the opportunity to work in the Miscellaneous Estimates Committee last spring on C-24, the Crown Corporations Bill. At that time the Hon. Member for Rosedale (Mr. Crombie) was the critic for culture and the arts. We heard very strong speeches in favour of the arts and in favour of arm's length activity with the arts. We were able to design that Bill so that in the end the independence of the artistic community and the grants to the Canada Council were maintained. However, we have to worry about the strong statements made during the election campaign with regard to arm's length dealings with the arts and with the strong financial support to the arts when we reconcile them with the speeches of the Minister of Communications (Mr. Masse) here in November and the interviews he has given, as well as the cut-backs which took place in the artistic community announced in the economic statement of early November. For example, in August, in response to a question from the Canadian Conference of the Arts, the PC Government replied:

> We are committed to maintaning federal funding for the agencies and councils in line with inflation.

It does not say anything about the $75 million cut-back that came about three months later for the CBC, the cut-backs to the National Film Board and National Arts Centre. We wonder what happened between August, 1984 and November, 1984.

In reply to another questionnaire, the PC Government replied:

> We are committed to real growth in federal contributions to this sector.

A few months later we saw massive cut-backs taking place in the artistic community totalling $121 million. In response to another Canadian Conference of the Arts questionnaire in August, 1984, the Government stated:

> Our commitment to improving the quality as well as the quantity of employment in the cultural sector is firm.

After the economic statement of November 8, we found that the CBC was forced to lay off 1,100 people Therefore, we have to wonder whether these commitments mean anything.

We were very impressed with the interventions of the Hon. Member for Rosedale at the Miscellaneous Estimates Committee meetings last year in support of the arts and its independence. How that had changed by November of this year! In an interview with *The Globe and Mail* on November 29, the Minister of Communications said that he wanted to rethink the arm's length principle and that his Government was moving rapidly to apply direct political hands in the affairs of the CBC.

It is interesting that when the plans were being made for cuts in the CBC of some $75 million, that was not done by the CBC alone. Three outside consultants were hired to decide the fate of the CBC. We are very concerned about where the Government's policy is now compared to before it came to power.

The CBC provides a unique service, not only to the country at large but to various regions. The CBC broadcast out of Sudbury covers all the communities in north-eastern Ontario. Even though those communities are all considered to be in one geographical area, they have very little ties except through the CBC. They receive feeds from the Canadian Press, Broadcast News or whatever, but the CBC is the only organization which ties all of these communities together in a regular CBC radio broadcast mechanism.

I hope the Government will take these concerns into account and develop policies for the future, not undercut and slash the artistic communities and essential services like the CBC as was done in November last.

[*Translation*]

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, in my opinion, Bill C-20 will help us to make things better.

Hon. Members opposite criticize the Progressive Conservative Party for the cut-backs of $75 million at the CBC, but we must point out, and all Canadians should know this, the rationale for these cut-backs was to put an end to the shameful waste of money at the CBC. This is the truth, Mr. Speaker. We should not be afraid to say so.

People today want to defend the artists. I have been a member of the Union des artistes for over 25 years, Mr. Speaker, and I can tell those who want to defend the artists today that these people have been penalized for over 20 years by the CBC. This corporation helps about 40 people. All Canadians watch television! Where are our young musicians? Where are our young dancers? Where are our great Canadian singers? They have to leave Canada to earn a living.

They now say that they want to defend the great Canadian culture. Shame on them! Shame on the Members opposite who weakened this great culture for 20 years to help their friends, who have always been the same people. You also watch television, Mr. Speaker. You will agree with me that it resembles a game of musical chairs. The programs may change, but the people remain the same. Our old actors are no longer working, Mr. Speaker. It is always the same guy, who is given a wig and told: You will play this old man. At the same time, our old actors, who have a lot of experience, are completely forgotten. And what about the young musicians coming out of our academies of music, Mr. Speaker? What will they do? They will do what they have been doing for the last 20 years: They will play their instruments in their own kitchens.

Such is the result of the former administration under the Liberal Party.

Fortunately, Mr. Speaker, the Progressive Conservative Party is in charge now and we want to correct the situation and recognize the true worth of our artists. We also want to give them a chance to really come out and to develop and promote our great Canadian culture in this country. This is the truth, Mr. Speaker. We have seen many strange things in the past. Some people today for the sake of a cause are describing the Progressive Conservative Party as terrible and sleazy because CBC's budget was cut by $75 million. However, the truth must come out. We have no jurisdiction over the CBC. You know that, Mr. Speaker. There is a man at the helm called Mr. Juneau and he is the one who decided to snap off radio antennas across Canada. He asked no one for permission. He does not want to follow instructions. He was told to stop wasting money. There are people at the CBC who have been there for 20 years. They have never produced anything and they have five or six people working for them. They are producers who have never produced anything. It is in such instances that we have asked that expenses be trimmed by $75 million.

I can give you another example. At one time, it was decided to produce a program called *La course au bonheur* at a cost of $1.5 million but this program was never shown. Strangely enough, Mr. Juneau made a statement and said: Well, we were wrong, we made a mistake; it was a miscalculation. We shall try to improve the situation.

Even the Auditor General of Canada has said that CBC had the worst management. This is a fact, and I think that it is important to support legislation such as Bill C-20 to correct the situation and to restore, in the interests of our Canadian artists and all the Canadian people, the true cultural role of the CBC.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Considering the enthusiasm shown by my colleague the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers), Mr. Speaker, I could not keep silent; I should like, therefore, to deal for a few minutes with Bill C-20.

Mr. Speaker, this Bill C-20 is essentially the same as the one the Hon. Francis Fox, the previous Minister of Communications, had introduced on February 8, 1984. At the time, Mr. Francis Fox, the previous Minister stated, and I quote: "This bill would provide more definite guidelines for the regulations the CRTC might implement in order to ensure that the broadcasting system contributes to an affirmative representation of women and other groups".

I have no major objections to the measure which the Minister of Communications (Mr. Masse) has introduced, and I hope, Mr. Speaker, that the Minister will come forward at a later date with the other measures which were part of Hon. Francis Fox' Bill C-20.

I warn the Minister that he must keep his promise of holding consultations. He should really hold consultations, not merely announce them ... We hear the Chairman of the Canada Council is experiencing much difficulty trying to set up a meeting with the Minister.

My colleague the Hon. Member for Hochelaga-Maisonneuve has launched an attack against the CBC and its Chairman, but he has forgotten a very important thing, namely, that the Hon. Minister of Communications had appointed a troika to carry out a study and investigate the affairs of the CBC, and that it was that troika which suggested or decided not to make cutbacks. I think Mr. Juneau has administered the CBC well and it is thanks to the CBC if some groups are well represented in the French Canadian culture.

In a modern society such as ours, communications are of utmost importance. The impact of a televised broadcast can be assessed. Very positive programs have a positive impact. As evidence of this, I should like to refer to the visit John Paul II paid to Canada. All those who wanted to see the Holy Father were able to do so, just as they were able to see Her Majesty the Queen and witness major events. I will never forget Prince Charles and Lady Diana's televised wedding; it was a major event indeed, the like of which we could only expect to see in movies. Yet, it was for real. The impact of such great events is positive. But disturbing events can have a major impact too. In that context, Mr. Speaker, control over our system of communications becomes all the more important. My colleague who acts as critic for the Liberal Party in the field of communications has already pledged our support for this Bill, but we hope that in future the Government will continue the work already begun by the Liberal Party. Mr. Speaker, I thank you for letting me say a few words at the last minute.

• (1140)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Communications (Mr. Scott)?

Mr. Prud'homme: We will have more speakers.

Mr. Deputy Speaker: I know the Parliamentary Secretary is aware of the fact that he could speak and close the debate. Is that what he wishes? If so, he would have to have the unanimous consent of the House. If not, I will recognize other speakers after his speech.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, there does not seem to be general agreement to give unanimous consent—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Please!

[*English*]

Mr. Dick: There is on this side. Trying to stall again?

Mr. Prud'homme: May I kindly remind my counterpart that the Bill would have passed last night if it had not been for the rudeness of some of his colleagues. May I put that on the record?

Mr. Dick: You broke an agreement.

Mr. Prud'homme: I want to be on record to say that the Bill would have passed last night if it had not been for the rudeness of some of his colleagues. I am speaking to the Parliamentary Secretary to the Minister of Communications (Mr. Scott) and he knows about what I am saying. I am not naming names but the Hon. Member knows to whom I refer.

Mr. Dick: But the Liberals broke an agreement.

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege. If the Hon. Member says that we broke an agreement, may I remind him that we put up as many speakers as—

Mr. Deputy Speaker: Order, please. Order.

Mr. Prud'homme: I just want to say in response to the question that you asked, Mr. Speaker, that the debate has been very pleasant this morning. The Hon. Parliamentary Secretary is about to speak. If the Hon. Member would have listened, he would have heard that I asked that the question be put. It seems to me that he does not follow the debate.

Mr. Dick: I heard that and he wanted to speak.

Mr. Prud'homme: He was not in the House so what do you want us to do? Do you want another speaker—

Mr. Deputy Speaker: Order, please.

Mr. Prud'homme: Now that the Hon. Member has returned, we will listen to him. If he will make the kind of speech that we expect, then that will be the end.

Mr. Deputy Speaker: Order, please. I understand that there is no unanimous consent for closing debate. Therefore, I recognize the Parliamentary Secretary to the Minister of Communications.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as Parliamentary Secretary to the Minister of Communications, I rise to support the Minister's overview of Bill C-20. At the outset, I would like to thank Hon. Members on all sides of the House for the quality of debate that has ensued in recent days on second reading of Bill C-20. To the Minister, myself and my colleagues on this side of the House, the contributions made in the debate up to this point in time have been very useful and valuable and will contribute significantly to the committee stage to which I think all Members of the House would like to see this Bill referred as quickly as possible. As you know, Mr. Speaker, this Bill covers and awful lot of ground and there is much detail to be covered in the committee stage as Members assess the impact of Bill C-20.

The Bill proposes to reduce the regulatory burden in communications. It proposes to allow the Government to set policy directions for the CRTC and telecommunications and broadcasting policy while maintaining necessary procedural safeguards.

With regard to the Broadcasting Act, the Bill proposes to create policy objectives that give the CRTC a mandate to deal with abusive programming, and I will return to that in a moment. The Bill proposes to reduce the burden of the broadcasting regulations on the private sector. We in this House have raised a number of questions about Bill C-20. I want to assure the House that at the earliest possible moment we will get this Bill into committee and review all of the questions which have been posed by Hon. Members. In just ten minutes I do not have time to deal with all of them. One feels something like a mosquito in a nudist colony; there is so much ground to cover, one has no idea where to begin.

• (1150)

I will try, Mr. Speaker, to make three quick points on behalf of my Minister. Bill C-20, as I pointed out yesterday to the Hon. Member for Hamilton East (Ms. Copps), is deeply rooted in the thinking of the previous Liberal administration. That is to say, the Lambert Royal Commission and a special parliamentary committee on regulatory reform became an integral part of the previous Government's broadcasting strategy as it affected directions to the Canadian Radio-television and Telecommunications Commission. So in effect we are doing a rerun of our predecessor's policy.

The second point is that it is about time that Parliament dealt with the whole area of sexually abusive broadcasting, indeed, abusive broadcasting of any kind. This matter was the subject of a special subcommittee during the previous Parliament, the result of which was a unanimous all-Party series of recommendations. At this stage, Mr. Speaker, I would like to pay tribute to the Hon. Member for Broadview-Greenwood (Ms. McDonald) for her passionate dedication to that particu-

lar subcommittee. The untiring energy and effort she put into that subcommittee, of which I was the only Conservative Member at the time, will go a long way to making some very important changes in the whole area of abusive programming. This is one area which Bill C-20 intends to deal with head on.

The third thrust, or the theme, which I could suggest to my colleagues is that Bill C-20 is indeed complex in terms of its impact on the CRTC and on the entire broadcasting industry. As a broadcast journalist by profession, I am the first to admit that the nature of this legislation does raise questions as to the role of the Government in terms of what we Canadians can see and hear. We must come to grips with the most fundamental question of all in a free and democratic society. How far is the Government prepared to go in determining what we Canadians can see and hear? Where must Governments stop if our citizens cry interference in their right to watch and hear anything they want?

When people talk "open skies", they mean deregulation and the right to pick out of the air anything they want. How realistic is it, Mr. Speaker, for Parliamentarians to try to regulate the clouds? If "open skies" means the erosion or destruction of the Canadian broadcasting system as we know it, and ultimately a Canadian cultural identity as we treasure it, then where and when does the Government step in? To what extent can or should the Government, this Progressive Conservative Government or any Government, tell Canadians what they should or should not watch or hear?

These are very big questions, Mr. Speaker, and it is up to us as Parliamentarians to try to answer them. We cannot do so in ten minutes here or even in this second reading debate, but again, with luck, when we get Hon. Members and witnesses before the committee on Bill C-20, we will be able to address the concerns about the role of the federal Government in communications policy in that committee.

There are a couple of matters with which I want to deal very quickly in the time remaining. I was impressed by the intervention during the second reading debate by the Hon. Member for Gander-Twillingate (Mr. Baker) regarding the CBC's treatment of Newfoundland's second oldest radio station, CBG Gander. Both the Hon. Member for Gander-Twillingate and our colleague on this side of the House, the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson), while remarkably temperate in their remarks, are vigorously supported by their colleagues on the government side. It is a very important matter to the whole of northeastern Newfoundland.

Other Hon. Members have raised comments about the effect of CBC cut-backs on their various areas, but at this time I will only refer to this particular case. I find the CBG Gander situation to be of real concern when I learn that for a savings of $75,000 a year, as the Hon. Member for Gander-Twillingate pointed out, CBG Gander will be cut off from the people of northeastern Newfoundland. The CBC in the meantime has spent at least $99,500 to redecorate and recarpet the tenth floor of its executive offices on Dorchester Avenue in Montreal. I think those kinds of situations need to be looked at a little more carefully and I intend to raise more fully in committee my concerns along those lines. I thank the Hon. Member for Gander-Twillingate for pointing out this discrepancy.

I would like to deal just briefly with the sexually abusive and abusive broadcasting segment because this is a matter which is dear to my heart. There are some advantages to spending some time on the opposition side of the House because one gets the chance to deal with issues and make strong recommendations in committees and subcommittees. I believe one of the most important issues I have ever dealt with since being elected to Parliament is the question of sexually abusive broadcasting and violence in broadcasting.

I believe this is something that the Standing Committee on Communications and Culture has to come to grips with in terms of a new broadcasting policy under this Government. I am one of the first to go along with suggestions made by Hon. Members such as the Hon. Member for Broadview-Greenwood, who pointed out that, notwithstanding the provisions of Section 3, we should be talking about the dignity and the quality of all people. It is a good suggestion, Mr. Speaker, and I hope that the Hon. Member will raise it before the Standing Committee. I have already drawn it to my Minister's attention.

Again, may I thank Hon. Members on behalf of the Minister of Communications for their worth-while and valuable contributions to this second reading debate on Bill C-20. I believe there is a feeling in the House of Commons now that we would like to see this Bill referred to the Standing Committee as quickly as possible and, Mr. Speaker, I will be there along with my colleagues to deal in a very meaningful and responsive way with the new broadcasting legislation in this country.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Like so many of my colleagues, Mr. Speaker, I would have liked to have taken part in this interesting debate. At the request of our party critic, I will make a few remarks, first to tell the Parliamentary Secretary that we have just heard positive comments. We commend him, his criticism is constructive. Let us hope that the mood of the other Government Members will be just as encouraging for us. In a spirit of co-operation and good will, we end the debate and let the consideration of Bill C-20 follow its normal course.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Mr. Masse, seconded by Mr. Scott, moved that Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act, be now read the second time and referred to the Standing Committee on Communications and Culture. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Communications and Culture.

* * *

[*English*]

PENSION ACT

MEASURE TO AMEND

Hon. George Hees (Minister of Veterans Affairs) moved that Bill C-28, an Act to amend the Pension Act, be read the second time and referred to the Standing Committee on Veterans Affairs.

Mr. Hnatyshyn: Mr. Speaker, I rise at this time on a point of order inasmuch as I have had consultations with the Opposition House Leaders concerning the dealings by the House with this particularly important piece of legislation.

As Your Honour will understand by reading the Bill, this legislation, and the benefits payable under the provisions of the Bill, are effective upon passage. Accordingly, there have been preliminary indications of all-Party support for the general principles of this Bill. In fairness, Sir, I have received the agreement of the New Democratic Party to allow the Bill to pass through all stages with one speaker. I was to get a response from the Liberal Party. I understood that they were receptive and that it was a question of dealing with their critic. I was wondering if it would be possible to have agreement to deal with this Bill through all stages so the matter can be referred to the Senate today.

• (1200)

Mr. Gauthier: Mr. Speaker, in a spirit of co-operation, it is the intention of the Liberal Party to let the Bill go through all stages today in the expectation that, as soon as the Bill is passed, the payments will go ahead immediately thereafter.

Mr. Young: Mr. Speaker, I would just like to confirm what my House Leader has already indicated to the Government House Leader, that my Party is extremely desirous of seeing this Bill go through the House today and be referred to the Senate, possibly by one o'clock.

Mr. Deputy Speaker: Am I to understand, therefore, that there is unanimous consent for the Government House Leader's proposal?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Minister of Veterans Affairs.

Mr. Hees: Mr. Speaker, I would like to commence by thanking the opposition Parties for agreeing to pass this Bill through all stages today. We all agree this Bill will do a great deal for veterans who deserve this kind of treatment, and putting it through today will enable it to become effective very quickly. I know the veterans of this country will appreciate the attitude expressed by all Members of the House in their willingness to see this Bill pass quickly. I thank the two Members who have spoken on behalf of their Party for their generous and co-operative attitude which has been expressed today.

The proposed legislation, Mr. Speaker, which I have the honour to present to the House contains five amendments to the Pension Act which will be of benefit to veterans and their dependants. The first amendment deals with the annual increase in the basic rate of pension. It has been increased each year by the percentage increase of the Consumer Price Index. This amendment will provide that in future the rate of pension will be increased each year by whichever is greater, the percentage increase in the Consumer Price Index or the percentage increase of the average wage of five selected categories of public servants. This change will remedy a situation which for years has been very unfair to veterans because the percentage increase in the Consumer Price Index has often lagged behind the percentage increase gained by these public servants. In 1984 this difference amounted to $611. This change will benefit 90,000 pensioners plus 51,000 spouses, children and orphans.

The second amendment will continue a disability pension at the married rate for 12 months following the death of a pensioner. The reduction to the single rate now begins at the end of the month in which the pensioner dies. This change will remove the shock of an immediately reduced income at a time when the spouse is under the emotional stress of such a grievous personal loss. This change is in line with a provision of the War Veterans Allowance Act which has been in place for years. Some 6,000 widows and widowers are expected to benefit from this change. The third amendment will extend the same right to survivors of pensioners who had been receiving attendance and/or exceptional incapacity allowance. Three hundred widows and widowers will benefit from this change which can only be described as very generous.

The fourth amendment deals with the Pension Review Board, the final stop in the pension process and which is currently facing an eight-month backlog of cases. The legislation will provide for the appointment of up to four additional members to the Board. The appointments will be for six months' duration and as required. This provision will guarantee to our veterans and to the Board that the Department will be equipped to meet the challenge of speeding up our examination processes in every possible way.

The fifth amendment will permit pension entitlement boards to be composed of two or three commissioners, as opposed to the present necessity of having three. This should allow these boards to process a third more cases each year. More importantly, this change opens up the whole question of what happens on a split decision. Past practice has been to turn down the veteran's application whenever a split decision occurred. Once the legislation is passed, every split decision will go in favour of the veteran.

Mr. Speaker, I am proud of this legislation. Every amendment is good news for veterans and their families. Almost as

importantly, these very long overdue changes have come about within five months of our taking office. They demonstrate the Government's commitment to those who served our country so well, and they demonstrate this Government's determination to help those Canadians who need our assistance.

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, as the Official Opposition critic for veterans affairs, I welcome this opportunity to take part in the debate on Bill C-28, a Bill introduced by the responsible Minister and containing amendments to the Pension Act.

Mr. Speaker, first of all I am very glad that the amendments reflect a generous measure of compassion for those who served their country during the last three armed conflicts, in 1914-18, 1939-45 and the Korean War. During these three wars, many Canadians were killed on the battlefield; 66,000 in 1914-18, 44,000 in 1939-45 and 576 during the Korean conflict. They all left behind dependents and families, and many came back physically disabled as a result of wounds received in action.

Perhaps I may recall the words spoken by Sir Winston Churchill in a message to his countrymen during the last war, and I quote:

"Never have so many owed so much to so few".

These words are particularly appropriate today, because that small band of valiant soldiers who defended the principle of freedom so well over the entire world is becoming increasingly smaller today. That is why, Mr. Speaker, I am particularly happy with the amendments to the Pension Act made by the Minister of Veterans Affairs (Mr. Hees) for the benefit of those who deserve to receive far more from their country.

The Bill is another in a series of measures brought in to amend the Pension Act, since 1969 and 1970, especially, and continuing, annually, up to 1984. Mr. Speaker, these reforms were made mainly following recommendations by the Woods Report, which I think provided the stimulus for bringing about amendments to the Pension Act with respect to allowances or pensions paid to veterans and their dependents, so much so that it was said, and I quote:

• (1210)

[*English*]

The years since 1970 have been the most important ones in the history of pension legislation. During this period sweeping changes were made to the Pension Act to provide Canadian veterans and their dependants with benefits that are not exceeded by any other country in the world.

[*Translation*]

Mr. Speaker, this explains very well that the eight amendments to Bill C-28 complement the work already started with the Woods Report, and also reflect the implementation of some of the recommendations of the Marin Committee. Although that Committee has not been allowed to complete its mandate for reasons of timing, this nonetheless allowed the Chairman of that Committee, at the express request of the present Minister, to submit a tentative report dealing with 62 major points which Mr. Justice Marin has decided to consider before giving his answers.

Hopefully, Mr. Speaker, part of those answers are included in Bill C-28, and I hope that the other, unresolved questions will be considered more in depth by the Department in order to bring further remedies eventually.

We should keep in mind the work done by the predecessors of the present Minister. One name comes to my mind, that of the former Minister, the Hon. Dan McDonald, who was seriously wounded overseas during the war. His memory is recalled in the Hall of Honour of the federal building named after him to house the Department of Veterans Affairs in Charlottetown. To keep the memory of that worthy son of Prince Edward Island, his battle dress jacket is permanently exhibited. The material on the left side, next to the heart area, was burnt by a stray bullet which went through and glanced off the prayer book he kept in his left breast pocket. This is what saved his life, Mr. Speaker. Mr. McDonald did a lot for war veterans.

Mr. Speaker, if the present Minister of Veterans Affairs has not reached the summit of his excellent political career in other portfolios he held in a distant past on in those he was responsible for a few years ago, he can now boast of having reached it in the position he now holds. I would like to commend him for maintaining continuity in the policy of compassion developed by his predecessors, especially the late Dan McDonald.

[*English*]

Let us take a quick look at the historical background of the Department of Veterans Affairs. I will briefly summarize major developments and legislative changes in veterans' affairs since 1969. Prior to World War I Canada's veterans consisted of a comparatively small number who had fought in the Fenian Raids, the Northwest Rebellion, the Nile expedition in 1885, and the South African War. No particular government agency was formed specifically to take care of the needs of these veterans.

Early in World War I the Canadian Government was asked to move all its seriously wounded soldiers back to this country. In order to satisfy this demand, extensive hospital accommodation and professional and other staff were required. The Military Hospitals Commission was set up by Parliament in 1915 to react to this situation. In 1916 Parliament decided that disabled veterans should be entitled to training for a trade or profession for which they would not be handicapped. The vocational training division was organized to administer this project.

By 1918 the volume of rehabilitation work had increased to the extent that the Department of Soldiers Civil re-establishment was formed to take over the administration of disability pensions, hospital care, training, and placing in employment. Under the Soldiers' Settlement Board many veterans received

government loans to establish themselves as farmers in Canada.

As the rehabilitation work lessened it was combined with that of the Department of Health and a new Department of Pensions and National Health was formed in 1928. This Department continued to administer veterans' matters until toward the close of World War II, it became evident that an expanded rehabilitation organization would be required. Consequently, in 1944 the duties of the Department of Pensions and National Health were divided. Those that affected veterans were taken over by a new Department which is the Department of Veterans Affairs.

With regard to pensions, up to June, 1916 all military pensions were administered by the Pension and Claims Board of the Department of Militia and Defence under the Pension Act. In 1919 the responsibility for pensions was given to the Board of Pension Commissioners for Canada, then responsible to the Minister of Soldiers Civil Re-establishment. The administration of pensions has remained under that Board, the name of which was changed to the Canadian Pension Commission. Since 1944 the responsible Minister has been the Minister of Veterans Affairs.

Under the 1971 amendments of the Pension Act the Pension Review Board was established to deal with appeals from entitlement and quantum award under the Act. The Board is also authorized to interpret the Pension Act. The 1971 amendments also established the Bureau of Pensions Advocates as a separate organization reporting directly to the Minister. The Bureau is an independent agency established for the sole purpose of providing free legal aid to pension applicants in the preparation and presentation of their claims to the Canadian Pension Commission Entitlement Board and Pension Review Board.

With regard to allowances, the War Veterans Allowance Act was passed in 1930 to provide assistance to Canadian veterans who were suffering economic distress and who, because of the rigours of active service in World War I, were considered to be pre-aged or otherwise permanently unemployable or incapable of self-maintenance. Subsequently the benefits of the Act were extended to others, including veterans of other wars in which Canada had participated, to British and allied veterans, and to widows, orphans, and dependent children, and in 1962, through Part XI of the Civilian War Pensions and Allowances Act, to certain categories of civilians who had served in wartime.

The War Veterans Allowance Board was established in 1936 to replace the War Veterans Allowance Committee which had been established in 1930. The Board acts as a court of appeal for applicants and recipients who are grieved by any decision of a military authority.

I will review the major veterans' affairs developments and legislative changes since 1969. In February, 1970 changes were made to the total disability provisions of the group life insurance contract between the director, the Veterans' Land Administration and the Imperial Assurance Company of Canada, permitting a greater number of seriously disabled veterans to take advantage of the plan. Previously a benefit clause that provided for premiums to be waived in the event of total disability for a period of at least six months had caused underwriters to screen them out of the loan insurance plan. At the above date, the disability benefit was declared optional and many who previously could not obtain coverage could then do so.

• (1220)

In March, 1971, there was a major change that included a 10 per cent increase in disability pensions and a 15 per cent increase in war veterans' allowance rates, and amendments granting special pension status to former prisoners of war of the Japanese.

The new legislation also created, first, the Pension Review Board, an appellant body for the appeals of veterans who are dissatisfied with the decision of an entitlement board; second, the Bureau of Pension Advocates which provides free legal assistance to any applicant or pensioner under the Pension Act.

There were some other amendments as well. In March, 1972 amendments to the war veterans allowance and the civilian war allowance legislation included the exemption as income of cost of living increases of old age security and the guaranteed income supplement.

Again in 1972, cost of living adjustments in pensions and allowances paid to the veterans and their dependants provided for review of pensions and allowances each September and adjustment upward at the beginning of the following year by the increase in the consumer cost of living index during the preceding 12 months.

In February, 1973 amendments to the veterans' treatment regulations doubled travel allowances and accommodation rates for veterans reporting for medical examinations or treatment. In 1973 an amendment to the Pension Act raised the basic rate by 24 per cent and, for the first time, based the basic rate on the average compensate salary of five categories of unskilled employees in the Public Service. The amendment also provided an established relationship between the basic pension and the pension of dependants so that in future years the rates of these dependants will be adjusted in accordance with the established percentages.

In October, 1974 there were other amendments. Previously no allowance was paid for dependent children. The amendment provided for $50 a month for each child less the amount of the family allowance paid on behalf of a child of a widow or widower, or an allowance received and stipulated that the additional allowance paid to an orphan, may be continued to age 25 as long as the child continues his education.

New legislation in 1975 provided equality of status and rights for male and female pensioners. That is, a female pensioner would now be eligible to receive additional pension for husband and children. In 1976 amended legislation provided compensation on a sliding scale tied to the period of time spent as prisoners of war to those who were prisoners of the Germans, Italians and North Koreans. In addition, compensa-

tion for those who had been prisoners of war of the Japanese was improved.

Also, on October 28, 1976 approval in principle was given to relocate the Department of Veterans Affairs and related agencies from Ottawa to Charlottetown. It was estimated that the transfer would take four to five years. Agencies and programs to be transferred included the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance Board, the Bureau of Pensions Advocates and the administration services of the Department.

[*Translation*]

I know this move has caused much discussion and I wonder today whether history will not be a better judge and acknowledge that such a change, the Department's relocation, has served war veterans and the public service well.

[*English*]

In January, 1977 benefits payable under the Pension Act, War Veterans Allowance Act, Compensation for Former Prisoners of War Act and Civilian War Pensions and Allowances Act were increased. Disability, widows and orphans pensions were increased 8.6 per cent in line with the rise in the Consumer Price Index. There were further benefits each year until 1984. It is not necessary to cite all the amendments to improve these benefits for the Canadian veterans.

[*Translation*]

Mr. Speaker, as Honourable Members will realize, this brief summary reflects a gradual evolution and a constant improvement of the pensions, allowances and services provided to veterans, their wives, their survivors and dependants.

Bill C-28 introduced today will improve even more the living standards of these veterans who are the pride of our nation. The eight amendments it contains are necessary to provide a better service in processing or reviewing applications made by Canadian veterans. All have complained with reason about the prolonged delays caused by the Pension Review Board, which represents the last stage in the pension application process.

To speed up the operation of the Review Board, four new or additional members will be appointed, which should indeed reduce the deplorable delays in the waiting period, that have sometimes reached from eight to ten months.

Another provision of the Bill states that the Entitlement Boards can be made up of two or three members of the Commission, instead of requiring that three be included as is now the case, to bring some flexibility into the process and to simplify the hearing of such cases.

Another amendment would guarantee the same benefits for the survivors of pensioners who received the attendance allowance or the exceptional incapacity allowance or both. It is estimated that 300 widows and a few widowers will benefit from this amendment.

Pension Act

Another important amendment will provide that the invalidity pension at the rate of a married pensioner will be maintained for 12 months after the death of a pensioner. At the present time, the pension is brought down to the rate of a single pensioner one month after the death of the pensioner. I would describe this change as a compassionate amendment, Mr. Speaker, as it will reach 6,000 widows who will certainly find it beneficial.

Mr. Speaker, another very important change, in my opinion, is that a situation which has been quite unfair for veterans for many years will be corrected, as increases were based on the cost of living index. It should be noted that these increases were often lower than those given to the five categories of non-specialized Federal public servants. The difference for 1984 amounted to $611.

Thanks to these new amendments, the basic pension rate will now be increased automatically each year on the basis of the highest of either the consumer price index or the average wages of the five categories of non-specialized Federal Government workers. Formerly, the basic pension rate was increased automatically on September 30 on the basis of the consumer price index for the last twelve months and the rate was adjusted on the following January 1, as was done this year.

In addition, when a ruling on a veterans' pension application is not unanimous, the benefit of the doubt will be given to the veteran and the ruling of the Board will always be in his favour.

● (1230)

[*English*]

And finally, at present the Canadian Pension Commission is authorized to pay the cost of the attendance of the applicant and his or her witnesses at Entitlement Board hearings. No such provision is provided for attendance at Assessment Board hearings. Bill C-28 will authorize the CPC to pay the cost of attendance at Assessment Board hearings.

[*Translation*]

In short, Mr. Speaker, that is the scope of Bill C-28. As I said at the outset of my remarks, I would also like to draw the Minister's attention to the health of veterans who were exposed to atomic radiations in the fifties. Apparently, some of them are seriously ill because for years they were exposed to atomic radiations at Chalk River, in the Nevada desert or in the deserts of Australia.

I hope that the Government will accept the request of those veterans who would like to have medical examinations as soon as possible so that, like their colleagues, they will be granted a pension or a disability allowance, should the Canadian Pension Commission so decide.

Before concluding, I would like to mention the beneficial effects of the Aging Veterans Program. It is a dynamic program which enables a good many veterans to continue to enjoy the comfort of a family home instead of being isolated in

rest homes. Still on a trial basis, I understand that this program has been highly praised by those who were able to take advantage of it. This is a comprehensive and generous program, and I hope that the Department of Veterans Affairs and the Minister will take every opportunity to publicize this outstanding program which should be readily accessible to all qualified applicants.

If I may, Mr. Speaker, I extend my congratulations to all organizations, voluntary or otherwise, and to all people who directly or indirectly have for so many years been advising veterans and looking after their well-being and health. Our veterans rightfully expect a lot from us, but unfortunately we have not always given due consideration to their legitimate claims.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, as I indicated earlier today my Party, the New Democratic Party, wishes to see this Bill proceed through all stages as quickly as possible, hopefully one o'clock, and thus have this measure referred to the Senate.

At the outset I want to say that I do not want to speak for too long, but I do want to take the opportunity to congratulate the Minister of Veterans Affairs (Mr. Hees) for bringing forward this legislation. If anything, I think the Minister was a bit too modest in his remarks to the House. I have been around here since 1980 and I have been a member of the Standing Committee on Veterans Affairs. Various groups, such as the Canadian Veterans Association in Canada, the Canadian Legion and others, have appeared before that committee attempting to impress upon the committee the need for changes in legislation. For the first time since I have been on that committee we have a Minister who has actually met nearly ever major proposal ever presented to that committee.

Some Hon. Members: Hear, hear!

Mr. Young: To give you some background into what I meant about the Minister being too modest, Mr. Speaker, some of these proposals have been made to that committee since 1919. One of the major proposals which the Minister has presented to the House concerns the basic rate of pensions, which will finally be increased to reflect parity with the average take-home pay of selected categories of public servants. This proposal was presented in 1972 by a joint Government-veterans' organization committee. It is quite significant that the calculations on this new formula are to be made on the basis of parity as of September 30, 1984, and the adjustment is to be made on the first day of the second month following the month in which Royal Assent is given. This is one of the reasons we are extremely anxious to have this Bill passed through the House today, so that veterans and dependants can receive the increase as soon as possible.

I could talk about the legislation but I think the Minister has adequately expressed to the House its intent and the previous speaker from the Official Opposition has given us a rather lengthy briefing on the history of veterans' pensions and the legislation affecting veterans over the years. I certainly have no intention of repeating much of that.

However, it is incumbent upon me to express some concern. I hope the concern does not last too long. The Minister knows that he will have my full co-operation in attempting to correct some of the real inadequacies in the existing legislation. For example, it completely escapes me why Canadian veterans who served overseas during wars and who subsequently elected, for one reason or another, to remain overseas are denied some aspects of veterans' pensions. They are in fact required under the Pension Act to return to Canada to reside in this country for 12 months. They would then be eligible for veterans' allowances. Many of these veterans of the day are getting older. Many are suffering financial hardship and have families, particularly in the United Kingdom and the United States. These people do not have the financial resources, or their family circumstances do not allow them, to return to Canada for 12 months.

I think that situation is absolutely ridiculous and I know the Minister is concerned about it as well. I would like to see that aspect of the legislation changed. We are not talking about a large number of people or large amounts of money, but those veterans who put their lives on the line for this country deserve better treatment than they have been receiving.

There is also much concern about the Dieppe prisoners of war who in many cases suffered severe hardship as a result of capture in that disastrous raid. These individuals should be given the kind of consideration to which they are entitled.

Most of the serious problems under the legislation are corrected by this measure brought forward by the Minister of Veterans Affairs. Many of the problems we have had in the past, and I have no intention of enumerating them at this time, have been administrative problems, attitudes on the part of the Department of Veterans Affairs, and I do not mean this unkindly. With the legislation that has been in place there has been a question of how policy was being interpreted and applied to those veterans. Unfortunately, the way it has been applied has created untold suffering for many veterans and their families. I am hopeful that the measure before us, which is innovative in my view, will clear up many of these administrative problems.

I notice this legislation states that the Minister will appoint additional commissioners for a six-month period. We will see how that works. The Minister is prepared to review that matter, and if it does not work we will try to do something else to make it work even better.

That concludes my remarks, Mr. Speaker. I congratulate the Minister. He knows the Veterans Affairs Committee attempts to work in a non-partisan way. Every member of the Committee is concerned about the interests and worries of our veterans. I hope we will continue to work together in the best interests of all of us.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Hees, seconded by Mr. Hnatyshyn, moves that Bill C-28, an Act to amend the Pension Act, be read the second time and, by unanimous consent, referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

● (1240)

Motion agreed to Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-28, an Act to amend the Pension Act. Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause agreed to.

On Clause 2—

Mr. Gauthier: Mr. Chairman, I have a question for the Minister, but first of all I thank him for this Bill and I can tell him that we will support it.

Some military personnel were allegedly subjected to radiation during certain tests in Australia, in Chalk River, which is not very far from Ottawa, and in the Nevada desert. I think the Minister mentioned some time ago in a public speech that these people would be examined by medical staff of the Department of National Health and Welfare and, consequently, if it is proven that they suffered injury, they could be covered under the Pension Act. Does the Minister have any intention of bringing in that sort of amendment soon? Perhaps it could be done in committee. Also, will he tell us whether it will be retroactive to January 1, 1985?

Mr. Hees: Mr. Chairman, I am very glad the Hon. Member asked that question, as I have been working on this matter for quite some time. We have contacted as many of these veterans as we possibly could. We are still trying to contact more of the veterans who were subjected to radiation at Chalk River, in the Nevada desert or in the Australian desert. These veterans are now being examined, by doctors of the Department of National Health and Welfare. The Minister of National Health and Welfare very graciously and generously agreed to do this job for me. These veterans are being examined and, as I have said, if the doctors indicate that any serious illness which these veterans have developed in intervening years could have been caused by their being subjected to radiation, I will recommend very strongly that these veterans be very seriously considered for pensions. I think I can assure the hon. Member that if such a recommendation goes forward, a great deal of attention will be paid to it.

Mr. Gauthier: I should just like to pursue the matter with the Minister because he did not answer my last question. Would such an amendment be retroactive to January 1, 1985, if indeed some people were found to suffer radiation illness?

Mr. Hees: I do not think it will be possible. It might. I really have not thought about that very much. First we have to find out at the time of the examinations whether the doctors consider that any serious illness they might have contracted could—and I underline the word "could"—have been caused by radiation. We are giving the absolute maximum benefit of the doubt to the veteran in this case. If the doctor says: "Well, I don't know for sure but the illness of that veteran could have been caused by radiation", that is all I need; I will recommend very strongly—and I think the Hon. Member knows that a ministerial recommendation is quite a strong one—that that veteran be very seriously considered for a very generous pension.

I think that is the quickest way to get this matter dealt with. As soon as we get that kind of an indication, that recommendation will go forward. I assure the Hon. Member that that case will be heard very quickly indeed. I have great sympathy for people who could have contracted a serious illness due to carrying out their military duty in this way.

Clause agreed to.

On Clause 3—*When payments to cease*

Mr. Shields: Mr. Chairman, I, too, would like to compliment the Minister of Veterans Affairs on a very forward-looking and what could only be described as a very thoughtful piece of legislation. It not only recognizes the contributions of our veterans to the country, but it looks after them in the style in which they should be looked after.

I should like to ask two questions, if I may. First, how soon in the Minister's view will the backlog of pension applications be completed? I understand that there is quite a backlog awaiting decision. How long does the Minister feel, with this new legislation, it will take for them to be completed?

Mr. Hees: Mr. Chairman, I have great hopes that by the end of June—that is the target date which we set, as I have told my Department—these backlogs will be cut to an absolute minimum. I assure the Hon. Member and the Committee that the Department is working very hard and bringing in a number of innovations to speed up the processes and to cut out the loss of time which has been present in the past in dealing with these matters. We are working very hard at the present time. I have set that target date. They agree that it is a reasonable one. By the end of June these backlogs in all sections of the Department in these processes should be brought down to a very reasonable level. That is something which I check very carefully with the Department each time I go to Charlottetown. I am confident that very great progress will be made by that target date.

Mr. Shields: I have one further quick question. Having not been able to glean out of the Bill just exactly what I wanted to know, I should like to ask the Minister a very specific question. I have a constituent who is newly widowed but was never married to the veteran pensioner. In other words, they lived in a common law relationship. Will she be considered a widow in

every sense of the word? Is that covered in the Bill, or is that left to the Minister's discretion?

Mr. Hees: That is left to my discretion, and it is my intention that people in such situations should be considered as having been married to the pensioners. I would consider them in the same category.

Mr. Foster: Mr. Chairman, I had hoped to ask my question when Clause 1 was before the Committee; however, I join with the official critic in congratulating the Minister of Veterans Affairs for bringing forward such an advanced, forward-looking Bill with so many benefits for veterans.

I was very impressed last November 8 when the economic statement was brought down. At that time I looked across the aisle and the only Minister smiling was the Minister of Veterans Affairs. He is to be congratulated on his ability to get money for veterans at a very difficult time, some $22 million, I understand.

Is any consideration being given to raising the amount of income which veterans can earn? I think there is a limit. I have received a number of representations indicating something like $940 per month. A number of veterans' associations have asked whether that limit could be raised to $1,500 per month. I think this would be under War Veterans Allowance Act benefits and associated regulations. Is the Minister giving any consideration to that? I wrote to him back in December on the issue. When putting through such an advanced and forward-looking Bill, not only providing the basic rate and improved benefits under the war veterans allowance, but a program to resolve the backlog of cases as well as the procedures of the Canadian Pension Commission, has any more consideration been given to the allowable limits that veterans can earn?

● (1250)

Mr. Hees: Mr. Chairman, I have certainly taken the Hon. Member's letter to me on this matter very seriously. It is something that in the future I would like to see accomplished. As the Hon. Member well knows, in order to do these things we must have the money. As he has pointed out very generously, the Department has been treated very well in that regard. When it is apparent that more money will be available, I can assure him that this question will receive active consideration.

Clause agreed to.

Clauses 4 to 12 inclusive agreed to.

On Clause 13—*Where split decision*

Mr. Gauthier: I would like the Minister to confirm on Clause 13 that, in the event of a split decision by the commissioners, the decision in favour of the veteran will prevail. Is my understanding correct?

Mr. Hees: Yes, Mr. Chairman, that is exactly how it will prevail. In making the move that has been made in this regard, that was one of the important considerations given to it. It will not only speed up the consideration process considerably, but it will make it possible without any shadow of a doubt that the benefit of the doubt always goes to the veteran. That is a key part of our new policy. In every case the pensioner must be given the benefit of the doubt.

In my talks with veterans' associations and Members of Parliament who represent pensioners when I took over the portfolio, I received the very definite impression from a great many of those who spoke to me that it appeared that those examining veterans' pension applications seemed to be trying to find ways of not giving the pension to the applicant. That has now been changed. We now look for every possible way that we can give the pension to the applicant.

I think we all agree that we are dealing with a very special group of people in this country today. Not only are they wonderful people because they are Canadians, but they all went overseas, took a chance at being killed, and a great many of them were. A great many came back badly wounded, maimed, unable to live the happy life that the rest of us are privileged to live. Therefore, I know that every Member of this House will want to do anything they can to make life more enjoyable for them. I know that all Members, because many have expressed the view to me, are in complete agreement with this policy.

While I am on my feet, I appreciate the fact that Members are allowing this Bill to pass very quickly. I want to congratulate those who have spoken this afternoon. In particular, I want to congratulate the official critics of the Liberal and New Democratic Parties this afternoon for their far too generous remarks about my efforts in this regard. They are much appreciated.

I have been in this House for 35 years. I have never seen a more generous reception given by the Members of the Opposition to a Government Bill than I have on this occasion. I can hardly believe my good luck. I am going to be on a cloud for quite a while. I just want to thank all Members for making that cloud possible.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Mr. Chairman, I just want to add to the Minister's joy. As he knows, today is Valentine's Day and we thought he would enjoy having this.

Mr. Mantha: Mr. Chairman, I want to compliment the Minister of Veterans Affairs on his handling of the Bill and the passage of it. I also want to compliment the Minister on a case that I brought forward to him. This case has been around since 1976. The man in question is being operated on today. I want to thank the Minister of Veterans Affairs for his assistance and for allowing the pension.

Clause agreed to.

Clauses 14 to 16 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Deputy Speaker: Is it the pleasure of the House that I call it one o'clock?

Some Hon. Members: Agreed.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MULTICULTURALISM

ECONOMIC EQUALITY AND OPPORTUNITY

Mr. Sergio Marchi (York West): Mr. Speaker, in a major speech to his Party's multicultural conference last June, the Prime Minister (Mr. Mulroney) outlined five personal priorities for a multicultural policy in Canada. One of these priorities was economic equality and opportunity.

Next month the Government will be hosting a national economic conference at which time participants from all sectors will have an opportunity to share their own economic agendas. Despite many assurances, the Canadian Ethnocultural Council, the only national body representing ethnocultural communities, has not been invited as a participant. The Council has been asking the Government for months for a seat at this conference. Last year I wrote to the Ministers of Finance (Mr. Wilson) and Multiculturalism (Mr. Murta) regarding this very subject and thus far my representations have gone unanswered.

It is time that the Government had the courage and decency to place some much needed action behind its great words of promise. Ethnocultural leaders and organizations are becoming quite agitated at the Government's empty sing-song performance.

The Canadian Ethnocultural Council rightfully deserves to be a participant in this conference and I urge the Government immediately to ensure its involvement and contribution. For the Government to deny the Council this opportunity would be for the Government to ghettoize what is an important Canadian reality.

* * *

SOCIAL AFFAIRS

PLANNED PARENTHOOD ORGANIZATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the hysteria regarding access to abortions should be cooled. It is time the Government supported sound family planning to prevent unwanted pregnancies, to eliminate the need for making very difficult decisions on the question of abortion, and to provide choices for women.

Planned Parenthood provides information on family planning and on safe contraceptive methods, an issue of growing concern to women. It provides sex education programs and counselling. It helps families as well as individuals. Its aim is to encourage family planning so that children will be wanted and loved, and parents will be able to provide the care that children need. It helps young people to understand their sexuality and the importance of preventing unwanted pregnancies.

Pregnant women can receive the information and help they need to make the choice that is best for them and their families. Teenage mothers may be referred to support groups for schooling and housing, or a young girl may decide not to have a child and may be referred to a doctor to discuss a legal, safe, medical abortion.

We urge the Minister of National Health and Welfare (Mr. Epp) to support funding for Planned Parenthood and to encourage research into safe methods of contraception. Unwanted pregnancy should be prevented. Women should not be the victims of street battles.

* * *

[*Translation*]

SPORTS

EXPRESSION OF GOOD WISHES TO GAÉTAN BOUCHER AT WORLD SPEED SKATING CHAMPIONSHIPS AT HEERENVEEN, HOLLAND

Mr. Richard Grisé (Chambly): Mr. Speaker, a year ago, at the last Winter Olympics, Canadians saw how one of its athletes won three Olympic medals, a first for Canada. This unique achievement has been an inspiration to all Canadians and especially to our athletes and aspiring athletes. Another positive result has undoubtedly been the involvement of private enterprise in subsidizing training expenses. Mr. Speaker, thanks to the initiative of the private sector, an example being the Dairy Bureau of Canada, our top athletes can continue their training and thus be in a position to represent Canada at international competitions.

Mr. Speaker, I therefore invite all Canadians to join the Dairy Bureau of Canada, the people of the riding of Chambly and the Members of this House in offering our best wishes for success to our own Gaétan Boucher, who on February 23 and 24 will be taking part in the World Speed Skating Championship at Heerenveen in The Netherlands.

S.O. 21

[*English*]

CITIZENSHIP

CANADIANS OF GERMAN ORIGIN

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Government has an obligation to assure the civilized world that Canada does not harbour war criminals, but the Government also has an obligation not to suggest in its search for war criminals that those Canadians of German descent who fought for their country during World War I and World War II are war criminals. We honour these people as citizens who have done a great deal to develop the strength, character, and expertise of this nation.

Unfortunately, in an effort to try to assure the world that we do not harbour war criminals, it has seemed to some that the Government is out to castigate the German people. This must not be the appearance of what we are doing. World War II has long passed. All wars are a tragedy. Families and persons involved are injured, and bear the scars of those injuries. However, inquiries should not be used to fan racial prejudice, to stir up old hatreds, or to settle old scores.

Old scores should be long buried. This is Canada. This is a new country, and the old scores of the old world do not belong in Canada. While we should look for war criminals, justice is not advanced for any by the revival of memories of torture, injustice, and old bitterness.

* * *

AGRICULTURE

MARITIME FEED FREIGHT ASSISTANCE PROGRAM

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, yesterday I met with the Maritime Farmers Council to discuss a serious issue dealing with the maritime livestock industry. Since 1940, the pork and feathers industries have more than doubled. Unfortunately, as a result of the Feed Freight Assistance Program introduced in 1941, under which 90 per cent of the cost of transporting grain from the Lakehead to eastern Canada was paid, there has been little if any research, technical development, or interest in grain production in the three provinces.

From 1967 to 1976 the level of feed freight assistance was allowed to slip to 59 per cent of transportation costs. In 1976 the area to be equalized was moved to Montreal, thus eroding the maritime position.

The Maritime Farmers Council has developed a feed cost equalization proposal which it feels will greatly assist the feed, dairy, beef and pork industries. It is approaching the Government for a short-term emergency initiative to maintain the livestock industry and to develop feed self-sufficiency in the Maritimes.

The farmers in the maritime provinces do not want subsidies. Equally so, they do not want to be treated as second-class citizens. They need this financial assistance now in order to get them over a very difficult period. I would hope that all Members of this House from the maritime provinces would support the Maritime Farmers Council.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, yesterday it was reported that the Prime Minister (Mr. Mulroney) indicated that the former Minister of National Defence was at worst guilty of an error in judgment, an error which we are assured in no way influenced his ability to perform his ministerial responsibilities.

Without questioning the integrity of the Solicitor General (Mr. MacKay), I would say that we are of the opinion that he, too, is guilty of a serious error in judgment, the main difference between the two being that his error did in fact take place while carrying out his ministerial responsibilities. The fact that the Solicitor General decided to hold a meeting with a person under investigation by the RCMP, in advance of that investigation being concluded, for the purpose of hearing what that individual had to say about that investigation was, in our opinion, as serious an error in judgment as the error in judgment committed by the former Minister of National Defence. We would like to ask why this double standard exists.

* * *

• (1410)

[*Translation*]

TOURISM

MONT-TREMBLANT TOURIST RESORT

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I would like to call the attention of the House to a very disputed question of significance to the constituency of Labelle. It concerns the Mont-Tremblant resort, and the state of this matter over the years has had serious implications for a population deriving a major part of its income from the tourist industry.

Mr. Speaker, I think that the Mont-Tremblant area has now become famous as a major international tourist center, and this is the reason why several men and women in the area, who are aware of that advantage and are anxious to keep it, have been increasingly involved in the prospect of regaining control over their economy and applying a sense of entrepreneurship of great benefit to them.

Mr. Speaker, we, the residents of the constituency of Labelle, are confident that this Government, with its open mind and its current guidance, because of its will to co-operate

and work at all levels, will finally resolve that legal and administrative imbroglio, and give the people in the area all the assistance they deserve.

Mr. Speaker, it is already assured that thanks to the co-operation of the various departments involved, at both the federal and the provincial levels, and within the spirit and letter of the general agreement and the subsidiary agreement dealing with tourism, a satisfactory solution will be found to the Mont-Tremblant issue and the residents of my constituency will remain proud of the choice they made on September 4, 1984.

* * *

HOUSE OF COMMONS

NEED FOR INCREASED SECURITY MEASURES

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, following the embarrassing incident which occurred in the House the day before yesterday, I readily admit that I was dismayed and surprised to see how easy it is for anybody to come in with almost anything in this House. Instead of what the lady hurled on the floor of this House, it could have been a dangerous or life threatening object. We are told that there is an electronic security system which would allow to intercept the individual who would try to conceal fire-arms before coming in this House, but he could not be stopped if he came running in. You will note, Mr. Speaker, that the doors, either the main door downstairs, the entrances through the anterooms and to the public galleries are not locked or equipped with an electronic device. The access is therefore too easy.

Why should we not have such a security system? We could also have a glass partition, something that can apparently be found on the market. The security officers who are admittedly exceptionally devoted and kind would certainly have recommendations to make.

We would thus recognize, Mr. Speaker, that we are living in a period of increased terrorism—

Mr. Speaker: I regret to advise the Hon. Member that the time allotted to him has expired.

* * *

EMPLOYMENT

REQUEST FOR DETAILS OF REACTION TO CHALLENGE '85 PROGRAM

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, according to an article published in the *Le Droit* of February 7, students are not quite ecstatic about the Challenge '85 Program. The Canadian Federation of Students has stated emphatically that it does not feel this will prove such an extraordinary program for Canadian students. The Montreal *Gazette* of February 11 reported under the heading "Industry can't promise 10,000 jobs for students" that the officials of at least eight major corporations are unable to guarantee that they would crease their share of the 10,000 new jobs announced by the Minister. Finally, the president of the Canadian Employment and Immigration union has sent us a news release dated February 12 describing the situation, and I quote: "The Challenge '85 Program is intended for students who, through their studies, have acquired the qualifications for positions that are in great demand. Which means that the students without the proper qualifications and training are likely to be unemployed once more this summer. It appears ill-advised in that it will find jobs for those who need it the least, while ignoring those who need it the most". He stated further: "This summer, there are Canadian communities which might be deprived of services for the handicapped, senior citizens and children from low income families".

Mr. Speaker, I would ask the Minister of Employment and Immigration (Miss MacDonald) to explain to the House these various reactions to her Challenge '85 Program.

* * *

EMPLOYMENT

REQUEST THAT CITIZENS OF JONQUIÈRE RESPOND TO CHALLENGE '85 PROGRAM

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am now rising in this House on behalf of my constituents of Jonquière, and it is to them that I wish to address my comments today.

I am asking my constituents, our business people, our big business managers, and I am thinking of companies such as Alcan and the pulp and paper industries, as well as our students to take up the challenge our Government has put before them. I am referring to the program Challenge '85, which will create 95,000 jobs for students throughout the country.

Mr. Speaker, I hope that my constituency can derive considerable benefit from the amounts which will be available under this budget item of $205 million. A single day does not pass that I do not stand up for my constituency and do not fight to get Jonquière its fair share under the various programs proposed by the Government. However, this time, it is up to you, citizens of the Jonquière constituency, to take up the challenge! It is up to you, businessmen, municipalities, students, non-profit organizations, to take up the challenge! The funds are there. They are available for all the regions. If you do not take up the challenge, the money will go elsewhere.

While Jonquière has had record unemployment rates, I am asking you that it now have the record for job applications this summer to provide employment for our students.

[*English*]

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the Atlantic Accord which was signed just recently by the federal Government and the Newfoundland Government Clause 54 states, and I quote: "Hydrocarbons will be made available to Newfoundland and Labrador to meet the feedstock requirements of industrial facilities in place on the day that legislation implementing this accord is proclaimed, and for new industrial facilities in Newfoundland and Labrador"—

—provided such feedstock is excess to feedstock required to meet the demand of presently existing industrial capacity in eastern Canada.

In other words, Petromont is all right in Montreal. Quebec is all right for under utilized refineries and petrochemical industries, and New Brunswick and Nova Scotia. But by law under this Clause, no such industries can be constructed in Newfoundland using that offshore oil.

An Hon. Member: Shame.

Mr. Baker: This is a rip-off of the Newfoundland people and a sell-out by both these Governments. When the legislation is introduced in this Chamber, I would strongly advise the Government to amend Clause 54 of this agreement.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to direct a question to the Deputy Prime Minister. In view of the fact that the Prime Minister indicated yesterday that he had to ask or accept the resignation of the former Minister of National Defence because of "a momentary lapse of judgment", can the Deputy Prime Minister not agree that it was, on the part of the Solicitor General, at the very least a momentary lapse of judgment to have a secret meeting with Mr. Hatfield, not in his office, but in a hotel room, with a lawyer present who was not a departmental official? Does the Deputy Prime Minister not recognise that the Prime Minister has a set of standards of conduct for the former Minister of National Defence and another set of standards for the Solicitor General who gave him his seat in Central Nova a year and a half ago?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I resent the implications inherent in the tail-end of the question put by the Hon. Member. It is not really worthy of him. I also resent the Hon. Member's distortion of the remarks of the Prime Minister in response to a question put by a journalist. I have a transcript of that exchange during which the journalist asked the question whether the Prime Minister felt it was appropriate "for a Minister of the Crown to be in a bar that has a reputation like that?" The Prime Minister's response was, and I quote:

As I said yesterday, I suppose if you are in a foreign country and you have never been to that place before it is probably an error in judgment—

That is with respect to the appropriateness of the location of the establishment. He went on to say:

—that you or I or any other imperfect human being could make.

That was the Prime Minister's specific response in reply to a question as to whether or not the Prime Minister felt it was appropriate for the Minister to be in such an establishment.

[*Translation*]

INQUIRY WHETHER COMMISSION WILL INVESTIGATE PREMIER HATFIELD'S ACCUSATIONS AGAINST RCMP

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

In the light of the extraordinary request made twice yesterday by Mr. Dalton Camp for a public and independent inquiry, and the extremely serious charge made by Mr. Hatfield that the RCMP had acted unlawfully in order to discredit him, does the Government intend to finally accede to requests by the two opposition Parties, by Canadian newspapers across the country and by Mr. Camp to set up a commission of inquiry that would either confirm Mr. Hatfield's statements and censure the RCMP or exhonerate the RCMP and repudiate the serious charges made by Mr. Hatfield?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, again that is a distortion, which I am afraid is becoming a habit over there, and not unexpectedly, of course. I watched and listened to the statement of Premier Hatfield yesterday and nowhere in that statement was there a direct accusation with respect to the conduct of the RCMP—or indirect, I might add—in my viewing and in my listening to that statement.

● (1420)

With respect to a judicial inquiry, that has been responded to by my colleague, the Minister of Justice, yesterday. I need not read his response into the record. It is to be found at page 2305 of *Hansard*, and it is quite complete. As the Member knows, there is an internal review now being conducted in the RCMP with respect to all aspects of the process as it was applied in this particular case. When that review is complete, it will be considered, and perhaps questions answered at that time.

REQUEST THAT SOLICITOR GENERAL RESIGN

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Solicitor General. If the Govern-

ment does not want at this time to have a public inquiry, will the Solicitor General adopt the same standard of behaviour of his fellow MP from Nova Scotia, the former Minister of National Defence, and do the right and honourable thing by either requesting a public inquiry to vindicate his own judgment, or resigning?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, may I say to my hon. friend from Saint-Maurice that, as the Deputy Prime Minister has indicated, there is a comprehensive internal review on now into this matter. In having my meeting with Premier Hatfield I exercised the judgment I thought was appropriate—

Mr. Frith: No one else does.

Mr. MacKay: —to listen to his concerns. If the Hon. Member cannot distinguish between the circumstances involved, then I am afraid I cannot help him very much.

* * *

GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Deputy Prime Minister, dealing with the resignation of the Minister of National Defence. The Prime Minister on Tuesday, and the Acting Prime Minister yesterday, indicated to the House that all information related to the question of national security was dealt with properly. How can the Prime Minister claim that a thorough investigation was undertaken when news reports today tell us that the people in the club concerned were never interviewed, that the Base commander at Lahr knew nothing about an investigation, and NATO officials deny ever being consulted?

Mr. Hnatyshyn: I'll bet you know all those people in the bar; you could have asked them the questions.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker—

An Hon. Member: Very funny, Ray.

Mr. Hnatyshyn: You're a bunch of jokes.

Mr. Nielsen: —in response to the rather vague question put by the Hon. Member, I can see no inconsistency whatsoever with respect to the statement of the Prime Minister that he caused a very comprehensive and thorough inquiry to be made into the security aspects of this matter. Indeed, that was his very first concern, and I can assure the House that the Prime Minister did indeed, as he stated, cause very thorough inquiries to be made and remade and rechecked. The final report was made, as indicated by the Secretary of State for External Affairs, at noon yesterday.

Mr. Hopkins: Mr. Speaker, I will ignore the cheap remarks of the Government House Leader.

Mr. Rossi: The joke is on your side.

Mr. Hopkins: I understand that is the new standard of civility in the House.

RESIGNATION OF MINISTERIAL ADVISER

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I am impressed by Canada's ability to carry out international investigations without our allies' participation. Can the Deputy Prime Minister tell this House if the widely reported resignation of Mr. Duncan Edmonds, senior adviser to the former Minister of Defence, on January 18, and his departure on the same day for points south, had anything whatsoever to do with the allegations raised by the Ottawa *Citizen* and the Minister's subsequent resignation?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): No, Sir.

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ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Solicitor General. Today, for the first time, the Premier of New Brunswick has given information with respect to the meeting which took place between himself and the Solicitor General. Will the Solicitor General confirm, as has been indicated by the Premier of New Brunswick, that the Premier was seeking a speed-up of the investigation by the RCMP? In particular, will he confirm that the Solicitor General invited the Premier of New Brunswick to his home for that meeting despite his earlier assurances that this meeting should be held on neutral ground?

Hon. Elmer M. MacKay (Solicitor General of Canada): I can say in reply to my hon. friend the Premier is wrong in his recollection that I invited him to my home. But I can confirm that the Premier, as I said before, wanted me to meet him on an urgent basis because of some concerns he had with respect to the practices and procedures. I have nothing further to say about that conversation other than that I still regard it as being a confidential and privileged conversation.

Mr. Robinson: Mr. Speaker, it may have been confidential, but clearly the meeting was improper in the circumstances.

REQUEST THAT SOLICITOR GENERAL RESIGN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. In view of the standard set by the Prime Minister with respect to judgment in this matter, and in view of the fact that clearly there is

at least a difference of opinion between the Premier of New Brunswick and the Solicitor General, and in view of this error in judgment which should not be repeated, does the Deputy Prime Minister not recognize that the appropriate course is for the Solicitor General to step down, at least pending an investigation?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): No, Sir, I do not—

Mr. Waddell: Then why did Coates step down?

Mr. Nielsen: —in general. The Hon. Member will have an opportunity to ask the specific question which I will be happy to answer if he gets that opportunity.

With respect to this specific question, I would refer the Hon. Member to the responses made by the Prime Minister on February 12 to be found at pages 2260 and 2261 of *Hansard*.

DISCUSSIONS INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General. As you are aware, the Solicitor General has steadfastly refused to disclose the details of that secret meeting at the Chateau Laurier, and steadfastly maintained that that particular meeting was proper and above board. One can only conclude that the Solicitor General is hiding something and merely clinging to power.

Mr. Dalton Camp, a close friend and adviser of Premier Hatfield, and the Premier himself, have now disclosed details of that particular meeting.

Some Hon. Members: Question.

Mr. Nunziata: In fact Premier Hatfield himself has said that the Solicitor General should disclose particulars of that meeting. Will the Solicitor General finally come clean with the Canadian public and this House and tell us exactly what was discussed at that particular meeting, and finally do the honourable thing and admit that that bloody meeting was wrong?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Hon. Member for York South-Weston talks about doing the honourable thing. This is a man who obtained confidential—

Some Hon. Members: Resign.

Mr. MacKay: This is a man who obtained confidential information from the Department of Justice, which could not be used in open court for very good procedural reasons. Then he came into the House of Commons and used it, and betrayed his source in the meantime. I think someone on that side of the House should tell the Hon. Member that that is not the way you do things in this country.

Some Hon. Members: Hear, hear!

Mr. MacKay: He talks about doing the honourable and equitable thing. I presume he got through law school, although I am not certain given the way he handled the affidavit yesterday, but he should remember the old legal maxim that he who seeks equity should come with clean hands. He certainly has not in this matter.

Mr. Nunziata: Mr. Speaker, I certainly did not wiretap my own office. What the Canadian people want is answers, not insults.

PREMIER'S REFERENCE TO RCMP

Mr. John Nunziata (York South-Weston): Mr. Speaker, Premier Hatfield has made some extremely serious allegations about the conduct of the RCMP. He is actually accusing them of being party to a conspiracy to have him removed from office. The Acting Justice Minister from New Brunswick suggested that the RCMP has, as one of its goals, the downfall of the provincial Government in New Brunswick. Therefore, does the Solicitor General intend to stand idly by while the integrity and reputation of the RCMP are brought into question by the Premier of New Brunswick and the Acting Justice Minister of New Brunswick? In the alternative, will the Solicitor General come to the defence of the RCMP and ensure that the integrity of the RCMP is maintained by calling for a judicial inquiry to clear his name and the good name of the RCMP?

● (1430)

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I see that the Hon. Member is as confused as ever. On the one hand he wants me to be an interventionist, and on the other hand he claims that I have been too active.

I can assure the Hon. Member and the House that the RCMP have an exemplary reputation built up over many decades. They are a police force which has inspired great confidence. They themselves requested an internal review. This internal review was promised in November and is now under way. If it is decided that changes are required in the practices and procedures of the RCMP when the review is finished, they will be announced in due course.

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THE ECONOMY

INTEREST RATE LEVELS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Deputy Prime Minister on a somewhat different matter. Interest rates have gone up again today. I can recall when the Deputy Prime Minister was the House Leader of the Official Opposition not many months ago. The Official Opposition at that time claimed to stand against the Liberal policy of ever increasing high interest rates. Can the Deputy Prime Minister tell us why the Government is now following the exact same policies established by the previous Liberal administration and allowing high interest rates to become the order of the day?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure that the Hon. House Leader knows that interest rates in the country have been reflecting actions in exchange markets. The monetary policy has been a moderating influence in the interest rate market. We are proceeding with responsible financial management.

Mr. Deans: Mr. Speaker, I am positive that you can remember hearing that same answer from the previous Minister of Finance in the Liberal administration.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Can the Minister tell us why the Government cannot come up with a set of policies consistent with the view expressed by the Prime Minister that, if faced with the choice between high interest rates or a lower dollar, he would choose not to pursue the line of high interest rates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, our financial management policy would be considerably enhanced if it were not for the blockage in the other place.

Some Hon. Members: Hear, hear!

Mr. Deans: Mr. Speaker, I want to assure you that we have never appointed anyone to the Senate.

Mr. Hnatyshyn: Nor will you.

Some Hon. Members: Hear, hear!

REQUEST THAT BANK OF CANADA GOVERNOR BE REPLACED

Mr. Ian Deans (Hamilton Mountain): Sympathetic though I may be with the Government in this matter, I would like to direct another question to the Acting Minister, or the Secretary of State for Finance, or whatever. I recognize you, but I can't remember who you are.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Deans: Don't be silly.

I would like to ask the Minister who is answering for the Government how many people in Canada have to lose their homes, their farms, or their small businesses, before the Government will be true to the policies that it claimed it believed in, and will take the necessary action to fire the Governor of the Bank of Canada and replace him with someone who cares about Canadians?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is very clear to the Canadian people that the policies of the Government are to ensure that Canadians cannot only continue to own their own homes, but that they will be able to buy homes and to have jobs. That is what the Government is working for, and I think the Hon. Member knows it.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I too would like to address a question to the Minister of State for Finance, concerning interest rates. As we know, interest rates went up once again today and we have had a larger increase in interest rates in the last two weeks than we had in the entire last year. That creates a high level of instability in the market.

It is equally disturbing that at the meetings in Regina the Premiers are asking for a response, and the federal Government has absolutely no position on interest rates. Can the Minister of State for Finance indicate whether the Government of Canada indends to put forward, in the very near future, a clear position on its policy relating to the increased interest rates which are now being experienced in Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, interest rates are still considerably below what they were when the other Party was in power. We have made a very strong commitment to lower interest rates. Throughout the early months interest rates did come down, and they will be coming down again.

INTEREST RATES ISSUE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I think the House deserves a correction by the Minister of State for Finance. At the time of the last First Ministers' conference on the economy real interest rates were 4.5 per cent. Today they are 7 per cent. That is the fact. That is the reason the level of investment is down.

The Government has repudiated the position it took during the election. When will the Government put forward a position so that investors and all those in the financial community will know where the Government stands in relation to the critical issue of interest rates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Government has made its position on interest rates very clear. We are working very hard to bring down the deficit accumulated by the Liberals when they were in office so that we can have lower interest rates.

EFFECT OF INCREASED RATES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the same Minister. The Minister suggests that the Government has made its position on interest rates clear. The Prime Minister stood before the House and committed himself to lowering interest rates. Now, with weakness in the dollar, the Government has reversed itself and is

raising interest rates. Can the Minister explain why this damage is being done to our economy and to the 1.5 million people out of work?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have an open financial system in Canada, and interest rates respond to market forces. I think some basic economics may be in order for other Members of the Chamber. Our interest rate policy is geared toward bringing down rates by bringing some controls onto the deficit through good financial management, which we are currently being denied.

SIZE OF INCREASE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, as a professor of economics I can tell the Hon. Minister that her economics are right out to lunch. Interest rates in this country are set by the Government. They are not set by the market.

How do the Minister and the Government justify the damage to the economy, small businesses, home buyers, the construction industry, and farmers, that will be and is being created by this kind of unconscionable increase in interest rates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there has not been an unconscionable increase in interest rates as the Hon. Member, a former professor of economics, should know. Interest rates have been rising in response to money market conditions. They have risen very modestly. Our commitment to lower interest rates, jobs, and good financial management, is clear.

* * *

● (1440)

[*Translation*]

SUPPLY AND SERVICES

MARINE INDUSTRIES LIMITED—REQUEST FOR CLARIFICATION OF AID APPLICATION

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, my question is directed to the Minister of Supply and Services. I would like to know whether a decision has been made concerning a company in my riding which during the election campaign was obliged to lay off 700 workers and which was, of course, the second lowest bidder for repairs to the ships at Marine Industries Limited. I would therefore like to know whether a decision has been made and when a reply will be forthcoming.

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I believe the Hon. Member is referring to the refit of the *Saguenay* which, regrettably, we have had to withdraw from Marine Industries because of the strike and the necessity for the Department of Defence to have the ship by next November. We are in the midst of examining the question and a decision will be made by my Department very quickly, quite possibly later this afternoon, or tomorrow.

* * *

GOVERNMENT EXPENDITURES

MINISTER'S SPEECH TO THE CANADIAN CLUB

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Deputy Prime Minister. In his address to The Canadian Club yesterday, he said that it had been necessary to freeze expenditures in order to curb the enthusiasm of Ministers developing new programs. Will the Deputy Prime Minister tell us which Ministers have had their programs put on hold?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have not read the report—if the Hon. Member was reading from a report—

An Hon. Member: It's your speech.

Mr. Deans: Why didn't you get a transcript?

Mr. Axworthy: You are supposed to listen to what you say, Erik.

Mr. Nielsen: —but I can tell her that her preamble and her question are a distortion of the wording of my speech. If she will take the time to read it carefully, she will find—

Some Hon. Members: Oh, oh!

Mr. Boudria: You should take the time to read it.

Mr. Nielsen: Obviously, they don't want the answer. I simply commend that very excellent speech to Hon. Members. Read it, and read it carefully.

Some Hon. Members: Hear, hear!

TASK FORCE REVIEW OF PROGRAMS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Deputy Prime Minister is also quoted as saying that he hoped his cost-cutting task force would be helpful to the Minister of Finance. If the Deputy Prime Minister admits that that quotation is accurate—

Mr. Nielsen: It isn't.

Miss Nicholson (Trinity): —are we to understand that there is a split in the Cabinet between the Minister of Finance and those Ministers who wish to develop programs in such areas as job training?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I challenge the Hon. Member to find anywhere in that speech the phrase "cost-cut-

ting exercise". It is not there, and those were not the words that I used.

Again, I urge her to read the speech carefully and she will see that it deals with a monumental and unique task of program review across the wide range of over 1,000 government programs.

If you read it carefully you will see that what we are after is a restoration of some kind of economic order in our pursuit of economic renewal in this country; some sort of restoration of management practices which entirely disappeared under those whom she supported in past years.

* * *

THE ECONOMY

FIRST MINISTERS' CONFERENCE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of State for Finance. I watched the First Ministers' conference today where one First Minister after the other rose to say that they wanted lower interest rates to stimulate economic growth.

The Minister said a few moments ago in the House that the Government's policy was to bring down the deficit so that Canadians can have lower interest rates. Is it the opinion of the Government and the Minister that the Government must first tackle the deficit and bring it down before the Government will take any action at all on interest rates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is not just a case of lowering interest rates because of the deficit and then bringing down the deficit, as the Hon. Member should well know. Our policies one geared to lowering interest rates at the same time as we are bringing the deficit down.

Mr. Waddell: Now it is at the same time.

GOVERNMENT EXPENDITURES—MORATORIUM INQUIRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, perhaps I can direct my supplementary question to the Deputy Prime Minister. His Toronto speech is quoted in the Ottawa *Citizen*, which also contains a particularly flattering picture of him. He talks about a moratorium, in his words, on spending on business services, job creation, agriculture, Indian property management, and regulatory.

The Deputy Prime Minister has talked about a nine-month moratorium on spending, and apparently there does not seem to be any action on interest rates. Could he explain to Canadians why they elected that Government which was supposed to bring about some change? Why is it a do-nothing Government? Why bother going to a First Ministers' conference if it is just going to be for show and the Government of Canada does not intend to take any action on spending or interest rates?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, again the Hon. Member is guilty of distorting what I said.

Some Hon. Members: Oh, oh!

Mr. Nielsen: He holds up what appears to be a xerox copy of an article in the Ottawa *Citizen*. I would suggest to him that he would serve his quest for accuracy a great deal more satisfactorily if he read the speech himself. It says nothing about a nine-month moratorium whatsoever. The speech makes that clear.

It is a moratorium on new expenditure initiatives so that the first priority areas identified in program review will have the opportunity of not only being completed but, hopefully, being of some assistance in the budgetary planning process.

* * *

SPORTS

HOSTING OF 1987 CANADA WINTER GAMES IN CAPE BRETON

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. In recent weeks considerable concern has arisen in Nova Scotia about plans for the 1987 Canada Winter Games to be held in Cape Breton. Would the Minister explain the delay in executing an agreement with the host society, and what he is doing to resolve the matter?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the Hon. Member will know that fiscal and other responsibilities were not defined when the games were accepted by the previous Government some years ago. It is for that reason that I initiated an in-depth review into the matter which resulted in an agreement between the Province of Nova Scotia and the federal Government on January 31. Since then we have been trying to accommodate the host society in the county of Cape Breton. In fact I am going to Sydney, Nova Scotia, on Monday, with the hope of signing an agreement with the county, the host society, and the province.

* * *

TRADE

LUMBER EXPORTS—THREAT POSED BY PROPOSED UNITED STATES LEGISLATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, in the interest of reducing the possibility of being accused of making distorted statements, I will not direct my question to the Deputy Prime Minister but to the Secretary of State for External Affairs.

The Minister knows that after an unsuccessful attempt in 1983 to impose countervailing duties on the Canadian softwood lumber industry, a number of U.S. Congressmen have now laid before the U.S. Congress a bill entitled "Canadian

Softwood Lumber Import Control Act". If passed, it will limit the export of Canadian softwood lumber to the United States to 25 per cent. Furthermore, the Minister knows that literally thousands of Canadian jobs and several hundred million dollars in sales are at stake.

Will the Minister assure the House that at their upcoming meeting with the President of the United States, both he and the Prime Minister will seek a commitment from the President that he will announce his intention to veto that Bill if, by some accident, it passes the U.S. Congress?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I hope I am not distorting things by saying that there was relatively pallid applause for the Hon. Member from his colleagues.

We are not waiting for the meeting on March 17 to make representations with regard to that legislation. We are acting now to try to protect the Canadian interest. If I may say so, it would be very helpful if Members on all sides of the House did what they could in relations between individual Members of Parliament and individual members of Congress in the United States to ensure that actions were not taken which would be harmful to the Canadian interest.

Mr. Tobin: Mr. Speaker, the Minister says that they are acting now. He has not said what they are doing. Wishful thinking is not enough.

REQUEST THAT REPRESENTATIONS BE MADE TO UNITED STATES PRESIDENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am asking the question now so that the highest level of representation can be made. Furthermore, the Prime Minister made the statement that Canada is open for business, but the U.S. is attempting to close its borders to Canadian products. His statement should be rationalized in view of these actions. Will he make the highest level contact with the President of the United States, and will he seek assurance from the President that he will veto, and announce that he will veto, any such Bill should it pass the Congress of the United States? That is what we are asking.

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just as I would not welcome the President of the United States telling the Prime Minister of Canada what the Prime Minister has to do, for example, about nuclear arms—

Mr. Axworthy: He should tell him.

Mr. Clark (Yellowhead): —neither do I believe that it would be welcomed in the United States for us to instruct the President as to how he should use his veto.

I give this undertaking. If the matter is not resolved by the time of the March 17 meeting between the Prime Minister of Canada and the President of the United States, it will be raised by the Prime Minister with the President.

* * *

THE ECONOMY

FIRST MINISTERS' CONFERENCE—INTEREST RATE LEVELS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Deputy Prime Minister. During the First Ministers' Conference this morning, Conservative Premiers from all corners of Canada have been sounding like opposition Leaders in urging the Government to bring down interest rates because of their concern about the effect of rising interest rates on housing, investment, and jobs. When the Government was in opposition it kept on pressing the Government of the day to bring down interest rates because of the impact of high interest rates on investment, housing, and jobs. Has the Government changed its policy now and is it abandoning its Conservative friends at the provincial level because it is now in power?

Hon. Barbara McDougall (Minister of State (Finance)): No, Mr. Speaker.

GOVERNMENT POLICY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, can the Minister of State for Finance, since she chose to answer on behalf of the Government, say just what is the policy of the Government on interest rates? When the Government was in opposition it said "bring down interest rates". Now the Government says that interest rates are rising because of market forces. You cannot have it both ways. Which is the Government's policy?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I cannot seem to make it obvious to the other side of the House that we have made our policy very clear to bring down interest rates for the sake of jobs, for the sake of housing, and for the sake of all Canadians. We are doing that by attempting to bring down the deficit which was accumulated by the former Government. We are attempting to bring good financial management to this Government. Our policy remains a policy of lower interest rates.

Mr. Deans: Notwithstanding evidence to the contrary.

* * *

AGRICULTURE

REVIEW OF PROGRAMS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. In announcing the Agriculture Task Force for program review in Toronto yesterday, whose

main job will be to slash as much as $1.5 billion worth of programs of assistance to Canadian farmers, would the Deputy Prime Minister say why there are no representatives from western Canada, eastern Canada, and why there are no representatives from farm organizations, or any farmers on this program review? All we have are civil servants from Ottawa, bankers, and food processors from big multinational groups in Toronto and Montreal, on this task force. Could the Deputy Prime Minister explain why there are no representatives of farmers and farm producers on this jury which he has constituted to bring in the death sentence on many farm programs that help farmers?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I sadly note that that is not only a distortion—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —of the speech and the terms of reference which were attached as appendices to the speech, but it also lacks any truth because the Member fails to distinguish between the ministerial Task Force comprised of myself and my colleagues, the Minister of Finance, the President of the Treasury Board, and the Minister of Justice, and the Private Sector Advisory Committee which is broadly representative of all regions of this country, business and labour. He also fails to distinguish between that function and the functions of the study teams going into the various Departments. I can assure him that the untrue allegations he makes as a preamble to this question are not the purpose of the task force at all.

AGENDA OF FIRST MINISTERS' CONFERENCE

Mr. Maurice Foster (Algoma): Mr. Speaker, I must point out that the review team on agriculture does not contain any of those representatives from agriculture, no one from eastern Canada nor from western Canada. It really seems that the Minister of Agriculture has completely abandoned farmers this week because he announced that the Government could not really assist farmers who are facing bankruptcy and high interest rates.

More important, I would like to ask the Deputy Prime Minister why, when the First Ministers of this country are meeting in Regina, in the middle of the Prairies, there is no item on agriculture on the agenda of the First Ministers' meeting. Surely this is completely abandoning the agricultural industry of the Prairies and of Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know from where the Hon. Member is getting his information. It is certain that I did not give any indication this week, last week, or the week before, nor will I give any indication in any future weeks, that I will abandon farmers' problems or that this Government will abandon farmers' problems. I think the Hon. Member had better check the record, Mr. Speaker. When he checks the record of the last few months we have been in office I am certain he will agree that that record will match any record given double the time in which the Liberal Government was in office.

* * *

IMMIGRATION

ADMISSION OF AMERICAN FISHING GUIDES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, without commenting on the presence or the absence of the Minister of Employment and Immigration, but in view of her evident inability to answwer this question I will direct it to the Minister of National Revenue.

An Hon. Member: Isn't that cute.

Mr. Parry: In previous years hundreds of American fishing guides have been allowed into Canada to work, often at the request of American owners of Canadian resorts. Campers, frequently American themselves, have asked whether there are any Canadian guides available. There are. Would the Minister look into this matter to see why this situation exists?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the Minister of Employment and Immigration is currently at the First Minister's conference in Regina where she is making a vital contribution.

Some Hon. Members: Hear, hear!

Mr. Beatty: I will be pleased on her behalf to take notice of the question. I am sure she will be anxious to give it her full attention upon her return.

Mr. Parry: I, for one, do not doubt the vitally of the Minister's contribution, Mr. Speaker.

[*Translation*]

Will the Minister enquire whether the Government allows this practice to continue, or whether it will take the necessary steps to make sure that Canadian guides will henceforth be hired on a priority basis?

[*English*]

Mr. Beatty: Mr. Speaker, once again. I will be pleased to take notice of the question on behalf of the Minister. Obviously she is concerned about any instance where Canadian national interests are at stake, and I am sure she will take any appropriate action.

Mr. Deans: How do you know for sure?

[*Translation*]

FINANCE

CONTROL OF INTEREST RATES INCREASE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Minister of State for Finance and it has to do with rising interest rates. In her answers, the Minister seemed to try to minimize the steady but nonetheless regular increase in interest rates. In fact, she suggested earlier that the way to control interest rates is to cut the deficit, yet the Prime Minister has already rejected that option, to the obvious despair of the Minister of Finance. Would she tell us exactly what the Government is going to do to control rising interest rates?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, perhaps in response to the Hon. Member's question I could quote the Hon. Member for Winnipeg-Fort Garry when he said in this House on February 12:

> I was intrigued by his comments about interest rates. Let us be honest, the interest rate policy is in large part dictated by what happens in money markets in the United States—any Canadian Government of whatever stripe is always forced into the position of having at least to respond and be sensitive to that fact.

Mr. Axworthy: Be responsive and sensitive.

[*Translation*]

FIRST MINISTERS' CONFERENCE—INQUIRY WHY DEFICIT NOT ON AGENDA

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a supplementary question for the Minister.

Mr. Speaker, I am wondering whether the Minister might not be practically admitting that her senior colleague, the Minister of Finance, has just lost a third battle with his Cabinet colleagues. Can she tell me why the deficit is not on the agenda of the Regina conference, claiming as she does that a lower deficit is the way to prevent Canadian interest rates from rising?

● (1500)

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this Government is always talking and thinking about the deficit. I find it hard to believe that in two days of the First Ministers' conference it would not come up.

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MEDICAL RESEARCH COUNCIL

FIVE-YEAR FUNDING

Mr. Tom Hockin (London West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. What is the Minister proposing to do to make certain that Medical Research Council funding, which in the past ten years has been very erratic, will not be erratic in the future? I am especially concerned with the past habits of the federal Government to fund the Council's five-year long-term plans with no clear commitments for years three, four, and five.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for that question. It is true that it creates difficulties when five-year plans are established and only two-year plans for funding are put into place. As I have said to the Hon. Member and to the House generally, I would like to see an increase in medical research funding, not only from the public side but also the private side. As we look at this entire question, I think we have to amalgamate the two. That does not remove the obligation from the public side.

Ms. Copps: Ministerial statement.

Mr. Epp (Provencher): I assure the Hon. Member, and those in the House who are interested in this topic, that we are looking carefully at how we can meet the objectives not only of increased medical funding but also in terms of how best to do it in co-operation with the private and public sectors.

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CLERK OF PETITIONS' REPORTS

UNEMPLOYMENT INSURANCE CHEQUES

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Shefford (Mr. Lapierre) on Wednesday, February 13, 1985, does not meet the requirements of the Standing Orders as to form.

CALL FOR ESTABLISHMENT OF PENITENTIARY

Mr. Speaker: I also have the honour to inform the House that the petition presented by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) on Wednesday, February 13, 1985, meets the requirements of the Standing Orders as to form.

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MISCELLANEOUS ESTIMATES

MOTION OF REFERENCE TO STANDING COMMITTEE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am rising in my place to ask the usual business question of the Government House Leader.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I appreciate the question of the Deputy House Leader of the Official Opposition. In responding to the Hon. Member's question, I should like to advise the House that there have been discussions between the Parties. I

believe, Mr. Speaker, that if you were to seek unanimous consent of the House to put the following motion, that consent would be forthcoming. The order is as follows:

That the Standing Committee on Miscellaneous Estimates be empowered to examine and report on the advisibility of

(a) Canada issuing a circulating dollar coin;

(b) the raising of funds for the 1988 Calgary Olympics through assigning the seigniorage from the first issue of such coins to the Calgary Olympics; and

(c) the size, shape, and composition of any such dollar coin if it were to be issued;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the Committee submit an estimate of expenses to be incurred in the exercise of its authority to hire to the House of Commons for concurrence prior to proceeding with its inquiry; and

That the Committee report back to the House not later than June 14, 1985.

Mr. Speaker: Does the Government House Leader have the unanimous consent necessary to introduce the motion?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I just want to say that we were consulted and that the proposal to refer the matter concerning the coins to the Committee on Miscellaneous Estimates met with our approval.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also want to confirm that the consultation process went extremely well. The Hon. Member for Nickel Belt (Mr. Rodriguez) would like me to inquire of the Government House Leader whether he would consider asking the committee to go to Sudbury in order to hold some hearings, given the need for economic stimulus.

Mr. Hnatyshyn: Mr. Speaker, although I would not normally give a nickel for any suggestion made by the House Leader, I will give that one the most serious attention, especially since it comes from his hon. colleague.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, before giving consent, I should like to ask for some explanation. Usually the Government House Leader has these motions printed on the Order Paper—

[*Translation*]

Why was the House not given prior notice, on the Order Paper, of the motions the Government wishes to present?

[*English*]

Mr. Rossi: The Deputy Prime Minister just gave him the answer.

Mr. Hnatyshyn: Mr. Speaker, the Deputy Prime Minister (Mr. Nielsen) in leaving simply said how much he admired the Whip of the Liberal Party. However, the answer to that question is very simple. As far as we are concerned, the practice has been to consult fully in advance, prior to unilaterally putting on a motion which may not meet the pleasure of all Members of the House. Accordingly it seemed to me to be a saving of money and a more effective way. By first consulting and making sure that all the terms were agreeable and then presenting it for unanimous consent, there is not the cost of printing and carrying that motion for a long period of time. I do that from the point of view of ensuring full consultation with all Parties and providing them, sometimes days and weeks in advance, with these motions so that there is an opportunity for input and to make changes where changes are appropriate.

Mr. Prud'homme: Mr. Speaker, I rise on this question—

Mr. Speaker: Now I am in real difficulty. I simply asked the House whether the Government House Leader had unanimous consent for the putting of the motion. Does the Government House Leader have unanimous consent?

Some Hon. Members: Agreed.

Mr. Malépart: No.

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) says no. There is no unanimous consent for the introduction of the motion.

Mr. Dick: The Liberals are at it again.

Mr. Speaker: I am perfectly prepared to allow questions once the motion is on the floor. Should I try to seek unanimous consent for the introduction of the motion one more time?

Mr. Guilbault (Saint-Jacques): Yes, please do.

Mr. Speaker: Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is the House interested in adopting it?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The Hon. Government House Leader has another motion.

* * *

FISHERIES AND FORESTRY

MOTION TO PERMIT STANDING COMMITTEE TO TRAVEL

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there has been even more consultation on this issue. I can assure the House that this particular item was dealt with over a period of weeks and under the most amicable circumstances in my office.

I simply suggest that there is an agreement with respect to a request of the Standing Committee on Fisheries and Forestry to travel to the great Province of British Columbia. Therefore, I ask the unanimous consent of the House for leave to present this motion and to have it accepted. The order is as follows:

Business of the House

That the members of the Standing Committee on Fisheries and Forestry be authorized to travel to British Columbia between March 23 and April 3, 1985, for the purpose of holding public hearings on the west coast fishing industry, and that the necessary staff do accompany the Committee.

Mr. Speaker: Does the Hon. Government House Leader have unanimous consent for the introduction of the motion?

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, we were indeed consulted on this matter, and my Party's House Leader gave his consent to the Government House Leader. We therefore agree and will give our unanimous consent. However, I do not think we should make a habit of having these committees travel across the country. In the case of this particular committee, it is necessary because our oceans are at opposite ends of the country. Generally speaking, however, it is our Party's view that committees should normally not be travelling, since the work should be done here at the House of Commons.

[*English*]

Mr. Speaker: Does the Government House Leader have unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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TRANSPORT

MOTION TO PERMIT STANDING COMMITTEE TO TRAVEL

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, finally, I again seek unanimous consent of the House for the following motion:

That the members of the Standing Committee on Transport be authorized to travel to British Columbia prior to the month of April, 1985, for the purpose of holding public hearings and to visit transportation facilities in relation to their order of reference dated April 12, 1984, and that the necessary staff do accompany the Committee.

Mr. Speaker: I rise with trepidation to find out whether the Hon. Government House Leader has unanimous consent for the introduction of his motion.

Some Hon. Members: Agreed.

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to ask the Leader a question with respect to his last motion. I would like to know whether the House Leader is acting as a travel agent to give his Members a change of scenery.

● (1510)

[*English*]

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Hnatyshyn: Mr. Speaker, after having dealt so expeditiously with those items, I want to carry on with the business for the coming days, I am pleased to see that we are making progress today.

I have an undertaking on the part of the Opposition House Leaders to deal with Bill C-22, an Act to establish the International Centre for Ocean Development, at all stages this afternoon. That agreement was given by both House Leaders, the Official Opposition and the New Democratic Party. As previously announced, when the House concludes consideration of Bill C-22, it will proceed to Bill C-23, an Act to amend the Small Businesses Loans Act.

As far as tomorrow is concerned, the first order of business will be Bill C-29, an Act to amend the Western Grain Stabilization Act. I spoke to both Opposition House Leaders prior to their caucuses in order to get approval from them regarding this Bill, which gives more flexibility to that Act and allows the payment to western grain producers which is so desperately needed before seeding this spring. I have received an indication from the New Democratic Party that they are prepared to deal with it at all stages tomorrow. I hope the Official Opposition will be in a position, so that we can pass it at all stages, to allow the payment to be made before seeding. Should Bill C-29 be passed before the end of the day tomorrow, we will return to the consideration of Bill C-23.

As you are possibly aware, Mr. Speaker, pursuant to our Standing Orders we will not be sitting next week. When Members return on February 25, the first order of business, if we do not dispose of it tomorrow, will be Bill C-23, followed by the commencement of debate on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program.

I have just one other item. It has to do with a motion I have also discussed with the Opposition House Leaders relating to the matter of agricultural taxation. I have discussed these Bills with the Opposition House Leaders and I have the approval of the New Democratic Party to have this motion go forward for immediate consideration by the Standing Committee on Finance, Trade and Economic Affairs on the matter relating to agricultural taxation. I understand that the matter is under consideration by the Official Opposition. I am anxious to have

some indication from the Official Opposition to go ahead with that particular revision.

The purpose of the reference is so that there will be a full opportunity for consultation with the agricultural industry. I know that the Hon. Member for Algoma (Mr. Foster), who has a great interest in the matter and is the critic for agriculture, will be interested in having this matter referred immediately to this committee. We want to have this done before the Budget comes down.

It is absolutely essential that farmers are able to have input to the House of Commons committee. I urge the Official Opposition to please let me have their approval so that the matter can go forward and we can have the committee receive petitions and information from farmers across this country, as well as from other interested parties, on this most important question of taxation in terms of the agricultural sector of Canada.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, in accordance with our commitment to the House Leader, we have no objection to dealing with all stages of the Ocean Development Bill, C-22, today. We may have a few speakers who want to express their points of view.

With regard to passing all stages tomorrow of the Grain Stabilization Bill, I believe I will have time to get back to the Hon. House Leader on that. I want to check the outcome of negotiations between my House Leader and the Government House Leader. The same is true with regard to agricultural taxation. We will get back to him some time before tomorrow.

Mr. Skelly: Mr. Speaker, I have a question for the Government House Leader now that the House has given the Fisheries Committee leave to travel. It is well known that there is legislation before Cabinet that pertains to the west coast fishing industry. This is needed very quickly to straighten out the chaos there. Can I get assurance at this point from the Government House Leader that we will not have that legislation brought into the House while the committee is travelling? It would certainly negate the whole exercise.

Mr. Hnatyshyn: Mr. Speaker, my information would be the opposite. If we were able to have that legislation brought forward and dealt with on the floor of the House and given second reading at an early stage, that is, prior to the committee proceeding on its visit to British Columbia, it may then be possible for the committee, as well as carrying out the responsibilities it now has under its order with respect to the whole question, to be able to deal in a very effective way with any legislation that may be brought forward.

I hope we will be able to look at facilitating the consideration of that legislation in order to allow that committee, when it goes to British Columbia, to have an idea of the intentions of the Government. Of course, it depends very much on whether we can make progress and on the progress being made within Cabinet.

Mr. Skelly: Mr. Speaker, there are two separate problems, one being the constitutional and legal problem the Department has on the west coast. If legislation were dealing with that, it might be easier to come to an agreement. If, on the other hand, the Government intended to push through—

Mr. Speaker: I allowed the Hon. Member to put his question because I understood it to be important to him. The longer we get into these things, the more the House business question becomes a matter for debate and I will be forced not to allow House business at some point. I must say to the Hon. Member that he may want to make his representations through his House Leader, which is the practice we have tried to follow in the House. Does the Hon. Member have another question now that I have just said that? What is the Member's question?

Mr. Skelly: The question is as follows: Can the Government House Leader tell us whether it deals with the one problem of the constitutional and legal dilemma, or does it deal with the complete restructuring?

Mr. Speaker: That does not have anything to do with House business.

Mr. Foster: Mr. Speaker, I have a question for the Government House Leader. In the last Parliament, debate was adjourned on the redistribution question. I wonder when the House Leader is going to call that item so that the debate can be completed and that material can be passed on to the representation commissioners and the various commissions across the country. Can the House Leader advise us of that?

Mr. Speaker: I am in some difficulty. I know it is an important question. It is important to me. However, it is a question period question, not a House business question. I suggest, therefore, that the Member give these matters, as he should, to his House Leader. The House Leader will raise the matter with the Government House Leader in the consultations that go on. That is the normal practice in these matters.

[*Translation*]

Mr. Malépart: Mr. Speaker, since this discussion on the business of the House started, I have been wondering why the Government House Leader cannot provide us with a more orderly procedure for debate in this House. Lately, we have been spending two days on a Bill for the elderly, and then another two days on small business. Why does the Government House Leader not present a Bill in the House and let us consider it until we have exhausted our allotted time, instead of this untidy business of spending two days on one subject and the next on two other issues?

● (1520)

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I was going to respond by saying "the devil makes me do it," but the real response is that the Opposition House Leaders make me do it. I consult with them. Unless they have any strong objections, I call the

business after I consult with them as to what would be appropriate for the House on any given day.

One of the reasons for this is that from time to time the Hon. Member, as a critic of his Party, will not be available to represent his Party on the floor of the House. I have always made a point of trying to accommodate the Opposition Parties whenever something of that nature occurs. I would not want to embarrass either the Hon. Member or his Party on any occasion. I love them!

Mr. Gauthier: Valentine's Day got to you?

* * *

PRIVILEGE

REMARKS OF MR. HNATYSHYN IN QUESTION PERIOD

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise on a question of privilege. During Question Period when I was posing a question to the Deputy Prime Minister (Mr. Nielsen), the Government House Leader (Mr. Hnatyshyn) made certain derogatory remarks that not only reflected on me personally but on my character in general. I have not had an opportunity to see those remarks in print but all reports that I have heard from others indicate that I have a very definite question of privilege arising from his remarks. I believe, Mr. Speaker, that you did in fact hear those remarks.

At this time I would like to ask that the Government House Leader rise in his seat and in a gentlemanlike way display the conduct that is normal for this House by withdrawing those remarks categorically from the record. Otherwise, I would like to reserve the right to raise this question of privilege tomorrow after I have seen those comments in print. I will leave myself in your hands, Mr. Speaker.

Mr. Speaker: I take it the Hon. Member is rising on a mixed point of order and question of privilege. Is he making the case that unparliamentary language was used in the House or that he may have a question of privilege arising out of the language? I take it he is making the latter point?

Mr. Hopkins: Mr. Speaker, I am stating that I have a question of privilege relating to the comments made by the Government House Leader which, if the comments that relate to me were true, would reflect not only on me as a person but on my character in general. I would ask that the Hon. Member withdraw them.

Mr. Speaker: The reason I am asking the question is that if the Hon. Member is claiming that another Member used unparliamentary language or language that an Hon. Member may not use in this House, then that becomes a question of order with which I must deal immediately. The Hon. Member is not making such a claim. He is indicating to me that he believes that he may have a question of privilege. Do I now understand him correctly?

Mr. Hopkins: Yes, Mr. Speaker.

Mr. Speaker: He now has no obligation whatsoever to give me notice. He has every right to read the "blues" and to give me the proper written notice as he will find it specified in the rules, if he believes he has a question of privilege, and that will be his right once he has received the written record of today.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

CALL FOR SENIOR CITIZEN'S HOME

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour to present a petition signed by one thousand residents of the parish of Saint-René-Goupil in my riding of Saint-Michel-Ahuntsic. Most petitioners are elderly people concerned about the fact that there is no retirement home in that part of the riding of Saint-Michel-Ahuntsic and that it is far removed from all public services. That situation does considerable harm to my constituents.

Therefore, the petitioners urge Parliament to direct that the necessary steps be taken to make that retirement home available so that those elderly people not be taken away from their familiar surroundings.

I present this petition and strongly urge the Government to give it full consideration.

MAIL SERVICE IN LONGUEUIL, QUE.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I have the honour to present a petition.

For many years now, the residents of Saint-Benoît Street in Longueuil have not been getting their mail. I have here a petition signed by 37 people who do not get mail delivery, and they humbly call on the House to direct Canada Post to deliver their mail, as it does for all other residents of Longueuil.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 37, 110 and 124.

[*Text*]

STUDIES RELATING TO MARIJUANA

Question No. 37—**Mr. Howie:**

In 1983 to date, were any studies conducted by the Department of National Health and Welfare related to marijuana and, if so, at what cost?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, from 1983 to date, the Department of National Health and Welfare has conducted three studies on the use and attitudes toward marijuana as well as contributing to two ongoing studies related to cannabis by the Department of Transport (Defence and Civil Institute of Environmental Medicine at Downsview, Ontario) and the Traffic Injuries Research Foundation.

The Health Promotion Directorate of the Department of National Health and Welfare carried out a study in the form of a survey of use and attitudes toward marijuana, alcohol and tobacco among Canadian young people, about one-third of which was devoted to questions on marijuana. The total cost of the survey was $73,000. The study was completed in March, 1983, and was conducted under contract by the Canadian Gallup Poll Ltd.

A second study similar to the first, but conducted one year later in January/February, 1984 was carried out wherein a few questions were addressed to parents of teenagers to determine their awareness of the Health Promotion Directorate's Cannabis Information Program. This survey was also carried out by the Canadian Gallup Poll Ltd. at a cost of $83,000 and it was completed in March, 1984.

A study was carried out to assess the effectiveness of *Stay Real*—a pamphlet on cannabis distributed by the Health Promotion Directorate. This survey was carried out by Currie, Coopers and Lybrand at a cost of $15,000 and was completed in October, 1984.

The Health Protection Branch of the Department of National Health and Welfare, through the Bureau of Tobacco Control and Biometrics is currently contributing to two ongoing studies related to cannabis. Both studies concern possible hazards due to driving under the influence of either cannabis alone or cannabis and alcohol. The first of these is being undertaken by the federal Department of Transport (Defence and Civil Institute of Environmental Medicine at Downsview, Ontario), in which the driving skills of volunteer subjects who have ingested measured amounts of alcohol and cannabis under controlled, bu naturalistic conditions, are evaluated over a closed driving course.

NH&W contribution: FY 1982-83—$10,000, FY 1983-84—$49,686.88.

The second of these studies is undertaken by the Traffic Injuries Research Foundation who are under contract to conduct analyses of body tissues of fatally injured drivers and pedestrians in Ontario to determine the presence of alcohol, cannabis or related metabolics (in blood). The study is being carried out with the co-operation of the Office of the Chief Coroner of Ontario and data collection was completed in 1984. Analysis is expected to be completed in 1985.

NH&W contribution: FY 1981-82—$48,108.21, FY 1982-83—$61,464.34, FY 1983-84—$64,287.51, FY 1984-85—$22,139.94.

RCMP RECRUITMENT POLICY

Question No. 110—**Mr. Skelly:**

1. Did the Government or the Royal Canadian Mounted Police implement a recruitment policy that new recruits must be bilingual?

2. Does the RCMP have a list of applicants awaiting call up for recruitment, ranked on their ability and suitability and, if so, does the RCMP select only those who are bilingual?

3. Is it the policy of regional RCMP recruiting officers to accept new applications and then drop further action on them or refuse to update them if the applicant is not bilingual?

4. In (a) 1983 (b) 1984 to date, how many new members have been recruited by the RCMP and what are their provinces of origin?

Hon. Elmer M. MacKay (Solicitor General of Canada): 1. No.

2. The RCMP has such list but does not select only those who are bilingual.

3. Applications are initially accepted from all individuals who meet the basic requirements of the Force, however, only those who fall into one of the preferred categories, i.e., females, university graduates, indigenous people and bilingual people will be processed at this time.

4. The detailed statistical information is provided below.

RCMP Recruiting Statistics by Province/Territory calendar years 1983-1984 (inclusive)
Regular Members (excluding Special Constables)

	1983	1984 (as of 84-12-19)
Nfld.	1	0
P.E.I.	0	3
N.B.	1	2
N.S.	1	7
Ont.	4	21
Que.	17	41
Man.	0	4
Sask.	0	1
Alta.	1	4
B.C.	0	5
N.W.T.	0	0
Y.T.	0	0
Total	25	88

VIA RAIL

Question No. 124—**Mr. Robichaud:**

1. Was VIA Rail's budget cut by $93 million and, if so (a) who was consulted (b) were alternatives proposed to the Government and, if so, what were they?

2. Will the Province of New Brunswick have additional rail links between its various cities and, if so, how many and which cities?

3. Are the Edmonton-Jasper-Vancouver routes to be repaired in 1984 and, if so (a) will the Government undertake such repairs (b) on what date (c) with what funds?

4. Will a study be commissioned in order to explain delays in VIA Rail's services and, if so (a) where will it be made (b) what will be its time frame?

Hon. Don Mazankowski (Minister of Transport): 1. (a) VIA Rail's budgeted expenditures for 1985-86 were reduced

by $93 million. The Ministry consulted VIA Rail and other Ministries on these reductions in expenditures.

(b) All this Ministry's programs were reviewed to identify where economies could be made and ways and means of achieving those economies, in response to the over-all government objective of deficit reduction. That review process formed part of advice to Cabinet and is privy to Ministers.

2. A three-member Rail Passenger Action Force was recently established to implement policies to enhance our rail passenger system. As part of its mandate, it is to define a basic national rail passenger network including those necessary services to be restored and to review all current services.

Services for New Brunswick were examined in this context with the result, as announced on January 15, 1985, that the decision has been made to restore service between Montreal and Halifax through Sherbrooke and Saint John, the "Atlantic" transcontinental train. Information on changes to other services through or within New Brunswick were contained in a press release package issued on January 15, 1985.

3. (a) Some infrastructure repairs and other types of improvements are required and will be carried out for the restoration of the Edmonton-Jasper-Vancouver rail passenger service which was also announced on January 15, 1985.

(b) The upgrading will be carried out before the service is restored on June 1, 1985.

(c) The Government is financing the required upgrading through VIA's capital budget at a currently estimated cost of $8 million.

4. A study of delays in VIA Rail services has been carried out. The Canadian Transport Commission (CTC) has released a comprehensive report on the subject entitled *Report of the Inquiry into the On-Time Performance of VIA Rail Canada Inc.* The CTC study commenced in February, 1984 and concluded with the release of the report in October, 1984. It is not planned to commission further studies at this time. However, the findings and recommendations of the CTC report will be pursued through the work of the Rail Passenger Action Force, to which reference was made in response No. 2.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INTERNATIONAL CENTRE FOR OCEAN DEVELOPMENT ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Secretary of State for External Affairs) moved that Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

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

Mr. Henderson: Mr. Speaker, will the Minister be making a statement regarding this Bill? I would like to be recognized but—

Mr. Hnatyshyn: Mr. Speaker, the Parliamentary Secretary to the Minister for International Trade (Mr. McInnes) is prepared to make a statement in connection with the motion.

Mr. Speaker: My apologies. I did not see him rise. I now recognize the Hon. Parliamentary Secretary to the Minister for International Trade.

• (1530)

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, this Bill concerns the establishment of the International Centre for Ocean Development, which is commonly known as ICOD. I should like to make a few remarks to clarify this Bill.

We believe that the International Centre for Ocean Development will add an important new dimension to our efforts to assist less fortunate nations. Canada, a great maritime centre, will use this Centre to share its long experience and expertise in marine resource management. As we are all aware, the ocean is a potential major source of food that needs to be developed as soon as possible.

Recently we saw the generosity of all Canadians as manifested in the Ethiopian effort. This, of course, was a short-term action and it is important that we add credibility to our effort by providing long-term solutions in aid of developing and Third World countries. Therefore, we wish to take further initiatives.

Through the efforts of the Canadian International Development Agency, the International Development Research Centre and the many Canadian non-governmental organizations active in the development field, Canada is assisting numerous countries in Africa, Asia, and, closer to home, in Latin America and the Caribbean to improve their standards of living and develop their resources. ICOD will support and further enhance these particular efforts.

The abundance of our ocean resources was recognized some time ago and in December, 1982 representatives of 119 nations, including Canada, signed the United Nations Convention on the Law of the Sea. Individual nations now lay claim to 40 per cent of the world ocean resources through the 200-mile zones adjoining their coastlines.

I wish now, Mr. Speaker, to provide some background for my proposal today to establish ICOD through legislation in Parliament. At the 1981 Commonwealth meeting in Melbourne, Australia, Canada announced its intention to establish an international centre for ocean development to help Third World nations develop their marine assets, particularly as a source of food. In November of 1983, ICOD was incorporated on the initiative of the Government of the day as a non-governmental organization under Part II of the Canada Corporations Act. Its funding was to come from CIDA. But before making a firm commitment regarding this funding, the present Government reviewed ICOD's mandate and institutional structure. This review led to the conclusion that ICOD could indeed play an important role in helping Canada to achieve its development assistance objectives. However, we are convinced that ICOD's status as a non-governmental organization is not in keeping with its genesis or its source of funding. We believe that, since ICOD was established at the instigation of the Government and is government funded, Parliament should have the right to review its activities, its performance and its budgetary submissions.

I wish to underline, however, that since the funds for ICOD will be taken from the existing foreign aid budget, no additional expenditure will be required. It is a question, rather, of ensuring that ICOD's status is a reflection of reality, that it was created by the Government, and that it relies on the public purse for its financial support. I would like to note here that this conclusion echoes the recommendations made by the original consultants who were hired to study and evaluate the various operational possibilities with respect to the establishment of ICOD.

The legislation before us makes only minor changes to ICOD's present structure and makes no changes to its objectives.

The affairs of the new centre will be managed by a chairman, a president and 12 other directors appointed by the Governor-in-Council. I would like to point out here that all of the Canadians sitting on the present board of directors have agreed to resign. The Government will appoint 12 new directors and, at the option of the Government, five of these directors can be non-Canadians. This is a tradition which is consistent with other programs. We think it beneficial to have the views of other leaders and representatives of other nations so that they can properly indicate to us the proper course of action so that the programs which we are offering are indeed of assistance to their countries. ICOD will continue to direct its operations from its head office in Halifax, Nova Scotia. Indeed, this may be one of the highlights of this particular piece of legislation as it is further testimony to the expertise and momentum of the Maritime Provinces as a whole in the area of marine resources and development.

Why should we establish such a centre, Mr. Speaker? The answer is simple. As a major maritime nation, Canada has established a reputation in the scientific, technical and managerial aspects of ocean management, both in the public and in the private sector. Many Canadian training and research centres have already established links with foreign institutions and international development projects. In establishing ICOD, Canada will take advantage of this experience and its bilingual capacity to provide this urgently required expertise to the Third World. Many international agencies have already responded to ICOD's preliminary contact in a positive manner and have indicated their willingness to work jointly in these endeavours. I am thinking in particular of the United Nations development program, the United Nations Food and Agriculture Organization, and the Commonwealth Fund for Technical Co-operation.

I would like to outline briefly ICOD's specific objectives. ICOD will encourage co-operation between the peoples of Canada and the developing countries in the field of ocean resources development in the following ways: First, by initiating and supporting programs in participating developing countries to improve management and utilization of ocean resources, particularly—but not restricted to—as a source of food. Second, it will encourage the development of indigenous institutions in this field. Third, it will provide training, technical assistance and advisory services. Fourth, it will ensure the distribution of information and sponsor research that is consistent with ICOD's terms of reference. In working toward these objectives, ICOD will draw on all the academic and technological resources of Canada and other countries.

Of course, ICOD will offer programs of assistance in response to the specific national objectives of developing countries but it will, at the same time, encourage a pattern of ocean resource exploitation that makes sense for all. By bringing people from developing countries to undertake practical training in Canada, we will gradually build up a group of professionals who are familiar with Canadian techniques and skills. They will form an international network of experts who have links with Canada, automatically creating new openings for Canadian business to trade with the Third World.

The gap that exists between the ocean's known potential and the present poor rate of return is a clear indication of the need for rational management of these resources. Its initial and most obvious benefits would be the opportunity to supplement food resources and increase employment. Industries such as tourism, energy, marine culture, mining and transportation will also benefit. ICOD will increase Canada's ability to make realistic and innovative proposals in a field whose importance was recognized globally during the negotiations which culminated in the signing of the Convention on the Law of the Sea. This legislation reflects the concerns of Canadians for the future of less favourred nations and reaffirms our Government's intentions of actively assisting in their development.

I am sure that my colleagues in this House will want to proceed as quickly as possible with this Bill and, accordingly, I commend it to them for their consideration and approval.

Mr. George Henderson (Egmont): Mr. Speaker, first of all, I must say that I am happy to speak today on Bill C-22, an Act which will establish the International Centre for Ocean Development. I am happy as well, Mr. Speaker, that the Conservative Government has recognized that the Centre exists, because it has been in operation, of course, since May of 1984.

In spite of the place where, as the Bill states, JCOD will be established, I would like to assure the good people of Halifax, the people of Atlantic Canada, in fact, Canadians in general, of my interest in the objectives of the Centre. The news of the establishment of ICOD has been conveyed to most countries and international maritime institutions in the world, and there has been significant interest in its operation. Indeed, there have been almost 50 requests received so far from the South Pacific, the Caribbean, Asia and Africa.

ICOD was created with the encouragement of our former Prime Minister, the Right Hon. Pierre Elliott Trudeau, and the former Secretary of State for External Affairs and now Senator, the Hon. Allan MacEachen. Its Halifax location was certainly supported with great enthusiasm by the Hon. Gerald Regan. Of course, my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) supported the concept. I am sure we would all have liked to have had it located in our own riding, but we had to look first to the proper site for such a facility.

The founders and first three members of the Centre's board of governors are, first of all, Brian Fleming, the Chairman, who is a prominent lawyer in Halifax and a recognized authority on the law of the sea and maritime law, David Hopper, Vice-president of the World Bank and former President of the International Development Research Centre, and Georges Léger, Vice-president of Petro-Canada—there is a good company—International Assistance Corporation, and former Canadian delegate to the Law of the Sea Conference.

• (1540)

Mr. Epp (Provencher): What about the others?

Mr. Henderson: That is one of the things that concerns me about this Bill when the Hon. Member says he is going to appoint a completely new group of directors.

On November 7, 1983, Mr. Fleming announced that ICOD would be incorporated as an international, non-governmental, non-profit organization to assist developing countries in obtaining maximum benefit from their extended zones of maritime jurisdiction through the enhancement of their capacity to develop, manage and utilize the ocean resources off their coasts. The resources of the world's oceans are an obvious source of food, minerals and other things for developing nations. The ability of developing countries to use those resources is uncertain, and this point was brought forward during the 1981 Commonwealth Conference in Melbourne, Australia, when Prime Minister Trudeau released a statement which announced that it was Canada's intention to create an international centre for ocean development as part of a three-point training program aimed at increasing Third World production. That news release stated that the Centre would focus on research, training and technical co-operation to help poor countries increase food production from the sea and take advantage of new harvesting rights expected to be gained under the Law of the Sea negotiations.

In December, 1983, the Speech from the Throne which opened the second session of the Thirty-Second Parliament included the following statement:

> Economic progress is a crucial contributor to peace and stability. Recognizing the urgent needs of developing countries, the Government will maintain its commitment to overseas development aid. Canada will achieve aid goals of 0.5 per cent of the Gross National Product by 1985, and 0.7 per cent of the GNP by the end of this decade. Increased involvement of voluntary organizations and the co-operative movement will be sought in the delivery of this aid. Particular attention will continue to be given to the growing world food crisis, through existing programs, and the new International Centre for Ocean Development.

When Prime Minister Trudeau announced the objectives of ICOD he stated, and I quote:

> With an operational budget of approximately $20 million over a period of five years, the International Centre for Ocean Development would seek to help developing countries get optimal return from their recently expanded marine resources with a major focus being the oceans as a source of food.

A lot of work has gone into establishing this new Centre. The previous speaker for the Government outlined some aspects. ICOD classifies the ocean resources in three general categories. We have mentioned living resources, mineral resources and other resources such as ocean energy, transportation, recreation and tourism. They are all very important. Canada has established a reputation in the scientific, technical and managerial aspects of ocean development. Many Canadian training and research centres already have strong links with foreign institutions and international development projects. ICOD was set up to take advantage of this experience and provide a base to complement the work of other national and international organizations involved in ocean development.

Over the years Canada has developed an outstanding program in the provision of food and technology to developing countries. The fisheries industry has become more important over the years, especially with the development of the 200-mile limit which gave maritime developing countries exclusive access to the riches that the ocean environment provides. The world food catch is about 75 million tonnes, of which about 70 per cent or 52.5 million tonnes is consumed by humans. The remainder is reduced to oil or meal for animal feed. So there is a tremendous opportunity for developing countries to take advantage of the resources of the sea.

Canada is not only a major producer and exporter of fish, but it is also one of the most knowledgeable of fishing nations. It is important that our specialists in both the private and public sector share this knowledge with developing nations in order that these countries may manage and use their resources more successfully.

ICOD will certainly contribute to international development, as the previous speaker mentioned. But there have been other fisheries-related programs supported through other federal departments. The International Development Research Centre has supported fisheries projects with objectives to reduce waste and expand productivity in the world fishery. In 1983-84, IDRC was allocated $2.5 million in fisheries projects. CIDA was the main channel for Canadian assistance to fisheries projects in developing countries, although other departments have played and are playing a major role in the development of some of the poorer nations, the so-called Third World countries. Non-governmental organizations also play a very important role in fisheries development. With support from the federal Government, these organizations work on projects affecting 28 countries.

Canada also continues to provide direct food aid in the form of salt and canned fish in situations of acute food shortages. That has a very beneficial effect not only on our international relations, but in some cases it has the effect of creating and strengthening the market for fish products within our own country. I think of things such as canned mackerel. That is a very difficult species of fish to process because it arrives in large quantities over a very short period of time. It is therefore very difficult for some of our processing operations to handle these quantities. One of the easiest ways to process mackerel is canning. Therefore, there are times when we have large inventories of canned mackerel, a very good food product, one that is certainly needed by some Third World countries. Over the past number of years we have contributed great amounts of canned mackerel and salt cod, as well as some more expensive fish products.

So, Mr. Speaker, obviously we have a great number of programs aimed at helping Third World countries and therefore I hope that we on this side will see this Bill go through quickly. We have probably one or two more speakers on this side who would like to make some comments on this Bill this afternoon. We hope that the Bill will go through. We would not want to hold it up in any way because we recognize the importance of the Centre. We realize that this legislation must be passed on a timely basis in order to get the funding in place. The Centre is presently operating under the broad wing of CIDA.

• (1550)

It is important that the Centre continue to be located in Halifax. There are several important fishery institutions in that area, such as the Bedford Institution of Oceanography. Dalhousie University has an excellent program in marine biology. In my own riding, we have Holland College in Summerside, which is a fisheries related training centre. There are several others in Nova Scotia which contribute in large measure to the research and effort in the fishing industry within the country and in our foreign endeavours. Halifax is a good location for that reason. It is very important that a centre of this magnitude be near such sources of information. It is equally important that these institutions be in close contact with the Centre in order to maintain their own international dimensions.

The Halifax location may be a little more expensive than some others. If the Government's commitment of only $3.3 million is an indication of support for the Centre, it may be lost. It is crucial to get more funds for it. The Centre is presently a non profit, non-governmental organization. Because of the great importance of flexibility and quick reaction in times of developmental need, I hope that the change in status to a Crown corporation will not impede the Centre's objective. I am concerned about that. I hope that the Centre will be able to continue to take advantage of other sources of funding as well without reductions in federal funding. It may be able to get contributions from private sources. I would not want those contributions to be substracted from the Government funding. Funding should be maintained to promote growth rather than be impeded or levelled off to the status quo.

I hope that the people who worked so hard to create the Centre can sit back now with pride in their accomplishments, assured that the federal Government will continue to support the Centre in its objective. I was involved with the Centre a year ago. I have always had a personal interest in fisheries-related research projects. I feel that through the Centre Canada can help Third World countries. Many countries simply throw money into foreign aid. I have always been of the view that it is not good enough to simply throw money. You must increase the knowledge and expertise in Third World countries to enable them to continue to provide their own food. Those countries need better education to develop and become as productive as the more affluent countries.

I would like to wish the new Centre well. I hope that it will be run on a scientific basis and that the Government will not influence or destroy it by not getting well qualified people to direct the corporation. I hope the Government will realize that it is important to stay away from the daily operations of the program.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am rising to speak in support of Bill C-22, an Act to establish the International Centre for Ocean Development. The Centre is already in some form of operation. It was inaugurated in 1983 by a decision of the previous Government, a decision which we supported at the time. I would like to speak in approval of the principles of the institution, but I will raise some questions about the trends in development we have been seeing in recent years under the previous Government and, more recently, in recent months under the current Government.

The objectives of the organization are quite obvious.

[*Translation*]

They are both obvious and praiseworthy. I quote from the Bill:

> The objectives of the Centre are to initiate, encourage and support co-operation between Canada and developing countries in the field of ocean resource development by

Ocean Development Centre

(*a*) initiating and supporting programs in developing countries for the improved management and utilization of ocean resources, particularly as a source of food;

(*b*) supporting the development of indigenous expertise and institutions in developing countries in order to increase the capacities of developing countries in integrated ocean use management;

(*c*) enlisting the expertise of people and institutions in Canada, developing countries and elsewhere;

[*English*]

—and furthermore to organize and support the collection of information which would result from these activities and to organize the necessary services in relation to that.

These objectives are fine. Canada does have expertise in oceans and has a contribution to make in development. However, I am concerned that we make this a genuine contribution to development. I noticed that it was the Parliamentary Secretary to the Minister of International Trade (Mr. McInnes) who introduced this Bill in the House. We need to be a little suspicious of the motives of Canada in having this treated as a trade matter rather than an aid matter. The International Centre for Ocean Development acknowledges that when it stated:

"Canada has been a major beneficiary of the Law of the Sea. Throughout the protracted negotiations, this country has found common cause with developing coastal states and has, in turn, benefitted from their support. As a recognized leader in technology relevant to the oceans and as a donor country whose motives are not open to suspicion by recipients, Canada shares an exclusive niche with few other developed countries.

This is all very nice in theory, but how true is it? We have certainly benefited from the Law of the Sea Conference, the extension of our boundary by 200 miles.

● (1600)

However, the trends in development work on land and in the sea also give us cause for concern. Some countries are becoming quite suspicious of our motives because Canada is increasingly tying its development aid to trade. Canada is supporting large scale, technically advanced development projects opposed to small scale community projects with appropriate technology. These large scale projects essentially turn out to be an expensive export subsidy program for a small group of Canadian industries. Some of these industries are subsidiaries whose profits go to the foreign head office in any event. We fear that the trade emphasis is becoming even more pronounced under the new Conservative Government than it was under the Liberals. Certainly, the trend began under the previous Government and we opposed it then.

Non-development criteria are being tied to development criteria. Specifically, CIDA has imposed a requirement that 80 per cent of all bilateral aid be spent on the purchase of goods and services in Canada and that two-thirds of the value of such merchandise be added in Canada. That is excellent for Canadian business and there is no reason why Canadian businesses should not take advantage of trade opportunities that arise through development work. Obviously there are advantages through genuine expertise as well as economic spinoffs through this type of work.

However, it is completely unfair to tie aid to these requirements to make countries buy from Canada. Those countries may not get the best deal because they could be producing the goods and services locally. This is also preventing them from developing industries from which we could be buying goods and services to help them develop.

This is occurring in spite of our own government studies showing that the tied provision increases the cost of Canadian aid to recipient countries by almost 20 per cent. Those countries are forced to spend one-fifth more for the goods that they require for a particular project. In short, it is costing them money to receive aid from Canada. This policy perpetuates underdevelopment in the Third World while providing an artificial stimulus to Canadian trade.

It is our sincere hope that the International Centre for Ocean Development will not fall prey to the trend that we have already seen in other forms of aid. Canada's non-governmental organizations, which are very active in development, could supply valuable advice and expertise. That non-governmental community strongly supports separating the ties between aid and trade, and has very much endorsed small scale community projects for the benefit of the country in order to promote their independence and productivity and emphasize their objectives.

I also note that the Centre's brochure gives some emphasis to the development of tourism as an industry, which is cause for some concern. If an adequate structure for tourism is not in place, that industry could actually contribute to underdevelopment.

Let me refer to a study conducted by the Department of Industry, Trade and Commerce in 1976 by P. F. Wickenden. It states:

—money spent by tourists can have up to 90 per cent leakage. Most of the tourist dollar goes to foreign owned hotels, food importers, liquor importers and is drained right back out of the country—

This does not lead to development. Therefore, we are somewhat skeptical about tourist development because it is not appropriate for all countries.

I also want to make some observations about the sexist language in the Bill and the sexist bias in the creation of the board of governors. since there will be new directors, I hope their appointment will show some change.

The language of the Bill is sexist. We are approaching April 17, 1985, when women are supposed to become equal with men in Canadian society. However, that is not the case when one reads a Bill or an Act of Parliament. It is time that such Bills contained language which includes women and men.

I do not raise this as purely an academic point. The board of directors has a chairman and a president. All the directors who have been appointed up to now are men. The literature is entirely masculine in its orientation. Yet there are women who are active in fisheries and ocean research. I cannot believe that there are no women qualified to be on this board of directors of the Centre. Half of the new directors to be appointed will be non-Canadians. Let us ensure that a reasonable proportion of

those directors, both Canadian and non-Canadian, are women. Women have a contribution to make to development.

Let me point out that at the Copenhagen Conference on Women in 1980, Canada recommended that women be included in decision-making roles in their own Governments, and in international agencies, including the United Nations. Canada, together with women from Third World countries, stressed the importance of the involvement of women themselves in development and in decision-making.

While we espouse this view at international conferences, are we living up to it here? It has not happened yet and I hope the Government will take notice.

With respect to the extent of development aid, my Party has encouraged increased development aid up to 0.7 per cent of GNP per year. We have recommended that this take place now. This figure has been discussed and accepted as an objective, only to be postponed. The cuts in development aid in the last year represented a further step back from this extremely modest goal for international development. The cuts in CIDA and IDRC are absolutely unjustified. I suggest it is rather hypocritical to establish a new institute as an independent agency with a modest $20 million in funding over the next five years while, at the same time, the Government is taking money out of development.

We want to see a genuine improvement in development aid, because there is a great need for such improvement. It is true that Canada has economic problems and high unemployment. However, our economic problems are not as great as those in Third World countries. We cannot use that as an excuse for not being generous at this time. Other countries are suffering enormously and hunger in the world is severe. This new institution provides us with an opportunity to increase food production from the oceans. The Government should not be hypocritical by contributing to this institution on the one hand while cutting back on other aid projects on the other.

While we support the spirit of the institute and its creation, and hope that it will be able to help developing countries become self-sufficient in food production, we do not want this to happen at the expense of other development programs that are already in place.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I wish to join with my colleague, the Hon. Member for Egmont (Mr. Henderson) in speaking to this legislation today. I am pleased that the Government has seen fit to place this Bill before Parliament and that it has the support of all three political Parties.

Through the introduction of this legislation, the Government has acknowledged the efforts of the previous administration, particularly the interest and action taken by the former Prime Minister and the former Member for Cape Breton Highlands-Canso, who is presently in the other House. I suggest it would be remiss on our part if we did not acknowledge the work of those two individuals. Were it not, in particular, for the initiative of the former Secretary of State for External Affairs, the International Centre for Ocean Development would not be established in Canada, let alone Nova Scotia.

I am pleased to see that the Parliamentary Secretary to the Minister of International Trade (Mr. McInnes) has brought the Bill to the floor of the House of Commons. Unfortunately, I do not share the same views as my colleagues in the NDP. I do not see anything sinister about the Member from Halifax introducing this legislation. I happen to know through a number of good sources that he is very supportive of this particular Centre, not because it is in his riding—he is not parochial—and it will create jobs or that he will have an opportunity to make recommendations with regard to who sits on the board of directors, he is not that way, Mr. Speaker. I think he is like other Members of Parliament in this Chamber. They acknowledge the concept of this entity. It will bring benefits not only to the maritime region but to all of Canada. I think Members of Parliament would do themselves well to acknowledge that and to say to the Government, which introduced this legislation to legalize it, that it ought to be commended.

• (1610)

All too often, we as Members of Parliament stand in the House and criticize. I am taking this opportunity to congratulate the Government. It so happens that the history of this institution was developed, conceived, if you will, by a Liberal administration. I do not find anything wrong in giving the present Member for Halifax some credit for his initiative in getting this Bill into the House of Commons.

I am concerned with the amount of money which has been budgeted for the International Centre for Ocean Development, commonly referred to as ICOD. Twenty million dollars over five years was a good start, but I am a little concerned in view of the recent actions which the Government of Canada has taken in terms of cut-backs in other departments. We have seen an about-face by the Secretary of State for External Affairs (Mr. Clark) with regard to Canada's international commitments. It was a massive reduction in terms of percentages. I am worried that this $20 million that we have earmarked for ICOD may too come under the chopping block of the Minister of Finance (Mr. Wilson). I think, in all fairness, it would be an utter shame with regard to those individuals who conceived the International Centre for Ocean Development, to the Canadian community and to Canada's reputation abroad if the moneys allocated to the Centre were decreased.

I hope the Hon. Member for Halifax and his Party will live up to the commitment that we put into this institution on a previous occasion, because it is important that these people have an opportunity to carry out their mandate.

I know the Hon. Member who spoke for the New Democratic Party spoke about the sexism of the Bill, tht we have a chairman and a president who are men. I want to tell the Hon. Member that she may be right. In fact, she is right. But it remains a fact that probably one of the most qualified individuals presently employed with the International Centre for Ocean Development is a lady, in the first sense a lady, by

the name of Evelyne Meltzer. She is eminently qualified and makes a tremendous contribution carrying out the goals and objectives as contained in Bill C-22. I do not want Members of Parliament to leave this Chamber today thinking that this particular Centre, as referred to by my hon. colleague, has no women involved. There are women involved and very substantially so.

I hope that the Government, in reviewing applicants to sit on the board of directors, will not only look at women as possible candidates but will look at other qualified Canadians, particularly labour representatives. I think it important that the board have a good mix of competent individuals, who I am sure will serve not only the institution but Canada both domestically and abroad and serve it in its best interests. I hope the Government will accede to my suggestion by having quality people on the board.

I am not going to ask the Parliamentary Secretary whether the Minister has requested the resignations of the present board. Perhaps not. I hope the Minister would not be political for the sake of being political. I hope the Government will seek out qualified, competent individuals to be placed on that board to serve the best interests of the International Centre for Ocean Development.

I wish the Hon. Member over there would have the courtesy to hear my summation and perhaps we can have an opportunity to debate whatever area of the Bill he finds overly frustrating. I realize that as a member of a caucus of 212, and as he sits in the back benches, he must be very frustrated.

An Hon. Member: There are 211.

Mr. Dingwall: There are 212, I told you. I do not know why you dispute that.

Mr. Shields: It is 211.

Mr. Dingwall: The Hon. member for Oshawa (Mr. Broadbent) obviously is a member of the Tory team. He gets a car. He is treated with kid gloves.

Mr. Epp (Provencher): What about your Leader? He gets a car.

Mr. Dingwall: I hope we can put that to rest. There are 212 members.

The former Prime Minister, Mr. trudeau, said in Melbourne at the Commonwealth heads of Government meeting in 1981:

> With an operational budget of approximately 20 million Canadian dollars over five years, the International Centre for Ocean Development (ICOD) would seek to help developing countries get an optimal return from their recently expanded marine resources, with a major focus being the oceans as a source of food. The Centre would provide information, research, training and advisory services and would be a vehicle to ensure that developing countries receive a tangible return on the jurisdictional gains which they have made at the Third U.N. Conference on the Law of the Sea.

I think that statement tells it all. If this institution is to achieve the objectives we all want it to achieve, the Government of the day, and the subsequent government, which will be formed by our Party after the next election—

Some Hon. Members: Oh, oh!

Mr. Dingwall: —must live up to that commitment of $20 million, and in no way should it squelch on that commitment.

Mr. Dick: How do you spell "squelch"?

Some Hon. Members: Oh, oh!

Mr. Dingwall: Hon. Members opposite do not like to hear that they have made substantial cuts to international organizations and agencies. As a Nova Scotian I come from the province where this institution will be set up, and I want to put the Government on notice that all Members from Nova Scotia and all Members from the Maritimes, regardless of their political affiliations, will fight tooth and nail to maintain that $20 million commitment. If anything, Mr. Speaker, the amount probably should be increased.

The Hon. Member on the other side laughs and talks to himself. But the Government has made substantial cut-backs in foreign aid and in the CBC. The amount is $4.2 billion. That cannot and ought not to happen.

Mr. O'Neil: Cut back the Opposition first.

Mr. Dingwall: I urge government Members to make certain that they live up to the previous Liberal commitment of $20 million and do it forthwith, so that this Centre can carry on with the activities that we all hope to be proud of as Canadians.

Ms. McDonald: The previous speaker said he was concerned that not only women should be appointed to this board but that other qualified individuals, such as trade unions, should be appointed as well. Is he assuming that there are no women trade unionists or no qualified women trade unionists?

• (1620)

Mr. Shields: Of course he is, he is a chauvinist.

Ms. McDonald: I would like an answer to my question.

Mr. Epp (Provencher): He threw you, didn't he?

Ms. McDonald: I would like an answer to my question about women and men, qualified and non-qualified trade unionists.

Mr. Dingwall: Mr. Speaker, there are many qualified women in the labour field. There is no question about that, for the benefit of anyone who would dispute it, whether it be the Hon. Member or other members of her Party. I cannot see why she would draw the conclusion that there are no qualified women in the labour movement.

Ms. McDonald: It was from your remarks.

Mr. Dingwall: There is no question about it. With regard to appointments to the board, I would hope that we could have qualified women, qualified labour leaders. If they happen to be women, fine. If they happen to be men, fine. That is all I am

saying. There are many qualified individuals out there. I would hope they would not limit it to a select group.

Mr. McInnes: Mr. Speaker, I should first like to acknowledge and thank Hon. Members from all Parties who commented on the merits of the Bill and have been very supportive. I do not think there is very much in the way of disagreement, but I wanted to indicate to the last speaker that not only does the Government intend to maintain the $20 million funding, which was the original allotment indicated by the Government in 1981, but its present intention is to make available funding at that level. In 1985 dollar terms, it will be $27 million. That is an indication of the commitment, support and interest of the Government. I hope the Hon. Member will be reassured.

As for members of the board of directors, I indicated that present board members offered their resignations. Those resignations have not been acted upon as yet. The credentials and expertise of the members presently sitting will be reviewed. Undoubtedly some will withdraw and some may be maintained. However, it is certainly the Government's intention to draw upon Canadians from all parts of Canada and, as I indicated originally, from other parts of the world, to ensure that the strength of the board is not diluted and that its integrity, because it is dealing with other countries, is fully maintained.

Mr. Dingwall: Mr. Speaker, I appreciate the Hon. Member's intervention. I welcome his comment with regard to the financial commitment which the Government of Canada is projecting for 1985-86. I hope it will continue well into the 1990s, for many years.

With regard to board members and the selection process, I hope the Parliamentary Secretary will convene board meetings very quickly. We do not want this to run on for an indefinite period of time. I hope the appointments to the board will be made fairly soon. Depending upon what present members do, whether or not their resignations are accepted, I hope the Government will not leave board appointments vacant for an extended period of time.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Bow River (Mr. Taylor)—Canadian Radio-television and Telecommunications Commission—Suspension of Calgary cable station; the Hon. Member for York West (Mr. Marchi) Political Parties—Toronto election campaigns—Statement attributed to Minister of Finance. (b) Request for apology; the Hon. Member for Fundy-Royal (Mr. Corbett)—Maritime feed grain costs.

GOVERNMENT ORDERS

[*English*]

INTERNATIONAL CENTRE FOR OCEAN DEVELOPMENT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I do not want to spoil what appears to be unanimity among all three political Parties so far as this Bill is concerned. I congratulate the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) who was so instrumental a couple of years ago in getting this particular institution under way in the Province of Nova Scotia, even if it was in Halifax and outside this riding.

I listened to the speeches of Members today. When I looked at the Bill I realized that it talked about improved management and utilization of ocean resources, particularly as a source of food, ocean resource development, and supporting research related to ocean resource development. Also it referred to the fact that the Centre may carry on its activities throughout Canada. Today in the House Hon. Members talked about the great expertise and great knowledge of ocean resources which exist in Canada. When I sat and listened to the debate, I thought about the fishermen and the fish plants which I represent. If we are looking for waste in the oceans or mismanagement of an ocean resource, we need look no further than at Canada itself.

We talk about our great expertise and the fact that we will pass on our expertise to another country. I wonder whether or not in that expertise we would suggest that any country in the world should permit 60 per cent of its capelin to be thrown overboard after it is caught because the only utilization for it is to sell it to the Japanese. In fact, we can only sell female capelin to the Japanese. It is absolute dumping, absolute waste.

In the months of July and August on the East Coast of Canada we see the most incredible dumping of codfish. The excuse is always given that it is the glut season and we must have dumping. If we look at the absolute waste in the herring fishery, we realize that the main utilization of that resource is for bait. In fact, it has been encouraged over the years as bait. An Hon. Member mentioned mackerel. I can tell the House

that we have incredible dumping in the mackerel fishery in the country. I cannot see any end to it. Also I could mention squid. An Hon. Member of the New Democratic Party mentioned women as far as development, resource management and expertise are concerned. There are thousands of women involved in the squid fishery in eastern Canada. There always have been. It was their main source of employment before the Japanese decided not to buy any more dried squid. Of course the resource itself diminished somewhat.

When I look at our resources and our expertise I sometimes wonder why we never implement our own suggestions to developing countries. Also I wonder how long all fish in our oceans can be managed by two separate administrations. One manages them on the land and the other manages them in the water. In other words, everything in the ocean is managed by the federal Government. However, what happens to the fish when they come ashore? They are managed by provincial Governments. That is the way it has always been and that is the way it will always be. This is why we have seen over the years—and we will continue to see it—the Government of Canada having to bail out fish companies.

The reason I say this is that the only utilization of our ocean resource in this country has been by local private enterprise family-related businesses. That is a fact. When we look at the problems in our ocean-related industries, that is problems in our food supply, we see that they were restricted to our exports of fish products going to another nation to be made into a finished product. That is a very interesting statement. It is interesting that those who got into trouble were the people who took the food resource from the ocean and froze it into a gigantic cod block to be exported to the United States or to another country. There it was thawed, an occupation employing thousands of people, and put into the final package. It was then sent back to us as a final product to be placed on our food shelves.

● (1630)

Are we going to suggest that to a developing country in another part of the world? Of course we are not. We in this country are tied into a system of divisions of authority and divisions of regulations. What happens in the fishery does not depend solely on the federal Government. What happens in the fishery and the utilization of a food resource does not depend solely on the provincial Government.

I stated a moment ago that we have one of the most serious problems of any country in the world as far as the fishing resource is concerned. In order to substantiate that, I want to read from *A New Direction for Canada, An Agenda for Economic Renewal*, put out by the present Government. It reads:

> —the major problems lie with over-capacity in the processing sector and low and unstable incomes in the inshore fisheries . . . New approaches are required . . . Consolidation of employment in the sector would have to be complemented by public and private initiatives to promote job opportunities in other sectors of the economy, as well as fair and generous adjustment programs for workers in the sector.

I suppose that is the reality of the Canadian fishery today. In effect, what the Government is saying is what every economic expert who has looked at the Canadian fishery has said for years, that is, that workers have to be displaced and that plants have to close. If we were to manage our fishing resource as we are suggesting to foreign nations today it should be managed, there would be no closures and no lay-offs. If we were to utilize the products that come out of the ocean the way that the Soviet Union does, for example, there would be no unemployment in certain regions of this country where there is chronic unemployment today.

It is not good enough in 1984 and 1985 to have massive dumping of fish in this country day after day in the months of July and August. It is not good enough either to say to a full-time fisherman that he can only sell his fish on Tuesday and Thursday to a fish plant on the East Coast of Canada. That is not good enough because the technology utilized in the inshore fishery covers some 20,000 full-time fishermen in this country. What is utilized is commonly called a gill-net. A gill-net drowns and kills the fish on the bottom of the ocean. You cannot leave that fish dead on the bottom of the ocean for three days. What do the fishermen do? They simply have to clean out their nets and throw the fish overboard.

We have systems operating in this country and regulations concerning licences. Even at this very minute there are people fishing for crab 30, 40 or 50 miles off the coast of this country. These people have a stable income. In the spring, the full-time fisherman who fishes groundfish catches crab in his gill-nets. He has to take that over the side of the boat, kill it and throw it overboard because he is not allowed to sell that crab. In the last four or five months, we have seen changes in regulations in restricted licences. We have seen lobster licences, for example, sold to individuals for a price under the table because there was a *carte blanche* policy initiated by the Government to allow transfers of restricted licences.

When you talk about utilizing an ocean resource, particularly as a source of food, and talk about supporting research related to ocean resource development, go to the small communities in eastern Canada and tell the fisherman that you are going to tell the foreign countries how to do it. He will look up at you, laugh in your face, and say, "That is just too bad because I have to dump my fish in the ocean every single summer".

There is a final point I want to make. There appears to be in this Chamber an attitude toward people who draw unemployment insurance. If that attitude is allowed to prevail as it relates to primary producers who fish the ocean resources of our country, I am afraid that we are going to have half of our inshore fishermen in this country not involved in the fishery in years to come.

We have a basic problem. It involves a system of almost guaranteed income. We have utilized employment opportunities and we have utilized almost a wage subsidy program called unemployment insurance. It was never intended to be a wage subsidy program or a guaranteed annual income, but it is. It is the only one available.

Another part of this Bill talks about the employment utilization of the food resource in the ocean. The danger exists in across-the-board changes in the unemployment insurance system proposed by the present Government that will virtually starve the self-employed person who draws unemployment insurance. Some may say that a self-employed person cannot draw unemployment insurance, but that is wrong—fishermen can. I pass that caution to the Government.

When cuts are announced, we must think about the food resources of the ocean as a food supply. When the Government brings in cuts, it must consider how that affects a person who is so important to this economy, who contributes perhaps more than Members of Parliament, lawyers or doctors to the economy of this country, that is, those who utilize the resources of the ocean, our fishermen.

This Bill contains some 100 cases of increases of charges to our primary producers in order to assist foreign nations. There are 100 instances where fishermen will face increased charges. These have to be looked at by the Minister of Fisheries and Oceans (Mr. Fraser) in the spirit of assisting fishermen. I am referring to all kinds of things, from the increased price of the chart that the fisherman needs to find where he is going, to the little matter of telephoning the weather office and having to pay for it. There is also the cancellation of the fishing vessel insurance program, which will undoubtedly put a lot of fishermen into bankruptcy. I would say that 50 per cent of the fishermen in Newfoundland would be put into bankruptcy. They would lose their boats because it does not match with the regulations made by the provincial Government which has loans outstanding on their vessels.

In conclusion, the reason for my intervention was quite simple. Resources of the ocean are not being utilized in Canada today. Where they are being utilized, they are being underutilized. We are tied into a system in which governments and economists say that we are guilty of low productivity in the sector that relates to a food resource of the ocean. They say that we have a problem of low productivity in the fishing industry, not realizing that you cannot compare apples and oranges. You cannot compare people who half finish a product with people who finish a product, working in the same type of industry in a different country.

They also blame our problem of having no finished product on the tariff rate. They say that Britain has a 10 per cent tariff and the United States has a 7 per cent tariff. These experts, the economists in our country, some of them supported by corporations and organizations of the federal and provincial Governments, have been saying that since the mid-seventies when our dollar was at par with the United States. They have been saying that and they still say it today when there is a 15-cent difference on the dollar and there is only a 10 per cent tariff.

● (1640)

I admire the Government for doing this and I admire the previous Government for instituting this institution. However, it is very difficult for some of us in this Chamber who represent poorer sections of the country, for those of us who represent people who are trying to live on unemployment insurance payments averaging $122 a week to support a family, to realize that these people have to dump most of the food products they take out of the ocean every single summer. I apologize to Hon. Members for such an intervention, but I think it is an important one. I think it is an important one for me to make if I am to represent the people who I am supposed to represent.

Mr. Deputy Speaker: Questions or comments?

Mr. Nickerson: Mr. Speaker, the Hon. Member for Gander-Twillingate (Mr. Baker) has brought to us an astounding revelation. I believe he said that 50 per cent of fish products caught in his part of the world are thrown overboard and wasted. One of the reasons he attributed for this waste was the split jurisdiction, fish being the responsibility of the federal Government while the shore is the responsibility of the provincial Government. Presumably, in the Hon. Member's mind, the way to help alleviate this problem would be to put fish under one jurisdiction, either federal or provincial. I wonder if the Hon. Member could tell us, in his opinion and possibly the opinion of his Party, which level of Government should take over jurisdiction from the other level of Government.

Mr. Baker: Mr. Speaker, I will express my own opinion on this matter. I would say that I would not care where the benevolent dictator came from. It is probably a benevolent dictator who would be needed to straighten out the problems in the fishing industry.

Of course, there are also other problems relating to the dual jurisdictions. There is also a problem of attitude and of monetary connections between countries. We also have a problem of attitude in this country. It is interesting to hear the Hon. Member for Western Arctic (Mr. Nickerson) question me on this subject because I forgot to mention something that was very dear to his heart, and that is, the absolutely outrageous waste in the Arctic of seals. Just imagine, Mr. Speaker, fishermen today are killing seals for the meat and throwing away the pelts.

Mrs. Killens: Why?

Mr. Baker: Why? Because they cannot sell the pelts. The pelts are discarded. The meat is kept. I am sure the Hon. Member will agree with me that in most parts of the country, the meat normally sells for about $30 per carcass. In my district, that meat is canned. In my riding, there is an industry that employs 100 people and is canning seal meat right at this very moment. Not very many people know about that. However, the absolute disgrace to those who object to the seal hunt is that the seal pelt is thrown away. That is incredible.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Hnatyshyn (for the Secretary of State for External Affairs), seconded by Mr. Hees, moves that

Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto be now read a second time and, by unanimous consent, referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

Clauses 2 to 24 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed from Thursday, February 7, consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to wish all of my colleagues on all sides of the House a happy Valentine's Day.

● (1650)

[*Translation*]

First of all I would like to thank my hon. colleague, our business critic, for giving us a heart, which is something I have never found yet among the Conservatives. Mr. Speaker, I welcome this opportunity to continue my participation in the debate on this Bill. With respect to the problems that will be generated by a Bill that will increase the cost of loans for people working in small businesses, all Liberal Members have pointed out to the Government that the problem is already with us. Today we have seen that interest rates are rising. We have seen that it is already a problem to find investment capital, and especially for small businesses. What is happening is that the Government is saying it will no longer guarantee 100 per cent of the loans given by Canadian banks. As soon as this Bill is passed, Mr. Speaker, it will become increasingly difficult for small businesses to obtain loans. That I am absolutely sure of.

Anyone who has worked in a small business knows that the two main problems are cash flow and obtaining capital, especially venture capital. I fail to understand why a Government that made so many promises during the election campaign, saying that it would increase assistance to small businesses, reduce the burden of excessive reporting regulations on small businesses . . . Mr. Speaker, there is a big difference between these promises and what is really happening.

I was shocked when this Bill was introduced, shocked at the fact that the Conservative Government of Canada was not prepared to guarantee the fees to be charged to small businesses. Mr. Speaker, big corporations like Dome Petroleum will always be able to get more capital, whether or not at the expense of small businesses. In fact it will always be at the expense of small businesses. With this new legislation it will be even more difficult for the people who elected this Government and who were promised relief from the excessive regulatory burden on small businesses.

[*English*]

I frankly cannot understand how, in good conscience, this Government, a Government which allegedly promised small business that it would make the load easier, that it would in fact reduce the kind of excessive bureaucracy with which small businesses are faced, would introduced a piece of legislation which will, with certainty, increase the difficulty in borrowing for small businesses and, in particular, small businesses which are entering into the market-place in the high technology fields. They are the ones who are in need of the kind of venture capital which we know is going to be necessary to bring this country into the 1990s. The Government introduces programs like *Abandon Canada* or Investment Canada, saying, "We will open our doors wide. Canada is not only open for business but it is up for sale". At the same time, it is tightening the screws on private enterprise which has actually made this country run. Because the Government has refused to guarantee to 100 per cent the kinds of loans which are currently being administered by our banks, we are certain there will not be the kind of availability of venture capital which exists even now. Those of us who have worked in small business will know that the situation is already tight.

If the Government, in its naivety, expects that the banks are going to tell small business that they will absorb that 10 per cent differential between what the Government is now prepared to guarantee and what a small business needs to expand and improve its business, it is wrong. If the Government believes that the banks are going to tell the small business people, "No problem. We'll cover you for the 10 per cent", then the Government has no idea of the kind of difficulty which is currently being faced in the money market by the small business sector.

I would suggest, Mr. Speaker, that by introducing this particular Bill, the Government has abandoned its commitment to the small business sector and has abandoned the 300 promises it made. A dozen of these promises related strictly to the small business sector, and we see that this sector, like the widows and senior citizens who happen to be single or divorced, is being abandoned by this Government because its quest for power does not take into account the delivery of the promises it made before September 4.

Mr. Baker: Mr. Speaker, I have just a very short comment. I have been listening to the debate on this Bill since the Bill

was introduced. There seems to be some misunderstanding when the statement is made that the loan should be 100 per cent of the total cost of the project. There is no such federal guarantee. In other words, Mr. Speaker, under all of these programs the person applying for the loan has to put up a certain percentage of the total cost. In certain ventures under the Small Businesses Loans Act, he has to put up 20 per cent, and in other ventures, 10 per cent. There is no such thing as a total 100 per cent. It is 100 per cent of the loan which is given by the bank for the remainder.

The two organizations who appeared before the Finance Committee recently claimed that the fee which is introduced by this legislation should not be imposed on the bank but should be imposed on the individual businessman who is getting the loan. By some strange logic they think that that is the proper way of imposing the fee. The fee would still have to be paid. I would like to ask the Hon. Member what she thinks of imposing the fee—as the Federation of Small Business claims—prior to the loan on the individual who is borrowing and not the bank.

Ms. Copps: Mr. Speaker, I want to thank the Hon. Member for Gander-Twillingate (Mr. Baker) for his question. He has aptly pointed out the difficulty caused not only by the Government cutting back on its particular commitment to guarantee the loan portion which is not assumed by the borrower, but the difficulty which any business person is going to have when faced with this added increase in cost imposed, whether it be directly to the business person himself or herself or to the banks. I would agree with the Hon. Member for Gander-Twillingate and disagree with those who would say that the banks should pass along this cost directly to the borrower in the form of an increased surcharge. I think the small businesses of this country have had enough surcharges and they do not need another surcharge.

I would also suggest, Mr. Speaker, that the bank is going to be passing along this surcharge, not only to the borrower directly, but also to any others who are doing business on a surcharge basis. Whether the increase is directed specifically to the small business or indirectly through the bank in its own levying charges, the Government is in fact, through another inflationary mechanism, adding to the cost of doing business in this country.

I suspect that the best solution for small business people, and in the interests of keeping the kinds of promises which were made during the election campaign, is for the Government to respond to the criticism from this side of the House by withdrawing the Bill. I was frankly surprised earlier to hear the comments of the members of the third Party who support the Government in saying that it should not have to guarantee to 100 per cent the small business loan portion which is not being assumed by the small business person. From the point of view of the Liberal Party, I disagree absolutely and totally with the position which is being taken by the Conservatives and the New Democratic Party. We believe that small business people have a hard enough time getting venture capital in the first place and they should not be further impeded by the kind of surcharges which were mentioned by the Hon. Member for Gander-Twillingate, and the other kinds of punitive charges which are currently being considered in this particular Bill.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 146?

Some Hon. Members: Agreed.

* * *

● (1700)

INCOME TAX ACT

SUGGESTED AMENDMENT RESPECTING WORKMEN'S COMPENSATION BENEFITS

Mr. David Dingwall (Cape Breton-East Richmond) moved:

That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act, in order to eliminate the hardships brought about by previous amendments, which now make workmen's compensation reportable as "income" for Guaranteed Income Supplement purposes.

He said: Mr. Speaker, I am taking the liberty of introducing this motion today in the hope that I can count on the assistance of all Members of Parliament regarding the amendments I am seeking. I wish to point out that this situation is having a devastating effect on a great number of Canadians, particularly senior citizens. The situation prior to Bill C-139 being passed in the previous Parliament was that individuals completing applications for the Guaranteed Income Supplement were asked about other forms of income they may have. One form of income which was excluded from reporting at that time was workmen's compensation payments. However, that practice, which was in effect for about 15 or 20 years, was changed under Bill C-139. The contents of that Bill were not readily noticed by Members in this Chamber on either side of the House. In fact, I think it was the labour unions who brought it to our attention. I raised the matter in the previous Parliament to try to seek an amendment. Other Members from other Parties, Conservatives as well as New Democrats, also sought changes. There was some meaningful discussion in the Standing Committee on Health, Welfare and Social Affairs when Members of Parliament got together and made an oral submission to the then Minister of National Health and Welfare in an attempt to rectify what we believe was a wrong.

I want to point out very clearly that I fought against that change, as did other Members of Parliament from the Conservative Party and the NDP. I thought we were very close to reaching a decision on changing the law back to the way it was. Well, that is history now. The election came along and most of those Members of Parliament are gone, except for those on the Conservative side.

Mr. Dick: Some went to the other place.

Mr. Dingwall: That is right, some of them did. Quite seriously, Mr. Speaker, the amendments that I seek here today relate to Sections 81, 56 and 110. With those amendments we would have in effect the old legislation back in force. Because of the amendments which went into effect with the passing of Bill C-139, workmen's compensation payments are reportable for purposes of determining the GIS. As a result, senior citizens in Canada are finding a substantial reduction in income. Not only that, in some instances it has disrupted their lives.

Certain provincial Governments have programs available to recipients of the GIS. Now that workmen's compensation payments are included for the purposes of the GIS, there has been a reduction, and indeed some people have lost their GIS. We are not talking about Canadians who are making a lot of money. We are talking about Canadians who live below the poverty line, maybe just on the poverty line or just above it. These people have been in the workforce for a considerable period of time but, through no fault of their own, have received an injury. I might add that the money they receive from workmen's compensation is not 100 per cent of their wages. Not at all. It is something less than 100 per cent. In 99.99 per cent of the cases it is not through choice that these people are on workmen's compensation; it is because they sustained an injury and were unable to return to work, and they are now in their retirement years. This has had a devastating effect on those Canadians who are receiving both the GIS and workmen's compensation because the payments have been lowered.

What has been the extent of those reductions, Mr. Speaker? Has it been much? Well, When you do not earn a lot of money, a reduction of $5 is a lot. For some of my constituents the reduction has been $160 a month, or $58 or $134 or $25 or $191. When you are on a fixed income and energy costs are going through the roof, when the price of food increases—and it does not go down—for a government to come along with legislation to take that benefit away is wrong, Mr. Speaker. It is utterly wrong. My Government was wrong. The then Minister of Finance was wrong in putting that legislation through. Well, now we have an opportunity to right that wrong.

I have here a copy of *Hansard* which shows those other Members of Parliament who agree with me that we ought to change this provision of the Income Tax Act. I hope my friend, the Hon. Member for Nickel Belt (Mr. Rodriguez), will say a few words in support of this measure. It is important. The reductions have been susbtantial. It is not as if an individual is making $100,000 a year and you are slicing off $200 a month. That is not the case. The case is that it is less than $10,000 a year and you are being slashed by $200 a month. It hurts and we ought to change that. God knows, we have made many changes for the rich, so what is wrong with our senior citizens and those hovering around the poverty line receiving an advantage? The bureaucrats will argue that, conceptually, it has to be calculated as income for the purposes of the GIS. I say, shame on the bureaucrats. We in this country have given many tax advantages to the rich and the more fortunate, to various regions of the country, so why can our senior citizens not enjoy a privilege they had for 15 or 20 yeras?

As I said, there is support for this amendment. The former Parliamentary Secretary to the Minister of National Defence was supportive. The Hon. Member for Grey-Simcoe (Mr. Mitges) stood in this House on February 22, 1984, to support this change. The Hon. Member for Fraser Valley West (Mr. Wenman), a Conservative Member, stood in his place on June 1, 1984 and denounced this situation, as I have done, and said he wants it changed. The then Hon. Member for Nanaimo-Alberni, Ted Miller, a New Democrat, supported that amendment because he knew that these people are living from hand to mouth and it is difficult enough in these very turbulent times to get by.

There was support then and it is here today, but what about support outside this Chamber? The Ontario Federation of Labour, The Nova Scotia Federation of Labour and the senior citizens of this country, when they came together in convention, supported this change. The United Mine Workers of America agree that there ought to be a change. The senior citizens clubs in Glace Bay, New Waterford and Reserve Mines agree on this. Mr. Guy Brown, a Liberal MLA in Nova Scotia is supportive of this change. The Nova Scotia MLA for Cape Breton Nova is supportive of this change. He represents the labour party in my riding. There is great support for this in Nova Scotia as well as across the country.

• (1710)

On previous occasions Conservative Members of Parliament have echoed the statements which I am making today. This is not fair or just. It is all well and good to condemn the previous Government, as I did when I was in government. However, that does not help the senior citizens. Members of Parliament must take their responsibility seriously and demonstrate to the Canadian people the will of all Parties to right this wrong. All sorts of bureaucrats can give the legal opinion that conceptually it ought to be reported for the purposes of calculating the Guaranteed Income Supplement. We give advantages to other groups in society. Why can we not restore a benefit to senior citizens in the country?

I am hopeful that Members opposite will take this opportunity to join with me in attempting to have that wrong righted. I am not asking Members of Parliament to be entirely political. However, if they wish to be political and condemn the previous Government, that is fine. However, let us change this provision for the benefit of senior citizens. Canadians across the country want this change. Unfortunately, they do not belong to a national organization which is well-heeled like a

chamber of commerce that can come to Ottawa and give articulate presentations and documentations. They do not have that advantage, but they do have Members of Parliament. I believe that it is the duty of a Member of Parliament to represent his constituents. That may sometimes fly in the face of what the Government is attempting to do. I said then and I say now that the Government was wrong to do what it did. Let us change the provision for the benefit of the senior citizens in the country.

There would be no shame for the Government to introduce an amendment. The Minister of Health and Welfare (Mr. Epp) can do that through a Ways and Means motion. He can change it in the budget, if he wishes.

I sincerely request members of the Conservative Party to amend this Act to enable thousands of senior citizens to have an extra $191 or $25 a month. This is an opportunity for Members of Parliament to ensure that this Parliament is constructive. Surely to God we can bestow upon two million Canadians a benefit which they had for 20 years. Surely the wrong that was committed can be righted. We have the means to do it.

I suggest that there is some political will within this Chamber, Mr. Speaker. I will not mind what is said by Members who rise to speak on this issue. However, I will mind what they do. It is a serious matter when you live at the poverty level and the big hand of government takes a small amount of money away from you. To those individuals it is a significant amount and it hurts. The Prime Minister talked about civility before he entered this Chamber and shortly thereafter. I hope that civility will prevail in this Chamber on this issue. I hope that government Members in particular, as well as those in the New Democratic Party, will support me in this.

The Government will reap benefits if this change is made because people will respond favourably to it. I will applaud the Government for making it. I very sincerely ask all Members of Parliament to change this provision so that workmen's compensation will not be included for the purposes of calculating the Guaranteed Income Supplement.

Mr. Dick: I have a question, Mr. Speaker.

The Acting Speaker (Mr. Paproski): There are no questions or comments on this.

Mr. Dick: If you sought unanimous consent could I ask a question?

The Acting Speaker (Mr. Paproski): No, this is Private Member's Hour.

Mr. Dick: It has been done before.

The Acting Speaker (Mr. Paproski): The Deputy Government House Leader should know that everyone wants to speak on this. By the time we get to six o'clock I will get flak from three or four sides from Members asking why they cannot speak on this particular Private Members' motion. Therefore, I will recognize now the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin).

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Member for Cape Breton-East Richmond (Mr. Dingwall) has put his arguments forward in such an eloquent and compassionate way that no one who has listened can doubt his sincerity or his very real concern for the people who have been affected by this change. We should all compliment the Member for raising a matter which has caused members of all Parties considerable concern, particularly in the last Parliament. I know from the tone of the Hon. Member's comments that he does not view this in a political manner. He is not making this a partisan issue. He has appealed to us not to make it a partisan issue either, but to put it forward for serious consideration.

My own position on this matter is equally non-partisan. On matters of tax and social policy all Members would prefer to consider things from a non-partisan point of view.

• (1720)

I would like to take this time to express the concern, not only of the Hon. Member but of all Members, for senior citizens throughout Canada who have been affected in a number of ways by various pieces of legislation. I suggest that a review of the situation will explain the purpose of these provisions and why it would be inappropriate at this time to support the Hon. Member's motion. Let me emphasize that I do share the fundamental concern for the welfare of our senior citizens that I know is felt by the Hon. Member.

My concerns about his motion arise from a strong concern of my own about the concept of equity and fairness to all Canadians which must surely underlie all that we do.

As Hon. Members are aware, the Income Tax Act amendments in question were first raised in the Budget presented in November of 1981. I know that the Hon. Member has freely criticized those amendments which were introduced by his Government. I do not think I could match his condemnation of the changes that were introduced in that Budget. None of us who were there at the time can forget that there were a number of other measures included in that Budget which had disastrous effects on other groups of Canadians throughout the country. The question we must ask is whether or not the Hon. Member supported that Budget when it came before the House. I would assume that he supported it and its measures, including the one under discussion today.

If I may refer to documents issued at that time to explain the proposal, it is clear that the amendments were intended to put all similar programs on the same basis with respect to the calculation of eligibility for payments under the Guaranteed Income Supplement and Child Tax Credit provisions.

Specifically, the then Government wanted to deal with cases where some recipients of GIS were already in receipt of substantial income from workmen's compensation, and yet were placed on a par with those who had no other income. It wanted also to clear up a problem in a more general area of

taxation. Previously, a person claiming the dependant deduction did not have to take into account any income from workmen's compensation which his dependant might have. But would it be right to allow eligibility as a full dependant someone in receipt of as much as $20,000 in some cases?

It is important to note that the change proposed was implemented in such a way as not to affect an individual's tax payable, as it was recognized that such a change would indeed mean hardship for a number of those receiving workmen's compensation and other payments.

Let me also emphasize a very important point with respect to this issue. The changes did not alter the special status of workmen's compensation payments, whereby they are not subject to tax themselves. We are talking about the effect of including income which is already granted special treatment.

In 1984, a number of Hon. Members, including the Hon. Member from Cape Breton, raised the matter in the House when it became clear that one effect of the change was to reduce GIS payments for certain persons. The matter was also raised by some columnists in the press. The Hon. Member also pointed out comments made by other individuals. In the debate on Bill C-40 in the second session of the last Parliament, both in the House and in the standing committee, the issue was thoroughly considered.

The committee consideration of the question now being raised was most interesting and the basic rules underlying the debate emerged from it with some clarity. One very important point was with respect to the GIS program itself; another related to the Income Tax Act and its approach to the sources from which taxable income is derived. Then there was the question of how workmen's compensation payments are viewed, whether as replacement for income or as payment for the injury itself.

Finally, the testimony of the then Minister of National Health and Welfare pointed to the question of the amount of work needed to deal with the problem, which she admitted had not been anticipated by her or her officials. I think it is worth-while to look at each of these points.

My concern in taking the time to deal with them is that I do not want the House to rush into correcting something that may be regretted by some Members, when hasty action may in fact cause greater problems or raise issues which are best left for more careful study in a more appropriate way. It would be most inappropriate to consider just one small matter without considering how it fits into the general policies being followed by the Government.

Because the motion deals in effect with the Guaranteed Income Supplement, I would first like to consider that program. It is important to remember that the GIS is a program directed to the poorest of our senior citizens, those whose income would otherwise consist solely of payments from the Old Age Security program and possibly small amounts of other income. It is addressed to those people who are not able to provide for themselves in their later years and who would otherwise be left in a very depressed state economically.

Because the Government does not want to penalize those who have small additional income, there is a threshold below which benefits are not reduced by added income. Above that threshold, GIS entitlement decreases gradually by 50 cents for every dollar of income until benefits are completely eliminated. Surely this demonstrates that the GIS is not and never was intended to be anything other than a program directed to low income members of our society. Even the requirement that persons in receipt of the GIS must apply each year is evidence that the authors of the program recognized that changing circumstances might raise an individual's income and so reduce the need for the GIS.

Let me take a moment to point out that in the current year, the threshold above which GIS is not paid is over $11,000 for a single person and over $16,500 for a couple. Obviously, those at this level are not well off and they have my sympathy and that of the Government. But there are many who are worse off. Should we be considering a change which would put those in receipt of workmen's compensation benefits in a superior position to those who have no income other than OAS and GIS?

Another important principle which comes into play in this debate is one of the basic foundations of the Income Tax Act. This Act attempts to deal with all income and to treat it fairly across the whole range of sources. No one is going to claim that the Act is perfect and that there are no possible improvements. However, we ought to be careful before we support a move which may reduce the equity of certain provisions of the Act.

It would be difficult to argue that some sources of income, such as workmen's compensation payments, should be treated differently from other types of compensation. This was the situation prior to the 1981 Budget. Other disability payments have always had to be declared as income for the purpose of eligibility under the GIS, and it is not clear why workmen's compensation ought to be different.

I know that it is urged that compensation payments are different in kind from most other sources of income. Some view them exclusively as compensation for injury in the sense that a cane is some measure of compensation for an injured leg. Surely, however, workmen's compensation is not that, at least not that in its main thrust.

Many members of the standing committee made it clear last June that they accept that workmen's compensation payments are intended to replace in whole or in part the income which an individual would otherwise have earned and on which that person would of course be liable to pay tax or to be assessed for the purpose of GIS eligibility. The fact that compensation payments vary in duration as well as in amount reflects the fact that the awarding boards realize that income replacement during a period of deprivation is a significant function. How can we state categorically that compensation payments are different in kind from other types of payment when they are not viewed as being different in kind by the very bodies which decide on their duration and amount?

I recognize with the Hon. Member who moved this motion that individuals who may have received deductions in GIS payments unexpectedly were, not unreasonably, unhappy when that happened. Equally however, I must look at the broader picture in which some people who receive quite large incomes from workmen's compensation awards, such as up to $20,000 as I noted earlier, would still have been in receipt of the entire GIS payments. I do not think that those people whose only source of income is the OAS and GIS would view as fair changes to allow some other people with substantial other sources of income to be placed on the same basis as themselves.

We should also take note of the comments of the then Minister of National Health and Welfare who told the standing committee in June of 1984 that she and the then Minister of Finance decided that to take any positive action in response to the Members' concerns would not be appropriate. They saw clearly that the implications of undertaking this action would be very far-reaching.

● (1730)

The current Minister of a National Health and Welfare (Mr. Epp) has announced that his officials are carrying out a comprehensive review of which sources of income should be included for GIS purposes. This—and I think this is a very major point in my response—is an appropriate way to consider the type of proposal which the Hon. Member has made in his proposal, namely, that the Government is looking at this issue very seriously and that changes may be made, but those changes should be done in the context of the entire review and not on a piece-meal basis.

An additional complication, which might result from an ill-judged amendment along the lines of the motion before us today, concerns the implications for the provinces. Hon. Members may be aware that prior to the changes we have been discussing today, it was necessary to pass remission orders every year to ensure that certain maintenance payments made by provincial Governments were not to be viewed as income for the purposes of GIS eligibility. The changes made in the 1981 Budget in this area ensured that there was a greater uniformity of treatment for all similar payments, whether federal or provincial in origin, and did away with the necessity for repeated remission orders. Again, however, I do not want to seem to be unfeeling toward those who were affected adversely by this measure. But I have to take into account that any legislation, and perhaps especially the Income Tax Act, has to deal as much as possible with general provisions.

I take special note here of the Member's comment regarding the bureaucratic mind-set. I think that is an interesting point that has evolved over a number of years and has been shown to be unfortunate in a number of cases. It is one of the things of which I and other Members on this side are mindful and to which we pay significant attention. On the other hand, I do not want to denigrate the activities and the necessity for proper political direction for a proper response.

From one point of view it would be nice to have an Act which could be applied specifically to every individual's situation—but such an Act would be many times as long as the present one. Surely we are coming to realize that what is needed is not more complication but less, so that basic equity can be preserved as easily as possible and as few persons as possible see fairness denied by an Act which is too complicated to understand or administer equitably.

We have to take certain facts into account as well when we are considering what action it is appropriate for us to take in response to this motion. It calls for certain actions to be taken by this House to respond to what I think we would all recognize is a difficult situation for some Canadians. The amount of money involved is probably not large when compared with the current level of spending on the GIS program. This level of spending is $2.5 billion a year. I am informed, however, that although 39,000 Canadians over 65 are currently in receipt of workmen's compensation payments, all but about 2,000 of these people are considered to have 60 per cent or less disability and only about 800 are permanently and totally disabled and receiving the maximum amount. We are therefore not talking about a lot of money, but we are also therefore not talking about a problem which, on the broad scale, is as large as many others we face today.

We should remember that the people affected adversely by the sections of the Income Tax Act before us do in fact have as much income as many others, or more. Like other disabled persons they continue to have access to other provisions of the Income Tax Act, such as those which assist the disabled and other programs which recognize the special needs of the disabled in general. Finally, I would point out that even within the group of 39,000 persons who receive workmen's compensation payments and are over 65, many if not the large majority are in any case disqualified from receiving the GIS, as other pensions and personal revenue raise their income levels to above the threshold.

Let me return in closing to the comments which I made at the outset of my remarks this afternoon. I hope that I have made clear that my own feelings about the motion before us are not based on simple partisan politics. I know that the Hon. Member who moved the motion raised this question in the last Parliament and in different political circumstances than today's. I appreciate that Members from both sides of this Chamber agree that the problem he raises is one that is real for those affected and that does not need to be viewed in a purely partisan way.

I hope I have also made it clear that it is not a matter of seeing a need and responding to it in a simple way. There are questions of equity under the law which are raised by it. Do those who support this motion really intend that this one source of income should be set apart and not considered in the administration of one of our major social programs? For it must be remembered that although this motion refers to changing certain provisions of the Income Tax Act, and therefore raises the question of equity and fairness under that Act, the program which is affected is the Guaranteed Income

Supplement. The mechanism which has been suggested as a means of dealing with a specific situation involves general issues of taxation and income under one Act, but the meat of the question, the substantive issue, is one which underlies the GIS program and our approach to those citizens who have little else to support them.

I think no one can doubt the sincerity, the honesty and the real concern that the Hon. Member who put forward this motion has expressed. I know all Members are interested in this subject. It is not easy, even if there is only one Canadian affected, to see a reduction in income, particularly when that income is seen to be necessary for that Canadian. We are looking at it in a broad context, and I know that the Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare are open to changes which are constructive and progressive. I hope that in the future the Hon. Member will be able to support them.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to participate in the debate on this motion introduced by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). As the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) has said, no one can doubt his sincerity. He comes from a place and represents a riding that is very much like my own, predominantly a mining community. He really speaks with sincerity and sensitivity about the problems which his constituents are facing because those are exactly the same sort of problems that my constituents face with respect to GIS and having to declare workmen's compensation payments as income.

I think a red herring was drawn across the path of the debate. I do not know anyone in my riding who collects $20,000 a year in workmen's compensation payments. The word compensate means an indemnity. It means "to make up for", and invariably, in 99.99 per cent of cases, in all of the cases, to collect workmen's compensation one has to incur an injury on the job. Oftentimes it is a disabling injury which limits the ability of the individual to earn income to support himself and his family in some dignity. The compensation payment is not only a replacement for potential income, but it is a recognition that there is a handicap. From my experience, the disability results in an incapacitation and a handicap, and there is a cost involved in maintaining the person who is on workmen's compensation. To turn around and say the workmen's compensation payment has to be declared as income seems to me to fly in the face of any sort of fairness.

It was never used prior to the change in Bill C-139. I am really impressed with the Hon. Member for Cape Breton-East Richmond who correctly castigated the former Liberal Government, his Government, for its chintzy and cheap approach to the Guaranteed Income Supplement. I know he did it publicly, in committee and through letters to the former Minister of National Health and Welfare, Monique Bégin.

The argument I heard from the government side is that there is a fairness. The reverse argument is that other people receiving GIS will look at someone who is on workmen's compensation and receiving GIS and say that that is not fair. I am quite sure the person on workmen's compensation would prefer not to receive any workmen's compensation payments; I am sure he would prefer to be healthy, to pursue his career and to receive an income from his labour. I am sure a person on workmen's compensation would much prefer that than to have an accident and go through the strenuous procedure to obtain workmen's compensation. Indeed, in Ontario, it is one of the most serious problems faced by workers with injuries on the job. The whole question of establishing that the injury took place on the job and the extent of the injury has created a jurisdictional jungle. To argue that a poor person on GIS would look to someone on GIS and receiving workmen's compensation and say that it was not fair, is to reduce the income of the person on workmen's compensation to the lowest common denominator. Instead of saying that we should raise the supplement for the poor person, they are saying that we should knock down the person from the other end of the scale or bring him down to the lowest common denominator. It seems to me that that is inequitable and unfair.

• (1740)

There is another question which I think bears some elucidation. As a matter of fact, it was debated in a committee of the House in the last Parliament. It was debated before the Standing Committee on Health, Welfare and Social Affairs of the Thirty-second Parliament in 1984. The exact date was Thursday, June 7, 1984. The former Minister of National Health and Welfare, Monique Bégin, was the witness. I often see buck passing going on, and we saw it with Monique Bégin. She passed the buck to the former Minister of Finance. We must remember that health and welfare came under her jurisdiction. However, in response to the Hon. Member for Beaches (Mr. Young), she said:

> There is an equity problem behind it. That is not easy to face. I understand very well the way the reasoning was made to me. I have it—I do not know through how many letters from Dave Dingwall himself, for example, and from members of other parties—that any additional benefit for a good cause, a disability, a special situation, is something we should protect and should not treat equally with other incomes. Right now the Canadian income tax system has never been made like that.

She concluded by saying:

> In a way, that should be discussed with the Minister of Finance, not with me. I am not the Minister in charge of that, period.

The Minister of Health said that that was not her problem, that is was the problem of the then Minister of Finance. Nevertheless, it was made without enough debate or discussion of the matter. Now the Government of the day says that it would like to change it, but that it cannot just make changes because it might create an inequitable situation. Then it talks about the $20,000 per year person who is on workmen's compensation payments. It could be compared to the case of the bank president who makes $500,000 and therefore should not get family allowance. There are only 15 bank presidents in the country. I do not know if there are 15 people on workmen's compensation who collect $20,000 a year.

Also the Minister of National Health and Welfare in the previous Government is reported to have said in a debate in the House of Commons:

—that to ignore income from sources such as workmen's compensation would result in inequitably higher benefits for pensioners who have such sources of income than for pensioners without such sources.

Again we hear the argument of inequitability. How can we talk about inequitability when we are talking about couples earning $16,000 per year or about single persons earning $11,000 per year? How can we talk about inequitability in giving them a few hundred more dollars per year? This is something I do not understand.

In the last Parliament the special committee on the handicapped made no less than 11 recommendations with respect to recognizing that a person on a fixed income with a disability has certain additional expenses which able-bodied persons on fixed incomes do not have. In fact, workmen's compensation payments beyond age 65 become very important in terms of assisting disabled persons to live with some dignity the rest of their days.

The motion of the Hon. Member for Cape Breton-East Richmond is quite appropriate. It seems to me that we can make a change. The Hon. Member said that we were not talking about a lot of money. In fact, it is a lot of money for people living in areas such as Cape Breton and Nickel Belt. When they finally come to fill out application forms—and it is a means test—they have to declare workmen's compensation payments.

The Parliamentary Secretary to the Minister of the Environment has said that they do not pay any income tax on workmen's compensation payments. That is in fact the way it was worked out. They only receive 50, 60 or 70 per cent of their wages. This is because of the fact that there is no tax on it. If they received 100 per cent, of course they would pay income tax.

We on this side of the House in the New Democratic Party support the motion of the Hon. Member. We urge the Government to correct the mistake of the previous Liberal Government. I know that many Members on the government side in the last Parliament argued against removing this particular provision. I suggest that they should now come out of the closet and stand with us and urge the Minister to return to the way it was before.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am really happy to have been able to second the motion of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). I have had many years of experience; in fact one of the first things which brought me into politics was the question of injured workers in the Province of Ontario. When I came to the federal House I was asked by a reporter what was the one thing I would like to do in my term in Parliament. I said that one concrete thing I would like to do would be to assist in encouraging the Government to effect a change to the Income Tax Act, specifically as it related to the punitive measures taken in the previous Budget against injured workers.

Although I was not a Member of the federal House at the time I became aware of the discriminatory provisions with respect to injured workers in the Budget of 1983, I immediately contacted the then Minister of Finance as well as the then Minister of National Health and Welfare in order to put on the record my objection and the objection of my constituents to a particular piece of legislation which, while claiming to bring equity into the system, was extremely punitive toward those in our society who can least afford it.

I should like to trace a few misconceptions on the part of some Members who have spoken to the Bill, that is, the notion that somehow compensation should be considered as any other income. If we trace the history of the introduction of compensation in provinces across the country, we will know that compensation in the workplace was introduced in an effort to improve or speed-up the process faced by a worker injured on the job and in an effort to introduce an over-all scheme to cover workers. Each worker in the country has given up his or her right to sue for a safe workplace.

● (1750)

We see from the litigation that occurs in the United States that not many companies will want to revert to the system that we had prior to the introduction of workmen's compensation in the 1930s where each individual was forced to take his or her company to task in a direct lawsuit when it dealt with a case of injury on the job. They gave up the right to sue, which in the 1980s could result in settlements of literally thousands if not millions of dollars.

In my constituency, a worker was blinded while in the employ of Westinghouse. As a result of that incident, he will remain disabled for the rest of his life. That person does not have the right to sue. He will receive a full disability from the Workmen's Compensation Board. He has had great difficulty and a change in his life as a young man as a result of that incident. This points to the need for compensation to be more than simply a retirement or pension plan scheme.

Compensation is more than that. It recognizes the fact that the workers have given up the right to sue. It recognizes the difficulty—I am really sorry if the Members of the Government are not interested in this issue. It happens to be an issue about which I feel strongly. I am sure many hundreds if not thousands of their constituents are concerned about it.

When you talk about injured workers, you are talking about many people whose income is less than $10,000 a year. These people are living below the poverty line, according to Senate statistics and any other statistics that have been furnished. These people are not living in the lap of luxury.

When the amendment was introduced into the Income Tax Act, it further punished workers who had already been deprived of the right to a quality of life which was similar to what they had experienced before their injury. By one stroke of the income tax pen, those workers not only lost their dignity and the quality of life, which had already suffered as a result of their injuries, but they were being further punished financially. I do not believe that the equity argument is being

compromised in the amendment suggested by my colleague, the Hon. Member for Cape Breton-East Richmond. If the Government sees fit to introduce this amendment, it will receive the full support of all Members of the House. It certainly speaks to the very reasons that we are here in Parliament. As the Hon. Member for Cape Breton-East Richmond said so aptly, in many respects we are here to speak for those who cannot speak for themselves.

The Government spokesman suggests that most people who are on workmen's compensation are being compensated for only 20, 30 or 40 per cent. I have seen literally thousands of workers who demonstrated before the Legislature of Ontario. Those same workers—

Mr. Paproski: Order, please. I would like to hear the Hon. Member for Hamilton East.

Ms. Copps: Those same workers on the 20 and 30 per cent pensions are surviving on provincial welfare benefits. That is the level to which they have been reduced as a result of work injuries and a lack or responsiveness of the Government in recognizing that when an iron worker breaks his arm, he is not 5, 10 or 15 per cent disabled, as suggested by the current compensation system of the Province of Ontario, but is totally disabled.

Let us take the case of a factory worker in my riding. If a woman in a textile mill hurts her back, she cannot sit at a sewing machine for eight or nine hours a day. She is laid off. The Compensation Board tells her to find another job. She does not speak English, she has Grade 3 education, and she has virtually no other employment opportunities. She is pensioned off at the rate of 15 per cent. These are the people who are being hurt by this particular income tax provision.

[*Translation*]

—I am convinced that if the Government decides to support the Bill as proposed by the Hon. Member whom I have the honour of supporting myself because if there is one thing I can accomplish during my four or five years here in Parliament it will be to change this provision to have a little more justice for our workers and a little more dignity, and to restore some of the quality of life a worker loses when he or she is hurt on the job. It is a major problem for our workers, Mr. Speaker, and I hope that Members on all sides of the House will support this Bill.

I would like to go on speaking to this proposal, but since we only have five minutes left, I would like to have a chance to vote on the Bill because it is so very important for all Canadian workers.

I remain at your disposal, Mr. Speaker, but I would invite all Hon. Members, especially those on the Government side, to support the Bill as presented by my hon. colleague.

[*English*]

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am happy indeed to have the opportunity to speak to this motion introduced by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). I am also pleased to see so many of my colleagues across the way with their shiny noses and smiling faces. I am sure they have paid a good deal of attention to this debate because, as the Hon. Member said, it is an important debate. I agree very much with the contents of this motion.

All Parties in this House have shown their interest in this amendment. In the last several years, they have supported many changes in the Old Age Security Act. They are very concerned with the financial needs of pensioners. Special attention has been given in this House and by my Government to income-tested benefits provided under the Act because we all recognize that these benefits have been targeted to those who need help the most.

My Government has moved in this direction by moving the spousal allowance down to ages 60 to 64. That Bill is now before the committee. My Government recognizes that we are dealing with limited resources. The idea in the 1950, 1960s and 1970s that there was no limit to the amount of money that we could provide has now disappeared. There is not a nation in the western industrialized world that has not had to either cut back on social benefits or to increase the contributions of those who receive the benefits. The demands for education and medical care have to be offset by the demands for pensions.

My Government recognizes that the great question in the 1980s is to ensure that we achieve a rational pension system which will ensure that no one retires without sufficient means to lead a decent life. In that sense, pensions have to be targeted. I believe everyone recognizes that.

The previous Government introduced a measure which has caused a great deal of difficulty for one group of Canadians. That, of course, is the subject of the motion before us today. It was an amendment to the Income Tax Act which was passed during 1983. It made the compensation benefits of workers accountable as income, but not subject to tax.

The main effect of that change, which received some publicity at the time and some opposition from Members on all sides of the House, is that the recipients of the GIS, spousal allowance and OAS had to begin declaring any workmen's compensation benefits as income. In some cases this reduced or eliminated supplements for many pensioners. That is a good example of bringing in quick changes in legislation without assessing the side effect it may have on other legislation and other programs. That is the reason why my Government is examining the whole question very carefully and cannot go along with this isolated change.

The Minister in charge will do a complete review of how income for GIS recipients will be assessed and what has to be done in this regard. This is an important issue which the Hon. Member has raised. It is a valid concern. Members may have had as much concern about the way it was done as about the actual change itself. Workmen's compensation is now counted for the purpose of income tax. I am sure that in the future, we will see some changes in this area and that we might see many changes. I note that it is now six o'clock. May I call it six o'clock, Mr. Speaker?

• (1800)

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—SUSPENSION OF CALGARY CABLE STATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, on December 14 last, based on the decision of the CRTC to disallow a Christian program heard in Calgary and surrounding area, I asked the Acting Minister of Communications in the House of Commons on December 14, 1984, if the Minister would look into the said suspension and ascertain why the CRTC is so opposed to Christian programs and Christian music. The Acting Minister, the Secretary of State (Mr. McLean), took the question as notice and advised the House that he would personally raise this matter with the Minister as he had a special interest in the subject.

On January 16, 1985, I received a reply to a letter I had sent to the CRTC in which I deplored the said suspension. This letter indicated that the Christian program that had been suspended would now be allowed. So the people won and the program may once again be heard in Calgary and area.

The second part of my question about the reason why the CRTC is so opposed to Christian programs and Christian music, has gone unanswered so far. I am very concerned about the attitude and the actions of the CRTC regarding Christian programs and Christian music. Let us look at how the CRTC handled an application made by Canadian Family Radio Limited of Vancouver.

At the original hearing in October, 1978, the CRTC questioned the applicant extensively on its religious program with the proposed concept of family programming. The CRTC was informed that like other applicants, the proposed station was a commercial venture totally dependent on its revenue from the sale of advertising and thus would have to appeal to a broad audience and that no religious group or organization would control the station.

In February, 1979, nine commissioners of the CRTC gave unanimous approval in principle to the application. However, four months later the CRTC changed its mind and called a second hearing which was held on February 12, 1980. The applicant was then kept waiting for five more months even though the Commission had knowledge of the mounting financial outlay of the applicant.

On July 9, 1980, a full 15 months after nine members of the CRTC had given the application unanimous approval in principle, the CRTC denied the application. The CRTC considered that there was too much religious content. Has the CRTC become a censor board?

I should mention that some commissioners of the CRTC did submit a minority report, part of which stated emphatically that the conditions that the CRTC had imposed on the applicant could not reasonably be met. Again, during the second hearing four months after nine commissioners of the CRTC had given approval in principle, the CRTC pulled a fast one by having six members present, two of whom were new, while five members who were on the panel when the approval was given were not in attendance. Even with this substantial change, there was still a minority report. The CRTC's handling of this application destroyed a lot of its credibility and, in my view, the Canadian Family Radio people were treated shabbily. That is why I ask why the CRTC is so opposed to Christian programs and Christian music. The CRTC was so determined to reject this application that even when the applicant finally offered to comply with whatever the CRTC required, the CRTC simply ignored the offer.

Time will not permit an exhaustive review of legislation, but I must refer to Section 3 of the Broadcasting Act which clearly states that all persons licensed to carry on broadcasting undertakings have a responsibility for programs they broadcast but that the right to freedom of expression and the right of persons to receive programs, subject only to generally applicable statutes and regulations, is unquestioned.

• (1805)

Furthermore, the CRTC's anti-Christian and anti-religious policy infringes on Sections 1(c) and 1(d) of the Canadian Bill of Rights which recognize freedom of religion and freedom of speech, and Sections 2(a) and 2(b) of the Canadian Charter of Rights and Freedoms which guarantee the freedom of conscience and religion and freedom of thought, belief, opinion and expression, including of the press and other media of information.

In the United States there is no bar to Christian or religious programs. If the people like what they hear, they listen and support the station. If they do not want to listen they turn it off, and the company will not stay in business very long if there is no support for the station. But in Canada, at least until now, the people have no such choice. An appointed board says in effect, "We will not license a station that specializes in Christian programs and Christian music". How much longer will the people tolerate this bureaucratic discrimination that is contrary to the Broadcasting Act and contrary to the Canadian Bill of Rights and the Canadian Charter of Rights and Freedoms?

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I thank the Hon. Member for

his very persuasive comments. I know that he was pleased to learn that the CRTC took action on December 21, 1984, in Public Notice 1984-318, in which it indicated it is now prepared to allow the continued carriage of religious U.S. FM stations.

The CRTC's non-renewal of the Calgary cable system's authority to carry U.S. religious radio station KMBI as a cable audio service had been the result of a policy announced by the Commission in May, 1984 that it would not renew existing authorities for the carriage of U.S. religious radio stations. This had an impact on cable systems across Canada and in British Columbia, Alberta and Kingston, Ontario, in particular. Both the Department of Communications and the CRTC received numerous complaints from cable subscribers who found themselves suddenly deprived of U.S. Christian radio stations which they had, until then, been able to receive on their cable audio service. But as I have said at the outset of my remarks, this situation has now been corrected and the continued carriage of religious U.S. FM stations will be allowed.

I should like to take this opportunity, Mr. Speaker, to point out that the CRTC has also approved the concept of a Canadian national interfaith religious television programming service delivered by satellite to cable systems. Indeed, Mr. Speaker, an application from the Canadian Interfaith Network to provide such a service is currently with the Commission.

This application from the network was received in response to an invitation from the CRTC to all interested parties to file applications to provide a predominantly Canadian interfaith religious programming service that would be varied and comprehensive, reflecting equitably the religious practices and beliefs of Canadians. It would be delivered by satellite to cable systems across Canada. The CRTC also asked applicants to give consideration to the manner in which regional or local religious programming might be included to supplement the over-all program schedule of the national service.

The Canadian Interfaith Network, CIN, or Réseau Inter-Religieux Canadien as it is known in our other official language, was the only organization to submit an application in response to the CRTC's call, but it represents several religious groups in Canada. At a public hearing on November 27, 1984, the network appeared before the CRTC to report progress on the development of its membership structure and on other questions related to its application. Speaking at that hearing, as a representative of the network, the Hon. David MacDonald noted:

> It is fundamentally important for the commission to realize that the network is not merely a collection of individuals with an interest in religious broadcasting. Rather, it is an entity which has grown out of a time consuming and difficult process of due consideration by the governing bodies of the various religious communities, amounting to a direct and formal commitment by these bodies. This fact, in itself, sets the network apart from any application the commission has ever received—or is likely to see again.

The Hon. Member will know that our former colleague, the Hon. David MacDonald, is a former and distinguished Minister of Communications. He is a man of the cloth and a man who knows full well the importance of interfaith and religious broadcasting.

• (1810)

POLITICAL PARTIES—TORONTO ELECTION CAMPAIGNS—STATEMENT ATTRIBUTED TO MINISTER OF FINANCE. (B) REQUEST FOR APOLOGY

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am pleased to participate in the adjournment debate this evening and specifically to readdress the question I asked of the Prime Minister (Mr. Mulroney) on December 14. I had referred to some statements that were made in a Canadian Press interview with the Minister of Finance (Mr. Wilson). He was quoted as saying that, "The election campaigns we fight in downtown Toronto are 'don't vote for the Tories or they are going to send you back to Italy. That is what is at the door. That is the politics that people will play. It is the politics of fear'."

At that time, Mr. Speaker, I and many others from the Italian community, in fact Canadians from different communities, took offence at those statements. When I asked the question of the Prime Minister and followed it up in correspondence, it was sad to see the patronizing attitude taken by the Right Hon. Prime Minister. I will quote part of his answer:

> —I thank my hon. friend for his observation. For my part and that of my Party, we have been honoured by the support that we have received from the Italian community in Canada—

There are two things wrong with that. First, it is a patronizing, off-base attitude which did not address or acknowledge the statements made by his Minister of Finance. Second, the statement is not true. They did not get support from the Canadian-Italian community. If one looks at the electoral statistics, one will quickly realize that is not the case.

These statements are wrong, Mr. Speaker, and derogatory for two essential reasons. First, he is saying that my Party, including myself, as well as the NDP, fought a campaign in Toronto based on fear. He is saying we went to the doors of Canadians of Italian extraction and said that if they do not vote for us but vote for the Tories, they are going to be sent back to Italy. That was not the case, Mr. Speaker. Neither I nor any member of my Party conducted that sort of campaign. I challenge the Prime Minister and the Minister of Finance to come forward with evidence to justify those very serious allegations. They should not make those statements without bringing forward proof. If they do make them, as they did, they should be prepared to retract them and apologize for the shortsightedness of the statements.

The second thing wrong with that statement is that if those two other political Parties conducted such campaigns, which they did not, the Minister of Finance attributes low intelligence to Canadians of Italian background. It is interesting to see that in that same interview the Minister of Finance said that Canadians are not given credit for their intelligence on the issue of social programs. He then finished his interview with the derogatory statement I read into the record earlier. Is the Minister suggesting there are two types of Canadians? Perhaps there are, on the one hand, Canadians who do under-

stand the system and the mechanisms, and, on the other hand, those new Canadians who are more gullible. Well, that is not the case either, and that was perhaps the greater offence.

This is a community that has come and worked here and it understands and appreciates the Canadian political spectrum. They participate in the Canadian mainstream and the political process. They also come from a country which gave us Machiavelli, so I do not think we have to be lectured by any Minister of the Crown to the effect that one particular Canadian community is gullible enough to believe that if you vote for the Tories the political fall-out will be deportation.

We live in 1985, Mr. Speaker, and I thought those kinds of comments were passé. Obviously they are not, and so I sought from the Prime Minister an acknowledgement that the statements were erroneous, uncalled for, and that he should send the right signals to those communities to the effect that they are a well respected part of this country. I believe that the injustice that has been done is that the Minister and the Prime Minister have failed to grasp the opportunity to send those signals to those communities and to admit that those statements were in fact unfortunate and unsubstantiated.

• (1815)

In subsequent press articles, the Minister of Finance said that he saw no reason to retract those statements. The Prime Minister answered the letter by saying that the Italian community gave them even greater support in the last election. That is the type of patronizing attitude that will not instil a sense of confidence in the communities of new Canadians. It will not instil a sense of confidence in the promises and commitments that he and his Government made to the multicultural communities of the country and to the multicultural policy. If we are to give credit and weight to these commitments and promises, the statements made by the Minister of Finance should be taken off the record. It should be admitted that they were a mistake. If those statements go uncorrected, members of the Italian Canadian community will not look to the Government with such grace. I hope we will receive a correction and retraction of those statements in the answer given by the Parliamentary Secretary this evening. I am looking forward to hearing from the Hon. Member at this time.

Hon. Barbara McDougall (Minister of State (Finance)): Signor Presìdente, sone honorata di rispondere a nomme del mio colléga l'onorevole Michael Wilson. I am very pleased to be here responding to this question because I am angered by the opportunism which has been shown by the Hon. Member opposite. I am very proud that in my riding there are 7,000 Italo-Canadians. That is not patronizing, Mr. Speaker. Those people are my friends, as are people from the German, Anglo, French and Hungarian communities in my riding. Some of the warmest memories I have of the campaign are of visiting with people in the Italian community in my riding, many of whom were my friends before I ran for public office and have been welcomed in my home. I resent the implication that the Hon. Member has left in his remarks throughout this discussion that somehow this is patronizing.

The very second stamp in the first passport I ever had as a Canadian was from Italy. I spent a month in the birthplace of western culture. I have been back and intend to return again, because Italian Canadians are among the people who I am proud to call my friends. I do not regard it patronizing to say so, and neither do they.

I would like to point out to the House that our Party is committed to representing all communities in Canada. I would like to emphasize that the Party of Mazankowski, Hnatyshyn, Della Noce, Jelinek and Mitges objects strongly to such allegations. Canada's cultural communities voted in overwhelming numbers for this Party on September 4. I see no reason that we should not be proud of that. This is a record of which we are proud and a record on which we will build in the future.

The Prime Minister (Mr. Mulroney) has also stated:

> I want to be able to say that our country is one where all citizens have an equal opportunity to achieve their full potential; a society which strives for equality in all aspsects of life, where people applaud ingenuity and daring and reward creativity and excellence.

I am very proud to belong to a Party which stands for that kind of philosophy. I am only sorry that the Hon. Member opposite has chosen to use this as an opportunistic political topic.

AGRICULTURE—MARITIME FEED GRAIN COSTS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, the occasion for my speaking this evening in the House is as a result of a question that I put to the Minister of Agriculture (Mr. Wise) some weeks ago. It was with regard to whether he would favourably consider a proposal by the Maritime Farmers Council to enhance the Feed Freight Assistance Program which has been in place since 1941 to assist farmers in feeding their livestock and being competitive in the market-place.

• (1820)

In 1984 the agricultural community recorded record bankruptcies. Approximately 551 farmers went bankrupt. When the Minister was addressing the Canadian Federation of Agriculture, he stated that the Government had to pay attention to the 39,000 farmers who are in severe to moderate financial distress but who have a chance to survive. A substantial number of those farmers, plus a number who went bankrupt in 1984, and a substantial number who will go bankrupt if the Government does not take positive action, live and make their living in the maritime provinces.

They are facing this crisis because they are not competitive and cannot obtain a decent return for the fruit of their labours. Many of them are not competitive because of the differential in the feed grain price between the maritime provinces and western Canada, Ontario and Quebec.

The feather industry in the maritime provinces is in trouble. It currently pays a differential in excess of $60 per tonne for feed grains that are imported into the Maritimes to raise their stock. The dairy industry has seen a decrease in the amount of fluid milk demand as a result of $47 and more per tonne that it

must pay in excess of its brothers in Ontario, Quebec and western Canada. The beef industry is also in trouble.

The pork industry is in serious trouble because of the excess $37 it must pay per feed grain tonne to import it to the maritime provinces.

In 1941, the Feed Freight Assistance Program was brought into effect by the Government of the day. At that time it covered approximately 90 per cent of the cost of transportation of grain from the Lakehead to eastern Canada. Over the years that price eroded to the point where, between 1967 and 1976, it was approximately 59.3 per cent of the total cost of transportation.

Today, farmers are being compensated to the tune of approximately 19 per cent to 28 per cent for the importation of Ontario corn and 26 per cent to 33 per cent for western grain. Our farmers cannot bear that type of depletion in their incomes.

For example, the hog producers in Ontario are receiving approximately $13.99 per market hog sold, plus an average payment of $4.90 covered under the Agriculture Stabilization Act. The average return of a market hog sold is $18.89. His brother in the maritime provinces is receiving a net farm income per hog sold of 14 cents, compared to the $18.89.

What we are looking for in the maritime provinces is the ultimate goal of self-sufficiency in the production of feed grains. In the meantime, only 45 per cent of that land available to us is under production. We have the potential for substantially more land production, but it is going to take a few years to get it into production. There is a plan in place. We expect by the year 2000, if that plan is implemented, that we can be self-sufficient in the maritime provinces. In the meantime, we ask the Government to do what it has done for Canadian farmers in the West, what it has done for the Crow rate, and what it has done through the Stabilization Act for farmers here in Ontario and Quebec, to provide farmers in the maritime provinces with only what it is providing for those other farmers in the rest of Canada, that is, the same type of assistance. What it amounts to is an immediate infusion of $13.3 million in new money which would be added to the $7.2 million already identified as dollars that would be injected into the Feed Freight Assistance Program, for a total of $20.5 million. As our agricultural land is put into production to make us self-sufficient in the growth of grain products, the amount will reduce each year, naturally. As more land comes into production, the more self-sufficient we become, the amount will lessen, and by the yeawr 2000 it will have been eliminated.

● (1825)

The key words are short-term. It is for the short-term period. The food and agricultural sector in the maritime provinces is vital to our economy and to our survival.

I ask this Government to approach this serious plight positively. The nearly bankrupt farmers in the maritime provinces are dependent upon feed grain importation. I ask the Government to give them every serious consideration.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I would like to thank the Hon. Member for his representation on a very serious topic, one about which he is extremely concerned and one on which I know he has worked hard in the past and will do so again in the future.

I would say at the outset that this Government is committed to the survival and prosperity of the livestock and poultry industry throughout Canada. In the case of the Maritimes, we believe that the long-run prosperity of the livestock and poultry industry would be well served by increased local feed production. Indeed, the Maritime Farmers' Council has stressed this very point. To that end, two actions have been taken.

First, under the agreements with the provincial Governments, about $74 million will be spent on agricultural development over five years. Part of this money will be spent on research to develop improved varieties and cultural practices suited to the maritime conditions. Part may also be spent on improving the dissemination of information aimed at improving grain producers' efficiency and also on improving the grain marketing structure.

Second, locally produced grain was made eligible for feed freight assistance payments. This was done to ensure that maritime grain producers were not disadvantaged by the feed freight assistance payments made to assist local livestock and poultry producers.

Feed freight assistance is of course an important means of ensuring the competitive position of the maritime livestock and poultry sector. In 1983-1984, $4.8 million was paid on shipments to the Maritimes. Moreover, in the last 10 years the proportion of feed freight assistance expenditures paid for shipment in the Maritimes has increased from 17 per cent to 30 per cent.

As the Hon. Member has indicated, the Maritime Farmers' Council has proposed increasing feed freight assistance payments to cover 50 per cent of transportation costs from western and central Canada. As my colleague, the Minister of Agriculture (Mr. Wise) indicated in the House of Commons on December 18, 1984, we would, of course, be willing to consider the merits of this proposal. I would, however, add a note of caution. Given the difficult budgetary position we have inherited from the previous Government, it would be necessary to identify financial resources which could be used for such a project.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, February 15, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O.21

[*English*]

DISASTERS

ANNIVERSARY OF *OCEAN RANGER* SINKING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, today marks the third anniversary of the sinking of the *Ocean Ranger*. This tragedy, which occurred on February 15, 1982, shocked our nation and brought great grief to the people of Canada, and more directly to the families of the 84 men lost at sea. The suffering of the relatives and friends of the dead, and the continuing trauma of the survivors, bring to mind the price paid by working people.

It is worth remembering, especially during the afterglow of the recently signed Atlantic Accord, that the lives of our workers must be considered before we rush into any activity. The health and safety of the riggers and seamen are as much the responsibility of our Government as the negotiating of transfer payments and energy revenues.

Let us remember the 84 men who lost their lives on February 15, 1982, when we rise to discuss labour code amendments and changes to our legislation. It is through our actions in the House and actions by the Government that future tragedies such as the *Ocean Ranger* can be avoided.

* * *

[*Translation*]

THE CANADIAN FLAG

A MEMORABLE DATE—FEBRUARY 15, 1965

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, at 1:30 a.m. on December 15, 1964, with 163 in favour and 78 against, Canada was given its own distinctive flag. We owe this to the courage and determination of a great Canadian, the Right Hon. Lester B. Pearson, Leader of the Liberal Party and Prime Minister of Canada from 1963 to 1968.

On February 15, 1965, twenty years ago today—

[*English*]

Mr. Speaker: Order, I am prepared to let the Member finish his statement. I am not prepared to allow displays in the House of Commons because it is against the rules.

Mr. Gauthier: You have a flag.

Mr. Speaker: I am not prepared to allow the displays. I apologize. It is against the rules. I am prepared to let the Member finish his statement.

Mr. Prud'homme: You will understand why I am so proud, Mr. Speaker.

[*Translation*]

On February 15, 1965, twenty years ago today, this symbol of Canadian unity and pride was raised above all federal buildings and property, and elsewhere across Canada. The resistance of certain politicians was swept away by the enthusiasm of Canadians for their own distinctive flag.

In fact, Mr. Maxime Guitard, one of the clerks at the Table who was committee clerk at the time, could give us the exact details of this story. Nine Members sitting in the House of Commons at the time are still sitting in the House today.

I take particular pride in recalling this event because it was the most important day in my twenty-one years in politics. Five of the nine who voted in favour were Liberals, and they were Mr. Turner (Vancouver Quadra), Mr. Gray (Windsor-West) and Mr. Chrétien, and my good friend Ms. Pauline Jewett, who was a Liberal at the time, and myself. Four of the nine who are still sitting today voted against and belong to the Progressive Conservative Party. They included, I am sorry to say, the Deputy Prime Minister of Canada (Mr. Nielsen).

For us, Mr. Speaker, as it is for all Canadians, for our young people and for all new Canadians, this is one of the most memorable days of our lives.

* * *

CULTURAL AFFAIRS

BUDGETARY CUTBACKS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the arts community and our cultural organizations have been forced to concentrate their efforts on defending themselves against the Government's budget-cutting attacks. As a result, they have not had a chance to develop proposals for improving cultural life in Canada.

S.O. 21

[*English*]

Major problems remain in addition to those caused by the cut-backs, Mr. Speaker. There are problems of distribution and access to cultural products and to performances. There are particular problems with regard to films, books, magazines, and theatrical performances. Distribution systems must be improved. Governments now subsidize the production of many products and performances that do not get to be seen by many Canadians. These subsidies would not have to be as important numerically if there were more purchases. In short, Governments ought to be purchasing books and magazines for schools, libraries, and other institutions. Such a measure would require federal and provincial co-operation.

We will be having a meeting of federal and provincial Ministers of Culture. I hope that the Minister of Communications (Mr. Masse) will bring forward imaginative proposals to improve access to cultural products and performances in Canada, and will discuss these things with his provincial counterparts. More money is needed in this area, but certainly it is important—

Mr. Speaker: I regret to advise the Member that her time has expired.

* * *

[*Translation*]

THE ADMINISTRATION

IMPROVEMENT IN CANADA-QUEBEC RELATIONS

Mrs. Anne Blouin (Montmorency-Orléans): Mr. Speaker, my constituents of Montmorency-Orléans and their fellow Quebecers are delighted to see the climate of confidence that now reigns in negotiations between the Canadian Government and the Government of Quebec. This is very much to the liking of many Quebecers, at a time when a federal-provincial conference is being held in Regina.

The Canada-Quebec agreements signed to date are impressive both in number and in scope. On December 14 last year, the federal Minister of Regional Industrial Expansion (Mr. Stevens) and the Quebec Minister of Intergovernmental Affairs signed the new economic and regional development agreement. Under this agreement, the federal Government will be contributing $1 billion over the next five years.

On January 22, the Minister of Agriculture (Mr. Wise) announced the introduction of a program for technological innovation assistance in Quebec, also spread over five years. On February 1, the federal Minister of Communications (Mr. Masse) and the Quebec Minister of Communications concluded an agreement aiming at promoting the development of the communications industry in Quebec.

Finally, the Government of Canada and the Government of Quebec will be spending $100 million on the tourist industry within the next few years.

Mr. Speaker, I could go on in this vein, but I would prefer to emphasize the incredible improvement in Canada-Quebec relations since the present Government came to power and decided to promote the interests of Quebec.

* * *

● (1110)

[*English*]

INDIAN AFFAIRS

FUNDING OF UNITED NATIVE NATIONS ORGANIZATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the United Native Nations represents non status Indians and some off-reserve Indians in British Columbia. Last year the Secretary of State cut their core funding in order to provide funding for the Louis Riel Métis Association of B.C. The Métis Association certainly required the funding, but it should not have been taken from the United Native Nations. This kind of government action makes it very difficult for different aboriginal peoples to achieve unity.

In a similar manner, United Native Nations applied for Indian Affairs funding to hold workshops on proposed changes to the Indian Act which would affect their membership. However, all available funding went to the B.C. Indian Homemakers Association. The homemakers needed this funding and are holding workshops throughout the province. But again we must ask why one legitimate organization was funded at the expense of another equally legitimate organization.

British Columbia Métis and non status people favour the one window concept for Canada employment programs. The single project officer cuts down on red tape and makes it easier for native people to gain access. But they feel that they are not adequately represented on district advisory boards and as a result do not get approval for a fair share of their projects.

I call on the Secretary of State (Mr. McLean), the Minister of Indian Affairs and Northern Development (Mr. Crombie), and the Minister of Employment and Immigration (Miss MacDonald), to look into these concerns and ensure that non status people are not subject to double discrimination.

Mr. Speaker: I must advise the Member that his time has expired.

* * *

ETHNIC AFFAIRS

UKRAINIAN CANADIAN COMMUNITY

Mr. Alex Kindy (Calgary East): Mr. Speaker, on February 7, 1985, the Minister of Justice and Attorney General (Mr. Crosbie) announced the establishment of a commission of inquiry on war criminals to be conducted by Mr. Justice Jules Deschênes of the Superior Court of Quebec.

I commend the Government on its efforts to take all responsible steps to ensure any war criminals in Canada are brought

to justice, whatever their racial origin. However, Mr. Speaker, we must ensure that while we are seeking out those who have perpetrated crimes against humanity we do not allow such action to reflect poorly on entire ethnic groups. Canada is a society rich in the wealth of ethnic diversity and has benefited enormously from the contribution of our citizens who have emigrated to Canada and raised their families here.

One such ethnic group with which I am familiar is the Ukrainian Canadian community of some 600,000 people, 90 per cent of whom are Canadian born. Many of these Ukrainian Canadians, indeed, fought in the Canadian Armed Forces during the Second World War against the Nazis. Some of them fought in their country to liberate it from Russian and Nazi oppression.

Should individuals of a particular ethnic group be accused of atrocities, it is imperative that the group as a whole not be treated in a manner which ignores its vital involvement in and contribution to Canada.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

FREEDOM ASPIRATIONS OF BALTIC STATES

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, we Canadians need to be reminded that on February 16, 1918, Lithuania was restored to independence and flourished as a free democratic state for 20 years, along with its neighbours Latvia and Estonia.

In June, 1940, all three were subjugated once again when the Soviet Union signed the Ribbentrop-Molotov Non-Aggression Pact, and marched in and annexed them.

We take for granted the freedoms that the Lithuanian people are denied, but they are still continuing the struggle for liberation. The refusal of Canada to recognize *de jure* the incorporation of Lithuania into the Soviet Union, and the welcome of the consuls of the Governments in exile of the Baltic states, constitute important acts which help to keep alive the hopes and aspirations of these valiant peoples, many of whose citizens are now our fellow Canadians.

I would ask that Members of the House associate themselves with these sentiments on this sixty-seventh anniversary, so that these courageous peoples know that we have not forgotten them.

* * *

AIR CANADA

SOUTHERN HEMISPHERE ROUTES—SERVING OF CANADIAN WINES

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Canadian flag is now flying proudly into eight countries of the Pacific Rim. Air Canada is now circling the globe in three-week, 30,000 mile tours of the southern hemisphere.

This event signifies much more than a first for the airline. It is a major step in opening up the world to Canadian trade and commerce. Canadian products will become known to people of Hawaii, Fiji, Australia, Indonesia, Singapore, and Rio de Janeiro. There will be new demands for Canadian goods. Trade barriers will be lifted and new markets will be open to us.

It would be fitting for the flight attendants on these flights to serve a popular Canadian product. I refer, of course, to our fine quality Canadian wines. This will be a great introduction to our "buy-Canadian" promotion. Passengers who are given the opportunity to try these Canadian products will soon adopt our favourite slogan, "Hooray! It's Canadian!"

• (1115)

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—REQUEST FOR PUBLIC INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Deputy Prime Minister. I have further questions with respect to the Hatfield case. We have on the one hand Premier Hatfield continuing to make charges against certain members of the RCMP, that they leaked information and that they made an extraordinary effort to build a case against him. On the other hand, we have growing information that Premier Hatfield might have been helped in his defence. We have the secret meeting, and even yesterday he admitted that he was tipped off with respect to certain Crown evidence.

In order to ensure the integrity of the criminal justice system, and considering everything I have said just now to the Deputy Prime Minister, will he now agree that, in order to ensure that integrity, we should have a full, public, independent inquiry into this case?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question was responded to by the Minister of Justice as well as by the Solicitor General on more than one occasion this week. As the Hon. Member knows, there is an internal review now being conducted with respect to this matter. If he or any other Member of Parliament, or indeed any other citizen, has any evidence which would warrant consideration with respect to that internal review, and whatever decision may be made as a result thereof, I would urge them to bring it forward.

Oral Questions

STATEMENT ATTRIBUTED TO PREMIER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, since yesterday the Premier of New Brunswick has made further statements which further confuse this case. For example, he said, in relation to the secret meeting of October 7 with the Solicitor General:

I wanted to make the point to the new Solicitor General, 'get the investigation over with because, if it drags on like the former one did, it's going to result in encumbering me from doing my job'.

Does the Deputy Prime Minister not agree that this request by the Premier of New Brunswick to the Solicitor General constitutes tampering with the administration of justice in that he wanted to speed up the investigation? Does he not agree that that kind of request brings into disrepute equality before the law in our criminal justice system? There is new evidence and new damaging evidence every day, and it is time for an inquiry.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the Hon. Member believes that there is new evidence available, I urge him to make it available. It is my observation that the only injection of confusing factors in this matter is interventions such as his—

Mr. Axworthy: Stonewalling and covering up.

Mr. Nielsen: —and those of the Official Opposition and of the NDP. If there is any evidence the Hon. Member wishes to bring forward for consideration by the internal review now under way, I wish he would do just that.

Mr. Allmand: Mr. Speaker, if there were not the statements by the Premier of New Brunswick, and if there had not been a secret meeting, we would not be raising these questions.

REQUEST FOR RESIGNATION OF SOLICITOR GENERAL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, earlier this week one Minister resigned claiming he did no wrong. The Prime Minister said there was no breach of national or NATO security, yet he accepted the resignation. We have another Minister who clearly broke a long-standing practice in the United Kingdom and in Canada, by having a secret meeting with a person under investigation, and he has not resigned. Why the double standard, Mr. Speaker? Will the Government now request the resignation of the Solicitor General, and hold a full, public, independent inquiry into this case?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the last part of the question has already been answered.

Mr. Allmand: That is stonewalling.

Mr. Nielsen: It is not stonewalling at all.

Mr. Allmand: Darn right it is.

Mr. Nielsen: It is not stonewalling at all. Let me repeat what the Acting Prime Minister of the day, the Secretary of State for External Affairs, said in this House last Wednesday.

An Hon. Member: We know that.

Mr. Nielsen: He said:

—the former Minister offered his resignation because he believed that public allegations—

—which appeared in the noon edition of *The Citizen* of that day—

—impaired his ability to carry out his sensitive responsibilities in the extremely sensitive and important portfolio of Minister of National Defence, and because he believed those allegations impeded his freedom to pursue an action in the courts.

● (1120)

Those were the reasons for the resignation.

Mr. Allmand: Double standard.

Mr. Nielsen: There is no double standard which appeals to my sense of reason and my logic, which seem to be entirely lacking on the part of the Hon. Member putting the question.

* * *

NUCLEAR ARMAMENTS

DEPLOYMENT OF WEAPONS—ALLEGED REQUEST BY UNITED STATES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Over the past several weeks we have directed several questions to the Minister concerning United States' plans for nuclear deployment in this country, and have always received assurances that Canada would exercise its independent decision and not receive such weapons.

We now have reports that the United States State Department has sent communiques to the Government insisting that Canada must accept nuclear weapons on our soil. This not only contradicts the Minister's own statements but is a clear case of nuclear colonialism. We would like to know what in fact is in that telegram and, more particularly, when did the Minister receive it? Finally, will the Minister today issue a statement totally rejecting the American request and saying that it is outrageous that they should suggest anything to an independent country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as is usually the case in my responses to the Hon. Member for Winnipeg-Fort Garry, I would say that his facts are completely wrong. There was no such request by the Government of the United States to the Government of Canada. There was, so far as I know, no suggestion by the Government of the United States to anyone that Canada should accept nuclear arms. There was, so far as I know, an instruction by the Department of State of the United States to their ambassador here in Ottawa to be in touch with us

expressing concern about the degree to which countries with which the United States has treaty arrangements were going to honour those arrangements.

The question of nuclear arms on Canadian soil did not arise, because the position of the Government of Canada on the question of nuclear arms on Canadian soil is abundantly clear. We do not allow nuclear arms to be stationed on Canadian soil. In the event of any contingency plan which might call for the stationing of nuclear arms here, this Government retains its right to refuse nuclear arms on Canadian soil, and this Government would be prepared to exercise our option to refuse nuclear arms on Canadian soil if we believed that to be in the interests of Canada.

Mr. Speaker: Order, with great respect to the Minister.

CANADIAN SOVEREIGNTY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my supplementary question is directed to the same Minister. We have already seen how the United States has taken retaliatory action against New Zealand over the rejection of the placement of naval bases in that country.

Some Hon. Members: Placement!

Mr. Axworthy: The visit of naval forces.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Are Members opposite interested in the sovereignty of this country or not? Do they want to hear the question?

An Hon. Member: We are interested in the facts.

Mr. Axworthy: We would like to know exactly what communication was issued by the U.S. ambassador to this country. Also, is it not time that this country took the initiative and asked for a full ministerial meeting of NATO Ministers to discuss how and in which ways all those countries which are allies of the United States would participate in both the planning and development of that deployment strategy, so that we would be assured that we have the independence and sovereignty to make that decision, and not have it imposed upon us, as the report now says it must?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have told the Hon. Member and the House on several occasions that we are looking at ways in which we can expand the parameters of definition of emergency so that there might be a greater opportunity for countries that are involved to have more lead time in making decisions. I repeat the point that this country, under this Government, would retain the right to refuse nuclear weapons on Canadian soil.

Let me come to Canadian sovereignty. This Government actively defends Canadian sovereignty. That is why, as I said yesterday in committee, this Government wants to proceed with the north warning system which will protect and assert Canadian sovereignty, whereas the Hon. Member in his questions as recently as yesterday indicates that he wants to leave open gaps in the radar warning system now, gaps which threaten Canadian sovereignty and threaten Canadian security.

NEW YORK TIMES REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Secretary of State for External Affairs knows, there is a report today in *The New York Times* which says that indeed an agreement exists between the Government of Canada and the Government of the United States, and it would permit the locating of nuclear weaponry in Canada under certain circumstances. I would ask the Secretary of State for External Affairs whether there is such an agreement in existence between Canada and the United States. If so, does that agreement contain the veto right of Canada, that is, the right to say no? Third, since the right to say no would also entail the right to say yes, will the Minister use the occasion to convey to the United States that, under no circumstances, will we permit the locating of nuclear weaponry on Canadian soil?

● (1125)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will deal with those matters in order. There is no such agreement. Second, there is, as the Hon. Member probably knows, a NATO decision from the NATO summit meeting in December, 1957, when it was decided that NATO should establish stocks of nuclear weapons which would be available to the alliance in case of emergency. Heads of government agreed in 1957, it stands, and I quote:

> The deployment of these stocks and missiles and arrangements for their use, will accordingly be decided in conformity with NATO defence plans and in agreement with the states directly concerned.

That is paragraph 21 of the Paris heads of government communique. That is the authority on which I have been answering questions. That is the authority on which I have said, and repeat categorically now, that this country retains the right to refuse nuclear weapons on Canadian soil in any emergency.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I listened with care to what the Minister had to say. He did not reply to the crucial third part of that question. Since the right to say no also logically entails the possibility of saying yes, and since Canadians have made it abundantly clear in every part of this land that under no circumstances do we want nuclear weaponry located, deployed, parked, or in any way put on Canadian soil, will the Minister now make it clear to the people of Canada, and soon to the United States, that under no circumstances will we accept nuclear weapons in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, who follows these questions carefully, takes them seriously, and does not try to mislead Canadians about their implications, will know that there have been discussions in the House for some time on the so-called contingency plan in the United States. There are no such plans now. In the event that contingency plans were developed, the contingency of which they would take account would be a circumstance to attack. In that circumstance, Canada has the right to say yes or no to nuclear arms. I am not in a position at this time to be able to say how we would respond, not knowing the conditions of attack that might prevail.

The Hon. Member will understand the conditions of attack, which we all devoutly hope will never occur, are conditions which are almost impossible for any of us to conceive in detail in advance. I do say to him that this Government retains, and so long as I am here the Government would exercise, the right to say no to nuclear arms, even in those circumstances, if we believe that to be in the Canadian interest, and it would be Canadians, not anyone else, who would make that decision of Canadian interest.

Some Hon. Members: Hear, hear!

POSSIBLE FUTURE CIRCUMSTANCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the use of nuclear weaponry at any point, according to all the literature that I have read and I imagine the Minister has read, would be an act of complete and utter folly. If one agrees with that as the premise, will the Minister agree that what follows from that is that no circumstance, a real emergency, an alleged emergency, or any other circumstance down the road, should lead us to the conclusion that we could ever accept nuclear weapons, because the use of them under any circumstances will mean mutual suicide involving the United States and the Soviet Union? If that should happen, so far as it is possible, we do not want to be any part of that process. Therefore, will he now say that under no circumstances will we have nuclear weapons in Canada?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I agree that nuclear conflict would be folly for the world. I believe that everyone in the House shares the view that it would be folly for the world. I think we all hope that that folly will never arise. Indeed, one of the reasons why this Government is pursuing as vigorously as it is the establishment of the northern warning system, and the modernization of our radar system, is that that is a part of the deterrence system which for so long has prevented that folly from occurring.

What the Hon. Member is asking me to do is to predict how we would act in the event of an attack which all of us hope does not occur. It is impossible to give that answer before those circumstances, which we hope never arise, do arise.

I repeat my assurance. The Government of Canada has insisted on retaining in Canadian hands the right to make the decision on how we would react even in that most extreme of circumstances. Even at that height of folly, it will be a Canadian decision and not a decision of anyone else.

* * *

THE ECONOMY

INTEREST RATE LEVELS—PREMIERS' RECOMMENDATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance. The First Ministers' love-in threatened to turn sour yesterday when the Premiers attacked rising interest rates. They were told by the Prime Minister that the Government does not intend to change its interest rate policy. Surely for a Government which prides itself on consultation and consensus making, and which promised lower interest rates in its election platform, that is not the final response. Will the Minister tell the House what consideration the Government is giving to the recommendations put forward by the Premiers?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I am delighted to be able to answer on behalf of the Minister of Finance who has done a very capable job in Regina on behalf of the people of Canada. I should point out to the Hon. Member that the Government has no specific target in terms of exchange rates and interest rates. We would like to have a Canadian dollar that is strong. We would like to have interest rates which are as low as conceivably possible. Government policy will be set in such a way as to encourage that.

EXCHANGE VALUE OF DOLLAR

Miss Aideen Nicholson (Trinity): Mr. Speaker, yesterday the Premier of Alberta argued strongly that the Bank of Canada be given new instructions, and the Minister of Finance was quoted in *The Gazette* today as saying that the Premier's recommendation is under study. Does this mean that we are to have yet another discussion paper while uncertainty grows about investments, economic development, and jobs?

Hon. Perrin Beatty (Minister of National Revenue): No, Mr. Speaker.

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NUCLEAR ARMAMENTS

DEPLOYMENT OF WEAPONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. We now understand that he is prepared to accept a U.S. definition of crisis that will be decided by the U.S. military and the White House, and that he has reserved his right to say yes in terms of the stationing of nuclear weapons, in British

Columbia and Nova Scotia at least. As the Minister knows, today nuclear vessels can enter the harbours of Vancouver, Halifax, and other ports in Canada with live U.S. nuclear weapons on board.

Let us not split hairs. The Minister is telling the people of Canada right now that he is prepared to accept the placement of nuclear weapons in Canada as long as they are simply tied by a rope to a wharf in the major cities of Vancouver and Halifax.

Right Hon. Joe Clark (Secretary of State for External Affairs): Is there a question?

Mr. Fulton: That is right. Does the Secretary of State for External Affairs accept that?

Mr. Clark (Yellowhead): Mr. Speaker, I am at your direction. When you detect a question, I will try to answer it.

Mr. Fulton: Mr. Speaker, it is quite clear that today the policy of the Government is that U.S. warships and submarines, with live—

Mr. Speaker: I am in some difficulty. Does the Hon. Member have a question? I have yet to hear one.

Mr. Fulton: Is it the Minister's view that it is acceptable today for the United States to continue to bring live nuclear weapons into the hearts of Canada's major cities of Halifax and Vancouver?

Mr. Clark (Yellowhead): Mr. Speaker, first let me say, just to assure the Hon. Member, that if I do not agree with the definition of emergency or of crisis that might be given by the Americans in the case of some perceived emergency, then obviously our answer to the American request will be no.

Regarding the specific question that has been asked, there has been a long-standing arrangement dealing with the necessity for submarines carrying nuclear weapons to visit ports, and those submarines are occasionally given the opportunity to dock at Canadian ports. That policy has not changed nor does that policy affect the position that I have taken, and the position that Mr. Trudeau before me took, that there would be no stationing of nuclear arms on Canadian soil.

SITUATION IN NEW ZEALAND

Mr. Jim Fulton (Skeena): Mr. Speaker, if a U.S. nuclear submarine is to tie up in Vancouver at the foot of Granville Street, or in Halifax, is the Minister prepared to show the same kind of backbone that New Zealand has shown, say no to the U.S. now, and tell them that no more nuclear warships and weapons will be allowed in the major ports of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want to comment particularly on the New Zealand situation except to say that there is a degree to which their situation is parallel to our own. In an election campaign in New Zealand a particular position was taken by the now Government of New Zealand, and it is trying to implement that position. In the election campaign of September 4, in which the people of Canada made an overwhelming judgment, this Party made it very clear that we intended to stand up to and honour our obligations to NATO, to NORAD, and to our allies. We intend to keep our word on this issue as on other issues.

* * *

GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I direct my question to the Deputy Prime Minister. We seem to have an amazing number of convenient coincidences occurring in the Prime Minister's office lately. The Prime Minister has stated that he first learned about the allegations of risk to national security on January 22, which was the same day on which he met with Lord Carrington, the Secretary General of NATO, and only four days after the resignation of the former Minister of National Defence's senior policy adviser. The Prime Minister has also stated that he received the final in-depth report concerning this incident at noon on February 12, the same time that the allegations became public, eventually being followed by the resignation of the former Minister.

Did Lord Carrington, the Secretary General of NATO, at any time discuss with the Prime Minister, any other government member, or any officer of the Government of Canada, the appropriateness or inappropriateness of the actions of any of the Government's Ministers?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure that the Hon. Member, in all reason, would not expect me to be in a position to be able to answer questions with respect to discussions that took place to which I was not privy. I have been present here in the House and I have read responses made by the Prime Minister outside the House assuring Members and Canadians that he acted at once in order to deal with any possible breach of national security. He did that in a very careful and thorough way. That has been his explanation to the House of Commons, and one which I think should be accepted not only by the Hon. Member but by all Hon. Members of the House.

Mr. Hopkins: Mr. Speaker, that is precisely the issue. It is interesting to note how changes occur when going from one side of the House to another. The issue at which I am getting today is not the—

Mr. Speaker: With due respect, the Hon. Member had a very long preamble to his first question. Would he now come immediately to a question, please?

Mr. Hopkins: The issue is the Prime Minister's handling of the event.

Mr. Speaker: Order, please. The Hon. Member for Scarborough West.

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UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

CANADIAN MEMBERSHIP AND FUNDING

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the upheaval in the membership of UNESCO, with several nations withdrawing or having given notice to withdraw, and other nations increasing their funding of UNESCO, what review, if any, is the Canadian Government giving to our membership in UNESCO? In particular, are we contemplating any reduction or increase in our funding of that organization?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. He will know that the Government of France has just announced an increased contribution to certain of the activities of UNESCO. It is not the intention of the Government of Canada to follow that example.

• (1140)

Earlier this week I had the opportunity to meet with the executive of the Canadian Commission to UNESCO, and at that time I expressed our very grave concern about the state of that organization. I made it clear that our intention was not to make a decision until the meeting in the fall with regard to UNESCO. I also told them that we were not satisfied with the present pace of reform. I indicated that there was an overwhelming concern in Canada for the strength of international institutions and the strength of the United Nations system, and that that was the basis upon which I was urging reform in UNESCO.

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CANADIAN BROADCASTING CORPORATION

POLICY REVIEW

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications, who has instituted a policy review of the CBC. Would he now undertake to make this a public review and allow public hearings on the subject? If not, how many more protests, demonstrations, assemblies, and advertisements in newspapers will it take before he realizes that the Canadian public is extremely dissatisfied with his conduct of the Department and wants some input into the CBC review?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I think the Hon. Member is talking about two separate issues which she, either for political reasons or out of ignorance, has a tendency to confuse. There are two entirely different problems here.

First of all, we have the statement by the Minister of Finance prescribing budgetary cutbacks in all Government envelopes. As part of these cutbacks, the CBC has been asked to make a contribution that seemed and still does seem to us entirely fair and proportionate.

Second, the Government has made a commitment to review Canada's broadcasting industry, which includes the CBC. This decision was announced last fall, and in the weeks to come we shall be in a position to make a full statement on the mechanisms we intend to introduce to ensure the participation of Canadians in the future of broadcasting in Canada.

[*English*]

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister began by answering a question which I put to him a couple of weeks ago. I was not asking about cut-backs. I was asking about the policy review and when the Canadian public will be able to have some input into it. Is it normal that the Canadian public has to place advertisements in newspapers to get through to the Minister? He refuses to meet with groups. When will he listen to them? When will he let the public talk about what they want their public broadcasting system to do?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, in answer to the first part of the question I said that in due time, that is, within a few weeks, the Government will be announcing to Canadians and to the House how those who are interested in the future of broadcasting in Canada, and especially that of the CBC, can make their views known within the consultation process.

* * *

[*English*]

IMMIGRATION

ENCOURAGEMENT OF ENTREPRENEURS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Acting Minister of Employment and Immigration. In the 1984 *Annual Report on Future Immigration Levels* the Minister gave top priority to encouraging business immigration to Canada. Given the fact that this kind of immigration benefits our economy immensely because of the jobs it creates, can the Minister tell the House what specific measures have been taken, or will be taken, to encourage and promote entrepreneur immigration to Canada?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I wish to thank the Hon. Member for her question.

I can inform her that we intend to maintain the immigration program for entrepreneurs and that we have given special training to thirty-five visa officers in order to respond more effectively and extend a more cordial invitation to prospective immigrants.

We also have a working group that includes the Employment and Immigration Commission, the Department of Regional Economic Expansion and External Affairs, and whose role is to find effective ways of getting more entrepreneurs to come to this country and give us the benefit of their expertise and talents, in order to generate jobs and improve our quality of life.

* * *

[*English*]

EMPLOYMENT

FUNDING OF JOB CREATION AND TRAINING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Minister of Employment and Immigration. In view of last week's statistics which showed that there were an additional 167,000 Canadians unemployed, that interest rates were rising, and because the Minister of Finance has refused to give us a specific date for a Budget, can the Deputy Prime Minister explain why in yesterday's announcement by the Minister of Employment and Immigration, there was such a serious reduction in the moneys which are allocated for job creation and job training? Can he explain the reduction? Is it part of the restraint program?

Some Hon. Members: $300 million less.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I heard the comment about $300 million less, but that is not the way I heard the Minister of Employment and Immigration on *The National*, and that is not the way I read her statement. If the Hon. Member wishes, I will send it to him so that he and his colleagues can cease distorting what was presented by the Minister at the First Ministers' conference in Regina. That is not helpful in solving the problem of unemployment. This is.

GOVERNMENT RESPONSIBILITY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, may I remind the Deputy Prime Minister that the unemployed want jobs. They do not want pious platitudes from him, the Prime Minister, or the provincial Premiers. Will the Deputy Prime Minister exercise his responsibilites and tell the House how many jobs will be created by that program, when those jobs will come into effect, and how many lasting jobs will be created? Will he exercise his responsibilities and tell the House?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in my judgment we are exercising our responsibilities in a much more positive way than that which was displayed by the Party which he supported, when it was in power.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I do not know why he should be so exercised by our exercising our responsibilities, when every single Premier at the First Ministers' conference welcomed, with open arms and eagerness, the statement of the Minister of Employment and Immigration yesterday with respect to our very challenging employment program laid out by her.

* * *

CANADA COUNCIL

FILLING OF VACANCIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Communications. The Canada Council is a crucial agency which was established to build our cultural independence and assist our artists in maintaining their livelihoods. Therefore great care and non-partisan responsibility should be exercised when making appointments to it.

Will the Minister assure the House that the six vacant positions on the Council will be filled on a non-partisan basis by people with extended experience in the arts and culture area, after close consultation with cultural associations?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure the Hon. Member that any future appointments will be made with a view to ensuring a competent presence on the Canada Council.

[*English*]

ARTISTS' REPRESENTATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, competence is always to be preferred. Will the Minister assure the House that we will not see more appointments of which the chief claim to fame is ties to the Prime Minister or his constituency? Will the Minister assure the House that at least a majority of the existing six vacant positions will go to artists?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure the Hon. Member that all appointments will be made in accordance with the Act.

[*English*]

NUCLEAR ARMAMENTS

DEPLOYMENT OF WEAPONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I can understand why the Deputy Prime Minister is in a blue funk today because he happens to be one of those few left in the House who voted against the Canadian flag. It must gall him to see it on its twentieth anniversary today.

Some Hon. Members: Oh, oh!

Ms. Copps: Notwithstanding that, my question is directed to the Secretary of State for External Affairs. In his statement today—

Some Hon. Members: Louder!

Ms. Copps: Excuse me. For those government Members who are not interested in a nuclear holocaust which may be facing this country—

Some Hon. Members: Oh, oh!

• (1150)

Ms. Copps: Mr. Speaker, the Secretary of State for External Affairs commented today on the agreements and accords made with NATO. This Conservative nuclear attitude in lock-step with the United States flies in the face of that very NATO agreement. Why is the Minister blaming New Zealand's position on so-called election campaign promises when in fact the NATO agreement he cites states that deployment of weapons, stocks, and missiles, and arrangements for their use, will be decided in conformity with NATO defence plans and in agreement with the states directly concerned? Why is he not prepared to follow the example of New Zealand and develop an independent nuclear policy for this country?

Mr. Andre: How long has New Zealand been in NATO?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know what the practice was in the Ontario Legislature, but when Members direct an insult at a Minister of the Crown and then refuse to put the question to the Minister, we here in the House of Commons call that offence hit and run.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The best answer I can give to the Hon. Member is that, unless there was some agreement concluded by the Ontario Legislature of which I am not aware, New Zealand is not a member of NATO.

Ms. Copps: Mr. Speaker, the reason for my hit and run is because the Deputy Prime Minister has been stalled in neutral all week.

Mr. Speaker: Does the Member have a question, please?

CANADIAN POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, obviously the Secretary of State did not understand the question. My question is: why is this country not prepared to develop an independent policy such as was agreed to in the 1957 NATO accords, which he cites as the very reason for this country joining the nuclear movement in lock-step with the United States of America?

Right Hon. Joe Clark (Secretary of State for External Affairs): Among the elements of the sovereign policy which has been in place in Canada for some time, but was not pursued sufficiently actively by the Liberal Government, of which the Hon. Member is a supporter, is first of all making it clear that there will be no stationing of nuclear arms on Canadian soil without the agreement of the Government of Canada. That is a principle which I have repeated and referred to frequently in this House.

A second element is the determination to stop our northern radar system from breaking down, creating gaps which threaten our security and sovereignty. It might have been good enough for the Liberals to have Canadian security and sovereignty threatened by the holes in the northern warning system, but it is not good enough for us. We are here to protect and advance Canadian sovereignty and security.

* * *

CANADIAN BROADCASTING CORPORATION

PRODUCTION OF CANADIAN PROGRAMMING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it may be kind of silly to try to get an answer again out of the Minister of Communications, but I will try with an easy question.

Because of budget cut-backs at CBC it has withdrawn from Telefilm and, as a result, about one-third of the 100 or so independent Canadian film producers are in jeopardy. This is a severe threat to Canadian content in broadcasting. The Minister promised a review of the criteria for Telefilm, I think last December, to be completed early this year. It is getting late. Will the Minister respond to the proposal by 17 French and English production associations made in January for a special allocation of $35 million for the production of Canadian programming?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, since the end of last December, when I announced that the Government was going to review some of the criteria for Telefilm, we have had a number of consultations with interested groups.

The Department has received an initial report on these consultations. There have been a number of meetings of officials, and at some time in the future we will be able to announce new criteria for Telefilm.

[*English*]

MINISTER'S REPLY TO PROPOSAL

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, maybe I came close. Can we be assured at least that the answer with respect to that proposal will not come any later than April 1?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, my experience in politics has taught me one thing: never give a firm date!

* * *

[*English*]

ENERGY

OFFSHORE DRILLING—SAFETY CONSIDERATIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, today marks the third anniversary of the tragic *Ocean Ranger* disaster, a day on which 84 lives were lost at sea. Two of those men were my constituents. I ask my question of the Acting Minister of Defence in the hope that we will soon be able to say we have done everything humanly possible to prevent such tragedies in the future.

The most dangerous part of the winter drilling season is fast approaching, and adequate launching systems and life rafts for rigs off the East Coast are still not available. In light of that, is the Minister prepared to accept the recommendation of the Ocean Ranger's Families' Foundation that a joint research and development fund be established by the federal and provincial Governments, and industry, to develop in Canada, for East Coast offshore conditions, launching systems and life rafts, in order to prevent further loss of life in the offshore?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is my third day as Acting Minister, and I think the Hon. Member will understand if I have to take that very important question as notice. I will get back to him with an answer just as soon as I can.

Mr. Speaker: Supplementary.

Mr. Tobin: Mr. Speaker, the Minister should know that the last line of defence, the government policy currently is that we have upgraded fixed wing aircraft, and therefore the situation is getting better. But he should know—and I am coming to my question—the last line of defence is an escape system, and we do not have an adequate one. I want to tell him—I will ask the Minister, Mr. Speaker, it is an important question in my province. There are hundreds of people at sea.

Some Hon. Members: Ask the question.

Mr. Tobin: In light of the fact—

Mr. Speaker: Order, please. The Hon. Member for Calgary West.

Mr. Tobin: I am asking the question.

Mr. Speaker: The Hon. Member for Calgary West.

* * *

SPORTS

WINTER OLYMPICS INQUIRY

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have a question for the Minister of Fitness and Amateur Sport.

Mr. Tobin: Can I ask my question?

Mr. Hawkes: I am not sure that he is still in the House.

Mr. Tobin: Mr. Speaker's attitude reflects the Government's on offshore safety.

Ms. Copps: That's right.

Mr. Hawkes: Perhaps another Minister could answer for him. I was interested in the degree to which there is federal involvement in the Winter Olympics regarding the Festival of Arts, whether the federal Government is involved, whether there is some problem in that regard, and what we can anticipate in the future for that part of the Winter Olympics?

An Hon. Member: Put it on the Order Paper.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member recognizes that the Minister of Fitness and Amateur Sport has been dealing with the Canadian Olympic Committee and the various agencies associated with it. I will relay the question to the Minister.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs whose interest in environmental matters is well known. Would the Minister use his good offices to ensure that at the mid-March meeting scheduled between the Prime Minister and President Reagan the matter of the Niagara River and the long-term safety of drinking water in the Great Lakes is put on the agenda for discussion, considering the fact that the presence of toxic chemicals in that river is a source of great concern to millions of Canadians, and therefore to members of each Party represented in this House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. No one need add to the established reputation he has of interest in and action on these questions.

I raised that matter with Secretary Shultz during my first meeting with him in the fall of last year. If the matter is not on

the agenda of President Reagan and the Prime Minister at the March 17 meeting, I assure the Hon. Member I will raise it when I meet that weekend with Secretary Shultz. If he requests, I will report to the House on the response of the Americans to the raising of that question.

* * *

EXTERNAL AFFAIRS

SOUTH AFRICA—CONDUCT OF CANADIAN COMPANIES—GOVERNMENT GUIDELINES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. This morning's *Globe and Mail* detailed the Bata Shoe Company's non-compliance with the voluntary code of conduct for Canadian firms operating in South Africa. They have engaged in union busting, they pay wages 50 per cent below the poverty line, and they have refused to report to the Canadian Government because they say this would offend South African authorities.

Since 29 out of 30 companies have refused to report, or do not report, to the Canadian Government, is he prepared to admit that the voluntary guidelines are a farce? Will the Government at least take the small step of bringing in anti-discrimination contract compliance provisions for all government contracts, including a provision disqualifying any Canadian company operating in South Africa that does not comply with the guidelines?

● (1200)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, with the active encouragement of the Prime Minister I have been undertaking, within my Department, for the last several months, a complete review of Canadian policy as it affects South Africa. That review is based upon the well established Canadian abhorrence of the system of apartheid and our determination to do what we can to bring a change to that system. We are examining the range of our relations with South Africa and hope to be in a position to make some recommendations to the House.

With regard to reports concerning particular companies, the best way to judge their performance as employers would be for the companies concerned to issue public reports, as called for by our present code of conduct. If there are to be changes in that code of conduct, that will be announced in the House of Commons. That matter, among others respecting South Africa, is under active investigation by myself, the Prime Minister, and other of my colleagues.

VISIT OF APARTHEID APOLOGIST

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to ask the Secretary of State for External Affairs how the proposed visit, arranged by his Department, of Gaza Butelezi, Chief of the South Afican Bantustan and an apologist for the apartheid policy of the Botha Government, fits in with the professed abhorrence of apartheid? Does the Minister have any plans to meet with—

Mr. Speaker: Order. Let the Minister answer that part. We are running out of time.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as part of my review I am encouraging members of my Department and some of my colleagues in government to consult extensively with people whose information we think might be of use to the Government of Canada. The Leader of the Government in the other place has just returned from a very productive participation in a conference in southern Africa. The Canadian permanent representative to the United Nations, ambassador Steven Lewis, has been very much interested in these questions as he is involved in the development of the appropriate Canadian policy to South Africa.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, February 14, 1985, meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

REMARKS OF MR. HNATYSHYN IN QUESTION PERIOD

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise on a question of privilege. In order to lay the basis for this question of privilege, I will refer you to Citation 48 of Beauchesne's Fifth Edition which clearly establishes such reflections upon the character of Members as being or constituting a breach of privilege. This is supported by Erskine May's Twentieth Edition, page 159.

The record of yesterday's *Hansard* clearly shows that the Government House Leader and Minister of State (Mr. Hnatyshyn) made remarks in the House which were a reflection upon my character. These remarks can be found on page 2349 of *Hansard* dated February 14, 1985. There the Government House Leader is recorded as saying: "I'll bet you know all those people in the bar; you could have asked them the questions".

I would point out, Mr. Speaker, that the suggestion by the Government House Leader that he bets that I know all those people in the bar must obviously be a reflection on my character if, indeed, the Prime Minister considered that going there was grounds for the firing of the Minister of National Defence.

In view of this totally inaccurate comment, I feel that this matter should be referred to the Standing Committee on Privileges and Elections to determine how the House should

deal with this breach of privilege. I wish the House Leader were here today, Mr. Speaker. However, I understand that if I do not raise this matter today I lose my privilege of doing so. Therefore, if you find a prima facie breach of privilege, I would be prepared to move that the words of the Government House Leader, which I quoted from page 2349 of the *House of Commons Debates* of February 14, 1985 be referred to the Standing Committee on Privileges and Elections in the interest of the best civility of the House.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, normally a question of privilege of this nature, particularly when it concerns another Hon. Member, is raised in the presence of that Hon. Member.

Ms. Copps: He did yesterday.

Mr. Nielsen: That would be the first available occasion upon which to raise it.

Mr. Prud'homme: Mr. Speaker, a point of order.

Mr. Nielsen: Nonetheless—

Mr. Prud'homme: A point of order, Mr. Speaker.

Mr. Nielsen: Nonetheless—

Mr. Prud'homme: Mr. Speaker, I am sorry, I have a point of order. You have to listen before saying no.

Mr. Nielsen: That is not the practice. Nonetheless—

Ms. Copps: Who are you, the Speaker?

Mr. Nielsen: Nonetheless, Mr. Speaker, I will personally draw the attention of the submission of breach of privilege by the Hon. Member to the attention of the Government House Leader. I am sure that he would want to respond personally at the earliest opportunity—

Ms. Copps: He had a chance yesterday and he refused.

Mr. Nielsen: —which I expect would be when the House resumes after the break.

Mr. Speaker: I am sure the Hon. Deputy Prime Minister knows that the Hon. Member for Renfrew-Nipissing-Pembroke raised this matter before the House yesterday at the end of Question Period. He indicated—

Mr. Prud'homme: That's right. You were not here.

Mr. Speaker: He indicated that he would be consulting the "blues" and raising the matter today if he could. Under the circumstances, while I have a preliminary view on the matter, given that the Hon. Government House Leader is not present, I think I will reserve any further judgment on the matter at this time.

PETITIONS

CBC PROGRAM CUT-BACKS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my apologies for my hoarseness. I am trying to imitate the absent Prime Minister, I fear.

I wish to present a petition from approximately 2,500 of my constituents in Essex-Windsor dealing with the cut-backs to CBC service and particularly local programming within Windsor. In this petition they express strong concern about the Government's plans and the management of the CBC in the way those cuts have been implemented. They have asked me to convey to the House, with the petition, their strong sense of commitment to the CBC. I do so with submission of this petition.

Mr. Speaker: I congratulate the Member on the creativity of his opening, if not on its being in order.

[*Translation*]

YOUTH UNEMPLOYMENT

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, I have the honour of presenting a petition by a group of students from Laval University, expressing their concern about unemployment among those with specialized training and about the situation for young people in this country. They are asking for a national program to train or specialize young unemployed workers for high technology jobs.

* * *

[*English*]

AGRICULTURE

PROPOSED REFERENCE TO STANDING COMMITTEE

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, yesterday the Government House Leader (Mr. Hnatyshyn) raised a matter which I understand had been the subject matter of discussions with House Leaders of the Official Opposition and the New Democratic Party. These discussions concerned a reference to committee of Section 31, tax issues in agriculture. I understand that a draft order has been provided to the Opposition House Leader and, indeed, the Deputy House Leader of the Official Opposition said yesterday, as reported at page 2359 of *Hansard*, that he would have to take the matter under advisement.

• (1210)

I am asked by the Government House Leader today to put the matter once again, that this reference be made with unanimous consent so that the Standing Committee on Agriculture could be seized of this matter and the needs of western farmers, indeed farmers everywhere, might be dealt with in a mode where they have total input into the formulation of agricultural policy.

Order Paper Questions

Mr. Speaker: Is there unanimous consent?

Mr. Guilbault (Saint-Jacques): I would like to comment, Mr. Speaker.

Mr. Speaker: I have to seek unanimous consent so the Hon. Member can comment.

Mr. Guilbault (Saint-Jacques): Can I speak? No.

Mr. Speaker: Does the Deputy House Leader have some comment prior to the seeking of unanimous consent? There is a procedural difficulty in doing that.

Some Hon. Members: No.

Mr. Guilbault (Saint-Jacques): It is easy to say no.

Mr. Speaker: There being no unanimous consent, the motion is not before the House.

Some Hon. Members: Shame!

Mr. Guilbault (Saint-Jacques): Teach this guy.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 1, 92, 128, 150 and 187.

[*Text*]

ROYAL CANADIAN MOUNTED POLICE RECRUITING

Question No. 1—**Mr. Skelly:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983 (e) 1984 to date, were any recruits engaged by the Royal Canadian Mounted Police and, if so, in each case, how many from each Province and/or Territory?

2. By Province and Territory, what is the distribution of regular members of the RCMP?

Hon. Elmer M. MacKay (Solicitor General of Canada):

1.

RCMP Recruiting Statistics by Province/Territory
Calendar Years 1980-1984 (inclusive)
Regular Members (excluding Special Constables)

	1980	1981	1982	1983	1984 (as of 84-12-12)
Nfld.	62	30	20	1	0
P.E.I.	8	12	4	0	3
N.B.	63	57	31	1	2
N.S.	87	57	23	1	7
Ont.	192	179	82	4	21
Que.	87	149	181	17	41
Man.	59	54	29	0	4
Sask.	92	68	44	0	1
Alta.	110	98	48	1	4
B.C.	170	149	85	0	5
N.W.T.	1	2	0	0	0
Y.T.	0	5	2	0	0
Total	931	860	549	25	88

2. Distribution of Regular Members (including S/Csts)* of the RCMP by Province and Territory (as of 84-10-26)

Nfld.	587
P.E.I.	121
N.B.	474
N.S.	689
Ont.	2,648
Que.	879
Man.	953
Sask.	1,248
Alta.	2,038
B.C.	3,844
N.W.T.	222
Y.T.	116
Total	13,819

*S/Csts—Special Constables

WAR VETERANS ALLOWANCE

Question No. 92—**Mr. Riis:**

1. Presently, how many persons in Canada are receiving the War Veterans Allowance?

2. How many persons who receive the War Veterans Allowance were not Canadian citizens during the period of their military service?

Hon. George Hees (Minister of Veterans Affairs): 1. There are 84,125 persons receiving War Veterans Allowance.

2. Our records do not contain information as to citizenship during the period of military service. Accordingly, we cannot provide this information.

EXPENDITURES OF MINISTER'S OFFICE

Question No. 128—**Mr. Rodriguez:**

1. From April 1, 1984 to September 17, 1984, what was the amount spent in the departmental office of the Minister of Consumer and Corporate Affairs?

2. Were the budgetary guidelines exceeded and, if so, by what amount?

3. For the same period, how many exempt staff, including those on personal services contracts, were employed by the Minister and what were their names, date of appointment and salary?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): 1. $180,168.41.

2. No.

3. Seven (see below)

Name	Date of Appointment	Salary Range
William Babcock	15/08/83	up to $42,850
Robert Benoit	15/08/83	" 47,000
Peter Black	15/08/83	" 36,729
Judy Blanchard	15/08/83	" 28,161
Justyna Kuryllowicz	15/08/83	" 42,850
Steve Megannety	15/08/83	" 36,729
Jean Parri	03/01/84	" 36,729

DOT—EMPLOYMENT OF MR. FRED VON VEH

Question No. 150—**Mr. de Jong:**

1. Is Mr. Fred von Veh employed by the Department of Transport or in the Minister of Transport's office and, if so, what is his designation?

2. Is he on the Minister's exempt staff and, if so, what is his salary?

3. Is he under contract to the Department or the Minister's office and, if so, what are the terms and conditions of the contract?

4. Is he or will he receive any other emoluments further to his salary?

5. What was his previous occupation and with whom was he employed?

6. Was he employed by any other Department or by any Minister at any time?

7. Did he or the firm he may have been associated with ever represent or been counsel to any car rental agency?

8. Is he currently in the employ of any firm, legal or otherwise, which represents any car rental agency?

Hon. Don Mazankowski (Minister of Transport): 1. Mr. von Veh's services as legal advisor were retained by the Minister, in order to advise him from time to time on matters relating to the administration of the various laws under the responsibility of the Minister.

2. No. Mr. von Veh is a member of the legal firm of Stikemen Elliott.

3. Mr. von Veh's services were secured on a retainer basis. The terms and conditions of the contract as of this date have yet to be finalized. No fees have been invoiced or paid to date.

4. No.

5. Mr. von Veh is and was a member of the legal firm of Stikemen Elliott.

6. We understand that his services were retained on certain matters by the office of the Solicitor General.

7. This question should be properly addressed to the legal firm of Stikemen Elliott.

8. See 7 above.

EXPENDITURES ON HOSPITALITY AT CANADIAN EMBASSIES

Question No. 187—**Mr. Stackhouse:**

In (a) 1982 (b) 1983, how much was spent by Canadian embassies and other diplomatic missions on hospitality?

Right Hon. Joe Clark (Secretary of State for External Affairs): (a) In 1982-83: $8,292,898; (b) in 1983-84: $8,391,451.

[*English*]

Mr. Hopkins: Mr. Speaker, I rise to ask the Parliamentary Secretary a question with respect to starred question No. 212 which was put on the Order Paper on January 21.

Mr. Forrestall: We remember those.

Mr. Hopkins: I want the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) to know that I support him strongly for the next Defence Minister over the Minister of Supply and Services (Mr. Andre). He would do a much better job.

Western Grain Stabilization Act

Starred question No. 212 has been on the Order Paper since January 21. It is a very simple question that only involves a number of names. It should be picked up within 24 hours. When will this question be replied to?

Mr. Dick: Mr. Speaker, I can honestly answer the Hon. Member that in accordance with the practices set down by the previous Government, we will answer the questions soon.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I thought this Government had promised to do better than the previous Government.

I therefore wish to ask the following question on behalf of my colleague, the Hon. Member for Hamilton East (Ms. Copps): When does the Government intend to answer Question No. 9? Can we expect the Parliamentary Secretary will soon give us an answer to this very simple question which is dated November 7?

[*English*]

Mr. Dick: Mr. Speaker, I should point out that so far we have answered 39.3 per cent of all questions put to this time which, as of the 53rd sitting day—

Mr. Speaker: Order.

Mr. Dick: —is much better than all preceding Parliaments.

Mr. Hopkins: Mr. Speaker, I rise on the same point of order. I would point out to the Parliamentary Secretary that the Parliamentary Secretary to the Minister of National Defence (Mr. Wenman) found this question so important—

Mr. Speaker: Order.

Mr. Hopkins: —that he came across the day I put it on the Order Paper to find out what I wanted to know.

Mr. Dick: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE TO AMEND

Hon. John Wise (for the Minister of State (Canadian Wheat Board)) moved that Bill C-29, to amend the Western

Grain Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, I want to express my appreciation to the House Leader of my Party (Mr. Hnatyshyn) for recognizing the need to proceed on this piece of legislation as soon as possible. I know that my House Leader, my Leader and indeed the entire caucus of our Party recognize the importance of this piece of legislation.

Second, they also recognize that, in order for western farmers to receive benefits as early as possible, it would be necessary for us to take early action on this piece of legislation. This Bill is before the House today as a result of that understanding and appreciation of the difficulties which exist in western Canadian agriculture.

We have sought and received unanimous consent to proceed with Bill C-29 through all stages in the House today. I want to acknowledge that co-operation and the co-operation that has been extended to us by the House Leader of the Official Opposition, the House Leader and agriculture critic for the NDP.

For that reason I hesitate to express my extreme concern about what I just witnessed a few moments ago in the exchange between the Deputy Prime Minister and the official spokesperson for the Official Opposition. His Party is denying us consent to refer to committee three very major tax items which have been made known to us in representations over the years by people in the agriculture industry. They are to study and hopefully act on the issue of capital gains, the problems associated with Section 31, and to further study the issue of agri-bonds. It dumbfounds me to witness this continuing reluctance on behalf of the Official Opposition to give us an opportunity to refer these three items to an appropriate standing committee. These items could then be studied and agricultural organizations in this country could have an opportunity to have the input for which they have been asking for many years.

I think that is a very serious matter. Although I appreciate the co-operation that we have received from both Opposition Parties with respect to this Bill, I could not let this opportunity pass without registering my very deep concern about the continuing reluctance on behalf of the Official Opposition to refer these matters to a standing committee.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. I resent the allegations by the Minister. Yesterday I made a commitment to get back to the Government House Leader.

Mr. Dick: You have had two weeks.

Mr. Guilbault (Saint-Jacques): Yesterday I made a commitment. Today I was not permitted by the Speaker to have the floor to speak on this. I ask the Minister to keep a lid on it and don't start spreading innuendos.

Mr. Dick: You have had two weeks.

Mr. Gauthier: Put it on the Order Paper then.

Mr. Wise: Mr. Speaker, I have no intention of bending the rules or doing anything of that nature. However, offers have been forthcoming from our House Leader. The record from as late as a few moments ago will show that there was no attempt to bend the rules, by any stretch of the imagination. I am sure Canaian farmers will recognize the situation. As of today we, the Government, and the New Democratic Party are prepared to refer these matters to the appropriate standing committee, but the Official Opposition is not prepared as of today to do that.

● (1220)

I do want to make mention of the fact that this Bill would have been introduced and perhaps this speech might well have been made by my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), but because the First Ministers' conference is still in progress in Regina, Saskatchewan, and the Minister of State for the Wheat Board is attending that conference, I am acting on his behalf on this legislation.

It is with serious concern for western Canada's grain producers that I wish to speak on the proposed amendments to the Western Grain Stabilization Act. This is a critical time for grain farmers. Thousands of them are caught in a tight cost-price squeeze. It is important that they receive help, and it is important that they receive help as soon as possible. Spring seeding time is less than three months away, and somehow between now and then grain producers have to come up with a lot of cash or credit, enough to buy seed, fertilizer, pesticides, fuel and maybe even machinery. For a lot of producers, that will be difficult. The drought took a large toll among prairie grain crops last summer. In some areas, hail and even flooding reduced crop yields. For many farmers it was the second bad year in a row. According to the most recent Statistics Canada figures, 1984 wheat production fell by 21 per cent from the previous year. Total grain production in western Canada was down by an estimated 6 per cent from 1983 and 16 per cent from the previous five-year average. On top of that, operating and depreciation charges had increased and are expected to go up again in the coming year.

Planting time is the most expensive time of the year for grain producers. It is estimated that in 1984 prairie grain farmers spent over $1.4 billion on direct crop inputs, seed, fertilizer and pesticides. We can figure that fuel, machinery and labour costs were also in the 10-digit bracket. For 1985, Statistics Canada predicts a slight increase in operating and depreciation charges. Obviously, the capital requirements to plant a new crop are substantial.

On January 11 the Canadian Wheat Board announced that western grain farmers would receive $688 million in final payments for grain they delivered during the 1983-84 crop year. That brings to $5.037 billion the total amount of money they received for grain sold through the Wheat Board last year. While that may sound like a lot a money, I would point out that it is $261 million less than prairie grain producers received through the Wheat Board the year before.

The bottom line, Mr. Speaker, is this: with less grain to deliver over the next few months, many western producers will be hard-pressed to meet their interest payments and come up with the cash or credit they need to put this year's crops in the ground. Obviously, our western grain producers need all the help they can get, and they need it soon. That is why I am introducing for second reading Bill C-29, a Bill to amend the Western Grain Stabilization Act.

The main intent of this legislation is to amend the Act so that interim payments could be issued during the crop year, and even before spring seeding. Such payments could be authorized as long as they are made without risk of overpayment. I have discussed producers' severe need for cash flow this spring, and the probability of a large pay-out for the 1984-85 crop year. This amendment would allow for a substantial payment to be made early this spring and before seeding.

The second amendment involves a small housekeeping matter. It would retroactively deem all previous Orders in Council raising the maximum level of grain sale proceeds eligible for levy payments under the Act to have been passed, registered and published in the *Canada Gazette* in accordance with the Statutory Instruments Act. This is a matter which was left outstanding by the previous Government when the Act was amended in 1984.

The Western Grain Stabilization Plan is a voluntary program designed to provide farmers with funds during years of low income. Participating producers currently contribute 1.5 per cent of grain sales to the fund, and the federal Government puts in nearly 3.5 per cent, or roughly $2.30 for every dollar contributed by farmers. Whenever net cash flow falls below the previous five-year average, the fund makes a pay-out.

For the 1983-84 crop year, the Western Grain Stabilization Plan paid out $223 million to prairie farmers, $100 million in August and $123 million in November. Because of amendments to the Act last June, the pay-out was triggered under a new formula for calculating net cash flow on a per tonne basis. I can assure you, Mr. Speaker, that it was a welcome payment, but it would have been appreciated even more if it had been in the hands of western farmers earlier. If the amendments that I am proposing today had been in place last spring, the first $100 million of the 1983-84 payment could have been in farmers' hands sooner.

Since its inception in 1976, the Western Grain Stabilization Plan has made pay-outs in 1977, 1978 and 1984. As of this date, an individual farmer contributing at the maximum allowable rate has paid a total of $6,825 in levies and received stabilization payments totalling $10,750. Because of poor prospects for grain farmers in the current year, a substantial pay-out for 1984-85 is projected. This is based largely on the reduced volume of marketings.

Farmers, by the very nature of their business, must take risks. They have to gamble on the weather, the markets, and on interest rates, so most farmers will use every available means to protect their incomes. The Western Grain Stabilization Program is a very worth-while income assurance program, and producers have recognized it as such. The number of grain farmers participating in the Western Grain Stabilization Plan has increased, not significantly but it has increased year by year. In 1976, the year the program started, 74 per cent of all grain producers enrolled. Today the program has over 77 per cent enrolment.

For the remainder of this crop year, the outlook for grain sales is not spectacular. Producer marketings of the major grains to date are ahead of marketings for this period last year, but exports are lower due to the decline in production last summer. For the remainder of this crop year and next, exports are expected to remain below the level of the previous two years.

● (1230)

However, we can expect to feel market effects of a 13 per cent increase in 1984-85 in world oilseed production and larger wheat supplies in many countries. The latest estimates indicate a six million to seven million tonne decline in marketings of the seven major grains in 1985. Estimating average receipts at $160 per tonne, that represents a significant shortfall in farm income, even with the $668 million in the 1983-84 final Wheat Board payment.

For these reasons there is a strong possibility that a pay-out will be triggered for the 1984-85 crop year extending from last August 1 to this coming July 31. Knowing that, I believe we have a responsibility to see that it gets into the hands of producers as quickly as possible. No matter how large or how small the payment might be, timing is a crucial factor. It makes a lot of sense to put as much as possible into the hands of producers as early as possible and thereby save them some extra interest rate costs.

Moreover, experience has shown that when farmers have more cash available in the spring, they use higher levels of fertilizers and pesticides and in the end result receive higher yields. As a farmer, as a Member of Parliament and as Minister of Agriculture, I have supported the Western Grain Stabilization Plan. However, I realized from the beginning that it was not sensitive enough to the real cash flow needs of farmers. I have always maintained that the legislation was not flexible enough. That is why last June when the Act was being amended to allow for a one-time only interim payment, I said that the amendments did not go far enough. I complained about the fact that we were not given more time in the standing committee to make more improvements to the Bill. I pointed out that because the legislation was still flawed, indeed it would require further improvements. I stated then, as I have said today, that the Western Grain Stabilization Act should be amended to permit payments in any year that a pay-out is likely to be triggered. Had this matter been dealt with last June, of course this Bill and its amendments would not be necessary now.

On behalf of grain producers in western Canada, I urge all Hon. Members of the House to give their support to Bill C-29. By passing the proposed amendments to the Western Grain Stabilization Act, we will be assisting a major component at a

time when that component certainly is in need of assistance and help. It is a very important component in the total Canadian agricultural industry.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, let me say at the outset to the Minister of Agriculture (Mr. Wise) that, as we have previously indicated, we are prepared to support this Bill and give it quick dispatch through the House, hopefully within the period allotted to it during this day's sitting. We do so because we recognzie, as does everyone, that there is a serious cash flow problem and that it is important to try to provide a major interim payment. Furthermore, a major plank in our own agricultural program last summer was that we would bring in amendments to the Western Grain Stabilization Act allowing for interim payments as the first piece of legislation.

I notice that this is not the first piece of legislation the Government has brought in, but it is close enough that we will not quibble over the timing. However, we feel that probably quicker action could have been taken on it in the sense that many farmers, now that we are into the second week of February, have been somewhat confused or uncertain about what their cash flow would be without knowing the direction. Even with the quick and speedy passage of the Bill through the House today, it will take several weeks to work out the formula for the interim payment. Therefore, many farmers will not know what to expect perhaps until early March and, as the Minister of Agriculture knows, that is getting close to seeding time. However, at least Members of Parliament can do their part and give the Bill quick and easy support during this day's debate.

I wish the Government had been equally as co-operative as we are trying to be in the notice of motion it put forward relating to the reference it wanted to the agricultural committee. It is important to make clear that our objection was not about the reference itself but about the way in which it was done. No notice was put on the Order Paper, no notice of motion whatsoever was provided by the Government House Leader (Mr. Hnatyshyn). Yesterday we were simply presented with a *fait accompli*, with a request on which we had not been given any notice. Our House Leader was not in the Chamber. We did not have an opportunity to discuss it in caucus or to discuss it with our House Leader, nor did we have an opportunity today to comment upon our problem because we were not recognized.

I want to make it very clear that we are not opposed to the reference itself. We simply suggest that perhaps the Minister of Agriculture could take the matter up with his House Leader and indicate that for future reference it would help if the Government House Leader gave proper notification to the Official Opposition about the Government's intention. Then we would co-operate and respond in like kind.

Mr. Dick: Mr. Speaker, I rise on a point of order. I know the Hon. Member would not want an error in fact left on the record. This matter was referred to the House Leader of the Official Opposition at least 10 days ago. My suggested committee members have been struck for at least 10 days. I am just waiting to hear. We were told that they would get back to us after going to caucus. I think there have been two caucus meetings since he was first given notice of the reference of these three tax matters to the finance subcommittee of the Standing Committee on Agriculture. We are anxious to get going, that is all.

Mr. Axworthy: I will not take the time of the House to deal with it. However, I was saying that there was no notice of motion.

Mr. Dick: You don't do that.

Mr. Axworthy: Then I suggest that the Parliamentary Secretary should discuss it and that the Government should be following the proper procedures of the House by giving us a notice of motion.

Mr. Dick: Mr. Speaker, I rise on a point of order. It has been explained in the House that there are a number of procedures, one of which was arbitrary and adopted by the previous Government and one which is by way of consultation. By giving notice 10 days ago verbally, not on the Order Paper, we were trying to consult so that we could change the notice if the wording had to be changed after consultation with other Parties. We think it would be a way of leading to more co-operation than just arbitrarily setting down in stone what the wording would be, as the previous Government always did.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to speak to the same point of order, and you will hear me—

Mr. Deputy Speaker: I have no objection to giving you the floor, but please remove your flag first. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, on the same point of order. Yesterday, the Government came with three motions. We gave our consent. From what the Hon. Member just said they now have another proposal. I would like to point out to the Hon. Member that if he goes on playing partisan politics this way, we are going to insist that we have a right to see these motions published in the Order Paper, as they should be so that Hon. Members can take note of them before the subject is raised in the House.

[*English*]

Mr. Deputy Speaker: I advise the Hon. Member that this time will not be taken off his speech.

Mr. Axworthy: Mr. Speaker, now that we have somewhat cleared the question of procedure, I will return to the short debate. In endorsing the proposal of the Government to bring about a quick interim payment, I am pleased to note—I believe I can take this meaning from the Minister's words—

that the position taken by many Conservative Members of Parliament last year during the course of the debate amending the Western Grain Stabilization Act, that they in fact thought that that Act should be abolished, is no longer the position of that Party. I recall many times during that debate members of that Party bringing forward the case that it was time to abolish the Western Grain Stabilization Act because it was not useful, not effective, had no purpose or support and that it was about time to sit down.

At that time, as Minister responsible in the House of Commons for the Canadian Wheat Board, I was somewhat surprised by those comments. I was particularly surprised because they came from western Members of Parliament from the Provinces of Saskatchewan and Alberta. We are pleased to note that at least that particular faction or point of view which was previously expressed has not been accepted by the Government. We would hope that one of the purposes of this amendment is to substantiate the endorsement of the Conservative Government on the value of the Western Grain Stabilization Act. I am pleased to hear the Minister add his own personal words of support. We can now proceed with some assurance in the future that this Act will not be abolished.

● (1240)

The press release put out by the Minister of State responsible for the Wheat Board (Mr. Mayer) indicated that there might be further amendments. Frankly, that gave us some cause for concern. We believe it might reflect the fact that the opinion so loudly and frequently expressed by Conservative Members of Parliament last June will not now be the case.

We all appreciate that the peculiar conditions caused by the weather in western Canada this year will have a serious impact upon western farmers. It is also important to note that there is a continuing concern, particularly in the case of grain farmers, about the problems to be faced this summer, such as locust and insect infestation. I believe it is important at this time for the Government to indicate what contingency plans it may have in response to that.

We have certain mechanisms available such as the Western Grain Stabilization Act. We would obviously like to pursue those. There may be other questions. That is why I want to express one very deep concern on behalf of our Party. There was no mention on the agenda of the First Ministers' conference of agriculture and the problems that it faces. It was particularly ironic that the meeting is being held in Regina, which is the centre of the grain-growing area of western Canada, yet there was nothing on the agenda that would deal specifically with the problems of agriculture, although we know how serious those problems are.

That issue has been somewhat bootlegged into those discussions by the discussion brought forward on interest rates. We all know that is one matter that is affecting the agricultural community severely. During the time that we have in committee, the Minister might avail himself of some opinion as to why, at such an important First Ministers' meeting, agriculture and other productive questions, such as fisheries, were not on the agenda. There seemed to be an avoidance of dealing with those issues of natural resources and resource production which are so essential to our economy. They received virtually no attention whatsoever.

The lumber, fishing and agriculture industries are areas where there is great concern about international markets, financing, investment and the level of cash flow which those key industries face. We are surprised and we are concerned. We hope there might be an opportunity to discuss this. Perhaps I can make a suggestion. As a follow up to the First Minister's conference, a second similar high-level meeting of First Ministers might be called to deal with questions concerning the resource industries, agriculture, fishing, mining and lumber, the basket of issues dealing with productive renewable resources in this country and how we intend to go about financing them.

I want to raise another concern and I would welcome very much the response of the Minister. He was not in the House last week when we had an Opposition Day dealing with agricultural problems.

Mr. Wise: I was here.

Mr. Axworthy: I do not think he was here when I spoke. Perhaps he was behind the curtain or on some other major activity. It is not that I necessarily feel that he had to be a party to my eloquence, but there was one important issue that was raised and I have not heard any response from the Canadian Government on this. I refer to the way in which we intend to cope with the very substantial, almost radical change being proposed by the United States in its agricultural programs. As he knows, Secretary of Agriculture Block and the budget proposals by President Reagan propose a major elimination of their subsidy programs. The solution put forward by the United States Secretary of Agriculture—I apologize to the House if this is out of order—is that they will market the hell out of their products in order to keep up the cash flow of U.S. farmers. That represents a very major and serious question. We know the incredible international market power of U.S. commodities. We also know that they can depress a market, bring it down or dominate a market.

If in fact the United States Government is moving toward what might be called even more aggressive marketing strategies than they already have in order to provide compensation for their farmers due to losses in farming subsidies, that obviously puts our own grain business in very serious jeopardy and causes serious potential problems. We now have problems with the European Common Market. There appears to be a major problem looming on the horizon by a change in U.S. policy. That is something that should not be simply left to circumstance or after-the-fact policy. It is something we should be looking at now.

We would encourage and request from the Minister of Agriculture that this Government address its own levels of concerns to the Secretary of Agriculture. I believe he has had meetings with him. We know that there is a summit meeting between the President and the Prime Minister (Mr. Mulroney)

coming up in March. We hope that will be a matter on that agenda and that we will ensure that any attempts by the United States to change its grain policies and subsidies programs will not work to the detriment of our own grain-marketing position.

We have seen, and the Minister properly drew this to the attention of the House, that the Wheat Board this year has performed in a remarkable fashion, not with great prices but with respectable prices and, more important, is continuing to secure our markets. We also know that there are storm clouds in that respect. The Chinese, for example, for three years have had very successful crops. They have been a major buyer of Canadian grains. I do not think anyone would want to be critical of the achievements of the Chinese in developing major grain production. Changes in their own philosophy are a major reason for that.

It does raise, however, questions about our own marketing strategy and the fact that one of our very good customers may now be reaching a point of self-sufficiency. In fact, it may even become an exporter of grain over the next year or two. That, again, will have a major impact upon the western farmer. It comes back to the point I want to make. We are coming to a crunch point or crisis point in the area of international grain marketing and the need for looking at forms of agreement that may be arrived at.

I would hope, and again this is by way of recommendation, that one of the initiatives of this Government will be a very positive, aggressive attempt to rework and rearrange international grain agreements with our partners. I know it is difficult. I am not downplaying the barriers or handicaps, but it is necessary.

I want to express a note of regret. In reading very carefully the trade paper put forward by the colleague of the Minister of Agriculture, the Minister for International Trade (Mr. Kelleher), there is virtually no mention of commodities. There is virtually no mention of what the trade strategy or policy would be of this Government in relation to those commodity markets. I was surprised at that absence. When you consider the amount of money that the grain trade makes for this country, it should be considered almost number one in the trade strategy; but it was not mentioned at all.

I again urge this Government to provide an addendum or supplementary trade paper, prepared in concert with the Wheat Board and the Department of Agriculture, on a grain trade strategy or commodity trade strategy so that we can have proper consultation and know where we want to go. It is time we looked at the horizon we are facing, at what is happening in the United States and with some of our market partners. We should realize we are into some turbulence in the international market area and, therefore, need a very clear response.

With those questions being raised, all done in a spirit of trying to provide some constructive criticism, we would simply say again to the Minister that we will support this Bill. We hope we can have full passage today and that we can get on with the business. As I say, we don't mind, when we have a good idea, if the Government copies it.

• (1250)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is our understanding that the amendments to the Western Grain Stabilization Act will go through all stages here in the House today. I hope that is true because we really want to make it possible for the Government to get the payments out to farmers as early as possible.

First, I would like to congratulate the Minister of State for the Canadian Wheat Board (Mr. Mayer) for having this Bill put before the House, albeit a bit later than he had hoped. I also want to congratulate the Minister on getting the support of Liberal Members for this Bill. Liberal Members would not accept this very amendment as late as June 27, 1984, so I congratulate the Minister on getting the support of members of the Liberal Party for this amendment.

I hope that the Government will be more efficient than the previous administration in getting the money out to the farmers. If this Bill passes and there is a pay-out this year, hopefully the farmers will receive it before seeding because that is one of their major requirements. We all know that and there is no reason why we should spend a great deal of time belabouring it.

I do want to talk about a number of concerns that we in the New Democratic Party have about the whole approach to agriculture and the solutions which exist for its problems. The Minister spent a considerable amount of time listing the woes of the farmers and the problems faced by agriculture. Since he knows and is able to articulate these problems so well, hopefully he is also ready to put before the House what he believes are the solutions. We appreciate the fact that, as far as financing is concerned, the Government has decided to have one of the Standing Committees discuss the tax and financing structure of agriculture. We will co-operate with that because we think that that is one, but only one, of the real problems facing agriculture.

We recognize, like the Government, the provincial Governments and certainly the farmers, that there is a real problem facing agriculture. The problem consists not only of financing but of input costs, interest rates and financing methods. These are things about which we must do something. The farmers, the provincial Governments and the federal Government together will have to take a global look at agriculture to identify the problems and find their solution, and this must be done if farming is to survive.

Members of each of the Parties in this House have committed themselves over and over again to supporting the family farm. However, it is the small family farm that is being devastated by the situation in which agriculture finds itself. We cannot blame this situation on one little factor, like not having stabilization or having high interest rates. We must look at all of these factors. I think it is time the Government, the provincial Governments, farm groups and the farmers take

a look at the global problems of agriculture and try to come up with some solutions.

There are a number of small solutions to be found. There is stabilization for a number of products and there is supply management for some of the commodities that we sell in the market. There are marketing boards which operate very effectively. As well, there are insurance plans that cover portions of the structure of agriculture but we still find ourselves in the position of having a large number of farms going under. However, we must begin looking at agriculture globally and making all of the decisions for change in the light of the projects and the marketing and stabilization plans that are presently in place. Let us look at agriculture globally to see if there is not something that can be done.

We all recognize, of course, that the obvious and very simple answer to the problems of agriculture is to pay for the commodity what it costs the farmer to produce it. That is a very simple and easy answer but one which is a little more difficult than that to put into place since we do exist within a world market. However, that solution is one at which we should look. Simple as it seems, we have over the years been unable to grapple with that particular approach. Therefore, we must look at it again.

We have needed to implement these many plans because the approach of the previous Government and of many of the provincial Governments has been do deal with a problem when it arises rather than to take a look at the reasons for the problem. Insurance plans or stabilization plans have been put into place so that apple producers and cheese producers could survive for one more year. That is exactly what we are doing by putting this particular plan in place.

We are hoping that the Western Grain Stabilization Plan will help the grain farmers or some of them survive for one more year. I think we are kidding ourselves by believing that this kind of solution will be the only solution. As much as we appreciate the fact that this is one method of getting money into the hands of grain farmers right now, it will not solve the problems of agriculture.

Since it is unlikely that the Government will come up with a global solution, one which would put in place the kind of income security to which we think farmers are entitled, we are now dealing only with the problems of grain farmers in particular. For a considerable amount of time, members of the New Democratic Party have been proposing to amalgamate the insurance plan for grain that we have in western Canada with the Grain Stabilization Plan. This particular approach has been put before the Government of Canada by several groups throughout the country. The Canada grains group, a branch of the Minister's own Department, has on a number of occasions made representations suggesting that we should amalgamate insurance with stabilization so that all grain growers or those who wish to participate can insure themselves against both the market and the weather. It would be a voluntary and contributory plan which would be actuarially sound. The grain growers, the federal Government and the provincial Governments would contribute.

If I could call it one o'clock, I will continue after the lunch recess.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Prince Albert (Mr. Hovdebo) had the floor.

Mr. Hovdebo: Mr. Speaker, when we broke for lunch I was discussing the possibility of amalgamating the existing insurance plan in western Canada with the Western Grain Stabilization Plan in order to have an over-all plan which would be much more effective and valuable. The existing insurance plan provides a structure which covers most of the Prairies. The provincial Governments provide the administration, the federal Government provides a portion of the funds and the farmers also make a contribution to the plan. If that approach were tailored to the needs of every farmer, they would be better off in the end. It would allow the stabilization plan to be tailored for each farmer, region and crop. If the Government intends to amend the Act later in the year to look at this type of approach, we would be happy to exchange a more comprehensive plan for the present Western Grain Stabilization Plan.

I do not think the Government has made a commitment, nor do I think it is prepared to make the kind of commitment, which would provide income security to grain farmers. However, the Minister of State for the Canadian Wheat Board indicated an interest in having a full review of the Act. We would commend that action. There are a number of areas in the Act which need to be reviewed.

When the Act was passed in 1978, a number of Members in the House suggested that certain amendments should be made. Since that time the Act has been amended several times and members of the NDP have reiterated the fact that there are weaknesses in the Act which should be corrected. We would congratulate the Minister if it is his intention to amend the Act. We hope that it is done very quickly. After this amendment is passed and the pay-out is made, the Act could be brought before the House to remedy some of its shortcomings.

Over the years members of the New Democratic Party have suggested four or five policy changes with respect to the Act. If we are unable to get an agricultural income security program or a grain producers' income insurance plan, we will not be able to look at it on a total basis as far as the Prairies are concerned. The Act should be changed so that it will be more effective in the future.

I know many government Members share our concerns, because when the House was debating the Act last year they

mentioned approaches which are similar to those which I will suggest today.

First, we believe that the plan should be more producer-specific. There should be a factor which allows a better definition of individual problems. For example, many of the farmers who are going under today are good farmers, but because they are beginning their farms, because of their debt load and because of high interest rates they are unable to meet their payments and continue having a good cash flow. A guaranteed cash flow would be worthwhile to them. However, we are not able to target money for that group. In our wisdom, if we looked at it we might decide that that is not an area where our concern should be targeted.

Second, we believe that the pay-out should be on a regional basis. I think there are very good examples for this which the Government has made some movement toward alleviating. For example, with respect to the western drought, and specifically the drought in southern Saskatchewan, if the rest of the provinces had a good crop and the prices were fairly high, southern Saskatchewan would not be able to get any money from the fund. Therefore we believe that we should be able to make those payments on a regional basis.

Another example would be the frost which on occasion has devastated crops in the Peace River area. Northeast Saskatchewan has had a considerable amount of flood damage in the past few years. Again, that area could have been targeted as a region which should have received money. If the majority of regions in the Praries have a good crop, there is no reason that a region which is hit by poor weather and therefore has a poor crop should not be able to get funds from the plan. That is why the plan is there.

Third, we believe that the plan should be more grain-specific. It should be grain specific because more and more of the farm population are specializing. Most of their crop will be peas, lentils or canola, barley or flax. Most have established some kind of rotation which is better for the land, but we still have those people who specialize in one or two grains. What happens if one crop fails? Maybe only one farmer in ten is affected by that failure, but if all of his land is in canola and there is no crop or the bottom drops out of the market, he is affected. Should he not have more of a call on stabilization in those kinds of circumstances? We think we should look at that.

• (1410)

The plan should be more oriented to the cost of production. That has been talked about on all sides of the House and there is a provision in the present formula, but we still have to recognize that at present the pay-out of stabilization payments is related more to cash income than the cost of production.

There is no real provision for labour, management or cost of investment, or even poor delivery opportunities. Perhaps that is one of the major factors. Right now we do not have too much trouble getting our grain to market because we have so little of it out in the west due to the drought. But there have been many years where we had poor delivery possibilities. In some cases we had two years of grain in the bin. Those kinds of situations occur so the plan should be related more to farm income.

The Wheat Pool has made a suggestion which I think is worth looking at. They have suggested that farmers who grow their own feed grains should have an opportunity to pay the levy on that grain so that if they have a poor crop they will qualify for stabilization payments. It might be a little difficult to establish but it would be fair and worthwhile for those farmers who raise their own cattle and hog feed.

I am glad to say that this particular amendment takes care of one more shortcoming existing in the Act, the fact that farmers might have to wait for two or three months after the crop year before they got payment. This amendment makes it possible for the Minister to take action quickly when he knows there will be a pay-out and has some idea of the amount. I congratulate the Minister for that. The first step in this direction was taken last year by the Official Opposition and the New Democrats when we tried to have this amendment put in the Bill, but it was not accepted by the Government. So I congratulate the Minister on getting it done now. It is a short and quick method of getting the money out if it is available.

Those are my comments, Mr. Speaker. I just want to say that we hope we can get this Bill through the next two stages this afternoon and the Government can then start working on establishing a formula to get money to the farmers by spring seeding.

Mr. Deputy Speaker: The Minister of Agriculture (Mr. Wise) on a point of order.

Mr. Wise: Mr. Speaker, it is not a point of order, but I think the rules of the House provide me with an opportunity to respond briefly to some questions that were raised both by the—

Mr. Deputy Speaker: Order. I would just like to inform the House that if the Minister replies, that will have the effect of closing debate. Is that the wish of the House?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well. The Hon. Minister of Agriculture.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I declined to utilize my opportunity earlier today to respond to some of the very legitimate questions raised by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) in order to allow the Hon. Member for Prince Albert (Mr. Hovdebo) an opportunity to commence his remarks before the one o'clock break. On reflection, I am pleased I did so because many of the questions raised by the Hon. Member for Winnipeg-Fort Garry were also raised by the Hon. Member for Prince Albert. I indicated in a conversation I had with the Hon. Member for Winnipeg-Fort Garry that I would utilize this opportunity to respond to his questions. I appreciate the offer because I think there is an understanding that this legislation can be moved through all stages of the House today. I believe it requires an

amendment to the motion because the motion refers the Bill to the standing committee. Therefore, I have forwarded a motion to the Chair and I hope the Chair finds it in order so we can proceed with this Bill in all stages today. If that is the case, then we will not take very much of the time of the House. I feel somewhat guilty in taking the time I am going to take at the moment, but I do feel a responsibility to respond to some of the very legitimate questions raised.

Both Members raised the question whether or not it would be the position of this Government to open up the Bill for further study at a later date. I can give them that assurance. Indeed, if we had more time we would be quite prepared to open up the Bill for study and the amendment we brought forward today would be the result of those studies which could have taken place. But as both Hon. Members know, and as we have been cautioned by the Hon. Member for Winnipeg-Fort Garry, time is short. We recognized that fact and that is the prime reason we brought the Bill forward, simply to allow an interim payment to be made as soon as possible.

My colleague, the Minister of State responsible for the Wheat Board (Mr. Mayer), has said publicly in the past that there are other matters we will want to consider. Indeed, some of these matters were flagged for us and raised in the speech of the Hon. Member for Prince Albert. We recognize there is a need. There have been requests for regional payments and we think it is a legitimate area to be looked at.

As well, the question of producer-specific has been raised before, perhaps by the Hon. Member, certainly by other grain farmers in western Canada, and we think it may indeed have some merit. I just want to acknowledge those as legitimate concerns which we share. If we had additional time we would study these matters which the Hon. Member raises.

● (1420)

The Hon. Member for Winnipeg-Fort Garry raised questions about damage to grain crops in western Canada which may be caused by pest infiltration in 1985. Some people may take that subject lightly. Those of us who have a better understanding of what this means in terms of crop and dollar losses to western farmers do not take the subject of grasshoppers lightly. I can assure Hon. Members that we are very concerned about it for a couple of reasons. One is that there are some early indications of a possibility of a larger infestation of grasshoppers in the crop year of 1985 than in that of last year. It will, of course, depend on weather conditions. If we happen to have an early and dry spring and a dry growing season, larger infestations of grasshoppers will be encouraged.

We are looking at this very closely. We are working closely with the provincial Governments. We have formed a federal-provincial committee of research scientists across western Canada. They are putting together a system to give a weekly update on the situation. Farmers in western Canada will have a contact point where they can obtain the latest update on grasshopper numbers. In Canada we have 10 licensed effective chemicals which can be used. We are watching the situation very closely. We hope that the early indicators will not materialize.

The Hon. Member for Winnipeg-Fort Garry raised some questions which I do not think are legitimate. He asked why the subject of agriculture is not front row and centre at the First Ministers' conference which is about to conclude in Regina. A First Ministers' conference has not been held in this country since 1982. The main focus of the conference is the financial climate and economy of the country as well as interest rates and job creation. The problems in the agricultural industry and the importance of the industry in terms of the general economy and of job creation have been raised, as we would expect they would be, by provincial Premiers attending the meeting. To a large extent the agricultural industry depends on the general state of the economy.

There was some complaint that agriculture was only mentioned once in the Throne Speech. It was not a shopping basket approach. There were two very definite and strong commitments by the Government to the agricultural industry in the Throne Speech. The Government is fulfilling the commitments it made to the agricultural industry during the campaign in a very rapid fashion.

There have been concerns about what may happen to the Canadian farm economy as a result of certain actions which may or may not be taken by the U.S. Government through its farm Bill. Due to my responsibilities, I feel I should be the first to indicate that that matter concerns me very much. I doubt very much whether the U.S. Government will be able to carry out some of the indications which are flowing out of that country. There are large stockpiles of commodities in the U.S. If the financial support now in place is withdrawn, it will create very severe ramifications in the international marketplace. It is obvious that will have detrimental effects on the Canadian agricultural economy. I doubt very much whether some of these predictions will materialize to the extent that we think they might at the moment. There is no doubt, however, that they will follow more aggressive export sales promotion programs in the international market. We must be prepared to provide the same types of effective, aggressive and successful export programs to compete in the international market-place.

I can assure the Hon. Member that officials of my Department and officials of the U.S.D.A. are in contact with each other on almost a daily basis. I have had a number of conversations with U.S. Secretary John Block. My colleague, the Minister of International Trade (Mr. Kelleher), has had discussions with his counterpart in the U.S. We all know that our Prime Minister (Mr. Mulroney) has met the President of the United States and will meet him again next month. I am satisfied that these matters will be discussed on those forums. I hope that we can continue to compete on a fair and equitable basis in the international market.

I have perhaps not addressed all of the issues, Mr. Speaker. I am as anxious as anyone else to utilize the time of the House to the greatest advantage. I hope that we have the support of Hon. Members to move this Bill through the House. If there is a technical problem, I hope the motion which I have forwarded

to the Chair will be sufficient to allow us to pass this Bill through all stages in order to utilize the earliest opportunity to provide an interim payment to western farmers. If that is the case, as I assume it is, I would like to express my appreciation for the co-operation we have received from all quarters of the House on this legislation.

Mr. Deputy Speaker: I understand that the House agrees with the suggestion of the Minister of Agriculture (Mr. Wise) that this Bill be referred to Committee of the Whole instead of the Standing Committee on Agriculture. Is that correct?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Wise, for Mr. Mayer, seconded by Mr. Nielsen, moves that Bill C-29, an Act to amend the Western Grain Stabilization Act, be read the second time and, by unanimous consent, referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

● (1430)

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-29, an Act to amend the Western Grain Stabilization Act. Shall Clause 1 carry?

On Clause 1—

Mr. Althouse: Mr. Chairman, this is the time to direct questions to the Minister if we desire to have this particular clause explained. Since the Bill does not indicate a percentage, is it the Minister's intention to provide approximately 50 per cent of the estimated pay-out? I assume that some preliminary calculations have been made. Approximately what would be the expected pay-out?

Mr. Wise: Mr. Chairman, that is a very legitimate question. I am not in a position at the moment to give the Hon. Member a definite answer.

Mr. Benjamin: Give us a guess.

Mr. Wise: Thank you for the invitation. I can make a guess. The safeguard is so that we will obtain as much information as possible. To avoid risking making an overpayment, we will take that information back to Cabinet where the actual assessment and decision will be made. We are told that we will be supplied with a fair amount of information which should be sufficiently reliable to make an intelligent decision, so we can make a reasonable payment but with the assurance that it would not potentially be an overpayment.

Mr. Althouse: Would the Minister state whether the advisory board to the stabilization group would be consulted to determine the size of the pay-out? I recognize that the Act is not written in quite the same way as the Wheat Board Act, according to which the Wheat Board itself makes a recommendation to the Minister. The Minister takes this recommendation to Cabinet and with Cabinet approval the Government then accepts responsibility in the event that the initial pay-out for grains is too high.

I do not believe there is any such guarantee in this legislation. Will the advisory committee be utilized? Are there any guarantees against bad guesses so that the fund itself will not bear the burden of a bad guess? How is that approached?

Mr. Wise: Mr. Chairman, I expect that the advisory committee would indeed be the likely body with which consultations would take place. Indeed, it is there for a variety of reasons and should be very capable of advising the Minister as to what appropriate action could be taken. I would expect that it would be one of many groups that would be consulted. It would have an opportunity to give its input.

It is difficult to come up with an appropriate mechanism that would allow for an appropriate payment and, second, to be required to provide a safeguard whereby an overpayment would not take place.

In the absence of some suitable mechanism at the moment, we felt that the information that would come from the industry and would be available through statistics which are gathered by Agriculture Canada would be sufficient for the Cabinet to assume its responsibilities and make a reasonable and intelligent decision.

Mr. Althouse: Mr. Chairman, does the Minister have a guideline at this point by which he could give us a range of the initial pay-out? Will it be 20 per cent, 50 per cent or 80 per cent of the final pay-out? Are you trying to give half of the pay-out before seeding and the rest when the final calculations are made, or, because of the circumstances this year and the great need for cash, are you looking at an 80 per cent pay-out?

Mr. Wise: Mr. Chairman, I appreciate the legitimate reasons behind the Hon. Member's question. At this point I think it would be irresponsible for me to indicate what that particular target would be. There is a rather large amount of money in the fund. Second, there is a very tight cash situation in western Canada. If I mentioned a percentage, I am afraid that it would automatically become a minimum or benchmark. A benchmark for 1985 might not be appropriate for succeeding years.

I have some personal views about this, as does the Minister of State responsible for the Canadian Wheat Board. The final decision will be made by Cabinet but it has not been made yet.

I appreciate the information which the Hon. Member seeks and I wish I were in the position to provide it to him at the moment. However, I think it is somewhat premature for me to respond.

Mr. Althouse: Mr. Chairman, I realize from his previous answers that the Minister is somewhat loth to make firm commitments. We have heard the Minister of State responsible for the Wheat Board say that it is his intention to have the cheques in the hands of the farmers before seeding. Since it is apparent that the Minister will not tell me a particular date by which he hopes to deliver the cheques, could he be somewhat circumspect and state when he thinks we will start seeding this year?

Mr. Wise: Mr. Chairman, I think there might be more of a degree of accuracy if the Hon. Member suggested to me the exact seeding date in all regions of western Canada.

Mr. Hovdebo: Mr. Chairman, my question may also concern other clauses. The Minister will remember that many of us in the Opposition last year accused the previous Government of juggling the formula to fit the amount it decided to pay. Is there a specific formula or does one have to be calculated for each payment?

Mr. Wise: Mr. Chairman, I do not have the exact formula with me. I made reference to it in general terms in my speech. It is my understanding that the formula is in place. I do not think there is any juggling or any intention to juggle a formula in future years unless the recommendations flow from the western grain farmers and those recommendations have a great deal of merit and legitimacy.

● (1440)

Mr. Benjamin: Mr. Chairman, the Minister can correct me if I am wrong, but if my memory serves me rightly the income is calculated on the previous three crop years. If income is below 90 per cent of that three-year average in the current crop year, that figure is the payment. Does the Minister have the figures for the average income for the previous three crop years and what would be the projected income for the current crop year?

Mr. Wise: Mr. Chairman, I might have that information if I have a little more time to go through my notes. I will be happy to share that information with the Hon. Member if I can find it and it is here.

Mr. Benjamin: Agreed, Mr. Chairman.

Mr. Taylor: Mr. Chairman, my question follows from one asked by a Member from the NDP, namely that we have promised a pay-out before seeding. Sometimes in southern Alberta when people are seeding they are still plowing snow in northern Alberta. When it is springtime in the Rockies, sometimes people are still cleaning snow off their sidewalks 100 miles east of the Rockies. Different crops require different seeding times. It is difficult to say that we will do it all before May 24. We used to take as a rule of thumb that we have to have our potatoes and our wheat in by May 24. The varieties of wheat have changed and the varieties of potatoes have changed and that rule of thumb is not applicable now, but there is a deadline.

Let us try to get the pay-out ahead of any seeding, well ahead of time because it is not simply the buying of the seed or the fuel, et cetera; there is machine repair and lots of preparation. Farmers require that money very badly this year. Many of our farmers are living from hand to mouth at the present time. Many people think farmers are really well off but farmers are going through a difficult and critical time in their history. We should make an effort to keep all of our good farmers. The ones having difficulties are mostly the young ones. Let us keep our good young farmers on the land. They will be essential to Canada, especially in the future.

Mr. Wise: Mr. Chairman, I want to place on the record that I never argue with representations made by the Hon. Member for Bow River.

Mr. Hovdebo: I want to come back to the calculations again, Mr. Chairman. I understand the regulations are viewed with the cost production factor in the formula. They have been changed or they were changed in the last calculations that were done in June, or after June.

Would it be possible for the Minister to provide us with the formula and the regulations by which the cost of production is reached so we can have some insight into the process by which the Government is going to reach that level or the level that will be decided upon?

Mr. Wise: Mr. Chairman, I do not think I have any objection to that at all when I have the information available to me. There was some reference in an earlier question to the fact that the formula was based on the net cash flow for the previous three years. The information I have is that through stabilization payments they protect the net cash flow from the sale of seven major grains in western Canada—and we know what grains they are—from falling below the average net cash flow for the immediate preceding five-year period.

Mr. Benjamin: Do you have those figures?

Mr. Axworthy: Mr. Chairman, we have heard some questions now about the pay-out side. I would like to ask the Minister some questions relating to the input side. My own information indicates that at the end of 1983 there was about $884 million in the Western Grain Stabilization Fund. This last year there was a pay-out somewhere in excess of $223 million which would bring the fund to the level of less than $600 million. The normal levies on federal participation and producer participation add another $130 million a year. In the Minister's opening statement, he indicated that he felt that the total pay-out by July could amount to some $800 million. I believe that was the figure he was using. In any event, it was pretty close to that.

Would the Minister tell us what the current state of the fund is? What would be the levies provided to the producers and what would be the federal contribution to that? What would be the estimated state of the fund at the end of the pay-out period next summer?

Mr. Wise: Mr. Chairman, I do not know whether I can provide the Hon. Member with accurate information on that without some additional time. I believe the fund is somewhere in the neighbourhood of $900 million. I am not certain whether that $900 million was before the final payment of $123 million. The fund earns interest, of course. The information I have is that as of December 31, 1984, the balance was about $900 million. As a result of the drought on the Prairies last summer, producer marketings were expected to be down to six or seven million tonnes this crop year; thus a substantial western grain stabilization payment is expected to be triggered in the 1984-85 crop year under the total net cash flow calculation. Producers who had poor crops in 1984 require additional cash flows to enable them to seed their crops in the spring.

I do not believe the actual levy has changed where the contribution is 1.5 per cent of grain sales. If you look at the total picture, Mr. Chairman, the contribution is $1 for a producer and a $2 contribution by the federal Government.

Mr. Axworthy: Mr. Chairman, I recognize the Minister may have some problem providing the immediate figures. The point of the question concerns the state of the fund at the end of the pay-out period. It has an implication for the producers in terms of the amount of the levy. Again we are potentially caught in the squeeze between putting out on the one side and having to take on the other. Because of the substantially lower crop and sales expectation, the amount paid into the fund is on a smaller base and therefore may require a higher levy.

Part of the question is whether there would be consideration in the form of a moratorium on the level of payment under the Western Grain Stabilization Fund at this point in time so that we are not taking money out of one pocket and putting it into another in the same period, and therefore not giving that much benefit back to farmers at this time when the squeeze is on.

Mr. Wise: Mr. Chairman, the Hon. Member raises a very legitimate question and one which has occupied a fair amount of discussion to this point in time. We recognize it is public knowledge that the fund is fairly sizeable. It is recognized that we have a responsibility because we have had numerous requests for us to make an interim payment by grain producers who have contributed to that fund. At the same time we recognize that we would want to be responsible in making that decision in such a way that a reasonable payment could be made to the farmers so as to put as much cash in their hands as early as possible and also to signal a greater degree of confidence. If cash was not placed in their hands, perhaps a greater measure of credit could be extended to them. We want to do it in a balanced way so that the actual fund is properly utilized, we do not run the risk of overpayment or of depleting the fund and we do not run the risk of having to increase levies.

● (1450)

Mr. Axworthy: Mr. Chairman, I have one final question in this respect. I have had some experience in the past with Finance Ministers who were very touchy about the question of cash flows and relative levels of financing of different projects. I want to raise with the Minister what could be a difficult equation. Perhaps he will be faced with it. I should like to seek some assurances.

We in the House have heard that the Government is intending to bring forward a Budget in April or May, depending upon whose version of events one listens to. Let us say that the Budget will be brought forward this spring. We are now engaged in passing authority for interim payments. The final calculation will not take place until July 31. Therefore, we are in a position where, in a sense, the fiscal framework and allocations will be set in the Budget in the spring, before the calculation on the Western Grain Stabilization Fund has been set. There is a potential shortfall, certainly in terms of the actual federal contributions out of consolidated revenues.

Would the Minister assure us in terms of the budgetary process and the fiscal framework that sufficient funds will be set aside to ensure that full payments will be made, that the fund is considered stable, that it will maintain liquidity at the same time and that it will not affect the rate of levy to producers? The rate of levy to producers could be affected if the opposite happened; that is, if the Minister of Finance put forward a Budget, set the fiscal framework and then had the fund do its final calculations for July 31, realizing that higher levels of payment were required and therefore requiring a draw on more funds. This is a fairly important question, and we really need the assurance of the Minister in that respect.

Mr. Wise: Mr. Chairman, let me utilize this opportunity to correct the record. I think I referred to a two and one breakdown as far as contributions were concerned. I have been advised that this indeed was the case commencing January 1, 1984. Since then it has been 1.5 per cent for producers and the Government's contribution has been increased to 2.5 per cent.

The Hon. Member for Winnipeg-Fort Garry challenges us. Actually that is the challenge we face. There is somewhat of a risk if we want to provide an interim payment. I can assure him and other Hon. Members of the House that every precautionary step which can be taken will be taken to prevent us from getting into that situation. However, as a Government and because of our interest in the agricultural industry, if we find ourselves in a position where we have to accept our responsibilities as a result of some miscalculation, misjudgment or something of that nature, we will be as prepared to accept our responsibilities under those conditions, which we hope do not happen, as we are today.

Mr. Hovdebo: Mr. Chairman, I want to ask a series of informational questions. If the Minister does not have the information, perhaps he could forward it to me or give it to the House in the future. That would be acceptable.

Could he tell us how much is in the fund right now, the balance? How much interest are we collecting on that fund from the Government?

Mr. Benjamin: The rate.

Mr. Hovdebo: The rate of interest, yes. The levy was lowered for farmers about three years ago. I am just wondering about the process. Is it lowered by recommendation of the committee, or how is that decision reached? For instance, if we are getting short, is there a chance that it will be raised again? Finally, with the smaller crop this year, what is the expected amount of the levy pay-in?

Mr. Wise: I do not have all that information available to me at the moment, but I have no hesitation in providing it to the Hon. Member at a later date.

Clause agreed to.

Clause 2 and 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed from Thursday, February 14, consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am certainly glad to have an opportunity to speak on Bill C-23. Even though a 10-minute period for speeches is provided now, there are a number of things I want to say.

First, I support the Bill wholeheartedly because it will continue to be a boon to small-businessmen. Second, the situation faced by small-businessmen in Canada indicates that the Bill is badly needed.

We have heard some Hon. Members of the Liberal Party say that the Bill should be withdrawn, divided or thrown out. That would be a real slap in the face, to put it colloquially, for small-businessmen in Canada. They need this Bill. The fact that the money has already run out indicates that we need additional legislative authority to continue until March 31.

Every Member of the House who wants small business to progress should be in favour of moving this Bill forward as quickly as possible in line with full debate. If the Bill is delayed unduly, it means that some businessmen will not receive loans as there is no money left in the fund and it has to be supplemented by the $300 thousand which was mentioned by the Hon. Minister.

Some Hon. Members indicated that it was much better in 1981-82 and in 1983-84. I cannot see how this is so. Certainly it did a reasonably good job but there were defaults and deficiencies which should now be corrected. I believe this Bill will correct some of the things which have been discovered. The number of small businesses which went bankrupt in 1981 amounted to 8,005—8,005 businesses went out of business and into receivership or bankruptcy. In 1982, 10,765 businesses went into bankruptcy. In 1983, there were 10,260. When Liberal Members say that this Act should be withdrawn, in light of that experience I do not think we would be assisting the small businessman.

• (1500)

No one on this side of the House thinks we should be giving hand-outs to small or large businesses, but there is a place for government money in order to keep businesses going such as seed money and other supplementary money. That enables a businessman to continue. Otherwise he may have gone into bankruptcy or receivership. During the last three or four years, that money often was not available because there were too many restrictions on getting the money.

Let us look at the small business bond, for example. When the Clark Government was in power, the small business bond was welcomed by the people with open arms. When the Liberal Government took over, people had to be in dire straits before they could get the money. That put the kibosh on that wonderful program.

There was a provision in the Act which said that loans could be made up to $500,000. I know a businessman who did not want to borrow any more than he had to. He borrowed $250,000. Due to rising prices and interest rates, which rose to the maximum during that period, he found he could not operate. When he returned for another loan, he was told, "We cannot do it". He was only permitted one loan. Even though he only borrowed half the amount, they would not loan the balance.

I went to the then Minister, the Hon. Allan MacEachen, and pointed that out. He said he would fix that. He agreed that the man should get the $500,000. I pointed out that he may want only another $100,000. He said he would look after this, but the departmental officials did not do that. I had the Minister's word verbally and by letter saying that he would arrange for the balance of that money, but he did not do it. What happened? Over 20 people lost their jobs. The business is now like a ghost. There are empty sheds.

I want to deal with one or two other points. Ten minutes is just not enough time. Are you signalling me that I have one minute remaining, Mr. Speaker?

Mr. Deputy Speaker: The Hon. Member has 20 minutes in which to speak.

Mr. Taylor: You were pointing one finger and that made me nervous.

I want to deal with another item that was raised by a number of Liberal Members. I hope we can put their fears to rest. Some objected to the banks being responsible for any part of the losses. I do not follow that. All the losses would then be borne by the people, not by the banks. We would have a situation where the banks make the profit, maybe not as much as with normal loans because this has to be prime plus, and did all the arranging, and if there was any loss, the people of the country had to pay, that is, the government.

When the banks make a profit, they should be responsible for some of the loss. That is very reasonable. I would like to see it go beyond what this Bill says. It will not be changed in this fiscal year. After April 1, 10 per cent of the losses will be paid by the banks. Why should that not be? They make the profit, why not be responsible for some of the loss? They made the contract. They might then make a more careful examination when making loans.

It is not right to say that people must pay the whole loss and the banks make all the profit. I do not go for that at all. I support this Bill which says the Government will pay 90 per cent and the banks 10 per cent. That is going the second mile, having the banks going for 10 per cent. I suppose the idea is to encourage the banks to make the loans, to look after needy cases. We will have to see how it works out. Certainly the other method did not work very well.

Let us look at the facts. In 1977, $96 million was lent and there were losses of $600,000. That was not too bad. However, let us look at 1984 when $900 million was lent and there was a loss of $43 million. The people had to pay that $43 million loss. Not only were the businesses lost, but the people lost $43 million and the banks lost nothing. They had their profit. I do not think that is a good record. No wonder the present Government says the banks should pay for part of the loss. That is right. I support it fully.

Another new feature in this Bill is that if the banks are going to make all the profit, they should pay a fee. If I were to go hunting and have the pleasure of hunting, I would have to pay for a licence. Nobody would give me the licence. I would pay for it. If I buy a car, I have to pay for a licence before I can operate it. Here the bank has the privilege of lending the money, with the Government picking up any losses and the bank paying absolutely nothing. We now say there will be a 1 per cent fee.

I suppose there is the danger of that fee being passed on to the borrower, but the Act will look after that. The banks cannot pass that 1 per cent fee on to the borrower. It will come out of the profits of the banks. It is about time the banks started paying some of these things instead of just taking all the time. I do not see anything wrong with the 1 per cent of the amount of the loan being charged, especially when it cannot be passed on. That will bring in revenue, which will compensate for some of the losses the people are taking. That is right and proper. Therefore, I support the Bill with regard to those points.

I would now like to deal with the effect this will have on jobs. That is a very important item. Everything we do should consider those who are not receiving a pay cheque at the end of the week or the end of the month. The wife and children are under stress and strain because there is no pay cheque coming in. They may receive UIC, but that is only temporary. They cannot live a normal life. It is a tremendous help, but when that closes off, what do they have? All they are left with is welfare. That varies almost from municipality to municipality and certainly in every province. In some places it is reasonably good and in other places it is bad and the people barely exist.

An elderly citizen told me that for the last three days of the month he has soup and bread, and that sometimes he has to go without the soup and just have dry bread. In this country there should be a reasonable floor for our people. Whether you live in New Brunswick, Prince Edward Island, Quebec, Ontario, Alberta, British Columbia, or the Northwest Territories, you are a Canadian. The standard of living should at least be at a certain level. Whether you work or cannot work, whether you are on compensation of welfare, there should be a reasonable level, one that entitles you at least to live.

• (1510)

The truth is that most people want to work. They want to be independent. Many people would like to work but cannot find jobs, and this is particularly so for those in small communities who cannot commute to the cities in which some jobs are available. Therefore, we would like to see some jobs created through this Bill as well.

In my view, keeping our small businesses viable is one of the best ways of creating jobs in this country. I like the idea of small business. I like the idea of a proprietor, his wife and his family making the decisions. There are no boards of directors, large corporation lawyers or chartered accountants. It is only the man, his wife and his children who make the decisions, and if they make wrong decisions, they take the flak. Most times, their decisions are right because they are made in light of all the factors in that particular community.

One of the great highlights of free enterprise is that the proprietors make the decisions themselves rather than the Government and the chartered accountants. The man who has the money invested in that business makes his decisions, and he makes them in the best interests of his family and his community because he must live in the community and he must look after his family.

Every successful loan we make under this Act will provide jobs for more Canadians, including young people, women and men. There are small businesses in every community across the country right from the Atlantic to the Pacific, from Newfoundland to Victoria, from the 49th parallel to the Arctic Circle. There are people in those communities who need jobs. We are getting right down to the grass roots where the money is being utilized in the area in which the people live. There is a place for big businesses which can hire as many as 2,000 people. That is fine, but we still need the small businesses to look after employment in our communities throughout the country. Therefore, this Act is a job-creating Act.

A businessman who does not need the money will not borrow it. He will not pay prime plus 1 per cent when he does not need the money. If he has enough capital to keep going, then he keeps going. It is the man who is on the verge of failure or the man who wants to expand his successful business, provide more jobs, make more money and contribute to the nation who needs help.

I spoke to a man who lives in Black Diamond. He told me that he owned the empty lot that sat right beside the business he operates. He said, "I would like to build another building

on that lot. It would provide another eight or 10 jobs during construction and another three or four permanent jobs in this community. However, I am not going to do it". I asked him why this was so. He said, "Well, in the first place, no provision is made for a man of my capacity, a small businessman, to borrow money. I have to go to the bank and borrow at a high rate". He did not know about the Small Businesses Loans Act. It would have fit right into his plans. He went on to say, "Another reason for this is that I will work my fingers to the bone for my wife and my children but I will not work my fingers to the bone and then pay it all out in capital gains taxes when I pass away or retire".

Another thing we must do is to set the capital gains tax at a sensible level—nil. It is killing initiative today and is keeping businesses from expanding. It is stopping those who want to retire on the nest-egg they have built over the last 50 years from retiring because the Government will grab a percentage of half of it leaving them without enough to continue. Well, that is another Act, Mr. Speaker. However, it shows what small business can do if it is given the proper incentive.

That brings me to the last point I would like to make, Mr. Speaker, and that is that I think the Government has a responsibility to create a climate that will encourage people to invest. People say that Canadians have more money in the banks than any other people on the face of the earth. I do not know whether it is true or not, but if it is true or only partly true, then that money could be invested in ways that would pay bigger returns than bank interest rates or Canada savings bonds and people would be investing their money. When we invest money, we provide jobs. When we invest money, we increase the productivity of the country so that we can implement a good welfare program.

This tremendous economy of ours is all wrapped up together. We have a country with tremendous resources. We live in a country with tremendous people. All we need to do is put our resources and our people together, give them the wherewithal to convince the small businesses across this nation to invest, and we will make a big dent in the number of unemployed.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I once again have the pleasure of rising to participate in debate on a Friday afternoon. I am pleased to do so when we are discussing a Bill that is as important to the small business community as this one.

I was quite taken aback and almost struck speechless by the opening comments of the Hon. Member for Bow River (Mr. Taylor), an Hon. Member to whom I have listened on many occasions. In his opening elocution, he indicated that he was in favour of government doing something for the private sector on some occasions. That was such an incredible reversal and radical turnaround from the multitude of statements and comments I have heard the Hon. Member make over the years that I thought that it may have been caused by something he ate for lunch. Perhaps he had a conversion on the road to Tarsus. However, I could not believe my ears. He was actually saying that the Government itself, that nasty, horrible, evil engine of destruction, would do something positive and constructive. I do not know whether that was a momentary lapse or whether he got carried away with his enthusiasm for supporting a mechanism of small businesses loans administration that was brought in and amended over the years by various Liberal Governments which saw the wisdom of having a program that would support small businesses in this country. I was glad to see that by the end of his speech, he had reverted to form and was once again using his powers of erudition to flagellate government and extol the private sector.

I think the key question we are facing in this debate is whether or not the amendments proposed by the Government will assist small business. I have not heard anyone argue against helping small business. The key question in this regard is whether or not the specific amendments being discussed in the House provide for the necessary changes. Obviously the extension of the loan guarantees are an improvement and one to which I look forward. However, when I look at the other two components of the Bill, I find myself scratching my head.

I have heard that the Prime Minister (Mr. Mulroney) is off in Regina on his "grope and tell" session with the Premiers and they are all extolling the benefits of small business. However, we have in front of us an Act which, in very simple terms, will make it more difficult for small business to receive loans from the banks, chartered companies and trust companies. The question is, why is the Government doing that? Why would it deliberately go out of its way to make a change in the Act that will make it more difficult for small business to obtain loans? That opinion is held not only by members of the Opposition but has been widely expressed by members of the Federation of Small Business and by others in business. They simply say that by reducing the loan guarantee to 90 per cent and by charging a fee, the Bill makes it far less attractive for the lending institutions to provide the loans that are necessary. Surely that is a mystery. It is a conundrum. The Conservative Government, which believes, in the very depths of its theological soul, that private business is important, is putting additional barriers in the way of small business achieving its purpose. Frankly, I have no one who can give a plausible explanation for that other than the Hon. Member for Bow River who said that it is up to the banks to share in whatever losses may occur.

● (1520)

There may be some justice in the banks sharing the burden, but surely that is not the point of the Small Businesses Loans Act. The Act is to help small business invest, expand, and modernize to produce more and create more jobs. Contrary to every public statement, when it comes down to action, the Conservative Government is more dominated by a cost-cutting chartered accountant's view of the world than it is by a growth philosophy which would give small business a change. It only makes sense. If the Government is going to make it available to the banks at prime rate—and that would be the result of charging the 1 per cent user fee—then the banks will not give that kind of privileged opportunity to small business. The

banks will not give small business the advantage which was previously offered by the Act.

It is interesting that John Bulloch and Members of the Canadian Federation of Independent Business are saying that if the user fee is going to be charged, then it could be passed on to the borrower. That is a possibility which the Government should have examined. A strange mentality has taken hold of the Government. It must show a better balance on its own accounting sheets, as opposed to the larger question of national accounts, in terms of the over-all economic performance which involves jobs, growth, expansion and development. It is the primary responsibility of every Government to measure the economy by the total number of indicators and not only use what shows up in the calculations of the Minister of Finance (Mr. Wilson). It is that curious finance mentality that the Government somehow thinks it is doing something useful if it shows that it has reduced the costs on the outlays when the Estimates are tabled. It does not matter that it will reduce small business growth, expansion and job creation. That does not seem to be important. What is important to the Government is an impression that somehow it has taken action and reduced deficits or cut back on the Estimates. It does not matter what damage it has done, what negative impact it has created, or the fact that growth has been retarded. That is a very dangerous precedent. It is a very serious problem, because if that is the mentality which drives and motivates members of the Ministry—and I am not talking about the back-benchers because they have said that they believe in small business—we are going to have a very difficult time over the next four years until a new Government assumes power. That Government will have a more positive point of view. This Government is putting anchors on the legs and wheels of small business.

I would like to talk about some interesting comparisons which have been made between small business growth in the United States and Canada. Several surveys and studies were done by the Department of Regional Industrial Expansion a year ago which indicated that Canada has approximately the same rate of small business creation as does the United States. However, there is one very major difference. In the United States, when a small business reaches a certain level of development, it has a much easier time becoming a medium or a large business. Small businesses in the United States have a take-off point. They are able to expand their markets, activities and, in particular, they are able to provide more jobs. In Canada, small business hits a dead zone. Canada has a much lower rate of small business upgrading, improving and expanding. Canadian small businesses tend to hit a level whereby they are no longer able to expand their activities. If we asked why, it comes down to the greater difficulty small business in Canada has in achieving venture capital for expansion and development. Canada has a more rigid financial market and less flexibility in the operation of capital markets as they apply to small business.

That is particularly true in western Canada which does not have many large corporations. I would say it is also shared in the Atlantic provinces. Small business forms the business community there and it is what drives the economy in the West.

A recent survey was done by the Canadian Federation of Independent Business in the western region, and the major complaint of small business was the reduction in the financial system, especially with respect to the chartered banks. I have argued previously in the House that one of the most important initiatives we could take is a form of deregulation of the financial institutions to provide more opportunity for the caisses populaires, credit unions and the smaller financial institutions which are locally based to expand their lending power and capacity. For example, small business in western Canada has indicated that the chartered bank system, with its rigid insistence on high levels of collateral, has become a frustration and a deterrent to small business development. There is a very clear and compelling argument that we must reorganize our financial system to allow for a much broader and more flexible flow of capital into small business for a wide variety of purposes. It is also important in the range of financial instruments which are offered by federal and provincial Governments.

A major problem—and it is a complaint which has been registered in previous lending practices, and particularly now under the new program of the Department of Regional Industrial Expansion—is that the service sector is totally ignored. The Economic Council of Canada in its 1984 report entitled *Western Transition*, indicated that one of the potential areas of real growth in the West was in the service sector. Yet that sector finds it far more difficult to receive financial backing and support from the Department of Regional Industrial Expansion, the IRDP, the FBDB, and other institutions which provide financial assistance. It is clearly the time for a major reform of both the private financial institutions and the federal and provincial lending institutions to deregulate, expand and make more flexible their offerings.

Over the past five or six months we have seen several actions which have contradicted that approach. The Minister of Regional Industrial Expansion (Mr. Stevens) radically changed IRDP. That is the major grant program for business. He has basically wiped out the opportunity for small business to get loans because the tier 1 allocation was removed. All small businesses in the major cities of Canada as well as in many other areas, were wiped out. Assistance is no longer available for expansion, modernization or renovation. Federal assistance to tourism has been removed. Tourism is a major service sector which provides incredibly labour-intensive job activity. The federal Government has withdrawn from that area. In that one act, the Government, which says it believes in small business, has eliminated a major area of support to small business. The Government will not tell us the reason and we are now seeing a major disparity between promises and action.

In addition, the Minister of Regional Industrial Expansion brought in the Investment Canada Bill. That Bill established thresholds, and the Government put the small business community into a real danger of being taken over by foreign investors. You do not have to take my word for it. Two days

ago we had the Conference Board of Canada, which represents the business community, saying the very same thing in committee. The question was asked: Do the present screening requirements under Investment Canada represent a threat to small business in the form of takeovers? They said, yes, and it should be amended to change that. The same Minister has, in his Investment Canada Bill, a further barrier to the expansion and development of small business. Now we have these amendments by the same Minister to the Small Businesses Loans Act which again puts up barriers. If you go back to the biblical injunction of being known by your actions, not by your words, then we have to say that this Government, because of its actions, clearly does not believe it should be giving assistance to small business. Never mind the rhetoric, the fine speeches, look at the actions. It has eliminated IRDP loans and assistance for small businesses on tier one. It has eliminated grants for tourism. It has changed the Investment Canada procedures so that small businesses are now threatened by takeovers without screening or review. Then we have the imposition, under this Act, of user-fee requirements and a change in the loan guarantee provision, which means that private lenders will find it more difficult to give loans to small business. Logic and argument indicate we can only conclude that this is a Government which thinks that by smoke-screening, public relations, fine rhetoric and the spinning of homey phrases it can convince people of one thing, but the harsh reality as indicated by its actions in this House is that the Government is not a friend of small business. Certainly the Minister is not because every single thing he has done has worked against their interests.

• (1530)

I think this afternoon, Mr. Speaker, we have come to a very profound realization. The Conservative Government and the platforms upon which the Conservatives built, and the thousands of chamber of commerce speeches they have made, cannot be trusted. The Government does not live up to its promises. Furthermore, the small business community is being hoodwinked. In fact, what is far more dominant is this mythology and mentality that the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance are showing neater calculations on their cost accounting sheets. That is what their objective is, not to create growth, opportunity or development.

The Hon. Member for Bow River asks why several Members of Parliament are saying that the Bill should be withdrawn. The reason is that it does not do what it should do, that is, to provide assistance and encouragement to our small business community to expand and provide job creation. It is bad legislation. Surely the Conservative back-benchers at their next caucus meeting should take the Minister off into a corner and whisper some words of wisdom in his ear. Not that he is going to listen very much. They should tell him that they are getting tired of this business. They are the ones who are exposed. They are making speeches in favour of small business, but they are going to be exposed as hypocrites because their Government is betraying them. Every single thing they do works in contradiction to the interests of the small business community.

Mr. Kilgour: A point of order, Mr. Speaker.

Mr. Axworthy: Now we have them concerned, Mr. Speaker.

Mr. Kilgour: Mr. Speaker, the Hon. Member will know very well that the word "hypocrite" has been ruled as being an unparliamentary word. I ask that he withdraw that word from the record.

An Hon. Member: It is not.

Mr. Kilgour: The word "hypocrite" Sir, is unparliamentary.

Mr. Axworthy: Mr. Speaker, I would defer to the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) and—

Mr. Deputy Speaker: The Chair rules that the words mentioned by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) are parliamentary, therefore he may continue.

Mr. Kilgour: Are parliamentary?

Mr. Gauthier: Yes, they are.

Mr. Axworthy: Mr. Speaker, the Hon. Member can check Beauchesne, and in the meantime I will finish my speech.

Whether it is hypocritical or not, the fact remains that Conservative Members of Parliament are in danger of having their intentions subjected to some degree of skepticism because I believe their Government is betraying them. I say that with all my sympathy and with the intent to provide constructive encouragement and advice. They should change that Bill because no one in the small business community is going to thank them for having supported legislation which works against what they are trying to achieve. That is the hard reality they will have to face. All the brave promises that were made before September 4 are now being dashed to dust in the ground. This is a Government of big business, and that is the hard reality. All this consultation has not taken into account what the small business community is really saying. If this is a Government which really believed in consultation and in following advice, then why does it not change the Bill as small business has asked them to do? It is very simple. They said the user-fee will have a very serious deterrent effect on the provision of loans.

All we in opposition can do is to point out the fallacies and foibles and fumblings before us. We do not have the power to change them. That is why we are here this afternoon saying to those members of the government Party that they should take a hard look at this legislation and realize that they are doing no good. They are not providing any assistance or encouragement to small business. Therefore, the small business community will not be able to take advantage of opportunities to get the kind of capital it needs in order to expand and grow. That is really the message in this Bill. However, I hope that in this debate we will be able to ensure that by the time it gets to committee, the Minister will have come to his senses, will

listen to some of the good advice, and will make the amendments that are absolutely necessary to make this a good Bill.

Mr. Deputy Speaker: Questions and comments?

Mr. Shields: Mr. Speaker, I am sure the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) did not want to mislead the House or anyone who may have been listening to his comments. He talked about the user-fee and putting impediments in the way of the small business development bond. He would recognize, and I am sure admit, that the small business development bond, when it was first introduced, was just that, a bond to help small business develop. When his Government got hold of it over the past four years, it became a rescue bond. It was no longer used for small business development, but, rather, as a bail-out bond, particularly over the last few years. It was a survival mechanism. The Government said it was not going to use it as a development bond any more. As a result, losses on the bonds became extremely high because we took away from the banks the discretionary use of the bond, as should be the case with good and normal planning practices in businesses.

What we are doing is putting some of the onus back on the banks. We are saying to them that they are going to lend the money and we are going to guarantee it, but there is a chance for a 10 per cent loss if they make a bad judgment. We no longer want to use this as a bail-out bond; we want to use it as a development bond. Surely the Hon. Member would understand that, would he not?

Mr. Axworthy: Mr. Speaker, let me provide the Hon. Member for Athabasca (Mr. Shields) with two different kinds of answers, both of which I know he will find satisfactory. First, his description of the use of the Small Businesses Loans Act is not accurate.

● (1540)

If he goes back to the latest figures of the uses made of the money, he will find that in the year ending December 31, 1983, $70 million was used for fixed equipment, $408 million for moveable equipment, $76 million for improvement of premises, $35 million for construction of buildings, $85 million for purchase of buildings, and $14 million for the purchase of land. None of that is for bail-outs. It is for improvement, expansion, modernization and development. The basic purpose of the Small Businesses Loans Act is to give a small business entrepreneur, who sees an opportunity for a new business development, the necessary capital to make those choices. Those figures are in the small business loans report.

Mr. John Bulloch, who is known as a good friend of the Conservative Party and is the President of the Canadian Federation of Business, said that the Government would be crazy to make the banks pay the fee. We are trying to make that same point. He said that if we want to pass the user-fee on to the borrower we should examine that possibility. He said that taking the 1 per cent user-fee reduces the bank return to prime and, therefore, they will not make the loans. If the Government wants to recapture its fee and put it on the level of the borrower, as Mr. Bulloch seems to be suggesting, it should look at that option. However, do not introduce an instrument into the Bill which will make it more difficult for a small business person to get a loan. The loan is the important thing. If the banks cannot get a return they will not provide the capital. They would prefer to make convertible loans or provide for a take-over or acquisition under the new Investment Canada Bill, or make some equally questionable use of the money.

It is the actual prescription of the Bill which is at fault. That is where the change should be made. That is why it is important to continue this debate. If Members on both sides of the House can be convinced of this by the time we get to committee, there may be a willingness to make that change.

Mr. Taylor: Mr. Speaker, for the life of me I cannot understand why the Liberal Party is sticking up for the banks rather than for small businessmen. If the banks were doing their job a Bill such as this would not be necessary. They would be lending the money to worth-while small businesses. In this Bill we are telling the banks that we will pick up 90 per cent of the losses and that they can have all the profit and pay nothing. I do not think the banks are such poor corporate citizens that they will not make loans. It is in their interest to make loans. They will make the profit, not the Government. The Government will take up 90 per cent of the loss. The Government is the people. Surely a bank will not refuse to lend money for a sound investment because it will have to pay a 1 per cent fee. If banks are that bad, we should change the Bank Act. Part of the business of banks is to provide capital for business. This Act is a supplement. Surely they can pay 1 per cent on the loans when they are making prime plus 1 per cent.

I do not think the Hon. Member will get much support from businessmen in small towns by making such statements as he has here. You will find that the banks will be anxious to lend money. If I was in the business and could make 12.1 per cent, I would gladly pay a fee of 1 per cent. That would be wonderful. I might as well go into that kind of business. I disagree entirely.

The only parliamentary response that I cam make to the Hon. Member's suggestion that the Government is betraying the small businessman is to say, baloney. Small businessmen elected 211 Members on this side because they lost faith in what the Liberals were doing. They have confidence in the Government. We are building a climate in which they can invest their money and make a dollar. I will stand anywhere and support this Bill. The people are supporting it too. If the Liberal Party is trying to build up from the grass roots, it had better get some policies that appeal to the common people rather than only to the bankers.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, we have just now seen another prime example of Tory delusion. They love to use these words of rhetoric. They love to say that they believe in all these fine upstanding things. However, we are talking about action. I

suggest that the Hon. Member for Bow River read his own legislation. He should look at what the Government has proposed. He says that it is what the people want. I would suggest that he go back to his office and read the report of statements by the Canadian Federation of Small Business. It is opposed to that position in the Bill. John Bulloch, the President of the Federation, says that the banks, which have a number of competing demands upon their capital, need an incentive because small business does not offer the same degree of security.

The Hon. Member was obviously not paying much attention to my speech, although he should have been. I said that if the Government wants to be bold, it should introduce major programs to deregulate the financial system. It should give a lot more opportunity and flexibility because the chartered banks do have too much power. I have been arguing that for two years. I was the person who deregulated the airlines, which brought a lot more competition to that industry. I believe in that.

Do not tell me that this Bill will somehow help the small business community. It simply means that it will not have the necessary capital. If you are simply waiting for a major reform of the banking system, that is fine, but do not put a handicap in the way of small business in the meantime. That is exactly what the Government is doing. I suggest that before speaking, Hon. Members should read their own legislation.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to speak in support of this Bill because, although it is not perfect, I think it is better to pass it and get on to other legislation. The objections which I have heard do not carry much weight in light of recent years. I will explain that point further. I would like to make a couple of other points first.

I take it that this Bill is being slightly updated to take inflation into account. The total insurable amount is being raised by $300 million, which I hope will make it more widely used. It probably just keeps up with inflation. The maximum size of a business to be considered a small business is raised from $1.5 million to $2 million. That again is to keep up with inflation. It is a necessary housekeeping amendment.

The extension of the length of loans to five years will give some people a better opportunity to plan than when decisions must be made in a one-year period. The issue of the user-fee and the 90 per cent insurance by the Government with 10 per cent left to the banks has caused a great deal of heat on the part of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), who got so heated up he just evaporated. I can understand his heat because the Government which he represented in past years followed a different policy. Its policy was to give as much as possible to the banks. The banks would then say that they would treat the public well with that money because they are so kind. That did not work. The banks have been shipping their money out of the country by the billions of dollars. They have been taking the largesse given to them by the previous Liberal Governments through the tax system and sending it anywhere but Canada. This money has been used by them to finance companies like Cadillac-Fairview and Trisac that are now shipping their fortunes to the United States.

• (1550)

The legislation which has provided the banks with 100 per cent insurance and a free agency at the expense of the Government has not helped small business or job creation in Canada. All the benefits have gone to the banks themselves, and small businesses in Spadina have complained that this legislation has not allowed them to get loans from the banks.

The Hon. Member for Winnipeg-Fort Garry suggests that small businessmen will not be able to get loans from the banks if these changes are made. I suggest that there is no difference because it is only people who have changed sides of the House. The banks' performance will likely be no worse under this legislation than it was under the previous legislation. It will be interesting to see the results because I believe the user-fee is worth trying as an experiment. I suggest it is proper to call it a user-fee by the banks rather than by small business people. It is irrelevant whether the banks will pass it on to the borrower since they have already been doing so with the blessing of both this Government and the previous Government by jacking the rates up as high as the market would bear with absolutely no relation to cost.

The banks do not provide loans on the basis of cost; they do so on the basis of how much the market can bear. Therefore, I suggest that this legislation will not make any difference to the prime rate of interest, which it does not affect at all, or to the availability of loans. While it is suggested that it may increase the loans, the amount of money insurable for loans may increase but it remains to be seen if that will increase the amount of loans that the banks make. The banks' record in this respect has been very poor in the past.

The small business sector makes up a substantial part of our economy and provides over 40 per cent of all business employment. It provides a quarter of the Gross National Product and is almost 100 per cent Canadian-owned. It deserves more attention from the banks than it gets, and the fact is that the banks cause the most problems for small business.

Those businessmen to whom I talk in Spadina tell me that high interest rates and the difficulty of getting a loan when they need it, even with high interest rates, are their main problems. The banks cannot be bothered with processing a loan to small businesses; they prefer to lend to the big corporations. That has not made Canada stronger.

Let me give an example. Approximately six years ago, MacMillan Bloedel took over a section of the Continental Can corrugated box operation where I used to work. It shut down the plant where I had worked for 18 years. Some workers had put 10, 20 and 30 years of their lives into that plant and now they are still walking the streets looking for work. That takeover by MacMillan Bloedel did not create jobs, it destroyed jobs. Eventually MacMillan Bloedel had its own financial crisis and was itself taken over. In other words, this is an example of how the bloating of companies as a result of loans from the big banks is not healthy for Canada. The

banking money would be far better directed to the small business community.

Why have past Governments favoured the banks in the tax system and disfavoured the manufacturers where many of the small businesses are to be found? It appears to me that the present Government will follow the same policy. Why must manufacturers pay more than a third of their profits in tax while the banks generally pay less than a quarter of their profits in tax? This is essentially making the small and big manufacturers subsidize the banks.

In fact, in 1982, a couple of banks made $200 million or $300 million each in profits but paid no tax as a result of the generous taxing arrangements of the Government. Not only did they pay no tax, they received $20 million or $30 million in tax rebates.

Mr. Shields: Mr. Speaker, I rise on a point of order. The Hon. Member indicated at the beginning of his speech that he supported the passage of this Bill at second reading today. Would he consider sitting down, with no one else rising, so that this can happen?

Mr. Heap: Mr. Speaker, I am in favour of this Bill being passed so that we can move to other legislation. I will not raise objections to the Bill, but there are others who wish to speak on it after today. I do not intend to support a move to terminate debate on the Bill today. I do intend to make some points that must be made because it is not perfect.

Mr. Dick: Let's do it in committee.

Mr. Heap: The point I am making is that the situation is like that of the Irishman who does not like to be kicked with his own boot. The manufacturers in my riding, particularly in the garment and printing industries, do not like their taxes being given to the banks from which they must borrow it back at extortionist rates of interest. The Bill fails to address that issue or even to provide that a certain proportion of the banks' profits be made available by law to small business. Therefore, it is a defective Bill.

Mr. Shields: Let us get it into committee.

Mr. Heap: Rather than delay it by objecting at this point, I simply want to put certain points on the record. I realize that Members opposite do not want to hear any objections because they favour the banks. However, I believe certain points must be made. The interest payments as a proportion of our economy have been growing like a cancer. During one 16-year period, interest rates grew from 6 per cent to 15 per cent of the Gross National Product. The previous Government refused to consider that problem, but it is one which the present Government should take seriously.

I support the passage of this Bill but I ask that the Government consider some of the effects which I have pointed out. I hope that it will be wiling to consider some amendments similar to what I have suggested when the Bill goes to committee.

Mr. Shields: We will.

Mr. Heap: I am glad there is some willingness to reconsider this Bill with regard to its defects. I hope Hon. Members intend to allow a full debate on the Bill during second reading, which is the only time when most Members can contribute on general questions of principle.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Order No. 27?

Some Hon. Members: Agreed.

* * *

● (1600)

INDIAN AFFAIRS

ADVISABILITY OF PROMOTING INDIAN SELF-GOVERNMENT

The House resumed, from January 22, 1985, consideration of the motion of Mr. Penner:

That, in the opinion of this House, the government should consider the advisability of promoting Indian self-government by:

1. Announcing support for an affirmative policy of constitutional recognition of aboriginal self-government;

2. Pursuing actively, a bilateral process of discussion with representatives of first nations on such issues as self-government, natives claims and the elimination of the extinguishment policy; and

3. Introducing legislation to recognize first nations self-government which should be developed by means of a joint process and utilization of the Standing Committee on Indian Affairs and Northern Development.

Mrs. Mary Collins (Capilano): Mr. Speaker, it is a pleasure for me to speak on the issue of Indian self-government. As the House will recall, on December 4 the Hon. Member for Cochrane-Superior (Mr. Penner) moved this motion in the House. It was discussed again on January 22, and it is a pleasure to continue the discussion today.

I should like to congratulate the Hon. Member for Cochrane-Superior for the dedication which he has shown in pursuit of the interests of the Indians of the country. Over the years I, too, have had the opportunity of working with native people on issues relating to their economic and social development, both in Alberta and in the Northwest Territories. This has provided me with an opportunity to understand their concerns and aspirations.

I now have the honour to represent the people of the Squamish Indian band in my riding of Capilano. Over the past months I have had the opportunity on a number of occasions to have discussions with their representatives on issues relating to economic development and Indian self-government as they would apply to that band. I am pleased to advise the House, as it may well know, that the Squamish Indian band is perhaps a model for Indian self-government. The people of that band have shown their ability and commitment to provide for economic betterment and to play an active role in national native politics. They are able to take control and encourage their members to attain economic self-sufficiency while retaining their cultural values and sense of identity.

Obviously things are not perfect and there is much to be done. However that band, like many other bands in the country, deserves increased recognition and responsibilities for its land and its future. I look forward over the coming months and years to discussions about the best way this can be accomplished, understanding that there is differentiation among native bands across the country and each may need to work toward self-government at a different rate and in a different way.

I should like to spend a few minutes today providing some of the context for Indian self-government and to talk a bit about some of the economic issues. Indian self-government, as I understand it, was intended, first, to correct historic wrongs perpetrated by past Governments against the aboriginal peoples of this land. Second, it was intended to help establish a new economic basis from which Indian people could develop in the future. The historical view of this land held by aboriginal peoples is that prior to European exploration and colonization Canada was inhabited by many different indigeneous peoples, organized into political entities and groupings based on common language, culture and history. The Royal Proclamation of 1763 confirmed this view with its reference to "the several nations or tribes of Indians with whom we are connected".

Over the years, however, differing views of history developed. Indian people saw treaties as reaffirmations of their sovereignty and rights or as agreements to allow settlement in certain areas. Non-Indians regarded treaties as an extinguishment of rights, as an acceptance of the supremacy of the Crown or as a gift of land so that Indians might have land of their own. In more recent years there has been a wider acceptance of the aboriginal acceptance of history. Partly it was as a result of court decisions such as that of the Supreme Court of Canada in *Calder v. The Attorney General of British Columbia*. This 1973 case involved a title claim by the Nishga to an area in northwestern British Columbia. A more recent decision, again in British Columbia, of the Supreme Court in *Guerin v. The Queen* pointed out the fiduciary duty of the Crown to Indian bands.

Our view of history has also changed as a result of the articulate arguments of aboriginal people on their position at many constitutional meetings and other forums over the last few years, and also as a result of the all-Party Special Committee on Indian Self-government, led by the Hon. Member for Cochrane-Superior, which in its hearings and in its report set out the reasoning for the aboriginal position.

I think the views of Canadians on aboriginal issues are changing for other reasons as well. Past efforts, explicit or implicit, have failed to bring about assimilation. Native groups have continued traditional practices and take pride in their culture. I think we as Canadians now recognize that and are ready to show our full appreciation of it. Also it is very evident that the past approaches to economic development for our native people have failed quite miserably.

I should like to provide some background information on that. For instance, the statistics from 1981 and other recent sources point out the failure of past economic approaches. The educational levels of native peoples are much lower than those non-native. Fifteen per cent of the native population over 15 years of age have less than grade five education, compared with 5 per cent of the rest of the population. Fortunately there are signs of hope in this area. Only 3 per cent of young natives aged 15 to 29 have not gone past grade five, compared with 57 per cent of natives 65 years and older. Changes are taking place. Again I can point to the band in my own riding where there is an increased emphasis upon education and an increased awareness among the parents of the importance of education for young people. There is also a desire that they have some role in that educational process and that part of that process include consideration of their culture and their values.

The incomes of status Indians on reserves are just over half or 54 per cent of those of the non-native population. In 1980 the average income of natives on reserves was $7,100, compared with $13,100 for the non-native population. Incomes for native people as a whole are little better. They are two-thirds of the non-native average.

The employment rates of natives, particularly for those living on reserves, are much lower than for the rest of Canadians. In 1981, half the adult native population was in the labour force, compared with two-thirds of non-natives. For those on reserves, only 42 per cent of the men and 22 per cent of the women were employed.

We all know the circumstance with respect to housing. The housing of native people is often poor. I recall that being the case in some of the areas of Alberta where I worked and in Ontario as well. The 1981 census found that the proportion of homes needing major repair on Indian reserves was nearly one in four compared with one in fifteen for non-native homes. Half the homes on reserves lacked central heating, compared with 9 per cent of non-native homes. Bathrooms were lacking in 30 per cent of on-reserve housing, but in less than 1 per cent of non-native homes. One in three homes on reserves was crowded, compared with one in 43 non-native homes.

When we reflect upon those figures we see some of the difficult social conditions under which many native people on reserves live. They are conducive to some of the problems they experience. Changes in the economic prospects of aboriginal people will not come about easily. They will not come about as

mere hand-outs by federal or provincial Governments. They will not come about overnight, but I am pleased to say that steps are being taken now by the Government.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) has announced that he is exploring a means of introducing new funding arrangements for Indian bands and tribal councils. Such funding arrangements would enable the bands and councils to decide how best to meet their people's needs, to set their own priorities and to make their own policies within the limitations of current legislation. Thus it is hoped that changes in line with self-government can be implemented soon.

• (1610)

The need for other changes is fully recognized. We need to fund an improved community infrastructure, we need to end the duplication of programs on reserves which result in wasted dollars, and we need to examine the introduction of a system of direct transfer payments. This is now being examined.

As has been said before, we must find a way, in these times of restraint and fiscal responsibility, to provide a level of funding sufficient so that First Nation Governments can provide levels of service on a par with others in Canada, which will allow them to become healthy and productive communities. This can be done only when funds can be expended in accord with their own values and under their own control.

We know the priorities of this Government. The economic revitalization of this country is a major goal of this Government. We have heard what has gone on in Regina over the last two days and how we are looking toward a new harmonization of federal and provincial goals. This revitalization is clearly needed for our aboriginal people as well as for our other citizens. For this reason, the Speech from the Throne which opened this Parliament called on native peoples to be part of the process of building a national economic consensus.

Plans are well under way for the participation of native peoples in the national economic conference scheduled for March 1985. Of course, the next First Ministers' conference on aboriginal constitutional matters will take place in April, 1985.

There is much that will be happening in the future to further our concerns and initiative toward Indian self-government. Hon. Members may be assured that our Government is looking for new approaches to replace the policies which have failed in the past. We are talking to native people and we are seeking their views. We believe that in this spirit of reconciliation, the spirit of harmonization, we will be able to do better. The native people of this country can look forward to a better economic future, a future which takes fully into account their own aspirations.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the motion before us is to study very thoroughly the question of Indian self-government. It tends to set out general approval for such a move. I was quite moved by the speech we just heard by the Hon. Member for Capilano (Mrs. Collins) concerning the Government's intention to reconcile the Canadian people and the various competing interests. She spoke very warmly of the harmonizing of this new approach that is being adopted by this new Government. Given the good feelings and indication from the government Member, now would be a very suitable time for us to send this particular motion to the Standing Committee on Indians Affairs to be acted upon. I will not hold up the House any further. I simply hope that we will pass this on to the appropriate committee at this time.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, as usual it is a pleasure to speak to the House on a Friday afternoon. People have completed their week's work and they are especially attentive to the thoughts that are expressed here. The topic today is one of interest to Members of the House, perhaps of more interest to us who have had the privilege of serving on the joint committee which examined the Canadian Constitution. There are many reasons for those of us who had that privilege why that experience will last in our memories for a long time. The work was important. It proceeded at a fairly rapid pace with a lot of long days and long hours.

Canadians probably remember the work of that committee in a way that is different from the work of all other House of Commons committees because the proceedings were televised. That is the only opportunity Canadians have ever had to watch a joint committee, House committee or Senate committee in action. Many of my constituents told me over the years that they would like to see that experience repeated because they found it educational. They learned a great deal. I spoke to many constituents who used to spend their weekends watching the reruns. Of the literally hundreds of witnesses and hundreds of briefs that we received, it was the native people who perhaps had the greatest impact on the Canadian psyche, both because of the quality of their presentations and, to some extent, the frequency of their presentations.

Those short three or four months back in 1980 and early 1981 accomplished a great deal in raising the awareness level of the average Canadian about native people in this country, what their strengths are and could be and what are some of the difficulties that they face. Those were the early days of the serious lobbying done on behalf of the Indian people for a concept that they referred to at that time as Indian self-government.

As a member of the committee, I shared something with the other members of that committee in that we had a great deal of difficulty in understanding what that meant and what the repercussions would be for the Indian people and for the nation as a whole. It speaks to the level of understanding that developed in the committee members that that difficulty which existed for the committee members at the beginning has remained at the end. It was truly a reflection of the difficulty that Indian people were having themselves in understanding what the words meant and what the repercussions would be for them personally and for their place in Canadian society.

I stand here today in the early part of 1985 with the knowledge that the concept has been refined, developed and probably is becoming clearer to a great many Canadians, including the Indian people themselves. I also know that the

definition is not complete. It is not a fully defined concept. It is not one that would have instant universal recognition and agreement as to its meaning.

When I look at the motion which we are debating today I find there is a kind of intuitive positive reaction toward its wisdom and the fact that it is probably a good idea. That is the initial reaction. Then we must stand back from it and think it through a second time. We must wonder whether or not it really deals with the right set of words and with the right process. For instance, is a parliamentary standing committee the best body before which such a complex concept may be examined?

• (1620)

Changes in society that are of fundamental importance, and I think constitutional revision is always the kind of change that is of fundamental importance, should never be entered into lightly and should probably not be entered into quickly. Once something is placed in a constitution, then it is difficult to change, so it may be that the quicker it is done, the less likely we are to spot most if not all of the unintended consequences. I think it behooves us as elected Members to be very careful about movements we make in that regard. Any piece of legislation is serious and has repercussions. We should always be careful, but when we move into the constitutional area, we must be especially careful.

In early 1981, the constitutional committee reported back to Parliament. In its report to Parliament, it recommended major changes to the Canadian Constitution as it affected aboriginal peoples. Standing here today, I realize that there has not been sufficient time for all of those changes to work their magic, good or bad, on the situation. In other words, I do not think that Members of Parliament, the Canadian people or the Indian people really understand the long-range implications of that change in the constitutional position.

At the heart of this motion lies an effort to enshrine one more principle in the Canadian Constitution, the principle of Indian self-government. The motion leads us toward that. Yet nowhere do I see a very thorough analysis of what that right might do to the rights which were enshrined when we recently made those constitutional changes. We enshrined the concept of aboriginal rights.

Perhaps I could read into the record those parts of the Act affecting Indian people which came into effect when the Constitution Act was proclaimed in 1982. In section 25, we see that the following was the will of that Parliament and those bodies which signed that Constitution:

> The guarantee in this Charter of certain rights and freedoms shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada including
>
> (*a*) any rights or freedoms that have been recognized by the Royal Proclamation of October 7, 1763; and
>
> (*b*) any rights or freedoms that may be acquired by the aboriginal peoples of Canada by way of land claims settlement.

Section 35 goes on to say:

> (1) The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.
>
> (2) In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit and Métis peoples of Canada.

We went further by requiring that a constitutional conference be held within one year. It was the wisdom of Parliament, acting on the advice of a special joint committee which had laboured long and hard and sometimes under very difficult circumstances, to arrive at sets of words and principles that would lock in place something that the aboriginal people indicated to us was important to them and that they wanted. It also set in place a process.

I would like to take a moment or two to examine the process that was set in place. The conference that was required was held in March 1983. It was a First Ministers' conference attended by the two levels of Government that are recognized in the Canadian Constitution, namely, the federal and the provincial. The subject matter was the rights of aboriginal peoples, and they were represented at the table. The federal Government, the provincial Governments and the aboriginal peoples reached some accord and, perhaps more significantly, one of the items on which they agreed was to have a minimum of two further constitutional meetings before April 1987 for the purposes of identifying and defining the rights of aboriginal peoples.

In March 1984, the first of those conferences was held. It was another First Ministers' conference on the rights of aboriginal peoples, and no agreement was reached at that conference last March. The conference dealt with four items: equality rights; aboriginal title and aboriginal rights treaties and treaty rights; land and resources; and aboriginal self-government.

The Hon. Member who moved the motion that is before us today asked us to pursue actively a bilateral process. I suppose those words really twigged me. Because of our desire in the early part of the 1980s to change the Constitution and to enhance the position of aboriginal people in our society, we said that some things were possible and other things must come about through proper process. We decided on the proper process at that time and it involved the federal Government, the provincial Governments and the aboriginal peoples. It was a tripartite process. That tripartite process in the early part of 1985 has not produced the kind of final results that we as members of that committee envisioned back in 1981-82. I do not think I can go the second step and conclude that it will not produce those results. In fact, I believe that it is the most likely kind of process to produce the kind of results that we will be able to support, believe in and make happen in a consensus fashion.

I see this matter as being analogous to so many things that we have in our society. When all of the bodies that are truly and significantly affected by an issue are given the time, the proper atmosphere and the meeting space, though the process is a little sloppy and a little long, it does tend to produce decisions that have a great many more positive aspects than

negative ones. It tends to produce the kinds of decisions that do not have unintended side-effects which we do not value and cannot support.

• (1630)

It is the notion of process with which I most violently disagree in the approach which was recommended to us by the Hon. Member who moved this motion. After the Minister of Indian Affairs and Northern Development (Mr. Crombie) has travelled the country and met with aboriginal groups and when he goes to the conference table and represents the federal perspective, I think that by the time of the next conference there will be a better understanding. If the Government continues in a wide range of activities to act the way that it has, with the sense that this is a Confederation and that the consultation process is important and fundamental, then at the next conference on the issue which is of concern to us today there may be a change in attitude on the part of some of the provinces. That process may produce the kind of understanding which lies at the heart of positive and solid solutions.

For that reason I would urge Members not to be premature in starting a side process which would detract from the process which our best wisdom told us some time ago was the kind of process required to resolve the situation and advance the cause of aboriginal people. That is the goal. We want to improve the situation for aboriginal people in Canada. Most of us in the Chamber believe that the concept of self-government is at the heart of the solution. We might not all agree on exactly what that means, but we know that it is important for the people in local communities to have control over many aspects of their lives. When the provinces created municipalities, cities and so on, they gave democratic powers to people to elect representatives who would make the by-laws, to have their own police force, et cetera. The belief is that the people of the community know best how to run their community.

For decades aboriginal peoples have been denied that right. They were denied the right to vote for far too long. We are progressing to the point where it is essential to negotiate the concept of Indian self-government. I will tell Members that in those negotiations aboriginal people must be at the table, the federal Government must be at the table and the provinces must be at the table. If we are to change government and governmental arrangements in the country, all parties which are affected must be at the table. Then and only then will we obtain the correct solution, the most desirable solution and the solution which will endure and enable aboriginal people to prosper.

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, it gives me a great deal of pleasure to address this particular issue. As this is the first time I have addressed this House, I would like to begin by telling you a bit about myself.

I was born and grew up in Manitoba, which all Members know is the heart of this continent. My father was an immigrant who came to Canada in 1928 and established a farm. We are very proud of our achievements as farmers in Manitoba. My father achieved success at farming through hard work. It has always been the philosophy of our family that if one wants to succeed, one needs dedication and hard work. I suppose that is how I got here.

Some Hon. Members: Hear, hear!

Mr. Holtmann: My interest in this subject stems from the fact that I was always involved in agriculture and that I developed a business at one time which exported Canadian agricultural products around the world, particularly purebred hogs and cattle. I entered the field of exporting products to Mexico, which also has many natives who have problems. Mexico does not have a welfare system, or very many social assistance programs, but it has a good number of people who are at a poverty level far lower than what is known to people in Canada. However, Mexico managed to devise some programs which were absolutely fundamental in improving the standard of living for some tribes of Indians who live in the remote regions. They sat and collectively put together economic units with the help of the Government so that food and shelter would be provided. I was amazed at how effective that process was.

Over the course of the years, the Canadian Government has tried, but in many instances failed, to achieve the things it wanted because it did not consult with the Indians of Canada. In the last few months I visited all the communities in my riding, as well as many others, with the Minister of Indian Affairs and Northern Development (Mr. Crombie). All too often people told us that it was always the Canadian Government people who told them what they were going to get but they had never been consulted. I guess that has been the case over the last 100, 200 or 300 years. Not being there when it first began, I think the time has come when we have to sit, listen and discuss these issues with these people. They are just as important a part of our community and our country as any one of us. We should never forget that.

• (1640)

I think the meaning of the words self-determination and self-government have become very confusing to many people in this country. Many, many people will ask if this means we are going to give the Indians their own country. Are we going to have borders and they will have their own passports? People really do not understand what we are trying to achieve or what the natives of this country would like. I think it is up to us as Canadians to show them that what we are trying to do with the Indian reserves is to give them the same things we have in our municipalities. They should have the right, in a democratic way, to decide where they would like to put a ditch or new roads or what kind of development they want. Those things which we take for granted every day are the things that have been denied many of these individuals.

It is not a perfect world, Mr. Speaker. As these people come to my office, as I am sure they do to your office, to talk about their concerns, they tell us that the welfare system is hurting their people. I am often amazed that when these individuals come in they say "my people". Do you ever go home and say

about your community, "these are my people"? I am sure the only people you say are your people are the ones in your own house, and beyond that you do not care. But when they come to my office, they describe their community as "my people". I think that is absolutely wonderful.

Mr. Manly: A point of order, Mr. Speaker. I am sure that the Hon. Member would not want to insinuate that other Hon. Members do not care for their constituents. We often refer to them as "my people", and I am sure he would agree with that point.

Mr. Deputy Speaker: That is not a point of order.

Mr. Holtmann: Mr. Speaker, I do not know what problems the Hon. Member has, but I would like to continue if I may.

I would like to advise all Members of this House that if they do have Indians and natives in their area, they should invite them over to their offices and visit their reserves. There is a message out there for them. We have to work together to bring the needs of this group of people to a satisfactory conclusion so that they have the honour and respect they deserve.

Over the years, Mr. Speaker, we have instigated different ways to help through legislation. Yet when you talk to the particular bands, you find that all too often they are totally frustrated with the system. They have no way of finding out things which will benefit them without having to engage consulting firms. Representatives of one individual band came to me just to build a basic elementary school or upgrade the one they had. They had to come to Ottawa at least six times over the course of a year and go to the regional office in Winnipeg about 20 times and almost beg on their knees to get some funding for a school, which we back home take for granted. I want everybody to think about that. If you had to do that in your community, I am sure you would take up arms, and I would not blame you. But we expect them to work under that system. The bureaucratic system we have developed for those bands to achieve some economy is the most frustrating thing they have to deal with every day of their lives. That is what we have to change. We have to bring about some real stability in this particular area which I think has been lacking for too long.

Consider the fact that many Indian bands have 90 per cent unemployment, Mr. Speaker. Put the other way, only 10 per cent have jobs. Realistically there may not always be an opportunity for those bands to obtain an economic base which would allow them to achieve 100 per cent employment. We cannot put a parts factory or a lumber yard in an area where natural resources do not exist. Their past livelihood revolving around hunting or trapping is no longer available because the animals no longer exist. There is no realistic form of economic growth we could even dream up. Those are the realities. How we are to help them achieve an economic base is going to take the collective wisdom of everyone in this House.

I have taken my job very seriously in this area, Mr. Speaker. I have taken seriously the approach that was set out by our Hon. Minister, who has worked at least 14 to 16 hours every day to try to seek their guidance and consultation in trying to find a solution to some of these very serious problems. I believe the Minister's desire to make some significant changes during the mandate of this particular administration, and the one I will be a part of next time, is very honourable and the most dynamic piece of legislation to deal with the reserves which has ever come to Parliament. It is together with my friends in both Parties in opposition that we will work diligently to achieve this type of legislation. The most important point I would like to make is that we should consult with the individuals and their leaders from coast to coast so that their input is used to bring about policies which will help them in the future.

I do not know how much time I have left but I would like to indicate that the whole economy of Canada is a vital element in our attempts to carry out the many programs we would like to carry out in this Government. By getting our economy going we can obtain the funds we need to help these special interest groups. I do not see how we can continue to run a deficit, because the people we help will end up having to live with the deficit and find ways and means of paying it back. That is the situation we are in. Our desire is to bring Canada into the 21st century, to make it a dynamic and exciting place to live. But over the last four months I have sat here and listened to nothing but criticism from the opposition Parties. They never demonstrated a single way to stimulate the economy. The only way they want to stimulate the economy is to reach into someone else's pocket in some other country, bring some money in and keep it rolling at least temporarily.

Mr. Heap: That is what Mulroney wants to do.

Mr. Keeper: What about low interest rates?

Mr. Holtmann: There they are, Mr. Speaker. They did not notice when interest rates came down from 22 per cent to 13 per cent. Not one of them was excited about that. But it went up one half of a per cent and they are all crying and gyrating around the House.

• (1650)

Not too long ago I heard some of my hon. colleagues in the New Democratic Party saying that their policy is to use Canadian funds which are invested in banks to develop the country. Every six months the Premier of Manitoba would whip over to Japan and pull in $70 million. Then he would whip back over to Switzerland and haul some more in. However, that is not their policy. It just did not make sense. On the one hand they believed in one thing and on the other hand they believed in another. They do not know what they believe in but they will criticize anything we do. Let us get together on a policy like the one we were discussing before to get the economy going. I was surprised to see that they supported it.

Those are my real concerns in this regard. This particular resolution was not even necessary because the things indicated in it are happening. We have a Minister who is determined to make the necessary changes. He is on the right track. He has the consultation attitude which we never had in the 22 years of Liberal rule. This Government gives everyone an opportunity

to discuss. I suppose that is a wonderment to the NDP, which also sat in opposition in the Liberal administration. The NDP must notice the difference with our open attitude.

I have enjoyed speaking in the House for the first time, Mr. Speaker. I have got the shakes out of my feet now so you will see me rising to speak more often. I look forward to debating many subjects in the coming months.

Some Hon. Members: Hear, hear!

Mr. David Daubney (Ottawa West): Mr. Speaker, that is a tough act to follow. I would like to take this opportunity to congratulate my colleague on his maiden speech in the House. It was delivered with eloquence and compassion on a subject which is obviously important to him and to his constituents. I recall his telling me a week ago about his trip to the North with the Minister of Indian Affairs and Northern Development (Mr. Crombie) visiting Indian bands. I represent an urban riding in the City of Ottawa where there are no Indian bands and relatively few native people. In fact, the 100 or 200 who are there are probably employees of the Department of Indian Affairs and Northern Development. Despite that, I am glad to have an opportunity to take part in this debate on an important national issue.

The Hon. Member's motion says that the Government should consider the advisability of promoting Indian self-government. As the previous speaker made clear, that is one of the prime concerns of the present Minister of Indian Affairs and Northern Development and of the Government.

An all-Party special committee of the House, chaired by the Hon. Member for Cochrane-Superior (Mr. Penner), examined the issue of Indian self-government some time ago. This committee was unique in that it included an *ex-officio* member from the Assembly of First Nations and two liaison members from other native organizations. The special committee played a very important role. It clearly articulated the concerns, needs and desires of Indian people for self-government. It raised the awareness of Candians about Indian seelf-government.

The committee travelled widely in Canada as well as in the United States. It heard the views and experiences of many groups and individuals. The special committee's report was tabled on November 3, 1983, less than a year after the creation of the committee. It contained 58 recommendations concerning Indian self-government on a broad range of matters, some of which I will mention.

First, the principle of the constitutional entrenchment of self-government by which the federal Government would seek to establish a new relationship with Indian First Nations and confirm that relationship by means of a constitutional amendment.

Second, legislation as an interim measure to provide for recognition of Indian First Nations as well as to accommodate the full range of governmental arrangements sought by Indian First Nations.

Third, membership for Indian Governments and the process by which this would be determined.

Fourth, the federal responsibility for those people eligible for Indian programs but who are not members of Indian Governments, as well as responsibility to respect the rights and aspirations of all Indian people.

Fifth, the process for recognition of Indian First Nation Governments.

Sixth, the scope of powers for Indian Government, including legislative and policy making powers, control over territory and resources within Indian lands, with the exact scope of jurisdiction to be negotiated by individual Indian First Nations.

Economic foundations for Indian self-government were also included in the recommendations, including adequate land and resource base, settlement of claims and funding. Another recommendation was fiscal arrangements to support Indian First Nation Governments. Also included were lands and resources for Indian Governments, the extent of control, and the various means to achieve full control of Indian lands and resources. Another recommendation was the resolution of claims, including the principle for a new claims process. A further recommendation was the trust relationship between the federal Government and Indian First Nations and the need for it to be renewed and enhanced through constitutional amendment, legislation, and other means. One final recommendation that I will mention was the idea of trust accounts for Indian First Nations and the means by which they should be transferred from departmental authority. There were many other recommendations but those were the most important, Mr. Speaker.

A response to that special committee report was tabled on March 15, 1984. It responded only in a very general way to the recommendations. Moreover, the general framework legislation on self-government for Indian nations, which was proposed in the response and which was introduced in the final days of the previous Parliament, left many issues still not resolved to the satisfaction of Indian peoples.

Key issues surrounding the process of recognition or the type of powers for Indian Governments were not simply or directly handled. The economic foundation and lands and resources relating to self-government were not addressed comprehensively but were left for future work.

This piece of legislation has been harshly criticized by members of the previous Government who called it "an inadequate flawed Bill . . . totally unacceptable". There are many issues on self-government which need to be considered, Mr. Speaker, which were not fully dealt with in the previous response to the report of the special committee. These issues

were not fully dealt with in this proposed legislation. It now rests with the Government and this Parliament to consider these issues more fully.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

Indian Self-government

[*Translation*]

It being five o'clock, pursuant to order made Wednesday, January 23, 1985 and pursuant to Standing Order 3, this House stands adjourned until Monday, February 25, 1985 at 11 a.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, February 25, 1985

The House met a 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed from Friday, February 15, consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a few words to contribute to this debate regarding the Small Businesses Loans Act. I want to indicate the negative impact that this Bill will have as it relates to high unemployment areas in Canada.

In order to facilitate loans to businesses, whether it be a Government program or strictly a bank program, one must realize that various areas of Canada have different needs. When considering the Federal Business Development Bank or the Small Businesses Loans Act, one must realize that there are certain areas of Canada that need that legislation in place in order for them to deal with the banks or with the federal bank itself. While it may be feasible to discontinue the operation of the Federal Business Development Bank in certain parts of Canada—there appears to be an opinion in the Chamber that the bank may have outlived its usefulness in certain parts of this country—I can assure the House that that is not the case in the high unemployment areas of this country. Due to the attitude prevalent among the banks and private lending institutions in those areas, it is very difficult for a businessman to obtain loans at various times for various businesses.

The same is true of the Small Businesses Loans Act. I believe it is a step backward for the House to pass legislation that imposes restrictions on the granting of those loans and the cost of those loans to a small businessman. I refer specifically to the provisions of this Bill which will impose a fee on the bank to pay the federal Government for issuing the loan.

The representations made to the standing committee by both associations that represent small business in this country have suggested that that mechanism be transferred to the lender. I believe this suggestion goes back to associations that look at business on a national scale, that average it out across the country, whether or not the area is rich or poor, whether or not business opportunities exist, and more importantly, what the attitude of the lending institutions is in that particular area of the country.

According to this Bill, the Government will no longer allow a 100 per cent guarantee on the loan issued by the bank. Instead, there will be a retraction to 90 per cent of the total value of the loan. Again, this presents a flaw for the business community in eastern Canada, specifically in Atlantic Canada.

We should remember that when a businessman obtains a loan under the Small Businesses Loans Act or from the Federal Business Development Bank, it is only for a portion of the total amount needed for that business. I am not aware of any loan program that is guaranteed 90 per cent, 100 per cent or even 75 per cent by any Government agency in this country. In other words, even under the Small Businesses Loans Act the businessman must contribute a portion of the total cost depending on the type of business he is expanding or setting up. It can vary from 10 per cent to 20 per cent according to the Small Businesses Loans Act.

The small businessman has an investment that he must protect. It is not, as the two organizations representing small business in this country have improperly stated, a give-away to the businessman at all because he is taking the risk and if he does not pay up he will lose his investment and perhaps his entire life savings to that business expansion or creation. We should remember that when dealing with this legislation.

The two main aspects of this Bill include the fee which is imposed on the bank in order to utilize the Small Businesses Loans Act and the reduction of the Government guarantee from 100 per cent to 90 per cent. There is a third factor to this Bill that I do not believe has been referred to by parliamentarians so far. It is that the regulations under this Act as they relate to the fee and to the very mechanism of the Small Businesses Loans Act can now be changed by the Minister through Order in Council, through regulations. That should be a primary consideration for Members of the House when this Bill goes to committee in attempting to determine whether or not it is beneficial for the Minister to have ultimate power with respect to future changes to this legislation.

• (1110)

When you look at a Bill such as this one before the House of Commons, Mr. Speaker, you tend to think that perhaps the Government is doing something for business in all areas of this country. That brings to mind the fact that there are regions that are different. There are businesses present in certain areas and in certain provinces that are not present in other areas. I

give as an example the Atlantic Provinces. Sometimes the presence and encouragement of small business is not paramount in the minds of Governments when they make decisions, and it should be. For instance, I was very pleased recently to see an agreement signed between the federal Government and the Government of Newfoundland regarding offshore resources. I was pleased to see that because it brought to an end years of wrangling, years of political argument—and I say political because it was more politics than anything else. I did not really become involved in this political argument up until now because I did not really believe it would have any great impact on my district on the northeast coast of Newfoundland. I believed it to be more politics than anything else.

When I looked at the Atlantic Accord—and it is interesting that it is called the Atlantic Accord and not the Newfoundland Accord—which was signed by the two Governments, I noticed that the one grave error in the agreement was that it neglected to recognize the importance of business being established in the Province of Newfoundland as a result of the utilization of that natural resource. That is a tragic error, Mr. Speaker. It is an error which I believe in 20 years' time will probably be seen to be the greatest error in Newfoundland's history.

I have a reason for saying that. Section 54 of that Agreement says that that natural resource, offshore oil, will be treated as if the natural resource were on land. But then Section 54 says that that resource must go first to existing industries in eastern Canada that utilize oil. Then it says that in excess of that a new industry will be allowed to be established in the Province of Newfoundland. It goes on to say in the agreement that Newfoundland will receive *x* number of dollars into the provincial treasury, which is a good thing for the operations of the Newfoundland Government and in providing services to the people of Newfoundland. That is what all the hoopla was about. That is what all the press conferences were about. That is why the Prime Minister (Mr. Mulroney), the Minister of Energy Mines and Resources (Miss Carney), the Premier of Newfoundland and the Government of Newfoundland were so happy.

But hidden in that Accord was that one clause that discriminated against business. It discriminated against business and it discriminated against future small business that could be established in the Province of Newfoundland. I say it is an error because no matter how much money you give to a Government it all boils down to how much money is in circulation with business in that province; because that is what determines the prosperity of that province in jobs. I say that because when I look at the Province of Alberta, the Province of Saskatchewan or the Province of Ontario, one can see how a natural resource then leads to the establishment of small and big business relating to that resource if it is utilized in the proper way. I am referring specifically to the petrochemical industry and to the chemical industries which are primarily offshoots of oil refineries in the country. This is where we see the jobs. This is where we see small businesses and big businesses setting up.

• (1115)

The Minister of Energy says that after eastern Canada is taken care of we will have businesses operating in the Province of Newfoundland and utilizing that offshore resource. Then I read in the statement that there was perhaps a billion barrels of oil in eastern Canada off the coast of Newfoundland. That sounds like a lot. That sounds like businesses could establish in Newfoundland. However, a billion barrels of oil is only a thousand million barrels of oil; that is all it is. When we look at the production in Alberta and at Canadian production, which runs over 300,000 cubic metres per day, and we multiply that by 365 days, and when we look at approximately 1.3 million barrels per day being consumed in the country, we quickly realize that at best, so experts claim, with the one billion barrels of oil we can take care of Canadian needs for about 2.2 years or 2.4 years, no matter how we look at it.

Then if we examine eastern Canadian consumption in the refineries in the petrochemical industry in the Province of Quebec—and I am thinking about Petromont which is in the area represented by the Hon. Speaker who is in the chair today—somehow we believe that under this agreement we were more concerned as a national Government about the future of Petromont than we were about the establishment of new business in Newfoundland.

There is a reason for saying this. I should like to deal with capacity in eastern Canada because that is the only thing to which Hon. Members can relate as far as refineries are concerned. When we look at the capacity, it works out to about a third of the total capacity for all Canada.

Mr. Dick: Small Businesses Loans Act!

Mr. Baker: I hear the Hon. Member. I am developing an argument here that the Government should pay more attention to the establishment of business than to its own coffers and the collection of money from the Small Businesses Loans Act.

When we look at the total consumption, a third of Canadian production, we see that Hibernia will last for about six years if we use the total consumption. That is not counting the petrochemical industries to which I referred earlier in the Speaker's riding. That is not referring to the 16 petrochemical plants in the Province of Quebec. That is not referring to the refineries which have been moth-balled in Montreal and in Point Tupper, Nova Scotia. At a very conservative estimate, for six to eight years we would just maintain the consumption capacity of refineries in eastern Canada. If we suppose they operated at 50 per cent capacity, then we would be looking at 12 or 14 years to support eastern Canadian oil refineries. As I said, that does not take into account Petromont or the other 16 petrochemical plants in Quebec. It does not take into account their consumption or the consumption of moth-balled refineries in eastern Canada. When we add it all up, it comes to a bad deal.

• (1120)

Perhaps I am the only politician from Newfoundland who would say that it is a bad deal. In fact, in discussing the Small Businesses Loans Act, I would have to say that it is probably

the biggest rip-off in the history of Newfoundland. In dealing with the Newfoundland offshore resources, you cannot lay down in the Accord to be passed in legislation in this Chamber and in the Newfoundland legislature that for all time you are not allowed by law to have a business operate in the Province of Newfoundland utilizing the resource from offshore Newfoundland. That is Section 54 of that Agreement, in case the Minister of Energy, Mines and Resources is listening or is at all interested in what I am talking about.

Section 54 of that Accord has to be changed. If the Government of Canada is really interested in business, that section will be changed. I do not believe it will be though, because the Accord has received general support in the Province of Newfoundland and from the Newfoundland Government. When you look at actions of Government that support and encourage the establishment of a small business, perhaps you should look at the actual impact of large decisions made by this Government concerning agreements reached with provincial governments.

Supposing a law were passed in this Parliament forbidding the Province of Alberta from developing any more oil refineries or petro-chemical industries using its own oil. There would be an outrage; it would not be allowed by the Alberta Members of this Chamber. But that is exactly what has happened in Newfoundland. I notice that you indicate I have only a minute left, Mr. Speaker. I have not yet got around to actually discussing the Bill.

In conclusion, the Bill before us today is a concoction of a national mind that is centred somewhere in a rich province in this country or was judged on the national average of the needs of small businesses. I do not doubt that it is good for certain provinces, but it is not good for the provinces of eastern Canada. The banks will now have to pay a fee to the federal Government when granting a loan. The loan guarantee will be reduced from 100 per cent to 90 per cent of what the bank loans to the businessman, which is not the total value of the loan. The regulations and basic changes to the Small Businesses Loans Act will now be made by the Minister without having to come to this Chamber. I encourage the Government to realize that there are various regions in this country and that the regulations concerning those three points should be changed when the Bill gets to committee.

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member for Gander-Twillingate (Mr. Baker). The statistics on small business loans show a large increase in use since 1978 with the more appealing interest rate following the change from fixed to prime plus 1 per cent. Can the Hon. Member comment on the proposed change of a 1 per cent user-fee and also the change to the 90 per cent guarantee? Will those proposals have the same good effect that they had in 1978 or will it be the opposite?

Mr. Baker: Mr. Speaker, obviously it would have a detrimental effect on those people who are seeking loans from the banks. It will certainly be a hindrance in the area of Canada that I represent.

• (1125)

It has just come to my mind, Mr. Speaker, since I really did not have time to deal with the Bill, that under the Small Businesses Loans Act and other legislation concerning the Federal Business Development Bank it is quite unfortunate that there is really no provision to help a small business over a rough time. A business could be a sound business during the summer months. We can think of many businesses like that. Then along comes the wintertime and perhaps business drops. The businessman gets into trouble, perhaps because of another problem he has, in the month of January or February.

That is where these loan programs fall down. For businessmen looking for operating capital, there is no legislation on the books to really help them in that kind of a tight situation. That is indeed unfortunate when one considers that this man has put his life savings into this business as the 20 per cent investment he must make according to the Act.

Mr. Crosby: Mr. Speaker, I have a comment and a question for the Hon. Member. In his address this morning to the House, and also last week, he has criticized the Accord reached between the Province of Newfoundland and the Government of Canada. He knows more than any of us the difficulties which have occurred in the development of offshore resources in Newfoundland over the years because of the inability of the previous Government of Canada to reach an agreement with the Province of Newfoundland.

In his criticism the Hon. Member keeps harping on one particular clause, being Clause 54. He evidences again the attitude of friction created between Newfoundland and the previous federal Liberal Government. The Hon. Member should consider the need for recognition of the fact that in all of these matters there must be balance. That is to say, we have to balance the national interest with that of the provincial. In this Accord we have seen that balance reached to the satisfaction of both parties.

Therefore I ask the Member whether he, in the interests of the one provision of the Accord which he finds offensive, would destroy the whole agreement reached between the Government of Canada and the Province of Newfoundland? Would he put the province and people of Newfoundland in the position they were in for so many years under the federal Liberal Government of not knowing how or when their resources were going to be developed, at a great loss to the people of Newfoundland in terms of jobs and economic development of all kinds? I would hope he would see the light now that the Accord is in place. I would hope that he would look at it with a positive frame of mind, try to determine how it can be improved, and not reject it because of one provision to which he has some minor objection.

Mr. Baker: Mr. Speaker, it is rather interesting to listen to the Member who represents Nova Scotia. I would say he represents Nova Scotia before he represents any other place in this country. He knows full well that that very clause is in the Nova Scotia Agreement. But the difference between Nova Scotia and Newfoundland, the difference between New Bruns-

wick and Newfoundland, Quebec and Newfoundland, is that Newfoundland does not have an operative refinery at this moment. Nova Scotia has in Dartmouth and Halifax. The refinery in the general area the Hon. Member represents is undergoing extensive renovations and upgrading and expansion, waiting for the offshore oil from Newfoundland. There is a refinery in Port Tupper which was moth-balled in 1980.

It is fine for that kind of a clause to be in an agreement with Nova Scotia or Quebec or New Brunswick, or any of the other provinces with refineries or petrochemical industries. The Hon. Member even has Esso Canada and a petrochemical industry located in Halifax. But Newfoundland is signing an agreement with nothing in place it can take advantage of. I would like to have two hours to explain why it is an incredible error.

• (1130)

The point is that we do have two refineries. The refinery at Holyrood was dismantled by Ultramar. It was a small operation of 1,900 cubic metres per day. The other refinery, in Come-By-Chance, is owned by Petro-Canada. Petro-Canada wants to dismantle that refinery. Perhaps the Minister of Energy, Mines and Resources can save some face by telling Petro-Canada to reopen the refinery in Come-By-Chance. She should tell them to reopen the refinery to get at least some spin-off from offshore oil.

To answer the question of the Hon. Member, the point is that if I were in his boots and represented Nova Scotia I would say that clause was marvellous. He knows that in Halifax, Dartmouth and Point Tupper there is enough capacity to take all the offshore oil in the Province of Nova Scotia.

Mr. Deputy Speaker: I will recognize the Hon. Member for Carleton-Charlotte (Mr. McCain) on debate.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is too bad the Hon. Member for Gander-Twillingate (Mr. Baker) mixed a few rotten apples in the barrel of his otherwise relevant speech as it related to Atlantic Canada. I have certain points in common with him, and we have often found ourselves supporting the same idea. However, during the last ten years the Hon. Member has not spoken with the same strength and conviction, on behalf of Atlantic Canada, which was found in his remarks today and in other remarks which he has recently made. Whether the remarks were related to fishery, small business or the general economy of Atlantic Canada, often ideas which were not productive or helpful to Atlantic Canada slipped through without the negative comments which were made today.

No matter what may be said about the Bill, at least it recognizes that the Act was outdated, and the definition of small business was not relevant to today's needs. Those problems have been addressed. However, there was no recognition of the good points of the Bill by the Hon. Member, nor of the oil agreement in Newfoundland.

Prior to the oil agreement which was made by this Government there was no hope or opportunity for Newfoundland in obtaining any reasonable benefit from the extended 200-mile limit. We must recognize the value of good things and not be totally negative, as the Hon. Member for Gander-Twillingate was in his remarks. It is not typical of him. However, he might have changed his ideas because he is now sitting on the other side of the House.

Small business in Atlantic Canada is the lifeblood of that economy. No matter where we may be in Canada, in the main we depend upon the natural resources of the area—the fish, the forest and the farm. Small business, as it was and as it is defined, may not have a high enough limit with the $2 million limit in sales. I can think of one company which employs 16 or 18 people and probably has $2 million in sales. How are those sales to be measured? Are the sales to be measured as part of the increased value which is added by the assembly of parts, or are the sales to be estimated by the total sales going through the door of the business, including the prepared components which were assembled into the sales unit? If it is the total components of the sale, then too many small businesses will find themselves in a very disadvantaged position. I sincerely hope that the regulations under this Bill will enable the $2 million to be value-added rather than the total sale of the components which are purchased and resold by small business operations.

I am very disappointed in the attention which the former Government paid to tourism. I hope the small business people of Atlantic Canada will have the benefit of promotion by the Government of Canada to enable them to utilize the present value of the dollar. When the dollar dropped to the 80-cent level, it was seen by most Canadians as deplorable and a reflection of the economic health of the nation. At that time tourism in Canada should have been a competitive and attractive market for foreigners travelling to Canada. There was a time when it was rumoured that the Liberal Government, over the past 15 years, did not choose to advertise Canada as having a cheap dollar and that tourism should have expanded as a result of that dollar. Therefore, the brochures and the publicity which were distributed by Canada made no effort to exploit the value of the Canadian dollar versus the U.S. dollar.

The biggest potential source of business for Canada is in the United States. There are other important sources, one of which was choked off from Japan by the elimination of certain VIA Rail routes. That was a major choke on the tourist industry in western Canada. However, the U.S. dollar, which at present will cost Canadians approximately $1.35, puts Canada in a position of attracting people for vacations, whether in summer or winter. We are not giving enough promotion to the small businessmen in the tourist industry. However, I wish to compliment the Minister of State for Tourism (Mr. McMillan) who has made it clear that he will go to the world market to attract people to Canada. Small business can be addressed. Perhaps this Bill will be helpful to those people in the tourism industry.

I am concerned about the attitude which has been taken by the Federal Business Development Bank. The policy of the FBDB has not changed as much as I had hoped. I see the bank as one which should be prepared to take some risk. It should

be a bank which is available to borrowers in order that they can expand their businesses. For example, I know of a gentleman who approached the FBDB having been recommended by a credible accountant and the development council of his community. He also had the support of the Province of New Brunswick, which indicated that if the bank would give him the loan it would support the loan with a grant. Before the election last summer, after encouraging the man, the bank virtually said that he would get the loan. Now the bank has refused the loan and has refused to meet with the accountant, the applicant and the representative of the industrial development structure in the provincial Government. The opinion was that the risk was too high, yet that gentleman would have employed 20 people in an area where employment is virtually unavailable to the category of people whom he would employ.

I think the FBDB must be channelled in a direction in which there will be more risk taken. Of course, it requires an element of skill and supervision capability. In other words, it should keep an eye on the business to which it lends the money to determine whether the borrower is in fact operating efficiently, effectively and exploiting the market opportunities which are available to the business. We require more competence in that regard.

● (1140)

There are a good many small-businessmen in my community, Mr. Speaker, which rely on the forest. I am probably repeating what I have said more than once over the last 12 years in this House, but I must say that one of the small business groups which is in the most serious trouble is that small guy who may have a woodlot and earns his living cutting wood for market. This small-businessman is being put out of business because of an inadequate policy on forest protection in this land. That does not only apply to Atlantic Canada but across the board.

I want to say to you, Mr. Speaker, that I feel that if this small business development structure is to be pursued, the protection of our primary industry must be addressed. Every province in Canada needs the highest possible competence and capability in the protection of our forest industry, an industry in which so many of the people of Atlantic Canada are employed. One-third of all new employment in New Brunswick is reputed to be attributed directly or indirectly to the forest industry. Yet we are going into the woodlots and Crown lands of New Brunswick and instead of preserving them green, we are trying to salvage what we can of dying or dead forests. This is something which every Government must address in a proper way. I have every respect for the environment of this country and I believe, Sir, that the multitude of products which science has developed should be evaluated to determine what is the safe way to go about forest protection as it relates to the budworm and other insects.

I am concerned about the farmer. While he has limited access to small-business loans, he does not have adequate borrowing capability in order to make his operation a success and the interest rates on his loans are absolutely killing him, particularly old mortgage loans which have not been renegotiated and are excessive in their costs to the farmer.

This problem was addressed by the former Government by saying that these small-businessmen should be paying their own way on a user-pay basis. We are now looking again, I understand, at the possibility of agricultural inspection fees, food inspection fees being assessed on a user-pay basis. This is an industry which has already had a declining net income, has had that problem nearly every year for the last five years, and the imposition of a user-pay structure is not in the best interests of those small business people. Perhaps it cannot be addressed in this Bill but it is a subject matter which at some time has to be addressed.

The productivity of the people of Canada does not compare with that of other nations. I say to you, Mr. Speaker, that we must do what can be done to encourage increased productivity at all levels. I was very concerned when I read in *The Financial Times* of Canada this morning that our productivity was not going forward because at this moment in time we do not have the upsurge in the economy which would encourage expansion which, in turn, would encourage increased productivity. While I am quite prepared to say that foreign economies do have an impact on Canada, I am not prepared to say that foreign economies should be considered to have the impact upon our productivity which would not allow it to go forward as it should. This is something which I feel we have to address.

The Hon. Member for Gander-Twillingate addressed the plight of Atlantic Canada. Atlantic Canada was very pleased when the frigate program was awarded to the Saint John Shipbuilding & Dry Dock Co. Ltd; it appeared to be a great bonus for Atlantic Canada. But after the award was made, it was then that the nitty-gritty negotiations began to take place, and even though the prime contractor is located in Saint John, New Brunswick, we find that only 28 per cent of the man-days which will be required in the construction of those frigates will remain in the Province of New Brunswick. The former Government found every possible way to spin off every possible advantage to other sectors and other provinces in the Canadian economy. I say to the Hon. Member for Gander-Twillingate that, while he may not like the oil deal, there are certainly a lot of Atlantic Canadians who are very disappointed in the situation we now find ourselves in as it relates to the building of the frigates for the Canadian Armed Forces.

I would like to read part of a letter I received which I think indicates both the ability of small business to take advantage of the legislation which we are now discussing, and as it has been in place historically. I think it also places a very major emphasis on the need for this new legislation and perhaps a reconsideration of some of its aspects. The letter was written by a gentleman from Hartland, New Brunswick, Mr. Gary Foster, who is a member of a family which has developed a very important employment structure in our province and who has at the same time succeeded as a small-businessman in a very major and admirable way. I quote just one paragraph:

As you are aware, I have had considerable success in the operation of a linehaul truck brokerage company. Much of the success of this corporation has

resulted from its ability to utilize the small business deduction and a conservative dividend policy which permitted reinvestment in the business. The profits kept in the Corporation created employment, and increased the over-all economic well-being of Carleton County. The tax incentive created by the small business deduction has worked optimally both in theory and in practice in the development of my business.

That man, Mr. Speaker, led by his father initially, has made as much progress in the trucking business as anyone could ever hope to make. He is employing well over 100 people in the County of Carleton and its surrounding areas. The importance of this Bill, its expansion and the change in its regulations, are of very major concern to our community. I think we have to give more incentive to small business because small businesses in Atlantic Canada are, in the main, of the family and local type. With the exception of the large pulp and paper companies and perhaps the Irving Oil structures, the vast bulk of business in Atlantic Canada has been created by family-operated businesses, whether it be the Ganong Brothers in St. Stephen with their chocolate product, the McCain Brothers in Florenceville with their food processing industry, or any number of others I could mention. It has been the family operation which has created business and employment and which has been the initiator of all the main and important business in our area. But they can only go forward if there is an element of tax advantage.

Something else these people need is a complete knowledge of the marketing of the product which they produce. It is unfortunate that the small business guy does not know where his market may lie or what its potential might be. I would like to see the circulation of information on our market capability so that we could reach a point at which a manufacturer of a particular product can be listed and all of the producers in Canada could in fact be circularized as to what is the potential market for that product. I am absolutely convinced that we do have the imagination, the investment capability,—the workforce and the productivity potential in Altantic Canada to be an important contributor to the small business sector of Canada. However, the small business sector does need leadership. It does need this legislation which expands the opportunity to keep the profits in the company so that the company in turn can expand.

● (1150)

Three things are needed. The first is the circulation of information to small businessmen to enable them to understand the market potential outside the community. The second is for this Act to receive quick passage. The third is for the Government to study the capacity of the Federal Business Development Bank making more credit available. The Canadian banking system today does not lend itself to recognition of the potential and capability of the small businessman. Hundreds of millions of dollars, or maybe even a billion dollars, will be lent to an organization such as Dome. However, $50,000 for a small businessman in rural Atlantic Canada is considered excessive.

Let us establish a credit line. Let us establish the small business structure under this Act. Let us attempt to feed them the market capabilities as well as giving them a credit line to enable them to get the business in the first place.

Mr. Henderson: Mr. Speaker, I enjoyed the speech of the Hon. Member for Carleton-Charlotte (Mr. McCain). Over the past number of years I have served on Fisheries committees with the Hon. Member. On many occasions I found that we shared some of the same problems, as we both come from Atlantic Canada. I know of the interest of the Hon. Member in the areas of agriculture, fisheries and forestry.

The small business sector in my constituency is possibly even smaller than that of the Hon. Member. However, we do have an agricultural community. I am sure the Hon. Member would agree that there are tremendous problems in the agricultural industry today. Prices in the potato industry were extremely depressed again this year. Producers tell me that they are selling potatoes at more than one cent a pound below the cost of production. There are severe problems in the pork industry. The only sector of agriculture which is doing reasonably well is the milk industry.

The Hon. Member mentioned user-pay on inspection. From what farmers tell me I believe that the user fee for potato inspection will be extremely detrimental to the industry at this time. Producers believe, and I agree, that inspection is a protection to the consumer and should be paid for out of general revenue. Would the Hon. Member like to comment on that? It is a problem which is very serious for potato farmers in Prince Edward Island and is probably equally as serious for the potato producers of New Brunswick. Would the Member comment on whether he and other members of his caucus from Atlantic Canada feel that there should be any kind of inspection fee imposed on the potato industry?

Mr. McCain: Mr. Speaker, I share the concern expressed by the Hon. Member for Egmont (Mr. Henderson). Considering the evolution of government and policies over the years, I am very concerned about the change of priorities which has taken place in government expenditure during my lifetime. There was a point when there was no consideration given to the idea of user-pay for government services. The Government of Canada felt that was its responsibility for the protection of consumer and producer as related to food. Even in the 1930s when money was scarce there was no charge for potato seed inspection. There may have been a registration fee for the applicant, but that was minimal. There was no charge for meat inspection in the abattoirs.

I ask all Members of the House what has happened to our priorities in this country. We have moved ourselves so far in our field of expenditures that we can no longer treat the citizens of Canada in the primary fields of production, and particularly in the area of food, with the same protection for the same fee that was applied in the 1930s. As a matter of fact, it was not until 1968 that our budget expenditures got so out of control that in total desperation the economists, the Cabinet, and the Department of Finance as a whole, began to look for ways to raise money to operate the oligopoly of government which is so huge that it is no longer in control.

I am very concerned about the charges which were imposed before 1984 and are still under consideration in 1985. In some way or another the thinking of government and its finances has lost sight of the services which were basically assumed, whether the repair of small craft harbours, the supervision of budworm spray, or the inspection fees for food products in all of Canada in all its spheres. We seem to have lost sight of the capability that we had to extend services at a reasonable fee. We seem to have lost control of our expenditures to the point where we are desperate. We were desperate before September 4, 1984, and there are signs of desperation in 1985. It is a chronic problem. How do you get the balance of expenditures into place in order that the proper services can be rendered?

Mr. Baker: Mr. Speaker, I have a question for the Hon. Member in relation to his reference to me at the beginning of his address. Aside from yourself, Mr. Speaker, and the Member for Halifax (Mr. McInnes), the third person in the Chamber who would be very happy about the offshore agreement and the possibility of guaranteed oil supply for years to come would be the Hon. Member who just spoke. The largest oil refinery in this country is not to be found in Alberta or Saskatchewan. The largest oil refinery in the country, with a capacity of 37,000 cubic metres or 220,000 barrels a day, is in Saint John, New Brunswick. The hon. gentleman made reference to it in his speech. I can see why he is very pleased with the offshore agreement, although I am not.

The hon. gentleman made another statement concerning the fact that I now appear to be outspoken. He intimated that I previously was not. The most outspoken person in this Chamber for the past six to eight years on forestry policy is the hon. gentleman who just spoke. He was at complete odds with government policy as it related to budworm spraying and the forest industry. Does he still hold those views as firmly as he did when he was in opposition? Has he seen the light and changed his mind?

● (1200)

I completely disagree with him on the method of his forestry policy. Is he opposed to the present Minister of State (Forestry) (Mr. Merrithew) or is it too early for him to take a public position on the question of spraying with Matacil and Fenitrothion and other chemicals?

Mr. McCain: Mr. Speaker, I have not changed my position at all. The Hon. Member can speak to the Minister responsible for forestry and other Ministers if he doubts that.

My position was that North America could not feed itself from its agriculture without the chemical advances that have been made. Canada and particularly Atlantic Canada cannot provide employment and a viable economy without a productive and viable forest. We are very dependent on that sector. The Hon. Member's constituency is no different from mine and may even be more dependent on forestry than my constituency.

There is a safe way to protect the forests and we should find it, because if we wait much longer there would be a 10 per cent reduction in employment in that area of New Brunswick along with a very rapid escalation of unemployment as a result of improperly nurtured, sprayed and harvested forests across Canada. I have not changed my position and I will continue to pursue it as much as I have in the past.

Finally, the largest refinery in Canada is operating at a very low percentage of its production capability because the Liberal Government pictured Canada as an unreliable source of energy. Its markets on the eastern seaboard of Canada were cut off, as they were for Come-By-Chance—

Mr. Hopkins: That is absolute nonsense.

Mr. McCain: It is not nonsense. There is no question that the Come-By-Chance refinery was built to export oil to the United States. The Hon. Member will not argue with that. But the market was lost, as it was lost to the refinery in Saint John.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise today with no great sense of enthusiasm or moment as regards the contents of Bill C-23.

An Hon. Member: Why did you get up at all?

Mr. Parry: My hon. friend asks me why I bother to get up at all. Let me tell him that at least I will be able to set a standard of relevance better than the 5 per cent that was voluntarily confessed to by my friend to my right. I trust that he will not unduly embarrass his colleagues by keeping such a high standard of relevance in his future contributions in this Chamber.

I believe that the proceedings we have witnessed this morning indicate what I believe to be a major flaw in Bill C-23. Although I support the Bill in principle, the debate we have heard not only from the Official Opposition but from the Government clearly indicates to me that Hon. Members would much rather be discussing substantive questions of economic development and concerns for the future of this country's energy industries than discussing a Bill which merely papers over cracks, tinkers, embellishes and makes minor changes to the substance of long-standing legislation.

While I intend to discuss the merits of the Bill, its very presence in this Chamber indicates a certain lack of initiative and commitment on the part of the Government to introduce legislation that would seriously address the problems facing our country.

My Party can support the majority of changes made by this Bill in the existing regime of small business development assistance in this country. I have had some first-hand experience with that assistance regime and I must say that I find it inadequate. After six years as a small business proprietor and another two years as a partner in a small business enterprise, I can say that the assistance that was offered left much to be desired. This was also the impression of my clients and my colleagues in the small business sector with whom I dealt.

The election campaign of last summer and the rhetoric we have heard resounding across the floor constituted the million

dollar wind-up. Indeed, Bill C-23 is the 10-cent pitch. Let us never forget that the small business sector in this country employs more workers than large corporations and more workers than governments at every level. Unlike many large corporations, 98 per cent of the small businesses in this country are Canadian owned and the profits, by and large, are used for new investment and job creation in Canada.

The last four or five years of unlamented maladministration by my colleagues to my right took a serious toll on Canada's small businesses. In 1981 and 1982 over 20,000 of Canada's small businesses went bankrupt, with an estimated loss to the Canadian economy of approximately $3.5 billion. Of course, nearly all thé businesses that went bankrupt were small businesses. In the case of small farm businesses, bankruptcies continued at record levels through 1983.

We have an image of a sector that is under siege. Does the Government do anything to lift that siege as a result of this Bill? I think not. Rather, I believe the Government has taken the existing Liberal program and has chosen to make minor amendments to the details. Of course, we do not know if the blood on the floor after the execution of "Erik the Red" will include the blood of small business.

The small business sector is one which has potential and vitality and has contributed enormously to Canada's development in the past. It is always said that the railroads built Canada, but we should remember who built the railroads. While the CPR and the precursors and predecessors of the Canadian National railroad built Canada to a point, let us not forget that small contractors logged off the right-of-way, contractors brought in the labour, often with a tragic toll due to accidents and disease. They built the roadbed, sometimes with contracts for a mile at a time. Entrepreneurs undertook the blasting, crushing and cutting of ties and indeed the haulage of many of the commodities that served the construction of the railroad. We should also remember the supply chains that were set up on a private basis to build those railroads that tied our country together.

While that participation has obviously changed form, we must ask to what extent that participation has been recognized by the Government as we debate this legislation. The recognition has been scanty indeed. The Minister of Regional Industrial Expansion (Mr. Stevens) shed a "tier". He shed tier one of the IRD program. He cut off a large number of small businesses that could have used that program for further development. Let us simply hope that the Minister has no more "tiers" left to shed.

• (1210)

Let me review the deficiencies as well as the substance of the Bill. We have an additional $300 million granted to the total amount of loans permissible, and that we can all applaud. We have a new lending period and new limits established with the administrative facility to amend those without bringing them back to the House. We have a fee of 1 per cent of the value of the loans imposed. That is certainly something of questionable merit which must be debated at the committee stage. On the one hand it is the recognition of the $43 million lost over the last financial period and the Government's need to ensure that the banks are simply not giving out the Government's money without any recourse or comeback under the Bank Act.

We also have the proposal to change the underwriting from 100 per cent to 90 per cent. I think that is something reasonable and supportable. After all, the current experience surely indicates that some money has been going out of this program to projects which the banks would not be caught dead looking at if they were looking at them with a view to lending their own money.

The definition of small business is adjusted routinely to account for inflation. The other amendments, after all, are largely of an administrative and detailed nature.

The benefits of this program we feel do indeed outweigh the costs. Let us look at some of the benefits which the Government could be giving to small business if it were prepared to make a serious effort to support the small business sector of this country and to give it the support that would reinforce its strength and enable it to grow further.

Let us look at the possibility of providing stable interest rates. I was practising as an accountant and small business consultant in the years of the last depression, 1980 through 1983.

Mr. Turner (Ottawa-Carleton): "Recession."

Mr. Parry: Depression. My hon. colleague says recession. I am sad to hear him defending the Liberal Government's record like that. It was a depression. If it was't in his riding, it certainly was in mine.

Mr. Turner (Ottawa-Carleton): I am sorry.

Mr. Parry: Apology accepted. I would have to say that there was no single cause of difficulty, no single cause of small businesses going out of business in that period, other than the cause of the instability of interest rates which left small businessmen in a state of shell-shock in many cases. They saw interest rates rise in a matter of months from perhaps 15 per cent of their total overhead, below the top-line expenses, to 30 per cent. They saw their profits, their capital available for reinvestment, swallowed up by the increase in interest rates. This really did not affect large business to anything like the same extent. Large businesses were financed generally much more on a long-term basis, using fixed interest rates. Some were spectacularly over-financed, in collusion with and with the assistance of the Government, and did indeed get into trouble. It was trouble they should have been able to foresee. They certainly had the resources to do so.

Let us look at what the Government could have done had it been fully committed to the support of small business in terms of ensuring that credit was available to small business on an equal basis. My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis) mentioned many programs in other countries. I will not take the time of the House to reiterate them

other than to say the stipulations in the United States of America that a certain percentage of lending must be to small businesses I think is one that merits examination. We should look at that very hard to see if it would benefit Canada as I believe it would.

Small business procurement is another matter on which we should seek initiative and action from the Government to ensure that a certain percentage of all Government acquisitions, procurements, purchases and contracts go to the support of the small business sector. My own experience indicates that the Government could do a lot more with the chartered banks to improve small business financing. My own experience indicates that programs are generally inadequately advertised, that banks have very little initiative or incentive to promote those programs other than to lend their own money. My belief is that in many ways small business, though perhaps not large, is as well served through the American system of community, town, and statewide banking than it is through the oligopoly which Canada's chartered banks have in our country.

Mr. Nickerson: You want to socialize the banks.

Mr. Parry: I am sorry I used a word that my hon. friend cannot understand, but oligopoly does, after all, refer to the control of a business sector by only a few players.

Let us have the Government examine that lack of advertising and ensure the banks are used as a point of sale for the sort of assistance the Government can and should provide under an enhanced regime of assistance to small businesses.

Let us look at the failure of these programs to serve women. Let us not forget that a very high proportion of new businesses in Canada today are started by women. Let us remember that women should and must, if we are to express a commitment to an equal society, have equal access to programs designed to help people get started in business and to help them continue and make a success in business.

Let us have the Government bring forward some sort of measure to provide stability and predictability in interest rates that small businesses must pay instead of continuing to follow the line of the Governor of the Bank of Canada and the trends of our massively strong neighbour to the south in setting those interest rates which are so central to determining the future of small businesses in this country.

Mr. Baker: Mr. Speaker, I have a question for the Hon. Member for Kenora-Rainy River (Mr. Parry). I would like him to clarify one point and I shall predict what his answer will be before he gives it.

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

Mr. Baker: Is the Hon. Member in support of the provision in the Bill that imposes a fee on the lender to be paid to the federal Government for lending the money? Is the Hon. Member in support of the reduction from 100 per cent to 90 per cent of the guarantee on the loan which the businessman is going to get, given the fact that the imposition of the fee on the bank will be passed on to the customer? Do you think the bank, Mr. Speaker, will just assimilate that loss? No, it will be passed on to the customer.

I would like the hon. gentleman to answer yes or no. Is he in support of those two provisions, the two anti-small business provisions, in this particular legislation?

• (1220)

Mr. Parry: Mr. Speaker, when I heard the Hon. Member say that he would predict my response, I awaited with some eagerness. This is why I attempted to rise on a point of order, though of course I know enough that it would not be accepted as such. However, since he is both directing a question to me and then suggesting that he could answer it but declining to do so, I am left in some doubt as to what are his intentions. Is the idea that he would elicit some response from me or simply try to confuse me by indeed misrepresenting one of the segments of the Bill?

Had he read it—I do not doubt that he has dipped into it, because of course one must know something about the Bill to take one whole minute out of the 20 allocated to him—he would have seen that the fee is in fact imposed upon the bank. After all, I do not believe, like the Hon. Member, that the bank will take that fee and clutch it fondly to its bosom and let it percolate through to the bottom line.

We know that banks have profit centre accounting and that they are very readily able through their information system to determine the level of those fees over a particular year or a given fiscal period. It is my belief that banks, by virtue of this fee, will become somewhat more careful in the way in which they use small business lending provisions.

I will give the Hon. Member an example of that so that he will know I am not merely trifling with his intervention. My experience was that banks would seek to channel loans through the provisions of the Small Businesses Loans Act which they were not only quite capable of financing on their own account but in many cases should have financed on their own account. My experience was that clients for whom time indeed was of the essence, as in remote and seasonal economies it very often is, were kept waiting with proposals that, if they had access to better sources, or to more than one source in many cases, they would have taken elsewhere because of the desire of banks to have a particular loan guaranteed through the small businesses loans process.

Therefore I say to the Hon. Member that my belief is that this amendment would indeed have a beneficial effect. I do not pretend that it will completely have a beneficial effect for small business, nor do I pretend that small business will not end up bearing some of the costs of that 1 per cent commitment fee. Because the bank will have to pay the fee and because the bank will be undertaking 10 per cent of the responsibility for any losses itself, it will indeed ensure that some loans which the bank should finance directly get financed directly and are therefore handled in a much more expeditious and timely fashion.

Mr. Baker: Mr. Speaker, I will complete my first comment. I knew he would say that he agreed with those provisions of the Bill. I should like to put a follow-up question to him. He claims that banks want to take advantage of the loans of the federal Government when they should have been granting those loans under their normal banking program and therefore we have a fee on the backs of the banks. The hon. gentleman is also saying that now they will grant loans under their normal lending program.

There is nothing in the Bill which makes banks give loans to anybody. That is where the fallacy of his argument falls down completely. What has happened is that the New Democratic Party has taken a position on the Bill, as stated by its spokesman, which it now knows is wrong. Now it has to try to justify it; but it cannot be justified with that kind of argument.

Again I ask the hon. gentleman where in the Bill it says that banks have to loan that same money to small-businessmen, which he claims in some cases was a give-away, was not really a good loan, and should have been administered under their normal lending program. How does it now protect businessmen who would normally have received the loan but probably now will not receive it under the normal banks' programs?

Mr. Parry: Mr. Speaker, I believe that question is answerable. I am glad the Hon. Member said that my fallacy fell down. The Liberal tendency with fallacies is, of course, to erect them into principles.

What I am talking about is the higher grade of loan applications which bank managers encounter. Under the old regime of 100 per cent responsibility on the part of the federal Government, the tendency was that the banker took in an application which looked pretty solid but said, bankers going on conservatism as they do, that maybe he would write the loan under the Small Businesses Loans Act and cover a portion of his anatomy with his head office, his regional office. Therefore, as I said, many loans were written under the Small Businesses Loans Act which in a system that perhaps had a little more initiative and daring would have been written on the bank's own loan portfolio.

If those loans go from the Small Businesses Loans Act portfolio into the bank's general portfolio, of course there is room created within the fund's limits for the consideration of other loans which might be of a riskier, more speculative nature. Therefore bank managers can spend their time on, and regional offices can give their consideration to, other proposals which may indeed have merit.

There seems to be an assumption on the part of my hon. friend that once an application has been condemned as speculative it is of no further use; but it may have merit and could be assessed under this type of financing and, if found viable, financed.

Mr. Bob Horner (Mississauga North): Mr. Speaker, it gives me great pleasure to rise and speak on Bill C-23, an Act to amend the Small Businesses Loans Act. It is very fitting that it is on this Bill that I am making my so-called maiden speech as a Member of the House representing the constituency of Mississauga North.

Some Hon. Members: Hear, hear!

Mr. Horner: There exists within the Bill far-reaching benefits. It will bring a better future for both Mississauga North and Canada. It has often been said in the House and elsewhere that business, particularly small business, is the engine of the Canadian economy. Nowhere is this more true then in the riding of Mississauga North. A Bill such as this one will do much to improve the environment in which these very important firms thrive and prosper. It will bring great benefits to all Canadians.

I wish to inform the House as to why I see so many benefits forthcoming, not only from the Bill but also from that which it represents—a new attitude, a new direction by government in the country. The riding I represent is very much like this great country of ours. Mississauga North is a young riding. Like Canada, its greatest days lie ahead. The energy and enthusiasm of youth is evident everywhere. Our role as a Government is to ensure that our future remains bright.

Growth is the byword to describe Canada, a relatively young country which has leaped into the forefront as one of the leading nations of the world. Sometimes for better, sometimes for worse, we have experienced tremendous growth. Mississauga North epitomizes that growth. Having only come into existence in 1976, my riding has already exploded to the point where at the next election its population will exceed 300,000 people. The huge potential that exists for both Mississauga North and Canada is truly the key to realizing our goals. We must learn to live together and to work together so that we can achieve our great potential to the benefit of all Canadians.

• (1230)

Mississauga North consists of people from all corners of the globe, and they have found a way to live together in harmony that benefits all. In the short time that I have been in office serving the people of Mississauga North, we have had over 2,000 new Canadians welcomed into our community. I, for one, take great pleasure in meeting these new Canadians, in talking with them, and hearing of their dreams and goals for the future.

New Canadians perhaps most clearly reflect that which is so promising about our great nation. They wear on their sleeves the dreams of a better life for themselves and their children. I know that the potential for a better life exists in Mississauga and I know that it exists in Canada. I am sure that with the introduction of legislation such as Bill C-23 and with the direction that the new Canadian Government has shown, these people will be able to fulfil their dreams and reach their goals.

I would like, if I may, to talk for one minute about the reasons why the riding I represent has experienced such phenomenal growth of late and why it is one of the most successful communities in our country. As I said earlier, Mississauga North is relatively new. In fact, the City of Mississauga has only recently celebrated its tenth birthday. It has, however,

taken advantage of the opportunities presented to it. With great energy, coupled with co-operation, consultation and consensus, people came together and planned a community that would turn rapid growth to advantage.

In my riding there are over 6,800 small businesses that fall under the definition laid out by Bill C-23. These small businesses are the backbone of our community. Small businesses are also the backbone of Canada. We in the federal Government must create the environment that encourages Canadians to start their own businesses. People who have dreams and ideas must have an environment that is friendly, an environment that is co-operative and a Government that wants them to succeed. We must give them the opportunity to pursue their dreams. I know that, given that opportunity, they will succeed and Canada will grow with them.

I, as a small businessman who started out in Mississauga some 20 years ago, have seen a tremendous, exciting growth and I have been fortunate enough to benefit from it, to benefit from an enlightened local government that strives to help businesses in whatever way it can. Just as in small business, the most important ingredients of a successful government are good planning, co-operation and employing the consensus approach to take advantage of the opportunities that arise.

I see the new Canadian Government following this plan and I am pleased, as I know my constituents are. People in Mississauga North know through experience that good government is a government that listens. I am pleased to see a program of consultation being undertaken by the Canadian Government to learn what the people want, to learn where the people want to go, to learn how we can best help them reach their goals.

The comparisons between Canada and Mississauga North are many. Mississauga, like Canada, is young with tremendous potential and resources, a bright light that attracts people. Often I feel that we who live in Canada forget how great our country is. Luckily our new Canadians can remind us that there still exists the potential for all our people to pursue their dreams and reach their goals.

In the community of Mississauga government has played its part. There has been a need to design a framework. They have, with consultation and consensus, done so. They have provided the structure so that the citizens can work to achieve their goals. I am proud to be able to say about the community in which I live that local government has been there to lend a helping hand, but it has never let that hand lie too heavily on the shoulders of its citizens.

I come from one of the few communities in this country that faces a substantial surplus in its treasury. This position has been achieved while the members of the community have benefited from some of the finest social services and community facilities that are available anywhere in this country.

How, we may ask, has a community that is so young been able to achieve such remarkable results? The key lies in its ability to understand the needs of its people, to work in unison with the factors of growth and to harness in a constructive way the tremendous energy of a booming small business base. The people of Mississauga North have learned that the way to get the most from their engine of growth is not to drive it but to ride along with it, to be there, to offer help and guidance when required but to keep their hands off it so it is given the freedom it requires to reach its maximum potential.

The proposed amendments in this Bill, which I want to go quickly through, will do much in a very real sense to improve the operating capacities of small businesses in this country, while at the same time ensuring that the partners involved in the loans are all responsible. The increase from $1.5 million to $2 million for the upper eligibility limit to qualify a firm as a small business under the definition as laid out by the Act makes complete common sense. With high inflation under the last Government, many companies that are still of a relatively small nature exceeded the $1.5 million ceiling. This increase to a $2 million limit is very necessary.

The new liability loss-sharing ratio of 90 per cent to 10 per cent is a step in the right direction so far as the responsibility aspects of lending are concerned. It is essential that the business involved in the loan transaction be responsible for at least part of the liability under the loan. This Act is to enhance and encourage the establishment of a small successful business. It is not meant to be a vehicle to give away money at the taxpayers' expense to businesses that cannot accept some responsibility for their own funding.

Another amendment within this legislation is the fee to be paid by the lender in the amount of 1 per cent of the total loan. Again it only makes sense that the banks, which to date had been profiting in a no-loss situation, should have to contribute so that the Canadian public is not left to shoulder all the responsibilities. In our conversations with banking institutions they expressed a willingness to share in this 1 per cent fee, especially when you consider that they will generally get all other loans from the same firm as it grows in size and success in the years after the initial Small Businesses Act loan was extended. These major amendments are all steps in the right direction so far as placing responsibility and safeguards for public funds hand in hand with encouraging the entrepreneurial spirit.

It is essential we understand that for people to be truly successful and for businesses to be successful, there must also exist the possibility for them to fail. If we spend all of our time legislating, controlling and directing our small businesses, then they will spend all of their time responding solely to us, channelling their creative energies away from growth into activities that merely deal with an overwhelming bureaucracy. We must be there to help them when the idea has been sparked, but we cannot expect small business to be successful if we continually insist on dictating the directions they should take.

The people of Mississauga North know this, and that is why my riding has one of the highest standards of living in this country. That is why my riding, although it has people from many backgrounds with many ideas and beliefs, is relatively strife-free. That is why unemployment and violence are both

extremely low and that is why the family unit and community spirit are so alive.

I suppose it would hardly be fitting as the Member for Mississauga North if in my maiden speech I did not make mention of our infamous train derailment. Perhaps I can use it to illustrate the true character of my community. My own business is located within walking distance of where that train derailed so I, as so many of my fellow residents in Mississauga, was deeply involved in the evacuation of our city. The evacuation was conducted and co-ordinated by various levels of government and is considered the world over a model of how evacuations of this size should properly be undertaken. This success was possible because there has always existed in Mississauga that co-operation between private citizens, businesses, governments and all involved organizations in our community. The doors have always been open in Mississauga to better understand what each of our residents wants, and because of open communication we have been able to grow together in such a successful way.

• (1240)

I want to parallel that to Canada itself, for I feel that the New Conservative Government is demonstrating, through legislation such as Bill C-23, that it wants to work together with Canadians. It does not want to burden them. I know that Canada too can experience the success that comes through consultation and co-operation.

I am pleased that so many of the residents of Mississauga applaud the new Government's decision to work together with all sectors of our society. I am proud to represent Mississauga North in this House and in this Government. I will continue to work in the spirit of co-operation exemplified not only by Bill C-23 but also by all of the activities of our new Government to date so that all Canadians can achieve their dreams and goals.

Mr. Deputy Speaker: If there are no questions or comments, we shall continue with debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to join in the debate on Bill C-23 because it relates to the Small Businesses Loans Act, and the small business sector is obviously one of the most important sectors of our economy today. However, before I do I want to congratulate the Hon. Member for Mississauga North (Mr. Horner) on his maiden speech this afternoon. It is obviously a very intimidating experience for any new Member and he acquitted himself very well. I compliment him on the speech he has made here, not only for emphasizing the importance of this legislation, but also for telling us a little bit more about his own constituency. Members of this House are always interested to learn about various parts of our country, all of which fit together to make up the 282 seats of this Chamber.

This legislation, Mr. Speaker, does some very good things in that it extends the Act for another five years. I think everyone in the House would agree with that. It also increases the total lending ceiling from $1.5 billion to $1.8 billion, which will allow that many more loans to be made. The Government is to be commended for bringing in this kind of legislation at this time because I know of hardly any small businessmen who are not looking for a lower rate of interest such as is made available under this Act, when and if it is possible to get a loan under this legislation.

I am less impressed, Mr. Speaker, with the fact that the limit on individual loans is being raised from $1.5 million to $2 million. There may be instances where that is valuable, but in looking through the history of the Act, in most cases loans are of the order of $25,000. So it does not strike me that there is a great need for this increase, although it certainly falls in line with the increased needs of business due to inflation.

I think the real concern we have about this legislation, and the greatest problem with the Small Businesses Loans Act, is that the banks seldom want to make the loan. In 1984 there were some 31,000 loans under this Act, which was a record. Going back to, say, 1977 there were only 4,800 loans under the Act. If you divide that into 282 constituencies, and of course it is not divided up that way, there have been very few loans made.

My constituency covers some 13,000 square miles and I suppose there are 50 or 60 bank branches serving the area. But in the average town or community there are practically no small business loans available. You really have to know your banker very well; you really have to fit into the area he wants to look after. A lot of the loan decisions are made in Toronto, Montreal or Vancouver, the regional centres in the country, and these loans tend to be to preferred customers.

I fear, Mr. Speaker, that there are two provisions in this legislation which reduce the effectiveness of the Act to what it was in 1977 when there were only about 4,000 loans made across the country under the Act. The legislation requires that the bank assume 10 per cent of any loss. Given that, certainly the availability of loans will drop dramatically when what we want to do is encourage the banking institutions to provide more small business loans, not less.

Often I have people come to me and say that they are starting a new business or expanding their existing business and they ask what is available in the way of financing. I tell them there is the Federal Business Development Bank, but they say no, interest rates are very high there and they have to be turned down by at least two banks and so on. Then I suggest the small businesses loans program, but their response is that the bank is not giving any of those loans in their area. It is a good program with interest rates at 1 per cent above prime, but the banks will not give them out.

When you look at the figure of 31,000 loans across the country, you have a sneaking suspicion that a lot of those loans are going to areas like Mississauga North which are rapidly expanding. There is tremendous growth and there has been for the last 30 or 40 years. But if you get out into the rural communities of Algoma or the Manitoulin district, or the Sudbury district where there is slow economic growth, the small business loans just are not available. If they were not available many times in the past, then how much more are they going to be available when the banks have to assume 10

per cent of the loss? I am not saying banks should not assume 10 per cent of the loss; it is just that banks make these loans as a sort of favour to their best customers. They give out very few of them and I am afraid that with this provision the result will be that few loans will be available and we will go back to pre-1978 days when there was only a smattering of 4,000 or 5,000 loans made across the country.

As well, as I read the legislation, the Bill provides for a 1 per cent fee charged to the bank or credit union by the federal Government on the loan. That happens to be the same percentage as the 1 per cent above prime that the bank is earning. That is a further disincentive to the banks in granting loans. The incentive of expanding the program, with the new ceiling of $300 million in additional funding to small local businesses and industries, is in fact a disincentive for the banks to grant loans. I hope that when the Bill goes to committee we either do away with the 1 per cent fee or the 10 per cent pick-up charge that the banks will have to absorb, or that the chartered banks will be required to provide a specified amount of funding across the country so that loans which are beneficial to small business will be made more available.

• (1250)

Essentially the Bill provides a blank cheque for the Government. By Order in Council the Government will be able to change the charge which will be imposed on the banks. That will further deter banks from making loans available.

The other aspect of the Bill which I would like the Government to consider in committee is the extension of the program from a 10-year repayment period to a 15-year repayment period. When I was in my constituency last week I spoke with a young couple who were interested in buying a motel business. The Manitoulin district of my riding has one of the best tourist industries in Ontario. However, the couple who wanted to purchase the motel were unable to convince the owners to take back a mortgage and, therefore, they wanted to borrow money. There was some pressure for the business to be purchased and one or two banks were willing to give the couple a mortgage under the Small Businesses Loans Act. The couple had approximately 40 per cent of the equity, so it was a very healthy situation.

The problem is that the tourism industry tends to be seasonal. Although the summer months are very profitable, the winter months tend to be lean. Because of that, the couple could not cope with the charges over a 10-year period. If the Act could be amended to provide for a 15-year pay-back period, the couple would be able to cope with that loan and the bank would be willing to give it. However, under the present provisions of the Act, the couple will not be able to purchase the motel business. I suggest to the Minister that when the Bill goes to committee serious consideration should be given to extending the loan period from 10 to 15 years. It will be much more advantageous to small businesses, especially in the rural areas of Canada.

We should make the legislation more applicable to the vast rural areas of Canada. Decisions which are of any magnitude in the banking business in the Ontario region are made in Toronto. Possibly decisions for eastern Ontario are made in Ottawa, but I am not certain of that. Clearly, for 88 per cent of the land mass of the Province of Ontario, banking decisions are made in Toronto. I am concerned that the over-all approach of the Government is to enrich and reward the more populous, powerful and rapidly expanding parts of the country, and not provide as much to the rural and far-flung frontier areas.

Over the last ten years the loans have been rapidly expanding under this program. In 1977, 4,894 loans were granted and that number increased to approximately 31,000 in the 1984-85 fiscal year. The program has been filling a tremendous need. Therefore, I would like the Government to consider removing the 1 per cent service charge and the 10 per cent pick-up charge.

There will be a loss to the Government, however, if that is not done. I feel that the program, which has been going in the right direction over the last seven years because of the number and size of the loans, will suddenly dry up. Instead of having a program which will benefit small business, a program which has been doing a great job with expanded funds, we will have a program with restrictions which will result in the money not being available, especially in the rural parts of Canada.

The Liberal critic is very conscious of the provisions of the Bill and he will be proposing amendments in committee. I hope the Government will seriously consider the proposed amendments, especially as they relate to small businesses in the outlying areas and providing longer term loans which can be extended to a 15-year period.

Obviously, the Bill has several advantageous provisions. For example, the increase in the over-all ceiling from $1.5 billion to $1.8 billion. I understand that provision is required because of the large number of loans which were made in the 1984-85 fiscal year. That is an important provision. I am less impressed by the need for the maximum loan to be increased from $1.5 million to $2 million. If we look at the basis for the $1.5 million and at the inflation which has taken place since that figure was put in place, it is probably justified. However, I am concerned about the average loan of $25,000, $50,000 or $100,000 which allows small-businessmen to start businesses, expand existing businesses and, most importantly, provide jobs. Small business has been providing the greatest growth in jobs for Canada over the last several years.

Mr. Deputy Speaker: I would advise the Hon. Member that there is one minute remaining in his time for debate.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CANADA POST CORPORATION

CLOSURE OF NATIONAL POSTAL MUSEUM

Hon. André Ouellet (Papineau): Mr. Speaker, the Canada Post Corporation announced not long ago that the National Post Museum will be closed. This decision is not only regrettable, it is also unacceptable. Every postal administration worthy of the name has its postal museum. It is difficult to understand why the Museum should close its doors on March 1, while it could continue to occupy the premises in the Wellington Building until the first of July. The Minister responsible for the Canada Post Corporation has a responsibility to philatelists and collectors of Canadian stamps. With a minimum of goodwill on his part and on the part of the Minister of Public Works, other premises could be found in downtown Ottawa—perhaps even on Wellington Street—to house the National Postal Museum.

I therefore urge the Minister to take immediate action and make it clear to Canada Post that it has no right to close the National Postal Museum and that it cannot do so.

* * *

[*English*]

THE SENATE

DELAY IN PASSING FINANCIAL LEGISLATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, it is quite obvious that the message given by the Canadian people to the previous administration on September 4, 1984, has not registered with the Liberal camp followers and former bagmen who now occupy the Red Chamber.

Led by the infamous former Minister of Finance, Allan J. MacEachen, whose Budget of November, 1981, was one of the most divisive and detrimental ever foisted on the Canadian people, and followed eagerly by others who would not dare to seek a seat in the elected House, these Liberal Senators have, for the past month, been holding up the business of the Government of Canada.

It is a well known fact that the Liberal Party had pork-barrelling and patronage down to a fine tuned art, but the action of these Senators has hit a new high of arrogance, even for Liberals. Clearly these appointments made by Mr. Trudeau were his final insult to the Canadian people—

Some Hon. Members: Order.

Mr. Gottselig: —and in view of the fact the Liberal leader has no control over this bunch of political hacks, I call upon all elected Members of this honourable House to join—

Mr. Speaker: With great respect, I am interrupting the Hon. Member's statement here because the Hon. Member is new enough that he may not know the tradition of making no such aspersions with regard to the other place. I will simply end it at that.

Mr. McKenzie: Well done, Bill.

* * *

NORTH AMERICAN AIR DEFENCE

OBLIGATION TO CONSULT WITH UNITED STATES

Mr. Derek Blackburn (Brant): It is time to puncture another Tory myth, Mr. Speaker. We all know the one about how Canada had to test the Cruise missile to prove we are loyal to NATO. That myth was laid to rest when Australia withdrew its support for MX missile testing. The American Secretary of State then pointed out that missile testing had nothing to do with its military alliance. Now we have the Secretary of State for External Affairs (Mr. Clark) saying that Canada should support the American Strategic Defence Initiative. He says star wars is only prudent research to keep up with the Soviet Union. That's nonsense.

The U.S. Undersecretary of Defence Policy now admits that star wars is "the very core of our long-term policy. It's central," he says. In the face of this revelation, the Secretary of State for External Affairs doesn't lose his head. He keeps it firmly planted in the sand. Meanwhile, Canada is getting sucked deeper and deeper into defensive weapons. This new strategy is reshaping our northern defences. The Minister says we are only talking about a warning system.

Military experts say star wars weapons would have to be based in Canada. The Minister says: "We'll wait and see". Canada's Chief of Defence Research says star wars would be controlled by NORAD. The Minister says: "We'll wait and see". What are we waiting for? The Minister has the right and the obligation to consult with the Americans about future activities of NORAD. That duty is explicit in the 1981 NORAD renewal agreement. The Minister is ignoring that responsibility to the Canadian people.

* * *

THE SENATE

CALL FOR EARLY REFORM

Mrs. Mary Collins (Capilano): Mr. Speaker, the events of the past few weeks have taken many of us back to our basic political texts, such as Corry and Hodgett's *Democratic Government and Politics*, to reflect on what role the Senate should play in our system of Canadian government. As we met with our constituents last week, we heard of the bewilderment and annoyance of the Canadian public with a system which allows a group of non-elected men and women to frustrate the will of a Government which received an overwhelming mandate from across the country for change and renewal.

I can assure this House that the people of British Columbia are deeply concerned and are asking: "When are you going to do something?" We have had many studies about how changes can be made to provide for a more responsible and representative Upper House which could play a valuable role in reviewing and originating ideas and legislation. We have had a lot of talk, but little action.

The events of the last week show that a process of real reform must be started as soon as possible. I hope other Members of this House will join with me in support of calling a constitutional conference on Senate reform as soon as possible. Only then can the federal and provincial Governments, working together, put in place the constitutional amendments which are long over due and badly required in order to ensure that representative and responsible democracy continues to flourish—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

* * *

[*Translation*]

HUMAN RIGHTS

CRITICISMS CONCERNING APPLICANTS FOR REFUGEE STATUS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in recent weeks there has been considerable criticism of the detention centres for applicants for refugee status. These centres are used for people who claimed refugee status but have been denied such status by officers of the Department of Employment and Immigration at one of Canada's points of entry. Pending a final decision on their case, these people are sent to detention centres.

In Toronto, refugee status applicants were not informed about the existence of volunteer, church and humanitarian organizations that would be prepared to provide legal aid. Sometimes they are given the Yellow Pages. A number of applicants were questioned by RCMP officers without being given access to a lawyer. The Charter of Rights and Freedoms is being violated, but officials of the Department of Employment and Immigration have stated that the Charter does not apply since the claimants are not Canadian citizens. There is a double standard being used here, one for Canadians and one for non-Canadians. We must not forget that this, too, is racism.

Conditions are sometimes worse than they are in prison. For instance, the UN rule of one inmate to a cell is not always observed. Canada is very far from living up to its humanitarian reputation. I think an investigation is urgently required with a view to remedying—

Mr. Speaker: I regret to inform the Hon. Member that her time has expired.

S.O. 21

[*English*]

THE ECONOMY

FIRST MINISTERS' CONFERENCE—TRIBUTE TO WORK OF PARTICIPANTS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I had the privilege of attending the First Ministers' Conference on the Economy in my home province of Saskatchewan as an official observer. Today I wish to share with the House some of my observations.

It was the beginning of a new era of First Ministers' conferences. The conference sessions were conducted in a positive atmosphere of co-operation, a refreshing change from the past. Moreover, this harmonious atmosphere extended beyond the reach of the cameras and microphones; it also characterized the working relations between the federal and provincial officials.

At a time of scarce financial resources it was apparent that all First Ministers were prepared to rise to the challenge of sharing their expertise and experiences, in trying to avoid the wasteful duplication of the past. Co-operation and consultation are fundamental to this Government's mandate and were clearly apparent in the conference initiatives and discussions. Employment, trade, investment, and interest rates were discussed objectively and without bitterness. For the first time we saw 11 First Ministers of all political persuasions working toward a goal of economic recovery.

We cannot expect that all the intergovernmental differences will be solved in one two-day session. We can and should expect continued joint efforts by all First Ministers in resolving differences in order to achieve the best solutions for all Canadians. That takes genuine trust and mutual respect, and I observed both among all the participants in Regina. I heartily applaud the Prime Minister (Mr. Mulroney) for initiating a new era—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*Translation*]

CANADIAN POST CORPORATION

NEED FOR EFFORTS TO MAINTAIN NATIONAL POSTAL MUSEUM

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, at the beginning of February, Canada Post announced that the National Postal Museum would be closed as of March 1 and sent notices of termination of employment to the Museum's employees. Although Canada Post has known for over two years that the Museum's lease in the Wellington Building was a temporary one, and that the Museum would have to move as of June 30, it did nothing to find other suitable premises that would be available before that date.

S.O. 21

Mr. Speaker, last week I attended a meeting with the President of Canada Post, my colleague from Ottawa Centre (Mr. Cassidy), Shirley Carr of the Canadian Labour Congress and councillor Marlene Carterill of the City of Ottawa. We suggested that Canada Post postpone closing the National Postal Museum and join an action group that would try to keep the Museum in its present premises or find other suitable accommodation.

I am sorry to inform the House that Canada Post refused outright to participate in such efforts. I would appeal to the Government to have Canada Post join an action group to ensure the Museum remains in existence instead of letting it disappear, for all practical purposes, for a period of three years or more.

* * *

THE SENATE

DELAYING TACTICS USED BY THE OPPOSITION

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, like all Canadians, the people of the riding of Lac-Saint-Jean are very disappointed, and I would even go so far as to say that they are disgusted with the systematic obstruction being indulged in by the Opposition in the Senate which is refusing to approve a Bill that was adopted unanimously in this House. Mr. Speaker, this is being done by individuals who did not even have the courage to run in the last election and who are living off the largesse of previous prime ministers. In addition to causing considerable harm to the operations of the present Government, these Members are damaging the reputation of a Senate that is already—

• (1410)

[*English*]

Mr. Speaker: Order. Members know that members of the other place are Members of Parliament as we are. The same respect must be given them as is appropriate for members of this House.

* * *

ENVIRONMENTAL AFFAIRS

ALLEGED LACK OF RESPONSE TO LETTERS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this item is about unanswered letters. In Edmonton and Toronto last week a large number of individuals and organizations advised me of their frustrations at not receiving replies to letters they had written to the federal Minister of the Environment (Ms. Blais-Grenier).

This lack of response by the Minister of the Environment is in sharp contrast to the promises of an open Government and of good communications with the public, made by the Prime Minister (Mr. Mulroney) last summer. I bring this matter to your attention, Mr. Speaker, with the knowledge that Canadians and environmental groups across the country would really appreciate receiving a reply to their letters when they write to the Minister of the Environment.

* * *

INDIAN AFFAIRS

IMPACT OF CN DOUBLE TRACKING PLANS ON BRITISH COLUMBIA RESERVES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, on behalf of 36 Indian bands whose reserves will be seriously affected by CN's twin tracking program in central British Columbia, I urge the Minister of Transport (Mr. Mazankowski) and the Minister of Indian Affairs and Northern Development (Mr. Crombie), along with the Transport Committee Chairman and the Chairman of the Fisheries and Forestry Committee to do whatever is necessary to stop CN from proceeding with its present double tracking plans along the sensitive Fraser-Thompson River corridor.

Since the Committee plans to hold hearings into the twin tracking program in mid-March, the Minister should postpone approval of the project at Mile 59-69 of the Ashcroft sub-division, considering that CN plans to begin dumping ballast into the Thompson River on or about March 1. The Native Alliance on CN Double Tracking believes that a one-year delay is needed to assess many unresolved environmental, social, and economic issues relating to the program properly, as well as time to determine whether the project is required by the western Canadian transport system, and to determine why the two railways cannot co-operate in this area and obtain a twin tracking option as a result.

While approval of the project is likely in the best interests of the CN corporation, it is certainly not in the best interest of the native people who live along the tracks in this area, and of the West Coast salmon fishery. The Government surely has a responsibility to put the needs of native people and a major fishery before a Crown corporation. Postponing this project would demonstrate its correct priority.

* * *

THE SENATE

CONDEMNATION OF CONDUCT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, for the past 118 years Canada's Senate has evolved to meet the needs and wishes of the Canadian people. The Senate has acted as a supporting body, complementing, but not competing with, the popularly elected House of Commons. Canadians believe in a parliamentary democracy where the will of the people rules rather than the will of a select few.

Last September Canadians elected a Government to act in their interest and to respond to their concerns. As elected

representatives we must recognize this fact and govern accordingly. The same follows for those in the other place. They too must recognize the fact that the Canadian people spoke last September and chose a Government.

When the work of the House is unduly obstructed or delayed by the other place, the will of the people is not served, and neither is the will of democracy. In short, when a popularly elected Government cannot properly carry out its duties, I say that democracy has been shunned.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. In the last 10 days before the weekend the Canadian dollar dropped dramatically from 74.6 cents U.S. to 72 cents U.S. At one-thirty this afternoon it apparently stood at 71.35 cents U.S. Mr. Speaker, 80 per cent of the money that moved across our border against the Canadian dollar was moved by corporations doing business in this country. That reflects the confidence that the business community has in the Canadian economy.

The *Wall Street Journal,* which reflects the trends of the Prime Minister, says that the "Conservative Government has shown little resolve in dealing with Canada's financial problems". This is a matter which deals with confidence, Mr. Speaker.

In order to make the Minister's answer more relevant, I would like to recite words which the Government usually loves to hear, words of the Prime Minister. These words appear in an article in *Fortune* magazine which hit the stands this afternoon. This shows why there is little confidence in this country when the Prime Minister himself has no confidence in the Canadian business community. He said:

> We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special?

This is the Prime Minister of our country, in an American magazine, lauding the Canadian business community.

My question for the Minister of Finance is—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I thought, since the Prime Minister was absent on business, they would like to hear his words *in absentia*, words which the Canadian people are going to learn to treasure.

Mr. Wilson (Etobicoke Centre): This is a four-minute question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have followed the length of the answers in this Chamber since Parliament assembled and I have not pressed that.

Would the Minister of Finance describe the conversations he has had recently with the Governor of the Bank of Canada relating to the situation of the dollar crisis? What is the position of the Bank? Is it trying to support the dollar? Has it made a decision that the dollar should fall? What is the position of the Bank as conveyed to the Minister?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I see by the clock that that was a four-minute question. I assume I have four minutes to answer it.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I would like to respond to some of the matters which the Leader of the Opposition has pointed out. First, I would like to draw his attention to the facts to which the Prime Minister was responding in the *Fortune* article. He was setting out a litany of the problems that the business community had been encountering and had been responding to under 15 or 20 years of Liberal rule. It is those matters that we are trying to turn around. We made a first step on that on November 8, a very good first step according to the commentary that I have been reading. It is that new economic policy which is designed to stabilize the situation in the exchange markets and give lead to a period of longer term strength in the performance of the Canadian dollar. It is a performance that has dropped from 103 to the current level during most of the time that the previous Government was in power.

• (1420)

Let me respond specifically to the question that the Leader of the Opposition posed about my discussions with the Governor of the Bank of Canada.

Some Hon. Members: Order.

Mr. Wilson (Etobicoke Centre): I have regular discussions with the Governor, as I am sure the Leader of the Opposition did when he was the Finance Minister. Surely he should understand that those discussions between the Governor of the Bank and myself are confidential. I have stated the policy of the bank previously outside the House. We are in an international situation—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Members on the other side are laughing. Surely they understand—

Mr. Chrétien: Read back what you said last year about the same thing.

Mr. Wilson (Etobicoke Centre): If they are interested in hearing the answer I will tell them that we are in a situation

that is world-wide in its implications. All currencies are suffering a period of weakness against an extremely strong U.S. dollar.

If we were talking about a bilateral relationship it might be a different situation, but we have the situation in which a number of currencies are extremely weak against the dollar. We are trying to moderate those changes, both in the exchange markets and in the interest rate markets, to introduce a degree of stability and rebuild confidence in the Canadian dollar. That is the policy of the Government.

Some Hon. Members: Hear, hear!

REQUEST FOR STATEMENT BY BANK OF CANADA GOVERNOR

Right Hon. John N. Turner (Leader of the Opposition): A great deal of the Minister's problem is that the confidence of the business community in the Government has been slipping radically, affecting the Canadian dollar.

In his next conversation with the Governor of the Bank of Canada, would the Minister ask him to make an early statement on the role of the Bank in intervening in the foreign exchange and whether the Bank is deliberately letting the dollar fall in an attempt to stabilize the interest rate structure in this country? Would the Minister ensure that the Governor make that statement, either before the committee or publicly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to the preamble to the question about less confidence here. Let us review what has happened to the level of the Canadian dollar in the last few months. The U.S. dollar has appreciated against the Canadian dollar by 7.4 per cent since September 4. The Deutschmark has depreciated by 17 per cent against the U.S. dollar, the pound sterling 20.9 per cent, and the French franc 16.5 per cent.

Some Hon. Members: Order.

Mr. Wilson (Etobicoke Centre): Surely there is not a degree of weakness in the Canadian dollar. Surely the Leader of the Opposition should see that there is a significant degree of strength against the U.S. dollar when compared to these other currencies.

Mr. Speaker: Order. Thank you. Supplementary.

Mr. Turner (Vancouver Quadra): If 71.35 cents is strong, then we are in for trouble under this Government.

REQUEST THAT MINISTER MAKE STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): If the hon. gentleman is not willing to persuade the Governor of the Bank of Canada to make a statement, and since he obviously will not bring in an early Budget, for extraneous reasons that I won't mention again, will he make an early statement to the House about the Government's position on the exchange, on interest rates, and the effect this is having on unemployment and the loss of jobs? Will he make that statement in order to restore some confidence to the foreign markets, as they affect our currency?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one reason why we found ourselves with a weaker Canadian dollar over the past seven or eight years is the size of the federal government deficit, which the Leader of the Opposition should understand. He was the father, and the Member for Saint-Maurice was a contributing member in that little fraternity of Liberal Finance Ministers who were increasing the size of the deficit.

I have made the policy of the Government and the Bank of Canada quite clear in dealing with this international phenomenon, the unprecedented strength of the United States dollar. It is to try to moderate those changes both in interest rates and the exchange rate.

I would welcome sitting down with the Hon. Member at his convenience to get the benefit of his great experience—

Some Hon. Members: No, no!

Mr. Wilson (Etobicoke Centre): —to hear any points of view he would like to give me and contribute to the discussion.

* * *

[*Translation*]

FINANCE

EXCHANGE VALUE OF DOLLAR—INTEREST RATES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. I think the Minister will have to admit that during the election campaign, his Party proposed solutions to the problems we were facing. Today, our dollar is at its lowest level ever, and interest rates have increased by 130 percentiles within two weeks. My question is therefore quite simple: What is happening? Has the business community lost confidence in the Government or does the Minister of Finance perhaps not agree with a statement made last June by his colleague, the Minister of Justice, who said:

[*English*]

"A lower dollar will not help the economy despite its beneficial effect on exports. We cannot afford to have a dollar that is continually sinking."

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the suggestion by the Hon. Member and his Leader that the business community has lost faith in this Government is totally ridiculous. I believe that the business community, according to the comments that I have received from it, is delighted that there is a Progressive Conservative Government in office today dealing with the very severe financial and economic problems that were left to us by previous Government.

Mr. Chrétien: You are losing too often, Mike.

Mr. Wilson (Etobicoke Centre): I suggest to the Hon. Member that he should look around him to see who is losing.

I have made the policy of the Government quite clear, and I would also welcome any suggestions from the Hon. Member as well.

[*Translation*]

OPPORTUNITY TO DEFINE GOVERNMENT'S BUDGETARY POLICY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the business community may have confidence in the Government, but it was responsible for 80 per cent of the trading of Canadian for U.S. dollars last Friday. I do not know whether that can be called confidence. Considering the fact that the Canadian economy is losing on two fronts, namely interest rates are rising and the dollar is dropping, does the Minister of Finance not think it would be appropriate to define his budget policy as soon as possible by bringing down a budget very shortly?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, may I take a minute to explain to the Hon. Member why the Canadian dollar is falling? When there is this significant pressure from the world-wide strength of the U.S. dollar, investors will back away from the weaker currency. The investors will push up interest rates. The Bank of Canada has been trying to moderate those interest rates by following a very delicate balance which it has been undertaking over recent weeks.

I can say to the Hon. Member that interest rates would be higher today had it not been for the policies that have been followed by the Bank of Canada and the Government in the past two or three weeks.

* * *

THE SENATE

BLOCKAGE OF FINANCIAL LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, now that we have passed the period for Statements on Motions, I will ask the Deputy Prime Minister a question. He is aware that the Senate is blocking passage of a Bill that has already been passed by the House of Commons. Considering that this action, by an undemocratic body that is responsible to no one, is costing Canadians millions of dollars, will the Deputy Prime Minister tell us what the Government plans to do about this deplorable situation?

Mr. Speaker: Order. I will allow the question, but before the Deputy Prime Minister answers I would remind Members of the traditions of not commenting upon and discussing matters that are before the other place. I will allow the question and one answer, but I am watching the questions very carefully.

● (1430)

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the House is aware, the Report on Senate Reform was published just prior to the recess last summer. My latest information is that the action of the other place in considering the borrowing legislation that passed this House unanimously has already cost the taxpayer some $9 million in increased commitments, as a result of a rather silly action.

Some Hon. Members: Shame.

Mr. Nielsen: It seems to me that the Leader of the New Democratic Party makes a good point. Perhaps the Senate would be fulfilling a far more fruitful role if it examined and acted upon the report of the Senate Committee on Reform rather than holding up the legislation as the Senate is doing now on the borrowing measure passed by this House.

REQUEST THAT GOVERNMENT ACT ON ABOLITION OF SENATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, without reference to anything that is now before the Senate, I would like to ask the Deputy Prime Minister, considering what this happy hunting home for former Liberal hacks—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: —is likely to do next month, two months, or six months from now, and is now doing, to frustrate the will of the democracy, will the Government do the correct, democratic thing, and bring in steps that will lead to the early abolition of this abominable institution?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, once in a while we very much appreciate suggestions made by members of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I will take it back.

Mr. Hnatyshyn: Let me say I appreciate also the standing ovation I received from members of his caucus when I stood up to answer.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I can only say to the Hon. Leader of the New Democratic Party that it seems to me, when the will of the House of Commons is being thwarted by Liberal members of the Senate, and the Leader of the Opposition has been called upon by correspondence, from myself and from the Prime Minister, to take a position of leadership in this country and not let himself be run by the Liberal majority in the Senate—

Mr. Speaker: No. With due respect—

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: —it is time he acted.

Mr. Speaker: Precisely because I was worried about certain comments being made, I indicated these questions are on slippery ground, and I rose. I say again to the Members, that just as Members in this House are entitled to respect so are members in the other place.

REQUEST THAT NO FUTURE APPOINTMENTS BE MADE TO SENATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question concerns constitutional reform affecting the other body.

Some Hon. Members: Oh, oh!

Mr. Broadbent: The question I have for the Government House Leader is simply this. Since he seems to be in accord with the view held by some that the other institution, with which we are associated from time to time, is something less than totally desirable—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —would he agree that a Senate dominated by Conservative appointees will be no better in the future than one dominated by Liberals now?

Some Hon. Members: Oh, oh!

Mr. Broadbent: If so, will he promise the House and, more important, the people of Canada, that the Conservatives will not appoint any more Senators and will bring in major reform soon?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Leader of the New Democratic Party as a Privy Councillor knows full well that the appointment of Senators falls within the exclusive prerogative of the Prime Minister.

Mr. Blackburn (Brant): Unfortunately.

Mr. Nielsen: I reiterate that it would produce far more fruitful results if the Senate, instead of engaging in its present exercise, would get down to reviewing the Report on Senate Reform so it can look into that as well as several other questions that will come to mind immediately upon reviewing that report.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NORWEGIAN PARLIAMENT'S COMMITTEE ON DEFENCE

Mr. Speaker: May I interrupt the proceedings to advise the House of the presence in our gallery today of the Norwegian Parliament's Defence Committee led by its Chairman, Mr. Knut Olav Frydenlund.

Some Hon. Members: Hear, hear!

* * *

THE ECONOMY

MANUFACTURING SECTOR—EFFECT OF INTEREST RATES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. Economic growth in Canada will be severely hampered if the present combination of decreasing dollar values and increasing interest rates continues, especially if our manufacturers continue their present reliance on imported components. Does the Minister of Finance have any plans to protect Canada's competitive position so that no further jobs are lost in the manufacturing sector?

Hon. Michael Wilson (Minister of Finance): Madam Speaker—Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Through you to Madam Member—

Some Hon. Members: Oh, oh!

An Hon. Member: It must be the beard.

Mr. Wilson (Etobicoke Centre): I thought your back was turned, Mr. Speaker.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let me respond to the Hon. Member, Mr. Speaker. the question of higher interest rates is not something that we on this side of the House like to see. As I explained in response to one of the previous questions, it is something that is not totally within the control of the Government. Investors are backing away from the weaker currency. That in turn is pushing interest rates up. The Bank of Canada is trying to moderate that increase in interest rates, and has done so in recent weeks.

The question of the exchange rate is a mixed blessing. Some industries are very pleased to see the lower level of the dollar because they are able to export more, at greater profit to them. Others which are importers are obviously adversely affected. The balance there is a difficult one to judge as to which way

we are better off. I think it is a decision that individual investors are going to be making.

I point out to the Hon. Member that the direction of the November 8 statement is designed to improve the competitive position of Canadian industry. I would hope that Hon. Members would give more support to that economic statement, because that is a clear sense of direction—

Mr. Speaker: Order.

CREATION OF JOBS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government was quick to take credit for the 100,000 jobs created in the early part of its mandate, but the Minister does not seem to be prepared to take any responsibility for the 170,000 jobs lost more recently. I repeat, since this Government promised jobs, jobs, jobs, based on increased business confidence, when are we going to see the jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the direction of the Government is totally unchanged in that regard.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have set out very clearly the policies in the November 8 statement, which observers right across Canada say will result in a stronger economy, a more competitive economy, and more jobs being created.

I do not like the increase in interest rates, as I said in my previous answer. Once we have achieved some stability in the current situation in the exchange markets, I hope that we will see those interest rates decline.

* * *

THE SENATE

REQUEST FOR INTRODUCTION OF REFORM MEASURES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Deputy Prime Minister. It involves a subject raised by our Leader. We want to know whether the Government is going to introduce reform of the other house, the place with the largest Liberal caucus in this country, or are we going to continue to be one of the few nations in the world where an unelected body can thwart the will of the majority?

● (1440)

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): I believe, Sir, I have already answered that question. Perhaps the Hon. Member is not aware or has not read the report of the Special Joint Committee on Senate Reform, which was published just prior to our summer break last June. In it there are several worth-while recommendations which should be considered. I have suggested that a good place to start that consideration would be in the other place itself, but then the Leader of the Opposition there is not overly known for his reformist characteristics.

REQUEST THAT GOVERNMENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I refuse to enter into a dialogue over whether or not the body which has to reform itself should do the investigation, but I would say that if the Government is willing to introduce legislation to abolish the Senate, this Party will reverse its position on capital punishment in order to expedite that action.

Some Hon. Members: Oh, oh!

Mr. Murphy: Will the Government introduce legislation itself, or will it leave it up to the Senate to reform itself?

Mr. Axworthy: A Party of great principle, that is what it is.

Mr. Chrétien: You are on the ropes.

Mr. Speaker: Order, please.

An Hon. Member: Is he speaking for his Party?

Mr. Speaker: Order, please.

An Hon. Member: Order.

Mr. Speaker: I take it Hon. Members are ready to return to the House of Commons.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I think I can answer that question with a sense of dispassion that only a son of a Senator can address in this particular instance. However, I assure the Hon. Member that, notwithstanding my heritage, and the fact that at one time I was employed in that august institution, when the initiative of the Government in this regard is taken, and if that initiative will be taken—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —the matter will be discussed with Opposition House Leaders. I can only tell the Hon. Member that actions by the Hon. Senators at this time are lending themselves to a groundswell with respect to the whole question of Senate reform.

* * *

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—SOLICITOR GENERAL'S MEETING WITH PREMIER

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister and it concerns the fairness of our criminal justice system. Last Thursday the Minister of Justice finally saw the light. He joined with us and every major newspaper in the country in condemning the Solicitor General for his abysmally poor judg-

ment in meeting with Premier Hatfield on October 7 at the Chateau Laurier. The Minister of Justice said, and I quote: "if I was in opposition, I would have asked for his immediate resignation". He went on to say that it was politically unwise of the Solicitor General to meet with Premier Hatfield.

I should like to ask the Deputy Prime Minister whether he agrees with his Minister of Justice that it was politically unwise to meet with Premier Hatfield at the Chateau Laurier, and consequently that a resignation should be forthcoming.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, without in any way accepting the hidden premises in the preamble to the Hon. Member's question, and answering the general thrust of the question, that has been done by me on several occasions in the past three weeks. The answers have been recorded in *Hansard*. I have no reason now to alter the views I have expressed and which are of record.

JUSTICE DEPARTMENT MEETING

Mr. John Nunziata (York South-Weston): Mr. Speaker, I find it somewhat difficult to get answers out of the Government on this particular issue. I should like to ask the Deputy Prime Minister about a particular incident. On October 23 it was reported that Premier Hatfield was in Ottawa, and in view of the fact that there was a high level—

Mr. Speaker: With due respect, I would like a question, please.

Mr. Nunziata: In view of the fact that there was a high level meeting at the Justice Department on October 24, and at that meeting it was decided—

Mr. Speaker: Order. The Hon. Member for Scarborough Centre.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

CORPORATE AFFAIRS

PHARMACEUTICAL INDUSTRY COMMISSION OF INQUIRY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the Eastman Commission of Inquiry on the Pharmaceutical Industry. Could the Minister tell the House the progress of that inquiry and whether the Commission will be reporting to Parliament this week?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish to thank the Hon. Member for her question. I can assure her that the Eastman Commission's report is expected by February 28, and unless we are otherwise notified, we are still expecting the report on that date.

* * *

[*English*]

INCOME TAX

FARMERS' INCOME—TAX CALCULATION BASE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Finance whose recent white paper on farm tax matters is being interpreted by the press as having indicated that farmers earn twice as much as average Canadians and that they pay only a quarter as much income tax as average Canadians. Since this conclusion was based upon the assumption that inflated land values should be imputed as taxable income, could the Minister assure the House that it is not his intention to move off taxing on a cash basis and to an imputed value basis of income?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have read the media reports to which the Hon. Member referred, and I would say that there has been some misinterpretation of those media reports. We set out, in the tax discussion paper, a series of statistics which were the latest ones we had. We were anxious to get the whole report into committee—and I am hopeful that that will happen in a very short period of time—so that individuals in the farming community could come forward and give us the current state of the farming industry. We are very much aware of the downturn in the farming economy, but before I make the judgments which will be necessary for a Budget, I want to get up to date information from the farming community.

NET INCOME LEVELS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the Minister has talked about up to date information, would he supply the committee, when it is struck, with the information on 1984 returns, where I understand net income will turn out to be very similar to 1974 net income, yet there is a loss in land value approaching $4.5 billion? Will he bring that up to date for the committee?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered that question. We do not have those statistics in a compiled form. There has been some work done by the Farm Credit Corporation, and there has been some work done by the banking industry, on the current state of the farming community. We want to get that information before the committee, again to provide me with the information on which to make the judgments in a Budget. However, I would hope that when the reference comes forward—and I gather it will come forward today—Hon. Members opposite will support a quick reference of it to committee so that we can get on with the job.

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—RCMP INTERNAL REVIEW

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. I have given him notice of it in the hope of getting a real answer to the question. Weeks ago the Commissioner of the RCMP ordered an internal investigation of the Hatfield affair. I want to ask the Deputy Prime Minister when that report will be completed and whether he will agree now to make the substance of that report public, whether or not it serves the political interests of the Solicitor General?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I should like to thank the Hon. Member for informing my office that he intended to raise the subject this afternoon. This has given me the opportunity of discussing the matter with the Commissioner of the RCMP who informs me that the internal review now under way, is being pursued vigorously, and the expectation is that it will be completed very shortly, perhaps as early as this week. With respect to the second part of his question, I am sure he would not expect me to say that a report will be made public before it is even completed let alone read.

● (1450)

REQUEST FOR PUBLIC INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would remind him of the practice in the past of announcing in advance when a report would be made public. I have a supplementary question. Knowing how the reputation of the RCMP has been damaged by the allegations of a provincial Premier—the Mounties are out to get them, they lied in court, they are out to bring down a provincial Government—and that these allegations are contradicted before the internal report is even completed by the Minister of Justice, does the Acting Prime Minister not realize the importance, with that background, of having a full, independent public inquiry into this entire mess?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have said before in response to similar questions that any consideration of a public inquiry now would be premature until such time as the internal review has been completed and the Government is seized of it. With respect to the reputation of the RCMP, we on this side need take no lessons whatsoever from those over there who made it almost a life's work to denigrate and destroy the reputation of the Force.

* * *

FORESTRY

REFORESTATION IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of State for Forestry. On Thursday, in Vancouver, the federal Minister of State for Science and Technology stated that, rather than use federal dollars to replant trees in British Columbia, those same federal dollars should be diverted and used to develop new products and to improve productivity. Is that now the view of the Minister of State for Forestry and of the new Government?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, there is nothing wrong. We made the statement collectively before that there is a need to develop higher value added products in the industry. There is nothing wrong with saying that. There will be some dollars allocated for just that kind of thing in research and development. What is important is that at this time planting trees, silvaculture, and forest management, are the priority of the Government.

NEGOTIATION OF AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, now that we know that the Minister of Science and Technology does not know what he is talking about, I would like to ask the Minister of State for Forestry a simple question. Last year his officials were negotiating with British Columbia for $60 million a year for the Canada-B.C. reforestation agreement. It is now $30 million. Why the 50 per cent cut to British Columbia?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, obviously the premise is wrong. Nobody has ever suggested a figure of $30 million per year. It has been mentioned in this House on several occasions by the Minister of Finance, the Prime Minister, and the Minister of Regional Industrial Expansion, that an agreement will be signed. It will be a very good agreement, certainly a lot better than that which was signed by the previous Government.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES—QUOTA INQUIRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have a question for the Minister for International Trade. The current quota program against the importation of Japanese automobiles ends next month. The whole of Canada's automobile industry, manufacturers, parts suppliers, and labour, say that thousands of Canadian jobs are at risk if the import quotas are not continued. My question to the Minister is simply this: Will the import quotas be continued?

Hon. James Kelleher (Minister for International Trade): In reply to the Hon. Member, Mr. Speaker, I would advise him that we are aware of the expiry date. We have had discussions with the various officials in the Ministries involved. The matter is under review. We hope to announce what our policy will be before March 31.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REASON FOR GOVERNMENT'S REFUSAL OF $100 MILLION GRANT TO DOMTAR

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, my question is directed to the Parliamentary Secretary.

Taking advantage of the fact that Parliament was not in session, the Minister announced last week that the Government has decided to turn down a $100 million grant for Domtar. Since this Government has emphasized many times the importance of proper forest management and of our exports, what are the reasons behind this decision which may cause Quebec's economy to lose as many as 4,000 jobs?

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, in the absence of the Minister, who is out of the country on government business, I might tell the Hon. Member that the company which has made the application is essentially sound, as is the application itself. The Government, however, in its wisdom, has thought it important to decline money at this time on the grounds that to fund the application would be disruptive of the market. There are five other major companies waiting in line with similar submissions. To give the money that is requested to Domtar would be to place the Government in an almost impossible position to decline the requests of the other companies. I might say that the company in question has already received some $20 million from the Government under different auspices, and at different times. The final consideration, which the Hon. Member might also want to take into account, is the possibility that the Government of the United States would consider any subvention from us for this purpose a contravention of GATT type agreements.

[*Translation*]

INQUIRY WHETHER QUEBEC GOVERNMENT CONSULTED

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, could the Minister inform the House whether the Government consulted with the Government of Quebec which has already paid out $85 million, and does the Government realize that without its contribution, this project may have to be cancelled?

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Very briefly, Mr. Speaker, the Government did deliberate very carefully on the application. The Government viewed the plans of the company in question as sound, and recognized the contribution that would be made to the relevant province and to the economy as a whole should the project go ahead. However, after a lot of consideration, it thought it not desirable to approve the application and the funds in connection with it. Instead, it recommended very strongly that the company might wish to seek other sources of funds available in the private sector.

CANADIAN COMPANY'S INVESTMENT IN UNITED STATES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a question for the same Minister. In his response the Minister mentioned the Government of the United States and the possible reaction by that body to an investment by the Canadian Government in the Domtar Mill. Last December, Great Lakes Forest Products of Thunder Bay announced that it was building a major pulp and paper mill in Washington State to compete directly with paper mills in British Columbia. Can the Minister advise this House how, on one hand, the Government is prepared to allow a Canadian company, which has received a lot of money from the taxpayers, to invest in the United States to take away our jobs, and is not prepared to support a company in Canada to build in Canada to protect existing jobs?

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I think the premise of the question is wrong, as is the conclusion. This Government has been more generous in funding legitimate applications in a short period of time, something like 25 weeks in office, than the previous Government was in any comparable period. We have considered each application on its own merits. In the case of Domtar we found it inadvisable that the Government of Canada should spend the kind of funds that were requested, given the market conditions that prevailed both in Canada and abroad.

REQUEST FOR RECONSIDERATION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, on one hand a number of pulp and paper companies in Canada have received those kinds of grants in the past. There is no question that help was not needed because of the way the Liberals wanted to deal with things. Will the Minister advise the House whether he will now reconsider the Domtar application and look at the Great Lakes Forest Products investment in the United States and tell that company to bring its money back to Canada?

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I think the Hon. Member will appreciate that circumstances in the marketplace change. At a time when the Government of Canada, including the previous administration, looked kindly on certain applications, market conditions were very different from those that prevail now. The Domtar application was viewed in light of circumstances now, not in light of circumstances that prevailed two or three years ago.

* * *

RAILWAYS

DERAILMENT AT PETAWAWA, ONT.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of Transport. The 27 cars of a freight train derailed at Petawawa yesterday morning has once again focused the serious attention of

Canadians on the transportation of dangerous goods. While local police, the fire department, and ambulance services were on the job and efficient, I ask the Minister how many more accidents will have to take place before he vigorously applies the regulations of the Transportation of Dangerous Goods Act passed in the last Parliament?

● (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am pleased to receive the representations of the Hon. Member. He will know that the regulations for the transportation of dangerous goods have just been promulgated and they will take effect in stages over a period of time. There has been some resistance within the transportation sector, but I am pleased that the Hon. Member, and I assume he is speaking on behalf of his Party, will support that.

With respect to the specific accident in question, I am pleased to advise the House that the CTC is investigating the situation and I expect a report will be handed down in due course.

RAIL INSPECTIONS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, why has the Minister allowed a shoddy standard of maintenance on the railways such that a broken rail caused 27 cars, three of which burned, to go off the rails on the CP main line?

Mr. Deans: Since September, why have you allowed this?

Mr. Hopkins: Will the Minister give a personal undertaking to see to it that all the rails are thoroughly inspected at all times and special emphasis is placed on the inspection of bridges during flood conditions such as these?

Mr. Deans: Up until September it was maintained thoroughly.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure all Members would agree that it would be rather presumptuous for me to accept the findings of the Hon. Member unless he has been monitoring the track during this period of time. If he has been, he should have reported such to the CTC.

I will certainly await the report of the CTC. I think they are perfectly qualified to conduct the investigation, and, whatever corrective action is required, this Minister will take such action.

* * *

[*Translation*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, February 6, 1985, meet the requirements of the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

REMARKS OF MR. HNATYSHYN IN QUESTION PERIOD

Mr. Speaker: When the House last adjourned a question of privilege had been raised by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins). I am prepared to hear the Government House Leader (Mr. Hnatyshyn) on the same question of privilege.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I understand that on February 15 the Hon. Member for Renfrew-Nipissing-Pembroke rose on a question of privilege with respect to remarks attributed to me at page 2349 of *Hansard* of the previous day. Mr. Speaker, I had not intended to cast any reflection on the Hon. Member, who is an honourable Member. I take this opportunity to unequivocally and absolutely rescind, revoke and expunge from the record any attribution with respect to the character of the Hon. Member.

Mr. Speaker: I presume that ends the matter.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I would just like to compliment the Government House Leader on his retraction. That is the way this House should act and I thank him.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by a substantial number of concerned Canadians with respect to Canada's National Postal Museum being scheduled to close on March 4 of this year. The petitioners ask the House of Commons to use its legislative authority to assure that Canada's National Postal Museum will not be closed as scheduled, and that a permanent site be found where these postal artifacts will continue to be available for the enjoyment of the Canadian public and international visitors.

NUCLEAR WEAPONS-FREE ZONE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the honour to present a petition on behalf of Project Plowsharks signed by many people from the Kamloops-Shuswap area commending the Secretary of State for External

Affairs (Mr. Clark) and encouraging him to continue with his Government's policy of no nuclear weapons stationed on Canadian soil, and of having no plan, current, pending or anticipated, that would have the Government of Canada involved in any way with the Star Wars scheme.

NUCLEAR DISARMAMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I also have the opportunity to present another petition on behalf of a substantial number of individuals from the Kamloops area, protesting Canada's continuing participation in the arms race, particularly its support of the Star Wars proposal of the American Government. They suggest that the Cruise missile in fact is not a defensive weapon by its very nature. They encourage the Prime Minister (Mr. Mulroney) to follow the words of John Paul II when he said: "Do not follow leaders who train you in the ways of death; love life, respect life, in yourself and in others". They call upon their fellow citizens of Canada to hear these words and for their political leaders—

Mr. Speaker: With great respect, the Hon. Member is going a little longer than one should go in the presentation of a petition.

CNCP TELEPHONE SERVICE APPLICATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by a number of members of the Federal Superannuates National Association expressing concern at the entry of CNCP into the long-distance telephone business because of its potential impact on a comprehensive and moderately priced telephone service for all Canadians, particularly retirees. They petition Parliament to deny CNCP's application to permit its entry into the long-distance telephone business.

[*Translation*]

BENEFITS FOR SINGLE PERSONS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, on behalf of my constituents, I have the honour of presenting a petition to this House requesting that all single persons between the ages of 60 and 64 and who are in need receive the same benefits as those provided under the Spouse's Allowance Program.

* * *

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

REFERENCE TO STANDING COMMITTEE OF DISCUSSION PAPER

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations with the Opposition House Leaders and with the agriculture critics of the respective Parties. I think you will find an inclination to accept a draft order which I will now read for presentation as the first item an Orders of the Day following Routine Proceedings. I think this would be the correct procedure to follow, although I will accept your advice. I believe there are some Members who want to address this particular motion before it is passed. There is an agreement to pass this discussion paper to the Standing Committee on Finance, Trade and Economic Affairs, and my understanding is that there will be no more than two speakers from the Liberal Party, one speaker from the New Democratic Party, and we will possibly have one speaker in reply.

Mr. Speaker: If I can interrupt the proceedings, I take it the Government House Leader (Mr. Hnatyshyn) is seeking unanimous consent for the introduction of a motion and, in effect, a unanimous House order that the matter be scheduled as the first item for debate. I must now, I think, treat it as a Government Notice of Motion for today, in effect, but introduced by unanimous consent. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Can we now have the motion and I think I know what to do with it then.

Mr. Hnatyshyn: The draft order is as follows:

That the discussion paper entitled *Tax Issues in Agriculture*, tabled January 31, 1985; be referred to the Standing Committee on Finance, Trade and Economic Affairs;

That the Committee examine and report on the proposals contained therein and, in particular:

(i) the need for limitations on the deductibility of farm losses against non-farm income for part-time farmers and the appropriateness of the current limitations under Section 31 of the Income Tax Act;

(ii) the appropriateness and consequences of relieving the farm community of the general requirement to include one-half of capital gains on the sale of farm land in income for tax purposes; and

(iii) the appropriateness of using the tax system to provide assistance through an agri-bond mechanism and the implications related thereto; and

That the Committee report its findings no later than April 1, 1985.

Mr. Speaker: There being unanimous consent for the introduction of the motion, the motion is thereby introduced and transferred to Government Orders for debate under Orders of the Day.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I am delighted to be able to make my reply today, as there are some 15 questions which are being answered.

Some Hon. Members: Hear, hear!

Mr. Dick: It will bring it up to 46.2 per cent of the questions which have been asked to date. That is 15 per cent more than the last Parliament.

[*Translation*]

Mr. Speaker, the following questions will be answered today: Nos. 57, 66, 70, 120, 121, 122, 139, 140, 171, 173, 174, 177, 189, 199 and 226.

[*Text*]

LOTO CANADA INC.

Question No. 57—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of Loto Canada Inc. and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): During fiscal year 83/84, and until December 31, 1983, the members of the Board of Directors of Loto Canada Inc. were: Ms. Danielle Desbiens, Mrs. Dorothy Pratt and Mr. Gordon Kritsch. Mrs. Pratt and Ms. Desbiens each received an amount of $250 per day for attendance at board meetings. As a public servant, Mr. Kritsch received no stipend. During that period, there were a total of seven one-day meetings. As a result, Mrs. Pratt and Ms. Desbiens received a total of $1,750. The general manager of the Corporation during this period was Mr. Gordon Kritsch, who was on loan from the Department of Labour and thus not paid by Loto Canada Inc. In December, 1983, Mr. John Gow and Mr. André F. Lizotte were appointed directors of Loto Canada Inc. As these individuals were also directors of the Canadian Sports Pool Corporation, they received no stipend from Loto Canada Inc. for attendance at meetings. In November, 1983, Mr. Kritsch became an employee of the Canadian Sports Pool Corporation but continued to act as general manager of Loto Canada Inc. without compensation from that corporation.

MINISTRY OF THE SOLICITOR GENERAL

Question No. 66—**Mr. Nunziata:**

1. How many determinate and indeterminate employees are currently working in the (a) Department of the Solicitor General (b) RCMP (c) National Parole Board (d) Correctional Service?

2. What is the percentage of male to female employees in the senior and middle management categories in the (a) Department of the Solicitor General (b) RCMP (c) National Parole Board (d) Correctional Service?

3. What is the percentage representation of handicapped and native persons in the (a) Department of the Solicitor General (b) RCMP (c) National Parole Board (d) Correctional Service?

Hon. Elmer M. MacKay (Solicitor General of Canada):

1. (a) Ministry Secretariat: determinate 73, indeterminate 227.

*(b) Royal Canadian Mounted Police: determinate 263, indeterminate 2995.

(c) National Parole Board: determinate 21, indeterminate 242.

(d) Correctional Service of Canada: determinate 553, indeterminate 10,621.

2. (a) Ministry Secretariat

	Percentage-Male	Percentage-Female
Senior Management Level	87%	13%
Middle Management Level	54%	46%

*(b) Royal Canadian Mounted Police

	Percentage-Male	Percentage-Female
Senior Management Level	100%	0%
Middle Management Level	57.69%	42.31%

(c) National Parole Board

	Percentage-Male	Percentage-Female
Senior Management Level	77.8%	22.2%
Middle Management Level	63.2%	36.8%

(d) Correctional Service of Canada

	Percentage-Male	Percentage-Female
Senior Management Level	94.2%	5.8%
Middle Management Level	85.2%	14.8%

3. (a) Ministry Secretariat

Percentage representation of handicapped	2.3%
Percentage representation of natives	1%

*(b) Royal Canadian Mounted Police

Percentage representation of handicapped	3.2%
Percentage representation of natives	1.5%

(c) National Parole Board

Percentage representation of handicapped	4.6%
Percentage representation of natives	.8%

(d) Correctional Service of Canada

Percentage representation of handicapped	1.8%
Percentage representation of natives	.1%

* Please note that the information provided in 1(b), 2(b), and 3(b) applies to the Public Service component of the Royal Canadian Mounted Police (excludes members).

OFFENDERS ON MANDATORY SUPERVISION

Question No. 70—**Mr. Nunziata:**

1. Within the correctional system, how many offenders are currently on (a) mandatory supervision (b) temporary release (c) parole?

2. For each of the categories in part I, how many were originally convicted for crimes of violence?

3. (a) As of April 1, 1984, how many institutions within the correctional system were equipped to accommodate conjugal visits and what are their locations (b) for the fiscal year 1984-85, what is the total forecasted cost of each (c) how often are they used?

4. What is the average age and level of education of correctional officers at (a) Archambault Penitentiary (b) Millhaven Penitentiary (c) Saskatchewan Penitentiary?

Hon. Elmer M. MacKay (Solicitor General of Canada): 1. (a) 2090. (b) The following information on temporary release is for unescorted temporary absences only. At the present time the offender information system does not store actual release data on day parole releases. On November 13, 1984, there were 34 inmates under unescorted temporary absences into the community. (c) 4111.

2. (a) 1064. (b) Of these, 19 had a major offence of violence. (c) 2365.

3. (a) and (b) As of April 1, 1984, 22 family visiting units were in use at 17 institutions.

	Institutions Where Units Are Located	Cost*	
Atlantic	Dorchester Penitentiary	$83,000.	
Region	Springhill	53,300.	
Quebec	Archambault	32,598.	
Region	Laval (2 units)	49,684.	(per unit)
	Leclerc	68,000.	
Ontario	Prison for Women	50,000.	
Region	Millhaven (2 units)	41,267.	(per unit)
	Joyceville	46,100.	
	Kingston Penitentiary	44,100.	
	Collins Bay (2 units)	60,500.	(per unit)
Prairie	Stony Mountain	52,810.	
Region	Edmonton	65,183.	
	Saskatchewan Penitentiary	52,476.	
	Drumheller	60,500.	
Pacific	Kent (2 units)	85,258.	(per unit)
Region	Mission	56,687.	
	Matsqui (2 units)	35,798.	(per unit)

* The costs provided are for the units and their installation. Details on operation and maintenance costs are not retrievable since they are merged with general institutional expenses such as heat, hydro and laundry.

Please note that the variance in the initial cost of certain units depended on whether part or all of the work was done by contract, casual labour or inmates: whether the project was designed by consultants or by Public Works Canada; the distance required to bring in essential sanitary and water services, whether, in the case of a family visiting trailer, it had to be hoisted over the institution's fence or wall; the length of fencing required; and, the quality of furniture, accessories and amenities provided.

(c) Each family visiting unit is used on a regular basis except for one day during the week when it is closed for maintenance purposes and in the case where a cancellation occurs.

Normally, approved inmates are allowed visits of up to 72 hours at S3-S5 (medium security) institutions and up to 48 hours at S6 (maximum security) institutions. The Warden may grant a longer visit if warranted by exceptional circumstances. Until October, 1984, an inmate was limited to one family visit every three months. Now, if the number of participating inmates and the facilities permit, a private family visit may take place every two months.

The national utilization rate, derived from the number of days that available units are actually in use, was 70.59 per cent during the third quarter of 1984. Regionally, however, the figures vary considerably. A number of factors, including the ease and frequency with which visitors can reach institutions, affect the utilization rate in different areas.

		Average Age	Average Level of Education
4. (a)	Archambault Institution	38 years	13.43 years
(b)	Millhaven Institution	44 years	10.98 years
(c)	Saskatchewan Penitentiary	34 years	11.50 years

CBC—CUTS IN PROGRAMMING IN MONCTON

Question No. 120—**Mr. Robichaud:**

1. Will the $75 million cuts in the CBC budget affect the Moncton area and, if so, in what way?

2. Will they affect French programming and, if so (a) who is responsible for allocating cuts throughout the network (b) what will be the percentage of cuts in the Moncton area (c) will French culture in New Brunswick be affected and, if so, are alternatives planned for Acadians?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes. In Moncton, the Corporation operates French radio and television and English radio facilities. The $75 million budget cuts have meant that the total CBC establishment in Moncton will be reduced by eight positions out of 172.

2. A few regional French radio and television programs will be affected. In television, the Monday to Friday 5-minute newscast at 1.05 p.m. and *Au gré des vents* will be cancelled. No immediate changes are planned in local radio programming. In both radio and television, programs that may be vulnerable have been identified, but the full impact of the cuts will not be known for some months.

(a) The Board and the President on the recommendation of the appropriate officers of the Corporation.

(b) The reduction is 5 per cent of the Moncton French services budget.

(c) Every effort will be made to minimize the effects of the budgetary reductions.

TOURISM ADVERTISING PLAN

Question No. 121—**Mr. Robichaud:**

1. Did the Ministry of State for Tourism establish an advertising plan in order to promote Canada's arts and various cultures (a) in Canada (b) abroad and, if so (i) what is it (ii) at what cost?

2. Was the contract awarded to an advertising firm and, if so (a) to whom (b) on what date will the ads appear?

Hon. Tom McMillan (Minister of State (Tourism)): 1. No. 2. Not applicable.

SUMMER CANADA PROGRAM

Question No. 122—**Mr. Robichaud:**

1. Did the Department of Employment and Immigration abolish the Summer Canada Program and were there any consultations and, if so (a) with which individuals or organizations (b) on what dates?

2. How many (a) young persons were employed through the program (b) work weeks were allocated to the program?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. As part of the expenditure reductions announced in the November 8, 1984, economic statement, the Summer Canada program was terminated, with the exception of Canada Employment Centres for Students. Consultations

did not form part of the Government's decision to terminate Summer Canada. (a) Not applicable. (b) Not applicable.

2. (a) Approximately 85,000 students were employed under Summer Canada 1984. (b) Approximately 930,648 work-weeks were created by Summer Canada 1984.

PROHIBITION OF IMPORTATION OF PORNOGRAPHIC MATERIAL

Question No. 139—**Mrs. Pépin:**

Did the Government ever prohibit the import of pornographic material and, if so (a) how many times (b) were legal proceedings taken and was the Government successful?

Hon. Perrin Beatty (Minister of National Revenue): Yes, the Department of National Revenue has prohibited the importation of pornographic material.

(a) Totally accurate statistics are not available. Approximately 4,083 seizures and detentions of prohibited pornographic materials were made by National Revenue—Customs and Excise in fiscal year 1983-84.

(b) Section 50 of the Customs Act allows for an importer to appeal a Deputy Minister's decision to a court for a re-determination. Over the past three years, National Revenue—Customs and Excise has been involved in 23 court proceedings. Nine were abandoned by the appellant. Five are still outstanding. Of the remaining nine, five were rejected and four were found in favour of the appellant.

APPLICANTS FOR REFUGEE STATUS

Question No. 140—**Mrs. Pépin:**

1. Did the Minister of Employment and Immigration take action on the grievances of the Bangladesh Refugee Action Committee concerning hundreds of persons who applied for refugee status and who live in the Montreal area and, if not, does she intend to make a decision concerning some 20 to 25 applicants who have been ordered deported and, if so, on what date?

2. Will the Minister wait for Rabbi Gauther Plaut's document before taking action?

3. Did a Sikh applicant for refugee status submit his case to the Supreme Court and, if so (a) what is the status of the case (b) pursuant to what clause of the Canadian Charter of Human Rights and Freedoms was the case submitted?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. No. The essence of the "grievances" raised by some citizens of Bangladesh and members of the community who support their requests is that approximately 1,000 of them who are here without legal status should be allowed to remain in Canada even if their claims to refugee status are determined to be unfounded by the Minister of Immigration and the Immigration Appeal Board.

The Minister has considered this request and has advised all who have approached her office on this subject that blanket exceptions to immigration law and regulations are not justified. Those persons who have valid reason to fear persecution were they to return to their country will be protected in Canada. Those who do not will be expected to leave.

No. There is no provision in the Immigration Act for the Minister to intervene in cases once a removal order has been issued.

2. No.

3. The Supreme Court of Canada granted leave to appeal in seven cases (involving six Indians of Sikh origin and one Guyanese), which cases were argued in late April and early May, 1984. The appellants argued s. 7 of the *Canadian Charter of Rights and Freedoms*. The court in December asked the lawyer for the appellants for additional representations with respect to the *Canadian Bill of Rights*, which it is now awaiting.

TEMPORARY ABSENCES—INMATES OF FEDERAL INSTITUTIONS

Question No. 171—**Mr. Stackhouse:**

In 1983, how many inmates of federal penal institutions were allowed to be temporarily absent on a regular basis and, of these, how many had been (a) parole violators (b) convicted of (i) murder (ii) manslaughter (iii) armed robbery?

Hon. Elmer M. MacKay (Solicitor General of Canada): Information provided for unescorted temporary absences only. At the present time the offender information system does not store actual data on day parole.

In 1983, 3,116 inmates received unescorted temporary absences. (a) 220. (b) (i) 122, (ii) 124, (iii) 427.

DIVORCE

Question No. 173—**Mr. Stackhouse:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, how many divorces were granted and how many couples had been married less than (i) two years (ii) five years?

2. For the same years, how many individuals (a) were awarded maintenance and child custody and how many had to have court enforcement of these orders (b) do not receive maintenance payments because their former spouse moved out of the province?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): I am informed by the Department of Justice and Statistics Canada as follows:

1. The following table displays the number of divorces granted in 1980, 1981, 1982 and 1983, how many of these couples had been married less than two years and how many less than five years.

Number of Divorces by Duration of Marriage, Canada, 1980 to 1983

	1980		1981		1982		1983	
Duration of Marriage	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Married less than 2 years	1,276	(2.1)	1,445	(2.1)	1,598	(2.3)	1,468	(2. 1)
Married less than 5 years	11,024	(17.8)	11,645	(17.2)	12,102	(17.2)	11,629	(17.0)
Total Divorces	62,019		67,671		70,436		68,567	

2. (a) and (b) It is not possible to provide an accurate response to this question on a national or provincial basis because the necessary statistical information is not available.

However, the *Final Report of the Federal-Provincial Committee of Enforcement of Maintenance and Custody Orders in Canada* describes the types of statistics that are gathered by province. Copies of this report can be obtained by contacting Margo Haug, Department of Justice, at 993-5139.

VICTIMS OF CRIME

Question No. 174—**Mr. Stackhouse:**

1. In 1983, how many victims of crime claimed compensation from the Ontario Criminal Injuries Compensation Board?

2. What amount of compensation was awarded in total?

3. What is the government's present contribution to the Board?

Hon. John C. Crosbie (Minister of Justice): 1 and 2. The subject matter of these parts falls within the administrative responsibility of the Province of Ontario.

3. The federal contribution to the Board in 1983-84 was $881,590.

DAY CARE PROGRAM

Question No. 177—**Mr. Stackhouse:**

1. In 1983, what government assistance was given to day care programs?

2. What is the (a) current cost of day care (b) total amount of federal-provincial funding of day care facilities?

Hon. Jake Epp (Minister of National Health and Welfare): 1. Under the Canada Assistance Plan, which is administered by the Department of National Health and Welfare, the federal Government shares 50 per cent of eligible costs incurred by provinces and their municipalities in providing day care programs. Canada Assistance Plan expenditures in support of day care services totalled an estimated $75 million in 1983-84.

Through the National Day Care Information Centre, the Department of National Health and Welfare also provides consultation and information services to interested individuals and groups.

2. (a) Only a rough estimate is available which suggests that the cost of day care in Canada is approximately $400 million.

(b) In 1982-83, the latest year where figures are available, total provincial and municipal expenditures for day care approximated $214 million. Of this amount for 1982-83, $70 million was reimbursed by the federal Government through the Canada Assistance Plan. Federal sharing is less than 50 per cent because the Canada Assistance Plan does not provide for sharing of all types of costs nor does it share on behalf of all users of day care programs.

TRAINING PROGRAMS AT FEDERAL PENITENTIARIES

Question No. 189—**Mr. Stackhouse:**

In 1983, what types of training programs were offered by federal penitentiaries and what was the cost?

Hon. Elmer M. MacKay (Solicitor General of Canada): Training programs consisting of basic literacy, life skills, elementary, secondary (vocational and academic), accredited vocational and college level courses and university courses were offered to federal inmates in 27 institutions ranging from minimum security (S-2) to maximum security (S-7). Native inmates also benefited from such specialized courses as native language and native cultures, and inmates at the Prison for Women were allowed access to academic/vocational programs offered at Bath Institution.

The total cost for education and training in fiscal year 1983/84 was $22,175,420. This included staff and contract teachers' salaries, operating costs and inmate pay.

ACID RAIN

Question No. 199—**Mr. Stackhouse:**

What percentage of Canadian lakes (a) have been affected by acid rain (b) are nominally dead due to acid rain?

Hon. Suzanne Blais-Grenier (Minister of the Environment): At present, research is concentrated on the phenomenon of acid rain in eastern Canada where acidic precipitation is having its greatest effects:

(a) Estimates of the number of lakes in eastern Canada highly sensitive to acid rain and likely to be affected by current acid rain levels, are as follows: Ontario, 27 per cent; Quebec, 37 per cent; New Brunswick, 42 per cent; Nova Scotia, 47 per cent; and Newfoundland, 54 per cent.

(b) Estimates of acidified lakes which no longer support a fish population are as follows: Ontario, 5 per cent; Quebec, 15 per cent; New Brunswick, 6 per cent; Nova Scotia, 40 per cent; Newfoundland, 0 per cent.

NUMBER OF GOVERNMENT EMPLOYEES

Question No. 226—**Mr. Howie:**

In 1984 (a) how many female workers were employed by the government, excluding Crown corporations (b) what was the total number of persons employed by the Government?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): The following table shows the total employment and the number of females employed in that part of the Public Service for which the Treasury Board is the employer (PSSRA 1, 1) for 1984:

	Total employees*	Females
December, 1984	236,185	98,703

* These numbers do not include Crown corporations, agencies with separate employer status (such as National Research Council, National Film Board), RCMP or military personnel.

These data reflect simply a count of the number of employees at one point in time. The Treasury Board controls the size of the Public Service by means of person-years, which represents one full-time person for 12 months or any equivalent such as 12 persons for one month.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker if question No. 81 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 81 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

AVERAGE ADMINISTRATIVE COST OF DELIVERY OF SUPPORT INCOME

Question No. 81—**Mr. Angus:**

For the past ten years, what was the total average administrative cost for the delivery of $100 of income support for each program administered, in whole or in part, by the government, including but not restricted to, such programs as provincial welfare, municipal welfare, Canada Pension Plan, CPP disability, old age pension, guaranteed Income Supplement, spouse's allowance, veteran's pensions, family allowance, unemployment insurance, manpower training allowance?

Return tabled.

[*Translation*]

Mr. Dick: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*English*]

Mr. Speaker: The Hon. Parliamentary Secretary has responded to the questions which have been enumerated and entered his political asides.

Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

REFERENCE TO STANDING COMMITTEE OF DISCUSSION PAPER

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)) moved:

That the discussion paper entitled *Tax Issues in Agriculture*, tabled January 31, 1985, be referred to the Standing Committee on Finance, Trade and Economic Affairs;

That the Committee examine and report on the proposals contained therein and, in particular:

(i) the need for limitations on the deductibility of farm losses against non-farm income for part-time farmers and the appropriateness of the current limitations under Section 31 of the Income Tax Act;

(ii) the appropriateness and consequences of relieving the farm community of the general requirement to include one-half of capital gains on the sale of farm land in income for tax purposes; and

(iii) the appropriateness of using the tax system to provide assistance through an agri-bond mechanism and the implications related thereto; and

That the Committee report its findings no later than April 1, 1985.

Mr. Maurice Foster (Algoma): Mr. Speaker, I appreciate that the Government House Leader (Mr. Hnatyshyn) has finally put this matter before the House for debate. I believe the agriculture paper which was tabled by the Minister of Finance (Mr. Wilson) three or four weeks ago is a very important document. I assume that the motion which the Government House Leader read to the House is the same motion as that which was in the preliminary draft which he gave to our House Leader a few days before the recess. At that time our House Leader indicated that we wanted a short debate with one or two speakers from our Party. Therefore, I appreciate that I have been provided with that opportunity this afternoon. However, in the future I wish that a motion such as this would be put on the Order Paper as that is the proper parliamentary procedure. If that is done, unanimous consent will not have to be sought as it was this afternoon, although that procedure works fine as long as everyone agrees.

The paper which was tabled by the Minister of Finance has raised a great deal of concern in the agricultural community. If we look at the press reports about the paper we would realize the reason for the concern. The press report of *The Gazette* on January 14 outlined the commitment which the Conservative Party made during the election campaign, which was to "establish an agri-bond program to provide loans at reduced interest rates to agricultural producers".

The article continued:

A tax exemption for earned income on these bonds will be provided to attract investment capital to this program.

The Conservative Party during the election campaign also indicated:

—tax rules for part-time farmers would be changed "to reflect the principles of equity, neutrality, simplicity and certainty" and arbitrary actions by the Revenue Department will be abolished.

The discussion paper which is now before the House makes no reference to the campaign commitments. It makes one

wonder whether the campaign commitments have been totally forgotten by the Government. It is disturbing that the paper went on to point out that farmers pay some 4 per cent of their total farm income in income taxes. The paper goes on to suggest:

> The proposed changes in the taxation of capital gains and the agri-bond concept raise questions about unfair competition, the potential for upward pressure on farm land prices and fairness vis-à-vis other taxpayers.

It continues:

> Changing the $5,000 limit on farm losses a part-time farmer now can claim could jeopardize the position of full-time farmers—

That press report was of some concern to farmers across the country, but the press report of *The Globe and Mail* on February 23 gave them greater concern. The headline of the *The Globe and Mail* article read: "Study shows farmers earn twice as much as average Canadian". *The Globe and Mail* article outlined the white paper, which suggests that farmers are well off, that they have special tax concessions and that they do not pay their fair share of taxes.

I believe the allegations which were made in the newspaper reports and in the white paper are completely false and will not stand up to a close examination of the facts which exist in the agricultural community today. I would be surprised if the Minister of Agriculture (Mr. Wise), who unfortunately is not with us this afternoon, would want to adopt this paper as it now stands. If he does, it will be apparent that he has lost the battle in Cabinet on this paper to the Minister of Finance and the Department of Finance. The paper obviously reflects the view of the Department of Finance more than the view of the Minister of Agriculture and certainly of the agricultural community across the country. We could compare it with the battle which was waged at Meech Lake over the consultation paper that the Government drafted on social policy. In that case the Minister of National Health and Welfare (Mr. Epp) clearly won the day and the Minister of Finance lost. If we looked at this paper we would see that the Minister of Finance and his Department controlled the battle which took place over the drafting and writing of the white paper on farm taxation issues. The paper does not reflect the true financial difficulties which farmers face today.

If we looked at the income situation for farmers over the last 10 years, from 1974 to 1984, we would see that net farm incomes in 1974 were almost $3.6 billion. Ten years later, in 1984, the net realized farm income is $5.8 billion. For a document which has the Minister of Finance's name on it, and which is supposedly supported by the Minister of Agriculture and the Tory caucus, to suggest that farmers earn twice as much as other taxpayers and have an exceptionally good position in the income scale of the country does not square with the facts which are evident in the agricultural community. We have only to look back at the Farm Credit Corporation report of last fall. It indicated that 39,000 farmers were in serious financial difficulty. That does not mean that those farmers are having trouble buying a new car. We are talking about people with equity which is less than 15 per cent. That is the criterion of the study. They are paying over 40 per cent of their gross income to meet their debt payments. They were borrowing more than they were investing in capital expenditures.

● (1520)

This paper does not really reflect the tough financial situation about which many farmers complain. As a matter of fact, when one looks through the paper one sees that the calculation of income is based on capital gain. How can a farmer take a capital gain which might exist on his property and go out and buy seed, fuel or fertilizer? That is just ridiculous. If there were a sharp capital gain during the mid-1970s, there certainly has been a dramatic, precipitous and disastrous capital loss in the last two or three years, and that is reflected in the Farm Credit Corporation report which was published in November of this year.

Therefore, I would point out to the Minister of Finance and the Minister of Agriculture that this report really does not accurately reflect the income or the tax position of many farmers. For instance, it is pointed out that the income of full-time farmers in 1982 was $16,000 and the income of all non-farm tax filers was $16,732. On the previous page it points out that the average farmer in Canada has an equity investment of $416,000. When there is an equity capital investment of that amount and the farmer works 16 hours a day along with his wife and family, and he ends up with a net income of $16,000, he really is not even getting a decent return on his investment. He gets nothing for his labour, his wife's labour, and in many cases the labour of family members. So I feel that this report of the Minister of Finance is most unfair and does not accurately represent the financial situation of the farm community.

I talked to several farm families over the weekend who are really appalled at the way the Government has presented the position of farm families in this country. The report indicates the return on investment, including debt, in the years 1977 to 1983 varied between 2.4 per cent and 0 per cent. This provides practically nothing for wages and very little for the investment which the average farm producer has made.

I feel that we will need to have a very good discussion in the standing committee. We will want to know what kind of a tax expenditure the Minister of Finance is willing to commit to Canadian agriculture under an agri-bond system. We will want to know whether the Government really wants to keep its campaign commitment to abolish capital gains on farm land which continues to be used for agricultural purposes. But this document, at first blush, appears to be trying to do one of two things, or perhaps both; either it is a way to start the ball rolling for the Government to welsh on the three commitments it made during the election campaign, or else it is trying to present a rosy picture of the agricultural scene today in order to try to cover up the Government's lack of action on the farm debt crisis.

Clearly, one cannot read the Farm Credit Corporation report on the financial debt crisis of this country without coming to the conclusion that it is a very serious problem.

Farm properties have dropped anywhere from 25 per cent to 50 per cent in value. In many areas like northern Ontario or Timiskaming there has been a serious drop in farm value. This is not something which has just happened in this country. The United States is facing the same kind of problems. The only difference is that the United States has taken action and put in place various programs for their farmers where 25 per cent of a farmer's debt is set aside for a period of up to five years. Farm interest rates have been written down to 7 per cent or 5 per cent, and providing that puts the young farmer into a positive cash flow position, these benefits will be extended. But the United States has even gone beyond that in providing a loan guarantee system for finances which will assist its farmers.

I believe this paper is really designed to do one of two things; either to start in train a process so that the Government will be able to welsh on its campaign commitments relating to these three items, or to cover up as a smoke and mirrors show its lack of action for the serious financial debt crisis which is facing much of Canadian agriculture.

Mr. Deputy Speaker: Are there questions and comments on the Hon. Member's speech? If not, we will resume debate.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I welcome this opportunity to take part in the debate on a motion to refer the report on tax issues in agriculture, published by the Government in January 1985, to the Committee on Finance, Trade and Economic Affairs.

Mr. Speaker, first of all, having listened to and read the speech made by the Minister of Agriculture (Mr. Wise) in this House more than a week ago, on February 15, I feel some trepidation with respect to the Minister's attitude. The Minister, in this very House, accused Opposition Members of not wanting to refer this paper to the Committee on Finance, Trade and Economic Affairs, and I quote from *Hansard* at page 2402, Mr. Speaker:

> It dumbfounds me to witness this continuing reluctance on behalf of the Official Opposition to give us an opportunity to refer these three items to an appropriate standing committee.

Mr. Speaker, as you know, and we know the Chair does not take sides in the House, the Minister misled us, probably involuntarily, but just the same, we must admit the Minister was not being entirely frank, not quite honest when he told the House that it was the Opposition's fault if this Government was refusing to go ahead and help farmers, because the exact opposite is true.

Mr. Speaker, the discussion paper was not published until January 1985. I think this is rather strange, considering the fact that last summer, in July and August, the Government seemed to be willing to help farmers at any level.

[*English*]

I would just like to remind you, Mr. Speaker, of some of the campaign promises which the Tories made last summer. No doubt like us Liberal Members, Mr. Speaker, you have had to listen to that litany of campaign promises which bored you as much as it bored us, I am afraid. However, you will recall, Mr. Speaker, that there were specific promises made at that time to abolish the capital gains tax on the sale of farm property. There was no question then of issuing a document which would attempt to do the opposite or which would at least suggest that abolishing the capital gains tax would be difficult if not impossible.

The Tories also promised to allow the Farm Credit Corporation to offer agri-bonds. I have read this document, Mr. Speaker, and I can tell you that I am not convinced that the Government wants an issue of agri-bonds at all. I wonder why the Conservative Government during the election campaign could not have prepared a document which looked at the possibility of offering a program before they promised it to the public. It should have done that instead of offering the program and then going back to the electors of this country some four or five months later and accusing the Opposition of dragging its feet. It is the Conservatives who took four months to issue a document which they apparently were ready for in the month of August of last year, and in that same document they attempt to welsh on their promises.

This Government cannot have it that way, Mr. Speaker. Either it makes promises and intends to live with them, or just maybe those Hon. Members should stand up in this House and apologize to the Canadian public and tell the people of Canada: "We are sorry; we made 338 promises but we can only live with about four or five of them. Perhaps we didn't think about them properly". Maybe they should admit the mistakes they made last summer. They should not stand in the House intent on accusing the Opposition of dragging its feet and take five or six months to issue a consultation document when they claimed they were ready to implement a document of consultation last summer as well as to proceed with the legislation. This leads me to believe that when the Conservative Party was in opposition it thought that governing this country was a far easier job than it now finds it to be. That is probably because the Government did not think through its promises before making them.

• (1530)

The people of Glengarry-Prescott-Russell do not agree with the government reports we have been seeing in the last few weeks that farmers are in as good as or better a financial situation than others in the country. Our experience in Glengarry-Prescott-Russell has been quite the opposite. We have read in documents that the income of the average farmer is somewhat higher than that of people in business. The documents indicate that this is so as regards a full-time farmer versus people in business. They do not even specify whether the people in business are full-time or part-time. It could very well be that the people in full-time business of any kind make more than those who are not full-time. That still does not mean that the agricultural sector does not have a problem. The agricul-

tural sector of Glengarry-Prescott-Russell has very serious problems.

[*Translation*]

Let me name just a few. Hog producers, in the riding of Glengarry-Prescott-Russell have suffered serious losses in recent years. In one community in my riding, twelve hog producers went out of business because of bankruptcy. Their production represented 8,000 slaughter hogs per year. Six more producers went out of business voluntarily, as opposed to going bankrupt, representing a total production of 2,000 slaughter hogs per year. Add to this several fires during the last four or five years as a result of which we lost five more producers who had an annual production of 2,400 slaughter hogs.

Mr. Speaker, I think it is clear that the position of farmers in Glengarry-Prescott-Russell is not that good. On behalf of my constituents, I want to say that we are waiting for the Progressive Conservative Party to come through with the promises it made during the last election campaign.

[*English*]

During the last election campaign the present Government, which was then the Opposition, proposed that it was going to extend and expand the Farm Credit Corporation special interest rate subsidy, that it would revise Section 31 of the Income Tax Act and do a variety of things for the farmers of the country. The people of my riding may not have voted Tory, but the day after the election they still expected the Government which had been elected to live up to the campaign promises it had made. But the Government did little or nothing. It only cut back. It made a series of cuts in agricultural programs. It has increased charges to the farmers of the country. The farmers of the country have been treated with very little respect.

One example of this lack of respect is that the Government has appointed a committee. In his speech to the Canadian Club of Toronto on February 13, the Deputy Prime Minister (Mr. Nielsen) announced the names of certain individuals who would be part of a study team on the agricultural program review. It is very important to outline this because it describes the attitude of the Government toward agriculture. I could not believe my eyes when I saw the list of the nine people appointed to this study team. None of them were farmers. None of the members were from western Canada. None of them were from the Maritimes. There were no women members and only one francophone. That is the type of committee the Government was in the process of establishing to review agricultural programs in the country. If those are the kind of people who are preparing Government programs, it is small wonder that they think everything is all right and that nothing needs to be improved. However, that is not the attitude of the farmers of the country. They require assistance from the Government.

It is our hope that sending this document to committee will persuade the Government to listen to the people of Canada. We hope the Government will listen to the farmers when they send delegations to appear before the committee to tell the Government that its campaign promises should be respected. The farmers of the country need assistance. They need agri-bonds. If the Government did not intend to deliver on its promise of agri-bonds maybe it should not have made that promise.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, we are prepared to agree with this motion to strike a committee in the Department of Finance to study the question of capital gains tax, agri-bonds, and Section 31 of the Income Tax Act as they affect farmers. We are somewhat curious as to why it has taken three or four months from the time the Minister announced such a decision and what the reason for the delay was. Apparently the Minister would like an answer very quickly in order that some of the recommendations can be incorporated into his Budget. I am not sure that that will be possible.

If that is the Government's intention, I think it is regrettable that the basis of the discussion in the finance committee will be this white paper prepared by the Department of Finance. I say it is regrettable, Mr. Speaker, because while the methodology of the study is reasonable in part, the Government did not take a very broad look at the issue. The data that it uses is from 1971 to 1981. It is a fact that it takes much longer than 10 years to understand agriculture. Some of the numbers generated in that particular period of time will be highly skewed in a particular direction.

I hope that this study will not be viewed as the Bible on the issue by those members of the committee who make the final decision. I hope they will recognize that some of the land value figures that are used start in 1971, which was one of the most depressed periods of time for agriculture, and end in 1981, which was the time when the peak in agriculture was just coming to an end. I hope the committee will remember that in 1984 preliminary figures show that rather than there being an augmentation in the value of farm assets, we lost between $4 billion and $4.5 billion worth of assets in the value of land and building of Canadian farms. This is because land values are now beginning to taper off. It is estimated that land prices dropped by 16 per cent last year. That was the first year in which we had such a tremendous downturn. It is expected that the downturn in land values will continue in 1985. If the committee makes recommendations based on some of the assumptions in this white paper, which indicates that farm incomes are very good if one takes into account the value of farm assets, the committee will be operating on some very questionable assumptions and will obviously make some wrong recommendations.

● (1540)

However, the data generated some interesting questions. I am sure that it has already been noted that according to the Statistics Canada census there are some 318,000 farms in this country. However, since Section 31 permits farm losses to hobby farmers or those trying to begin a farm operation, when it comes time to file income tax with Revenue Canada sudden-

ly there are 450,000 Canadians who claim to be farmers, which is an extra 132,000 farmers recognized as such for income tax purposes. I believe the committee should conduct more research to determine who these farmers are, because the only information we have is from Table 13 of the white paper. It gives us an idea of the type of farmers some of these people are. For example, Table 13 from the white paper points out that 105 of these so called farmers have an average net off-farm income in excess of $400,000. Their farms must be moderate in size because they generate approximately $120,000 in sales. While these farmers with large incomes generate an average amount of farm sales it is particularly interesting to note the amount of their average farm loss. In this particular category it is $187,000 as opposed to the $120,000 worth of goods that they produce.

According to Table 13, there are some 1,643 taxpayers who are operating farms essentially to dispose of some of their off-farm incomes. They have off-farm incomes in excess of $100,000 and their farms produce approximately $22,000 worth of gross sales. These farms lose $32,000 each.

It is only when we see the figures for relatively low off-farm incomes that we get to the category in which the farm is earning more than it is losing. I suggest the committee should review carefully the figures for these farm incomes and farm losses.

The farms of those whose farm incomes are between $25,000 and $35,000 are the farms with greater sales than losses. These are usually young people who are beginning a farming operation. These farms are not being used simply to generate a big loss and avoid income tax. However, it is apparent from the manner in which Revenue Canada has been assessing part-time farmers that it is that lower income group that has given the most trouble. There does not seem to be any problem with so-called farmers whose average off-farm income is in excess of $400,000 but who show a farm-loss of $187,000 on a farm that produces approximately $120,000 of income. Presumably one can obtain a very good accountant with $400,000 of off-farm income in order to continue to write off those losses.

I raise this concern now, even before the committee begins its work, because I do not see any intention on the part of the Government to consider those people with large farm incomes. The Conservatives' campaign promise was to eliminate Section 31, which essentially legitimizes those very large non-farm incomes and permits those operations to take place without any restrictions. Those operations seem to take place in spite of Section 31. It is only those who earn below $35,000 in off-farm incomes who are affected by Section 31.

The question of capital gains tax has been debated in the House a number of times. The study paper rienforces some of the comments I made about the capital gains tax. Let me review those points very quickly. The current capital gains tax regime which permits an in family roll-over enables the very large farms to roll over within the family on a corporate or non corporate basis. These very large farms are able to generate enough farm income to allow the parents to retire without taking back their farm investment. That investment can simply be rolled over to the next generation.

Small and middle-income farmers can only retire upon recovering their lifetime investment in order to buy a retirement house and have enough income on which to retire comfortably. Therefore they must get money from the sale of their farm and subject themselves to some form of capital gains tax. The current tax system is inequitable because it has the effect of permitting some classes of farmers to avoid capital gains tax while taxing lower and middle income farmers, just as Section 31 does.

The Minister of Finance (Mr. Wilson) has asked the committee to make some recommendations as soon as four weeks from now. I have grave reservations about its ability to deal adequately with this particular problem in that time, and I merely raise it now so that government Members who will dominate that committee are aware of the present inequities as well as of those that will be created by adopting the white paper recommendation or eliminating the restrictions altogether, according to their campaign promises.

These would have a negative effect on lower and middle-income farmers. I hope the committee will be very sensitive to the special needs of Canada's 318,000 legitimate farmers. We should clearly identify the loopholes which have attracted the approximately 132,000 people who claim to be farmers when it comes time to file income tax.

• (1550)

I think the tax system has failed miserably to carry out the mandate it was given back in 1917 when the then Minister of Finance, Thomas White, said that he hoped the Tax Act would always take account of the difference between what he called "real" farmers who tried to make money and the "fancy" farmers who tried to lose it. I hope that the committee will pay special attention to the 8,200 farms which, for tax purposes, lose vast quantities of money, according to Table 13. Those losses are losses from the pockets of other taxpayers, some of whom are farmers. I hope that those anomalies will be corrected and a proper study can be generated in the few weeks we have to do so.

I am not optimistic that four weeks is enough time. I hope the committee will recommend to the Minister that more time is needed, otherwise farmers will be short-changed. They will have a quick-fix solution similar to what was offered during the campaign, and that quick-fix solution will affect negatively small and medium-sized farmers who are trying to make a living farming instead of going into farming to show losses so they can avoid tax on their off-farm income.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I appreciate the opportunity to participate in the debate this afternoon. I am very happy to see that this Order will now be referred to committee. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) made a good point when he said that he wondered why it had taken so long. No doubt a lot of us would have liked to have seen this

issue in committee sooner. Had it not been for the Official Opposition, the Order would have been referred to committee a week ago last Friday and it would have been under way a little sooner. The Hon. Member for Humboldt-Lake Centre makes a good point in that more time is needed. I am sure his comments will be listened to. When we get to committee with the Order, that will be the time to make those comments known.

Let me address briefly some of the concerns raised by the three speakers. First, the official spokesman for the Opposition, the Hon. Member for Algoma (Mr. Foster) raises some points to which I would like to respond. He wonders about the position of the Government on this matter. If he looks at the paper put out by the Minister of Finance (Mr. Wilson) entitled "A Discussion Paper", on page 1 he will find that it states, "This paper provides information and analysis to assist in consultation on these issues". The three issues are the ones referred to, namely, capital gains, Section 31, and agri-bonds. This paper is exactly what it says, a discussion paper. It is there to provide information and analysis to assist in consultation on these issues. It is nothing more than that. A lot of people would take issue with some of the points raised in the discussion paper. A lot of people would agree with people who take issue with some of the points in the discussion paper. It points out to me, that this Government recognizes that there are some concerns in agriculture and that we are willing to address them.

To be fair about this, we have been in office not quite six months but a number of things have been done. Let me name a few. Two weeks ago we had an Opposition Day on agriculture and many other things were referred to.

Let me outline what has been done. FCC rates were lowered for people in the unfortunate position of having interest on loans as high as 16.75 per cent. Tobacco legislation was put through to allow the tobacco industry, if it chooses, to move a marketing board situation which may help them with problems in marketing. The FCC has set up appeal boards on an experimental basis. They are under way. Very quickly the Minister of Agriculture (Mr. Wise) moved to provide drought assistance to livestock producers in the areas in the prairie provinces affected by drought.

Flood agreements were signed with Quebec, Saskatchewan, and Manitoba. The Minister of Finance reduced the tax on farm fuels. Again, a week ago Friday—and I have to thank all the Parties involved—we passed amendments to the Western Grain Stabilization Act that are very useful. For a Member to stand up and say that this Government has not done anything or does not recognize the problems associated with agriculture, certainly belies the record of this Government so far on agriculture.

Mr. Thacker: Contrast that with the Liberals. They did nothing for years.

Mr. Mayer: The Member from Algoma said, and I think I quote him accurately, that some of these reports are "completely false and won't stand up to the facts". If that is the case, then we need to have this discussion paper at committee so that the farmers themselves can point out if in fact what the Hon. Member for Algoma says is true. He went on to say that the position as laid out in the discussion paper does not accurately represent the situation. Again, if that is the case, Mr. Speaker, let us hear about it. Let us hear from the farmers, the farm organizations and the groups involved.

It is unfortunate that the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had to be so strident in some of the comments he was making. It is too bad the Member was not around when the previous Government was in office. He would know, when he is talking about capital gains tax, that it was a Liberal Government in the first place that was responsible for bringing in capital gains tax in 1972.

Mr. Gottselig: Absolutely right.

Mr. Mayer: It is too bad the Hon. Member for Glengarry-Prescott-Russell is not around now to hear what is going on. I can point out that we do not need to take any lessons on the farming community from the Member for Glengarry-Prescott-Russell when the Liberal Party does not have one farmer in its caucus. We have a tremendous number of farmers in our caucus. We understand and we will be able to deal as best we can with the problems facing agriculture. I have already pointed out that the Minister of Agriculture has dealt with many of them already. As I said, it was a Liberal Government that brought in capital gains tax in 1972. The Member for Glengarry-Prescott-Russell would also know that in 1981, after the disastrous Budget of Mr. MacEachen, who is now reposing in another confine in this building, that Government abolished what we call the interest averaging annuity accounts. They were brought in to recognize some of the problems that capital gains tax made in the first place. That was replaced with what was called forward averaging, something no one could understand. Some reasonably knowledgeable mathematicians said that that was one of the most complicated taxation schemes ever designed by man, one that nobody could figure out. This Government's record in five months in terms of what we have done for agriculture should be compared to what the previous Government did, especially regarding capital gains, and I think it is a very unfortunate position for the Member to put himself into.

Some Hon. Members: Hear, hear!

Mr. Mayer: When you look back at the last 15, 16, or 17 years of virtually unending Liberal rule, Mr. Speaker, you realize what a disaster that was on the economy. One of the reasons we have so many part-time farmers in Canada who come under Section 31 is the disastrous state of the farm economy which came about as a result of what the previous Government did.

I would say, in referring to the Hon. Member and his comments, that he should at least give us credit for recognizing the problems in the first few months in office and being prepared to deal with them at committee.

The Hon. Member for Humboldt-Lake Centre pointed out that the current system of taxation is inequitable. A lot of people would agree with him. If there are some inequities in the taxation system, and he raised an important one today in Question Period concerning the possibilities of farmers going from a cash system to an accrual system, then let us get this issue to committee and get those things aired and aired by the people who have to live with them every day.

Let me close by making reference to the whole consultation process. One of the reasons so many people in the country are concerned about the consultation process is that they think about it in terms of the previous Government. Whenever they heard anything as a suggestion or a possibility, they always feared the worst because usually that is what they got. They got things without any kind of previous consultation. They got things which they did not necessarily want. They got them without having any input into them. When they see a discussion paper with figures in it which many people do not believe reflect the actual situation, they should take it for what it is—a consultation paper to start the discussion. This does not mean that everything in the paper will end up being part of the recommendation coming from the committee; it simply means that it is a consultation process.

• (1600)

If we think about referring this matter to committee in terms of genuinely trying to hear from the people who will be affected in order to obtain their points of view and to come up with the best possible solution, it is a very useful and helpful way to think about consultation. That is exactly what it is intended to do.

Again I refer to something which was said by the Hon. Member for Humboldt-Lake Centre. There is no doubt that the Government will have the vast majority of Members on the committee. He should take some solace from the fact that many Members on the committee will be either farmers like himself or will have a genuine and very thorough knowledge of the farming industry. That is what we should look at in terms of what comes out of the committee. Those are the people who will be looking at the recommendations. I hope—and at least I can speak for Hon. Members on our side—that the committee will work in a very non-partisan way. For a long time the tradition in this House—and I think it still exists—has been that the agricultural committee functions as one of the most non-partisan committees. It is genuinely interested in the well-being of Canadian agriculture. That committee recognizes how important agriculture is to the whole economy of the country. The best of that showed up a week ago Friday when we put through amendments to the Western Grain Stabilization Act in one day. That was very much appreciated. It sends out a very healthy, stable and worth-while signal to the farming community in western Canada that there will be an interim payment prior to spring seeding.

There are no legislative impediments. I am assuming that there will be no hold-ups as far as the Senate is concerned. Surely to goodness the occupants of the room for sober second thought over there will not see anything wrong with the Western Grain Stabilization Act. I am assuming that they will pass that legislation, but the main point is that it was dealt with very quickly in the House on a non-partisan basis. I appreciate that, as does everyone in the House and the entire farming community in western Canada.

If we can look at referring this discussion paper to the finance committee on that kind of a basis, with the idea that we will do something in the best interests of Canadian farmers from coast to coast on those three issues, it is the proper way to proceed. If more time is needed and that argument is made in committee, I am sure the Minister of Finance will have an open ear. If we deal with it on that basis, not on the basis we heard from the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), many of us in the House will be much better off and will be able to look forward to some worth-while recommendations from that committee to the Minister of Finance.

In conclusion, I thank Hon. Members for referring the matter to the finance committee. I wish them well in their deliberations and my hope is for speedy recommendation to be made to the Minister of Finance so that he will be in a position to deal with some of them in the coming Budget.

Some Hon. Members: Hear, hear!

Mr. Foster: Mr. Speaker, I have a couple of questions for the Minister of State for Canadian Wheat Board (Mr. Mayer). The response of the House on many Bills has been one of co-operation. For example, I could refer to the National Farm Products Marketing Act relating to tobacco and to the Western Grain Stabilization Act.

The motion before the House was first presented to the Official Opposition about three days before the mid-winter break. Reference was first made to it in the economic statement of the Minister of Finance (Mr. Wilson) on November 7 or November 8. At that time the House Leader of the Official Opposition told the Government House Leader that we wanted to have a brief debate in the House. We waited for 10 or 11 days, and we still do not have a motion on the Order Paper. We have the motion before us and the matter is under Orders of the Day by unanimous consent, but does the Minister think that dealing with a matter like that and expecting the Standing Committee on Finance, Trade and Economic Affairs to come up with a report in a month is realistic? He is portraying it as if we did not normally put motions on the Order Paper. If we want to make a reference to committee, the proper parliamentary procedure is to place it on the Order Paper. That still has not been done to date. Does he really think that that is co-operation on the part of the Government?

In view of the wording of the motion, is the Government really committed to the campaign promises of abolition of the capital gains tax, of the implementation of a system of agri-bonds, and of lower interest rates and long-term funding for agriculture? When one reads the white paper, the press reports on it and the motion, one cannot but think that there is a negative attitude toward these issues. The Minister says that

he is keen to hear from farm groups. If my sounding of farm groups is representative of the representations which we will hear from them in the Standing Committee on Finance, Trade and Economic Affairs, they will not be very laudatory of this particular white paper.

Mr. Mayer: Mr. Speaker, with regard to the first comment of the Hon. Member for Algoma, he talked about motions on the Order Paper. What he said is strictly true. Everyone appreciates that by unanimous consent we can virtually do almost anything in the House. Perhaps notice on the Order Paper, as far as the Hon. Member is concerned, would have been more appropriate. However, the important point is that we have it done today. Many times I have had discussions with him in the past on the Western Grain Stabilization Act. As long as there is an attitude and a willingness to co-operate, the most important thing is to get the job done. With regard to whether there is enough time, basically we have five weeks. Certainly more time would be useful and helpful. I do not think anyone would disagree with that, but it is better for us to have five weeks prior to April 1 than no time at all. As I said in reply to the Hon. Member for Humboldt-Lake Centre, if the committee feels that it needs more time, that would be the point at which to decide it and make such views known. Certainly five weeks in terms of hearing the concerns is better than no time at all.

With regard to the third part of his question as to whether we are committed to the three areas—Section 31, capital gains and agri-bonds—the mere fact that we are referring them to committee gives an indication of the Government's intention. To be fair about it, there are also farm groups which are concerned about the removal of capital gains tax and what it can do to the price of farm land. I am not saying whether I agree or disagree with them. However, the point is that there is not unanimity in the farming community. They are concerned, just to make the case which I understand they make, that if we remove capital gains tax we allow people to come in who want to speculate on land and hold it against inflation. That in fact causes problems for people who want to buy land and want to farm it. There are points of view. It is worthwhile during committee stage to take a look at those various concerns. This is exactly what I hope will happen in committee. We will certainly be looking at those three issues in committee.

In conclusion, if we look at some of the things the Minister of National Revenue (Mr. Beatty) has been doing in terms of the way Section 31 has been administered, I think he is making some strides in having his Department better understand exactly what makes a farmer or what constitutes a genuine farmer and what does not. In my constituency, I know of cases that have been sorted out since the Minister of National Revenue has been there. That has gone a long way, or at least a partial way, in addressing some of the concerns that we have over Section 31.

● (1610)

Mr. Hovdebo: Mr. Speaker, I have a question for the Minister. Can we expect a certain amount of backup in the form of research? For example, 175,000 Canadian farmers are classified as part-time farmers. They lost $619 million, one-third more than the 48,000 full-time farmers. That kind of information is very important. The farmers who are classified in these areas constitute very important information. It is not the kind of information that we as committee members can get.

Can the Minister indicate what kind of research backup we can expect? Could someone from Revenue Canada give us an analysis of that particular issue under Section 31 as to who those farmers are? Do we want to find ourselves in the position of the United States where a section comparable to Section 31 was removed? That resulted in wealthy investors making it a way of losing or getting rid of some of their money for tax purposes. Can we expect considerable assistance?

Mr. Mayer: Mr. Speaker, the Hon. Member for Prince Albert (Mr. Hovdebo) raises a very valid point. When we go to committee, many of us feel sometimes as if we were captives of the people who are there because we do not have the same kind of background and knowledge. I cannot in good conscience answer the question and say what the committee will or will not be able to do. As the Hon. Member can understand, basically committees are master of their own direction. If we look at the powers available to committees, committees in this House are able to do a lot more things that they are generally believed able to do. There are powers there that committees do not make use of.

In this case, one of the first things the committee will want to do when it convenes is to invite the Hon. Member to put those questions and make those concerns known. I would suspect that he would get a very favourable response. If the committee is going to do a proper and a thorough job, one of the basic things it has to work with is information, particularly the background and the raw data used to compile the discussion paper. I would encourage him to raise this issue at the committee. Based on my knowledge of being in committee and having sat on the committee that looked at the reform of Standing Orders and Procedures in this House, and having some knowledge of the power the committees have and can exercise if they decide to do so, I do not think he would have any problem getting his hands on the information which he refers to in his question.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows:

That the discussion paper entitled "Tax Issues in Agriculture", tabled January 31, 1985; be referred to the Standing Committee on Finance, Trade and Economic Affairs;

That the Committee examine and report on the proposals contained therein and, in particular:

(i) the need for limitations on the deductibility of farm losses against non-farm income for part-time farmers and the appropriateness of the current limitations under Section 31 of the Income Tax Act;

(ii) the appropriateness and consequences of relieving the farm community of the general requirement to include one-half of capital gains on the sale of farm land in income for tax purposes; and

(iii) the appropriateness of using the tax system to provide assistance through an agribond mechanism and the implications related thereto; and

That the Committee report its findings no later than April 1, 1985.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Hnatyshyn) agreed to.

* * *

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Maurice Foster (Algoma): Mr. Speaker, I understand that when we talked about the Small Businesses Loans Act this morning my time had almost expired. I just want to emphasize the problem that I see, especially with regard to outlying areas in this country, under Bill C-23. It will impose an additional service fee on the banks, which will ultimately be reflected in the value of the loan. More important, it will probably reduce the availability of loans for small businesses. I hope the Government will take action to ensure that adequate funding is made available.

No one quarrels much with the interest rates of the small businesses loans, but people do quarrel with the fact that all too often the loans are just not available to small businessmen. I hope the Government does not adopt a policy which will result in a reduction of the amount of loans available. There certainly seem to be two deterrents in the Bill which move in that direction, namely the loan fee and the 10 per cent of the loan guaranteed by the bank. It is very important that the Government take action to ensure that that adverse effect, which we on this side of the House believe will happen, does not happen.

Mr. Deputy Speaker: Questions and comments on the Hon. Member's speech? If not, we will resume debate.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was interested in the Hon. Member's speech. I want to assure him that in proposing this legislation this Government has cleared the question of availability of money with the banking institutions. I think the Hon. Member will find in committee that the banking institutions are quite prepared to accept the situation whereby the banks are only guaranteed to the extent of 90 per cent of the loan at a rate of 1 per cent over prime.

In that regard, it is important to put on the record some of the advantages of the Small Businesses Loans Act and how it has progressed over the many years. The House will be aware that this Act was first put forward by the Government led by

the Right Hon. John Diefenbaker in 1960. The first year of operation of the Act was in 1961. The Act has been used by business considerably over the past years, particularly since 1978 when amendments were made to the Act to allow banks to charge 1 per cent over prime.

Last year, the amount of money lent was very close to $1 billion in over 30,000 small businesses loans. Comparing that activity to the activity of the Federal Business Development Bank, Members will note that activity under the Small Businesses Loans Act in terms of numbers of loans was 15 times the activity of the Federal Business Development Bank. This Act and the procedure to finance small business capital requirements has been most successful. The average loan is in the neighbourhood of $25,000, so we are getting at the relatively small, new, starting businesses in this country.

What we are doing under this statute is making it possible for people right across Canada to borrow money to start a business and to buy some equipment. This is not an Act to help large businesses, although the Act does change the situation and allows businesses which have a volume of up to $2 million to take advantage of the statute.

There have been some losses in past years, but they are similar to the losses the banks have suffered generally because we have had problems in the economy, problems with interest rates, problems with insolvencies and so on. We can expect periods like that. In speaking to the small business community, I have found that it is prepared to shoulder its responsibility in terms of paying for the cost of the insurance. Small businessmen can take advantage of a government-insured loan. The small businessmen who cannot get a loan otherwise, are able under this statute to get a loan to buy equipment. We have probably the best system of financing for small business available in any part of the country.

While I think this is an important statute, I am a bit disappointed in the Act as presented. Under the current Act, there is an over-all loan guarantee limit of $1.5 billion, and we have already reached that limit. Indeed, right now it is pretty hard to get a loan under this Act because the limits have been reached. This Bill extends that limit only to $1.8 billion, which I think is too little. I think that is a bit of a failure on the part of the drafters of the Bill. I hope that through discussions in committee the Government will be persuaded to extend that limit. The Government must realize that this has been the most successful form of financing small business.

Members of the committee will obviously take heed of the discussion paper produced by the Minister responsible for small business with respect to financing and the like. Perhaps that discussion paper might be put before the committee.

• (1620)

Sir, this Bill extends the Small Businesses Loans Act for five years. In the past we have had one and two-year extensions, but it seems to me there should be no time limit on the Act. If it should happen that the Act no longer serves the purpose of small business, then it can be terminated. But it seems to me rather ridiculous to continue to put time limits on this Act. It

is time we started realizing that small business is probably going to need some type of long-term financing guarantee now and into the indefinite future. So I recommend to the committee that it seriously consider this question. The Government, influenced by the committee's decisions, might bring forward amendments to alter that portion of the Bill.

As I mentioned already, the total loan guarantee limit of $1.5 billion has now been used up. Therefore, it is important that this debate be terminated and the Bill sent to committee, because we have to make sure that entrepreneurs in this country who want to buy equipment for their businesses are not hamstrung by the fact that this House of Commons cannot get its work done. We have already seen how one portion of Parliament has held up the Government of the country in getting its work done. We have seen that in the borrowing authority Bill. There is no reason why that same thing should happen in this Chamber. Therefore, I say to you, Sir, it is important that this House vote on the Bill and get it into committee where the necessary amendments can be made.

There was a suggestion that the banks should pick up the cost of the guarantee. I suggest to you that a rate of 1 per cent over prime is a very favourable rate. Remember, we are dealing with relatively small loans. The average loan size is about $25,000 up to a maximum of $100,000. All small loans require the same administrative detail as large loans. If a bank lends you $1 million, it does not need any more clerks than it does for a $15,000 or a $20,000 loan. The result is that the overhead on the small loan has to be borne by someone, and I think it is wrong to suggest that, in addition to the 1 per cent margin, the bank be required to pay a 1 per cent insurance fee out of its end. I think small borrowers would be quite prepared to pay a placement fee on a capital loan of this nature, particularly in view of the fact that such fees are common in the industry. If you want to place a long-term loan in the normal course without insurance, you often have to pay a placement fee. A fee of 1 per cent to cover the guarantee is not at all out of line and should be borne by the borrower.

Sir, this Act is working so well that we have used up the maximum amount available. It is working so well that this Parliament should get the Bill before committee so it can be passed and made into law.

Mr. Deputy Speaker: Questions or comments?

Mr. Foster: Mr. Speaker, I would like to know from the Hon. Member whether, in his constituency, he does not find that the problem with this Act is that there are just not enough loans available. Unless you are a very good friend of the banker, or unless you fit in some pre-selected mould that the banks or credit unions have for their individual customers, there are just not enough loans available. I would be very interested to hear his views on whether, by imposing a 1 per cent charge on the bank, combined with the 10 per cent loss guarantee, the banks will make progress in granting loans.

Clearly, from 1977 to 1984, under the guidance of a strong Liberal Government in Ottawa, except for nine hiccupping months, the number of loans made under this Act went up from 4,800 a year to some 31,000 a year. Given these two additional conditions, does he really believe that we are going to have as many bankers agreeing to make these loans? Clearly, the Hon. Member has some concerns about his Party's position on the length of this program and he wants to extend it indefinitely. I understood his Party's policy was always to have sunset laws in all Bills, but in any event there is a fibe-year sunset law here and he wants to see it extended indefinitely.

My concern is for the less affluent areas of the country, areas less affluent than the one which the Hon. Member represents and has represented for a number of years. Does he think there is really going to be a large number of loans available under this Act when you impose a 1 per cent fee on the bank as well as require them to assume 10 per cent of all losses under the program?

• (1630)

Mr. Blenkarn: Mr. Speaker, I would like to assure the Hon. Member that before this Bill was introduced, conversations were held with the major banks in connection with the lending policy with respect to the 90 per cent guarantee instead of the floating 100 per cent guarantee. As the Hon. Member will know, the present guarantee situation is that the banks will not have a 100 per cent guarantee unless the ratio of bank losses is such that it will give them a 100 per cent guarantee. The present system is rather convoluted with respect to guarantees. This legislation has simplified the system so that each loan will be guaranteed to 90 per cent instead of providing a 90 per cent guarantee on a portfolio. I understand that has been discussed with the bankers and that they are quite delighted with it.

With respect to the question of fees, there is some concern which has been expressed by the Canadian Federation of Independent Business and the Canadian Organization of Small Business. Both of those organizations have consulted extensively with the banking community. Both are convinced that borrowers should pay a placement charge rather than the placement charge being taken out of bank revenues, in view of the narrow revenue which the bank receives. I believe that if that evidence is brought to committee the regulations might well be altered. The regulations must be altered to make that provision.

There is amazing growth in this program. Since the banks were allowed to charge 1 per cent over prime on a floating basis rather than a fixed base, this program Act has grown dramatically. Indeed, this year it amounts to almost $1 billion. The figures in the annual report are quite astounding. The amount of money which has been lent and the number of loans which have been made have grown dramatically.

The Hon. Member said that in some areas small-business people cannot get a loan. I would suggest to him that a loan could be obtained a lot more easily from the banks under the Small Businesses Loans Act than could be obtained from the Government of Canada through the Federal Business Development Bank. The number of loans indicates that the loans are very widespread. Indeed, if the Hon. Member would look at

the tables and the financial statements, he would realize how much the loans are spread across the country and how various banks and institutions have taken advantage of the Act in making loans to their customers. There is no reason to believe that this change will affect that situation. However, it will mean that the Government will only be involved as an insurer. The Government is taking an insurance premium to guarantee a loan, the same as the Government takes an insurance premium to guarantee a mortgage under the Canada Mortgage and Housing Corporation. There is no reason for business to have a free ride. Indeed, the day of the free lunch is over. Business can afford to pay its cost. The Government is here to assist as an insurer. That is the way it should be. The banks are taking 10 per cent of the risk and the Government is guaranteeing 90 per cent. It will mean that the loans will have to be supervised by the bank in the same way as if it were lending its own money. Because the loans are guaranteed to 90 per cent, we know the banking community will do things that it would not do normally. Certainly, it will lend at a lower rate of interest than it would normally lend, which in this case would be 1 per cent over prime.

I say to the Hon. Member that this is a good statute. It should not be held up by Parliament. It should move to committee as quickly as possible. There are a number of amendments which should be made and I suggest that they can be made as evidence is brought before committee. That is where the legislation should be.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member for Mississauga South (Mr. Blenkarn). We support this Bill because we consider it to be a small step in the right direction. However, what will happen if interest rates substantially increase as they did a few years ago? What will be the effect on small business? The loans are being made at 1 per cent over prime, but prime has increased 1.5 per cent in the last few weeks and it is likely that it will increase further in the next few weeks.

In the early 1980s when interest rates were at 18 per cent and 20 per cent, there was a tremendous increase in the number of bankruptcies. The large corporations did not go bankrupt because the banks could not afford to let them go bankrupt. Therefore, the large number of bankruptcies were primarily in the small business sector. What will happen if the prime rate of interest—and therefore the rate of interest which business will have to pay—increases substantially?

Mr. Blenkarn: Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) will realize that the prime rate has increased by half a per cent in the past week. That is unfortunate, but it has not increased anything like the underlying rates of interest in Treasury bills, both here in Canada and in the United States. Obviously, we cannot guarantee everyone happiness and prosperity forever. When we realize that Parliament cannot make those guarantees, we will start legislating more for the sensible needs of the country.

It would be nice if we could guarantee fixed-rate lending, but the banking system does not work that way. Depositors will not invest their money for long periods of time at a fixed rate. They want the current rate on deposit. Therefore, borrowers must pay the current rate on their borrowings. There is no way around it. One per cent over prime is a pretty good rate. I know long-term money can be found. It can be found in the mortgage market at 14 per cent or 14.5 per cent, which is 3 per cent over prime. I suspect we could find long-term business money at 3 per cent or 4 per cent over prime. But businessmen want to borrow money as cheaply as possible. This legislation will let them borrow money at a floating rate as 1 per cent over prime. Whether the Government should guarantee long-term rates on a fixed rate is another matter of consideration. I do not know how we could write the Bill to provide for fixed rate margins, because fixed rate margins are always dramatically higher than floating rate margins.

This legislation is working at 1 per cent over prime. Obviously businessmen like it. The number of dollars which have been borrowed and the number of loans which have been made has escalated dramatically. We ought to support the Bill, get it immediately into committee and, if necessary, make amendments so that it will work even better.

Mr. Deputy Speaker: The period for questions and comments is over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—Employment—Student summer jobs—Program announcement. (b) Scope of program; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Review of programs. (b) Agenda of First Ministers' conference; and the Hon. Member for Mississauga South (Mr. Blenkarn)—Parliament Hill—Request that Peace Camp be removed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Busi-

nesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as my colleagues have already indicated, we support the Bill because it is a small step in the right direction. We recognize the fact that there are close to one million small businesses in Canada. These businesses are 100 per cent Canadian-owned. They almost always buy from other Canadians and sell to other Canadians. Because they are Canadian, they are interested in seeing their community, their city and their province develop. They are not, like many of the large corporations, particularly the multinational corporations, so determined to make a profit that they will move their business from their community, their city, their province and even from their country in order to receive a substantial increase in profits. In recent years more than two-thirds of all the jobs which have been created in this country have been created by the small business sector.

• (1640)

So it is for this reason, Mr. Speaker, that we support this Bill. We recognize that this Bill will make it easier for small business people to get needed funding. While we support the Bill for that reason, we realize that, like other federal legislation which assist farmers and fishermen, this assistance is largely directed toward capital improvements. In effect, it allows small businesses to get into deeper debt in order to continue to operate. It does not necessarily mean they will prosper because they often must compete with far larger corporations with much better access to capital and better tax treatment. Small business people, like the consumers they serve, are largely price takers of the goods and services they require. They do not have the market power to force their own purchase prices on suppliers as do, for example, the large food chains which demand their own volume rebate, which often leaves the farmer in a very bad situation. Instead, these small business people usually pay the going rate and even after they get the kind of credit they need because of this Bill, they will still get hit by inflationary costs. We saw that happen in the early 1980s when interest rates escalated very sharply. Tens of thousands of small businesses were forced into bankruptcy because the premise on which they had based their borrowing and the premise upon which they made arrangements to get loans from the bank, was that much lower interest rates would prevail than those they had to pay two or three years later. So we saw tens of thousands of small business people forced into receivership by the banks as a result of huge increases in interest rates.

It was interesting but sad, to put it mildly, to see the difference in the way the banks treated large corporations as compared to small businesses. There were in past years, Mr. Speaker, and still are today, outstanding, unpaid loans to the bank. These loans are called non-performing loans, that is, loans on which the borrowers pay neither the interest nor the principal, and which today total over $8 billion. Those loans were made almost exclusively to large corporations which borrowed money for takeovers. This added nothing to our productive capacity and created nothing in the way of jobs. Those loans are still outstanding and in many cases are not even being serviced. Those corporations are not paying interest and are not paying anything on the principal. The reason that the banks are carrying those loans, Mr. Speaker, is that they cannot afford to call those loans in. If those borrowers were required to meet their obligations the financial situation of the banks would be very adversely affected. The banks not only treated the large corporations differently, but they increased the interest rates which the small companies had to pay on their loans. The banks were imposing the kinds of rules on the small companies which frequently forced them into bankruptcy. Banks not only increased the interest rates which small business had to pay but also increased the banks' service charges. In fact, bank charges for the services which they provide have doubled in recent years despite the fact that they have automated and computerized so many of their operations. Banks have recently subjected their smaller accounts to profitability analysis in order to ensure that they make sufficient profit, which will take the form of higher fees or higher service charges.

The Consumers' Association has argued, and, I say, correctly, that these fees should only cover the cost of inducing the consumer to make use of them and that other overheads which are built in should be covered by the spread between the loan and savings deposits rates. Since these charges are often waived at the discretion of the bank, certainly those with the biggest account will wind up getting the best deal. The banks have increased these charges despite the fact that our major domestic banks have operated at profit levels of $1.5 billion or higher in each of the last four years. They have increased these charges despite the fact that other business people have suffered through recessions which have not affected the banks.

We find it interesting that the provisions of this Bill, and other Bills and programs of the Government, bring relatively little benefit to the small business community, certainly as compared to the large corporations of this country. Large corporations have too many friends in important places: the Government, the banks, even public opinion which is manipulated through mass media reporting. For example, in recent years we have seen the Government of Canada ensure that the Chrysler Corporation survived with Government assistance. I am not saying that the Chrysler Corporation should not have been helped, but the fact is that many Chrysler dealerships in that period when the auto industry was in trouble were forced into bankruptcy by the banks. We have seen the Government and the banks carry Massey-Ferguson. I am not suggesing for a moment that the Government should not help important companies which employ large groups of Canadians and which produce products which are needed by Canadians. I am not saying that companies like Massey-Ferguson should not have been helped, but the fact is that Massey-Ferguson dealerships, small business operations, were forced into bankruptcy while the company itself was helped to survive by the banks and the Canadian Government.

We believe that small business needs the same kind of support and assistance from Governments which is given to the large corporations, but they do not get that. We have seen large corporations not only receive special assistance, special loans and guarantees—and I am thinking of companies like Dome Petroleum—but we have seen large corporations benefit from a tax system which provides for overly generous deferred corporate taxes. Many corporations in fact pay no real tax at all. Indeed, I believe it was an official of Domtar who, when asked when he thought Domtar would actually pay corporate taxes, replied very simply, "Never". That company is always involved in expanding and improving its facilities, so it pays no corporation taxes. So are small business people, but they are not able to benefit from the deferred corporation tax system we have in this country under which almost exclusively large corporations have now benefited to the extent of $30 billion in deferred taxes which have not been paid.

● (1650)

Similarly, we have permitted a system under which thousands of people with incomes of $50,000 a year or more have simply paid no taxes at all. Indeed, there are more than 250 Canadians with incomes of $250,000 a year who pay no income tax at all. When one compares that with the almost one million small business people who are attempting to get established in a viable small business, we can see the way in which the tax system has been skewed to benefit those who have rather than those who are just beginning.

While we support this legislation, Mr. Speaker, we recognize that of the 900,000 businesses in this country only 25,000 have been or will be helped by this legislation. While this legislation is helpful, it will be seen by some not to provide too much assistance for small business. We are concerned because we believe that this kind of loan system was not really help small business people. Rather, it will make things worse for them if, as happened in the early 1980s, the interest rates on the loans taken escalate very quickly. In that situation those people will be worse off than if they had not received the loan at all.

We have long advocated that the banks of Canada owe it to those who are the source of their profits, to a large extent the small business people of the country, to lend the money at affordable interest rates. That is an interest rate below the prime rate rather than the prime rate plus 1 per cent as provided for in this Bill. That is not a pie-in-the-sky proposal. That is the way in which small businesses are treated in countries such as New Zealand, Denmark and Japan, to mention only a few. In those countries small businesses are able to borrow money at less than the prime rate. They are able to do that for a number of years, particularly in the start up years when they are working the hardest to establish themselves.

We believe that the Bank Act should be amended to force the chartered banks to lend money to small businesses at rates comparable to those offered to big corporate borrowers. We believe that there should be more real risk and venture capital provided for small business people. We believe that the Federal Business Development Bank should provide more money to small businesses at lower interest rates. We believe that there should be a more aggressive buy Canadian program. Government tendering practices have to be reformed. The Government of Canada and the provincial Governments are among the biggest purchasers of goods and services in the country. Their system of purchasing should be changed to encourage small businesses to participate in supplying the needs of governments. If that were done, if we had a real buy Canadian program and encouraged small business to participate in that program, a big part of the ability of small business people to survive and grow would be realized.

We believe that the corporate tax system should be reformed so that small businesses will not be forced to pay a higher effective tax rate than large corporations, which they are now required to do. We believe that small business people cannot survive and grow in this country unless we have an independant Canadian interest rate policy. That policy would dramatically cut the cost of borrowing for the average small business person by ensuring that the Bank of Canada rate is no more than 1 per cent above the rate of inflation. We pride ourselves on the fact that the interest rate is down dramatically. It is not at 20 per cent or more as it was a few years ago. However, if one looks at the spread between the rate of inflation and the interest rate, we see that the real interest rate is almost as high as when it was at 20 per cent plus.

We believe that we must protect the Canadian dollar from the kind of swings which are taking place right now, fueled in part by speculators. We need to protect the Canadian dollar by coupling an independent interest rate policy with a tax on speculative capital leaving the country. That speculative capital is not leaving the country because small business people are involved in that kind of speculation. They are too interested in just surviving to get involved in that kind of thing.

We need more than just this Bill which we are discussing today, Mr. Speaker. We need to work for changes in the Bank Act which will require the banks to lend a fixed percentage of their money to homeowners, farmers, and small business people at the same rate as that enjoyed by big corporate borrowers. We are going to support this Bill, but we think it goes only a small way to meeting the needs of the small business community. We believe that unless the Government can divorce itself from American fiscal policies, and unless we can get a lower and stable interest rate, small business people will not get real benefits from this Bill but will, rather, suffer all the evil consequences they suffered in recent years when interest rates were very high and swinging up and down very quickly.

Mr. Hovdebo: Mr. Speaker, one of the clauses in the Bill imposes a user fee on the small business borrowing with the guarantee of the Small Businesses Loans Act. Would the Hon. Member comment on that particular clause? Does he think it is worth-while, or should we be attempting to remove it at committee stage?

Mr. Orlikow: Mr. Speaker, I think the important question which must be resolved is whether the user fee is going to inhibit the borrower or the banks from extending the loans which are required. I think we must hear representations from the small business community and the banks before we make a final decision as to what we should do about that user fee.

* * *

● (1700)

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order to indicate that the business of the House for tomorrow will be the Bill that we are now considering. When we complete consideration of this Bill tomorrow, we can move on to Bill C-24 dealing with CHIP and cost programs. As I announced prior to the recess, the business for tomorrow will be in the same sequence as was the business for today.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 136?

Some Hon. Members: Agreed.

* * *

PRAIRIE FARMERS REHABILITATION ACT

ADVISABILITY OF EXPANDING THE ACT

Mr. Stan Schellenberger (Wetaskiwin) moved:

That the Standing Committee on Agriculture be empowered to study and report on the advisability of amending the Prairie Farm Rehabilitation Act, to allow expansion of the Act into a National Farm and Forest Rehabilitation Act which would administer co-ordination of national action with respect to both wet and dry-land management; and making the Minister responsible for the consideration and implementation of the best methods to be adopted to secure the rehabilitation of farm and forest areas throughout Canada; and bring new technology into the hands of individual farmers and foresters and to coordinate national action with respect to drought/water/soil management as well as conservation, wet-lands management (including wildlife preservation), and the general enhancement of the quality of our rural heritage; and that the Administration of the National Farm and Forest Rehabilitation Act be granted the power to make, administer and supervise farm and forest loans to help operators recover from natural disaster conditions and that such loans be granted at reduced rates of interest for short periods of time to ensure rapid restoration of the operations in question.

He said: Mr. Speaker, it is a pleasure to see so many Members in the House today. I have been a Member in the House for some 13 years and it is because I have such a high regard for Private Members' motions that I have put forward this motion. As well, I have such high regard for the good work that the standing committees have been able to do that rather than recommend that the Government take this motion into consideration, I have recommended that the Standing Committee on Agriculture take into consideration the revision of the Prairie Farm Rehabilitation Act.

This organization has been in place for almost 50 years and has served the prairie farmers of Manitoba, Saskatchewan and Alberta honourably over those years. It has built an excellent reputation among the rural communities of the Prairies.

When it began in the 1930s, it dealt with drought and soil erosion. It moved on to provide guidance on irrigation, shelter belts and new farm practices that have served the rural communities in the Prairies very well.

It is my intention that the standing committee look at this organization after 50 years of service to see whether now is the time to expand it so that its expertise can be used in other regions in the country.

Soil erosion is not just common to the Prairies. The Senate committee has pointed out that soil erosion is now a problem in the whole country and something about which we should be concerned. As well, it has the ability to study wet-land management, as this organization has been involved in the drainage of areas and the establishment of shelter belts to encourage wildlife sustenance in the prairie region.

I have been advised that the expertise could also be used in the management of small woodlots and shelter belts across the country. It is my intention, and I hope that of the House, that we pass this motion to the Agriculture Committee for study and recommendation to the Government for action.

Let me elaborate on some areas that I think the committee should study. The Prairie Farm Rehabilitation Act should be changed to reflect the national perspective. I suggest that it be called the National Farm and Forest Rehabilitation Act. Its mandate should be expanded to include water management and conservation throughout Canada and soil conservation and management. Soil deterioration and degradation is still a very serious problem in this country and is costing us hundreds of millions of dollars.

The present Act should be expanded to include forest management specifically concerned with the preservation of small woodlots such as the maple sugar woodlots that are operated by small entrepreneurs. It would not in any interfere with the management of our large forests for which the Minister of State for Forestry (Mr. Merrithew) is responsible.

This organization, which is already working in co-operation with Ducks Unlimited, should become involved in wet-lands management, including wildlife and particularly waterfowl management. It should revive the cultural aspects of rural life that it was originally set up to include. I suggest that policies that are established to enhance rural life be part of the work of

this organization, along with soil and water management. The PFRA allowed that aspect to diminish as it dealt more with the research aspect of agriculture. However, Agriculture Canada has allowed that aspect to slip as well as a result of its concentration on new crops and crop management over the years. I think it is important to revive the cultural aspect of the Act.

I hope that the PFRA can be expanded to administer farm and small woodlot loans to help operators recover from natural disasters by obtaining low interest loans. We experienced such a disaster in the Prairies this year. Although the Governments of the provinces and the federal Government responded reasonably quickly, I believe it is important to have an organization of Government that can respond immediately to a natural disaster, no matter how large or small. I hope that an organization such as the one that is proposed could have that opportunity.

It is important that we do not leave the impression that by moving this motion we are taking anything away from the Prairies. The prairie provinces are very proud of this institution and do not want to have its importance in that region of the country diminished. Therefore, I believe that it is important to have the support for this suggestion of the Departments of Agriculture in the Prairies and of the prairie Premiers. It is my opinion, after talking to the staff in PFRA, that they would welcome this new challenge and welcome the new guidelines to take them into the next 50 years of operation.

I believe there are available the co-operation and ability necessary to permit this organization to expand into regions other than the Prairies if those regions wish to use that expertise. It would only be done on that basis so that we do not in any way encourage the centralization of this organization. If there is a need for this expertise, it should be expanded on a regional basis so that we in no way diminish the importance of the organization that was built up to which there was such good response on the Prairies.

This organization presently has a trained and capable staff. I believe that it would not be necessary to have a large increase in staff since it already has the potential to expand its work load and provide that expertise. In fact, some expertise could be borrowed from other government Departments to meet certain requirements at particular times, with the exception of the natural disaster aspect of the program. It would not require a large increase in staff. We now have existing in this organization a silviculture operation at Indian Head, Saskatchewan. It has been very successful in dispersing trees capable of lining property lines, enhancing the farm, homestead, or the farmstead of an entrepreneur. This program and the people who have been part of establishing this program are in place. This expertise is available not only to the Prairies but it could be made available to other areas.

● (1710)

I anticipate the maritime region of Canada and British Columbia would be very interested in having assistance from this organization. As I said before, the PFRA has not in the strictest sense been involved in wet-land management in the past. It has been involved directly in drainage programs and in taking farm land out of production which should ever have been in production in the first place and re-establishing it into community pastures or back to its natural state. I believe this is an area into which PFRA could expand, to assist in the preservation of wildlife with the co-operation that is in place with Ducks Unlimited. They have the experience in establishing dug-outs and in establishing shelter belts. This kind of management is very important to the natural wildlife of many regions, particularly the Prairies. There is a natural ability to expand in these areas if we find a need.

I believe this program should be studied intensively. I believe the Standing Committee on Agriculture has the ability to do that. We are not suggesting that it be passed and implemented tomorrow but that we look at the positive aspects of making this a national organization. I anticipate that we should take some time to do that and we should not rush into establishing a new mandate for an organization that has operated very well in the past.

As far as the natural disaster aspect of the proposal is concerned I believe a dire need exists in Canada today. If we look at our neighbour to the south, the United States of America, we find that it has had in place for some time an organization called the Farmers Home Administration. It has the ability to lend funds for a short period of time to farmers who find themselves the victims of natural disasters. These loans are only for emergencies. Farmers can receive loans at interest rates of 5 per cent on the first $100,000 and 8 per cent on the remainder. Loans are limited to $500,000. They must be repaid as quickly as possible or turned back into the established credit arrangements as quickly as possible. This allows the farmer to secure cash quickly at low rates in order to recover from a natural disaster. I would like to see the same kind of assistance offered to our farmers in rural communities who may find themselves victims of such things as tornadoes.

We never had such things as tornadoes in Canada at one time but we have had three or four in my constituency in the last five years. Weather patterns are changing and natural devastation is a possibility. We have lived with drought for many years. This is the reason for this organization to be established. As a Member of this House I suggest we seriously look at increasing the mandate of this excellent organization that has been successfully established on the Prairies for 50 years. We should expand its mandate to the entire country and allow the expertise that has been built up to be used by Canadians no matter where they are participating in rural life.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to join with the Hon. Member for Wetaskiwin (Mr. Schellenberger) in speaking on his motion this afternoon. It relates to a proposal to amend the Prairie Farm Rehabilitation Act. I want to congratulate the Hon. Member for the ideas behind his motion. Of all the issues facing agriculture in the long term, the whole issue of conservation and soil degradation, will perhaps be the most important in the future. That is not in any way to discount the short-term problems of marketing, of the

debt crisis, and so on. Soil degradation and conservation is a very important topic.

In that regard I want to refer briefly to the report put out by the Senate committee last year. This was a report put out by the Standing Committee on Agriculture Fisheries and Forestry chaired by Senator Sparrow. That report, which is one of the first national reports that I have seen, really pinpoints the tremendous costs to our country in terms of production of crops, of maintaining our future resources and our capacity to produce as an agricultural nation. It is all outlined here in this report entitled *Soil at Risk, Canada's Eroding Future*. I think the motion moved by the Hon. Member for Wetaskiwin follows the Senate report very well. The Government and the New Democratic Party are quick to criticize the other place, but I have not heard anyone criticize that report *Soil at Risk* because it highlights in a very factual way the problems we face in soil degradation and conservation.

The motion put forward by the Hon. Member for Wetaskiwin would change the name of the Prairie Farm Rehabilitation Act to the National Farm and Forestry Rehabilitation Act. I think that name is one that might be chosen. When I look at other services that we have, such as the Canadian Forestry Service, the Canadian Fisheries Service, and so on, I wonder whether the Canadian Conservation Service might not be a more appropriate name. I am sure the name is the least important aspect of this whole topic. The most important thing is that we put in place a program, a structure, that will better co-ordinate the activities of conservation in Canada.

In the Senate report entitled *Soil at Risk*, the Senate committee talks about the need for co-ordination of national action on soil conservation. It states that all levels of government must evaluate policies and priorities and work together. There is widespread concern regarding the lack of co-ordination in the devlopment and delivery of conservation policies, programs and services. It mentions that conservation was hampered by a lack of over-all government commitment and a comprehensive policy. I believe that is what the Hon. Member is proposing in the motion today. In the report of the Senate committee it was suggested that program delivery should use agencies which are already in place and can effectively deliver assistance to farmers and others in need.

● (1720)

In that regard I see the service as outlined by the Hon. Member to be not so much that of a new agency implementing a conservation program across the entire country but of utilizing existing facilities. For instance, we have an excellent series of Canadian forestry laboratories across Canada. I am sure that the mandate of institutions such as the Great Lakes Forestry Research Centre at Sault Ste. Marie could be expanded to cover not only forestry but conservation. We now have an excellent relationship wherein the Minister of Natural Resources of the Province of Ontario deals with the day to day operation, ownership and management of our forestry resources. Nevertheless, institutions such as the Great Lakes Forest Research Centre do much of the technical and research back-up, which makes it possible for the Ministry of Natural Resources to carry out its mandate. I am thinking of the jackpine budworm infestation in northern Ontario right now. Clearly that program, if it is put into effect, will be carried out by the Minister of Natural Resources. However, the federal Department of Agriculture does the licensing of pesticides and the Great Lakes Forest Research Centre does the actual egg counts on trees and so on to determine exactly what should be done. They are really working in harmony. If the capacity of that laboratory were expanded to conduct conservation research in co-operation with provincial Governments, Ministers of Natural Resources, conservation authorities and the Department of Agriculture, we would have a much better co-ordinated resource and research back-up which is needed to do a good job.

The motion talks about technological transfer and the implementation of new technology. Obviously there is a tremendous opportunity in terms of a national or Canadian conservation service. The Hon. Member mentioned as well the United States soil conservation service which has been very effective in that country in providing service in that area. Also he mentioned the idea of additional funding through a national forestry and farm rehabilitation agency. He mentioned the United States Farmer's Home Administration Program in that regard. I would want to be identified with those remarks because I think Farmer's Home Administration has done a good job in dealing with natural disasters and has certainly gone in a direction which is beneficial to communities facing natural disasters. In the December statement of the Minister of Agriculture (Mr. Wise), he actually indicated that in future natural disasters in agricultural areas, such as the flood damage in northeastern Saskatchewan or the drought in Alberta and southern Saskatchewan last summer, the federal Government will be looking to farmers paying for them through crop insurance and that in fact the provinces will no longer have any responsibility. I question the approach of the Government in that regard. Surely property and civil rights are the responsibility of the provinces under the Constitution, yet here we see the provinces getting off scot-free and the federal Government and agricultural producers having the responsibility for the cost of natural disasters. I hope the Hon. Member's view of a national agency such as the one proposed would be beneficial in those circumstances. If we look at the way in which Farmer's Home Administration in the United States is assisting its agricultural producers with rescheduling loans and providing set-asides for farmers facing farm debt crises, we see that it is certainly providing tremendous additional assistance. This is not being provided to our farmers who are facing the same kind of situation.

The Senate committee report contained some important observations on the financing of conservation measures. In the present economic environment many farmers cannot afford the cost or risk of conservation measures. It indicated that there was a major concern on the part of farmers about the immediate and considerable cost of conservation measures and that financial benefits may take several years to accrue. Also it

mentioned that the utilization of conservation practices by the majority of farmers could be encouraged by the availability of more funds through programs which are seen to be fair and non-restrictive. Cost-sharing programs, tax credits and capital cost allowances were the most frequently proposed incentives in the hearings the committee held across the country, while it was suggested that other financial assistance measures should be carefully studied.

What we have to consider in the motion today is whether or not we really have a Government which is prepared to provide that kind of financial assistance, in view of the response to the debt crisis facing some 17 per cent to 20 per cent of our farmers and the move to put half the cost of disaster funding on to the agricultural producers of the country, while not requiring the provinces to make any commitment at all. What we are really asking is whether there is the political will to implement a program such as the one the Hon. Member for Wetaskiwin has put before us. If there is, obviously the exercise of a committee report would be very beneficial from that point of view. We should move ahead with it and see it go to committee. Those of us who represent rural areas know that the rural farm population represents only 4 per cent or 5 per cent of the total population. Obviously it is not a very loud voice in the over-all spectre of political power, yet this issue is very fundamental to the long-term benefits of the rural areas of Canada.

During the years I worked as a veterinarian in western Canada and then in northern Ontario and for the past 16 years as a Member of Parliament working in the rural areas of the Algoma, Manitoulin and Sudbury districts of northern Ontario, I have certainly had a chance to see the very serious problems facing agriculture. There is a need to impress upon the Government the fact that there should be a commitment to rural areas. I would like to see as part of the Hon. Member's motion mention of the quality of life, general development and a commitment to rural areas.

• (1730)

In the Senate committee report *Soil at Risk*, one of the main items was that there be on the agenda of the meeting of First Ministers' soil conservation and soil degradation. A First Ministers' conference was held in Regina a week or so ago. Clearly that item was not there. That does not mean that we should not move ahead as a committee of the House to try to deal with this motion to see if a national program can be fashioned to meet the needs recognized in the Senate committee report and determine whether there is a commitment by the Government to implement such a policy. Clearly there is a need.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is a pleasure for me to participate in this debate to discuss the proposal put forward by the Hon. Member for Wetaskiwin (Mr. Schellenberger) to refer to the Standing Committee on Agriculture the power to study the amendments to the Prairie Farm Rehabilitation Act. He has a number of proposals that that administration might carry on as part of its expanded mandate. During the course of my remarks, I would like to add to such an expanded mandate one or two other items that I think might be legitimate.

It is an extremely important topic both for Canadians and other residents of North America and we should address this problem now. With its advent in the 1930s, the PFRA showed that it was able to bring back some land that had gone beyond use. Some of the lands that were brought back into production were, granted, as grass-lands and pasture lands. They had degenerated to the point where they were little more than sand dunes. The activities of PFRA brought those back.

Vast areas of the Prairies that were devoid of any water, through the actions of PFRA had small dams and drainage systems installed. Fair amounts of water were trapped for the use of the human population, the livestock and waterfowl that passed through that region. It may not be well known in the rest of Canada, but most prairie people know that approximately 50 per cent of the waterfowl that exists in North American migrate through the prairie region. Approximately 50 per cent of that waterfowl are hatched, grow up and become usable as birds for the hunt in that part of the country.

I have noted a number of disturbing things that are happening to the wet-lands, woodlots and farm-lands of our country. The problems have not been adequately addressed, in part because of our Constitution where the responsibility lies with both the federal and provincial jurisdictions. The genius of PFRA was the fact that it succeeded in getting provincial and federal co-operation and that it channelled the job that needed to be done through that particular administration.

The Hon. Member who introduced this motion is absolutely right. We need to have an expanded and new mandate for either PFRA or some new administration which would have both federal and provincial co-operation and financing. It could be mandated by both federal and provincial governments. We should not rule out the possibility of financing from our neighbours to the south since a great deal of the benefits from the wildlife, and certainly from the water and fisheries, shifts to them.

If we properly manage our forest lands so that the silt from the mountains stops washing into the rivers, the salmon beds will be clean. We can again have salmon using the rivers and hatching. We will again get to the point where we will have full utilization of all the fishboats on both our coasts. We will not have the continuing argument and litigation between our two countries as to who is fishing how many salmon and who is responsible for dividing the salmon. We have allowed our forests to deteriorate to the point where our spawning grounds for those salmon are no longer capable of supporting fish.

I alluded briefly to the role that the Prairies play in supplying waterfowl for both nations. We sometimes forget the problems in attempting to save our waterfowl, forests, fisheries or the land over-all. It is a very complex question. Our farmers and foresters look after the land as they see fit by the rules that they have to work by. Sometimes, while they may be doing things that are considered to be very good management for their particular industry, the long-term effect may be very

expensive for the rest of us. We always have the question as to who will pay the cost of conservation. We can get general agreement that conservation is good for this and future generations, but when it comes to who will lay out the money or who will put up with the problems that accrue when you try to conserve natural resources, that is something we have not be able to address properly. In part, that is because of the split jurisdiction. There are other problems, some of which I will allude to.

As an example, I will take my own area. Most of us are most comfortable talking about our own area. Where I live in Saskatchewan, the land was originally covered by fairly heavy forests, poplar and spruce. Underneath the good forest was some very good farm land. Otherwise, it would not have produced good forest. For three generations, farmers in my corner of the country have considered themselves successful if at the end of the year they could say they have cleared so many acres. We fought the forest, got rid of it and have now turned it into farm land. That is considered a measure of success.

We have reached the point now where most of the farm land is clear. A lot of fencelines were left, growing up into tall trees, which slowed down the winds both in summer and winter and provided habitat for some of the smaller wildlife, including deer. As farmers began to use larger and larger equipment and were pressed economically, they began to look at those fencelines as if they were enemies rather than friends.

The farmers began to pull out the fencelines. It does not cost much to knock down a mile or a mile and a half of fenceline. They found that they could get on their fields two or three days earlier than their neighbours who had left the fencelines up. They had no birds and no wildlife. However, they were a couple of days earlier and they avoided the frost. It did not take long for the neighbours to see that the "successful farmer" did not keep tree lines. So my part of the country, which was once verdant with trees, is now laid bare, and you can see a distance of five or six miles just as though you were on the Prairies. Of course, the winds blow through and the snow does not stop in the middle of the fields and we are having attendant problems with water in the spring. The snow melts very quickly, creating erosion as it goes. Some farmers consider that erosion helpful because it clears out the water courses and allows the water to escape even more quickly so that they can get their crop in a few days earlier. But in the longer term the next generation in that part of the country may find themselves faced with a shortage of water. We know from experience on the Prairies during the 1930s that once you dry out the land too much, the rains stop coming. We may be having some influence on the weather patterns in that part of the world. In the long term it may be a very costly exercise of these very efficient farmers to have made the best economic use of their resources.

● (1740)

We know from observing monoculture, not only in our region but in other regions, that the results can be quite hazardous in a period of only 10 or 15 years. Sometimes it takes as long as one or two generations, but the result is always quite visible. I know from having visited the single-crop potato area of New Brunswick that erosion is a much larger problem there than it is even on the Prairies. The water courses wash great gouges in the soil each spring. They are filled in, planted over, no fibre is put back into the soil and the process continues again the next year. We have no way of saying to farmers that these water courses should be seeded with grass to hold them in place. We have no agency which could point out the advantages of keeping trees as part of the ecology of our farm areas. We have no one selling the advantages of trees except for some people who are now getting old, having started out back in the thirties. They did a good job of explaining why we needed tree-lines and trees on the Prairies, but the message did not sink in, not in those areas where there were trees to begin with, and we now seem to be doomed to making the errors that our prairie farmers made.

In his motion, the Hon. Member for Wetaskiwin has set out to have the new farm and forest rehabilitation agency co-ordinate national action with respect to both wet and dry-land management. He wants new technology placed in the hands of individual farmers and foresters, and I think some environmentalists and wildlife managers as well. Along with that—and perhaps this agency is the one to do it—there has to be an organization to do genuinely innovative research, an organization that would investigate quite new ideas, some which might be considered to be whacky, but which might have an impact on the over-all environment.

To give you one example of that, Mr. Speaker, most Members of the House will realize that there is a big salinity problem in a lot of prairie soils. We do not have anyone who has done anything more than just determine that if you keep plants growing on those saline spots, the problem gets somewhat better. Farmers have noticed that if you just abandon those areas in some parts of the Prairies to the kochia weed, gradually the area seems to shrink in size and again become available for agricultural production. The suspicion is that this weed may have some ability to reduce the amount of salt in those areas, but there is no one doing research to identify that.

I know, for instance, that there has been research in similar areas which has arrived at surprising results. The National Research Council had a research centre in Saskatchewan some six or eight years ago, when I was on the Science Council of that province, that had done some research with cattails and bullrushes. They found that those particular shallow-water plants had the uncanny ability to take heavy metals out of sewage and sludge, both in the water and in the soil, and seemingly get rid of it from the environment. At the same time, they produced a plant which was usable for livestock feed. I think that that researcher should be tracked down and he should do some similar work on the kochia weed, which seem to be able to absorb some salt from the saline spots which are a growing problem on prairie soils.

Another proposal is to have a research unit do truly innovative research which our plant breeders and agriculturalists

cannot get the money to do. This would have an effect on the over-all ecology of our country and would improve the management of our wildlife.

I should not have to remind the House, but some may have forgotten, that our fur industry, which started this country, is still a very important industry. It is considered a sideline perhaps more than it should be. Approximately $900 million worth of furs are taken by trappers and farmers and they provide a sizeable addition to the income of people who live in forested areas. There is, as well, the management of our water resources in order to assist in the growth of migratory wet-land birds. That should be part of the authority as well, because it contributes markedly not only by way of meat for native hunters, but it is also a very large draw to the tourist industry and it can be one of the larger industries in the more remote parts of our country.

I think the idea is a good one and its scope could be extended beyond the very broad terms of reference that the Hon. Member has presented to us. I would be quite pleased to see this idea go to committee for further study, and our Party will support it.

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, in the report prepared by the Senate entitled "Soil at Risk", the authors described the state of agricultural soil across Canada. They point out that soil degradation is a serious problem throughout the country. Although there are some similarities, there are enough differences from region to region to require specific corrective action.

Soil management must deal with the problems of erosion and compaction caused by potato farming in the Maritimes, with floods and erosion by water in Quebec and Ontario, with salinization and erosion by water and wind in the Prairies and water erosion and river sedimentation in British Columbia. Widely differing problems require as many different solutions.

The time has come for the Government of Canada to review its activities with respect to soil, forests, waterways and wet lands, and the preservation of our rural heritage. It is clear that the end of the eighties and the beginning of the nineties mark the beginning of an era when developing the land and nothing more will no longer be acceptable. We will have to manage the resources we have to ensure our economic and general well-being.

● (1750)

Our water resources are unevenly distributed among the various regions. Ontario and Quebec often suffer from problems caused by spring floods or torrential rains. Soil erosion is one of the most serious problems, and the increase in row crops such as corn makes a serious situation even worse. In some areas, it costs between $100 and $600 per hectare to correct these conditions.

Another example, and I am still referring to central Canada, is that wind erosion is getting worse on sandy soil because of a movement away from cover crops to single crop culture.

And what about soil compaction as a result of repeated plowing in wet soil? This could be just as damaging as flooding and erosion, depending on the area.

Urban expansion in Ontario has meant that agriculture is losing its best arable land. The same phenomenon exists, to a lesser degree, in the Maritimes. In Quebec, strict zoning laws applied since the end of the seventies have helped stop excessive urban expansion, but good farmland remains a rare and high-priced commodity. In the Prairies, water is a particularly unreliable resource, and it has always been difficult to remedy this problem.

Canada's economic development depends on control and effective use of our water resources. Increased use puts greater pressure on our water supply and increases the probability of pollution. Only through effective management and use can we ensure long term availability of our water supply.

When we travel across this country of ours, we can see the incredible diversity of our forests and how they contribute to the well-being of local communities: woodlots and maple bush in the East, the pulp and paper industry in Quebec and Northern Ontario, and British Columbia's vast forest resources. Over the years, we have developed forest resources across this country. Our forests must provide sustained production if we want them to continue to contribute to our prosperity and wellbeing. We should develop and implement a new technology aimed at encouraging conservation, developing reforestation and promoting a more effective management.

Wetlands also play a major role. Compared with the economic roles of our agriculture and forests, that of wetlands is more germane to our environment, way of life, culture and heritage. These areas contribute to the maintenance and enhancement of water quality, the preservation of wildlife habitat, as well as the development of tourism through outdoor activities such as hunting, fishing and nature interpretation centres. They attract those who are eager to educate themselves and contribute to the ecological diversity of our landscapes. They play a part in flood control by holding back the water in times of heavy rainfalls and allowing it to flow during the following months. And they are the depositories of a great many renewable resources such as fur animals and wild rice.

Many wetlands have been drained or greatly modified through the development of up-stream basins. Canadians are becoming increasingly more aware of the extensive damage resulting from the interference with the ecosystems within wetlands. These must be preserved, given the part they play in the use of lands.

Soils, forests, water, humid zones and people are all part and parcel of our rural heritage. The agricultural community

has found ways to protect and improve the environment, be it through upgrading farms by tree-planting, maintaining ecosystems to protect wildlife, or furthering its cultural charateristics to make rural life more rewarding. Communities are part of that heritage and the quality of their social life must be improved.

What is the common link between those natural resources? The provinces look after their development because it is their constitutional responsibility.

Besides, the federal Government has a direct interest in those fields. Soils and forests do contribute to our international trade. Agriculture accounts for one-sixth of all Canadian economic activities. Last year, retail sales of food products were worth nearly $60 billion. In 1983, agricultural exports were valued at $10 billion and boosted our trade surplus by $4.3 billion. This industry directly employs 1.4 million Canadians and creates 3 million jobs all told.

The forest industry ranks first in export trade since it brings in over $11 billion each year. It directly employs more than 300,000 Canadians and indirectly about 700,000 additional workers in related industries.

The federal Government has every interest in making sure that those resources are properly administered since they stand as a guarantee of economic stability and jobs for future generations. The provinces as well as all men and women who use those resources share the same interest. We have seen to what extent the quality of such resources can vary from one region to the next, and that explains why each provincial Government has developed its own management strategy in those fields.

In the past, the federal Government has launched a variety of programs. Research has always been a priority with respect to soils, forests and water. Now and again, it has also involved the provinces through short-term financing programs under the Agricultural and Rural Development Act, through the Department of Regional Economic Expansion or again, more recently, through regional and economic development agreements. In addition, the Prairie Farm Rehabilitation Administration (PFRA) plays an active role in Western Canada as a federal body which provides direct services.

It is imperative that we foresee our needs for 1990 and years beyond, decide what must be done and how to do it. So far, we have been acting as we saw fit, but time has come to make sure that our resources produce sustained yields through more effective administration.

Mr. Speaker, I am looking at the clock and I feel that Hon. Members are getting nervous. We have very little time left and we do want this motion to be adopted, convinced as we are that action must be taken in those fields. We support the motion to refer this matter to the Standing Committee on Agriculture. We are anxious to hear its recommendations and, if need be, to make the right decisions and take the appropriate steps.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

[*English*]

It has been moved by Mr. Schellenberger, seconded by Mr. Nickerson:

That the Standing Committee on Agriculture be empowered to study and report on the advisability of amending the Prairie Farm Rehabilitation Act, to allow expansion of the Act into a National Farm and Forest Rehabilitation Act which would administer co-ordination of national action with respect to both wet and dry-land management; and making the Minister responsible for the consideration and implementation of the best methods to be adopted to secure the rehabilitation of farm and forest areas throughout Canada; and bring new technology into the hands of individual farmers and foresters and to co-ordinate national action with respect to drought/water/soil management as well as conservation, wet-lands management (including wildlife preservation), and the general enhancement of the quality of our rural heritage; and that the Administration of the National Farm and Forest Rehabilitation Act be granted the power to make, administer and supervise farm and forest loans to help operators recover from natural disaster conditions and that such loans be granted at reduced rates of interest for short periods of time to ensure rapid restoration of the operations in question.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

EMPLOYMENT—STUDENT SUMMER JOBS—PROGRAM ANNOUNCEMENT. (B) SCOPE OF PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on February 5, for the third time in this House, I asked the Minister of Employment and Immigration (Miss MacDonald) when she would announce the summer employment program. I asked that question in December, in January and also in committee. I pointed out to the Minister that it was customary to announce the summer employment program in December in order to give enough lead time to potential employers and applicants so that they could put together worth-while programs to hire students in the summer.

When I asked the Minister a third time on February 5, she said that the program would be announced the next day. In fact, the program was announced on February 6.

● (1800)

I might say that the two-month delay in announcing the program did not give justice to the program because, while it was worth $205 million, as a result of the rate of inflation it would be worth less real money than in the previous year, and it had no specific allocation for community services. It also

had a different name, I suppose because the Conservative Party, after delaying for two months, wanted to put its own stamp on it. Instead of calling it "Summer Canada", it was called "Challenge '85".

When the Minister announced the program on February 6, she gave the impression that the program was ready to proceed. I am raising this matter again today because she misled the House on that date. When the Minister announced the program on February 6 she gave a certain number of details, and we had the impression on that date that finally the program was ready to go ahead. However, as of last week—two and a half weeks after the announcement—the program was still not ready.

It had not been decided by many of the provinces whether the program would be a joint program, or that there would be two separate programs, federal and provincial. As well, the provincial insert sheets for the application forms were not ready for potential applicants. Furthermore, the deadlines and the selection processes were not clear. For example, last Friday I was told by one of the officials of the Department of Employment and Immigration in Montreal that the program would be constituency based. But another official from another office told me that it was going to be regionally based.

This is another example of Conservative incompetence, Mr. Speaker. The Government cancelled the Summer Canada Program on November 8. It bumbled and fumbled for three months. Finally it announced a program on February 6 even though it was not ready, and it was not ready because the details had still not been worked out. I presume that the announcement of February 6 was simply to put off people like myself and other Hon. Members who have been asking the question over and over again, "When are you going to announce that program?" I called again today and I was told that finally the application forms are being sent out to the people in the Montreal area. I don't know what the experience is in other parts of the country but I am told that in Toronto last week they still did not have the Ontario insert forms for the application forms. It is regrettable, Mr. Speaker, that the Government, having played politics with this matter, now leaves students holding the bag.

I must say that my complaint is not so much against the program but against the process, against the administration. During the election campaign the Conservative Party gave the impression that it had all of the answers to unemployment in this country and that if the Conservatives were elected those problems would be solved. Once the election was over, the Conservatives announced that they were going to consult with that group, or this group, with the provinces, with labour, with big business, with little business and with community groups and so on. It then became fairly evident that they were looking for a program. If the Conservatives had said that in the first place, before the election, we would have accepted that as reasonable. But, no, they gave the impression that they had the answers and then started looking for the answers; in effect, trying to reinvent the wheel.

In a statement by the Minister of Finance (Mr. Wilson) on November 8 cancellation of Summer Canada was announced. It was later announced that the Government was going to look for a new program, or consult on a new program. The new program was finally announced on February 6, two months late. It would have been bad enough had the program started from that date but, as I pointed out, it is just now getting ready. I feel that is a terrible condemnation of the Government on its approach to the very serious problem of unemployment among our students.

Let us hope, Mr. Speaker, that despite these unpardonable delays, the Minister and the Parliamentary Secretary, and those who support the Government, will listen to these pleas, not only from the Opposition, as we are only 70 in number, but from the many student groups and community groups across the country. The government should finally get this summer program fully under way as soon as possible to make sure that students are working by at least May 1, 1984 in order that they can earn enough money to pay for their tuition and other expenses next year.

• (1805)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister of Employment and Immigration (Miss MacDonald), I would like to respond to the question asked by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) in this House on February 5, 1985, concerning the announcement made by the Government of its summer employment program for the young, and to his request for information on the nature of those initiatives.

On February 6, 1985, the Minister of Employment and Immigration and the Minister of State (Youth), (Mrs. Champagne) announced the program Challenge '85, a summer employment program for students, with a $205 million funding. That program should not only give students an opportunity to earn money to pay for their tuition fees, but also create jobs that will promote their career goals and a better preparation for their future participation in the labour market.

The Hon. Member is under the impression that the delay in announcing the program is a serious insult to the Canadian students. On behalf of the Minister, I would point out that any program hastily introduced, without specific planning, without input from the regions and without taking the time needed to obtain a commitment from our economic partners, including the Provinces, the private sector and others, would be a still more serious insult.

Challenge '85 is a totally new approach to job creation for students. Instead of offering students pre-organized federal projects that would simply give them an opportunity to earn money to pay for their tuition fees, we in the Government are challenging our economic partners to work with us for the creation of meaningful jobs that will enable students to opti-

mize their contribution both to the Canadian society of today and that in which they will be living in the years to come.

Challenge '85, a multisided initiative, illustrates the Government's conviction that the students of Canada and our economic partners have the ingenuity, the desire and the will needed to carry on a successful program, and that they can very well at the same time play their rightful role in rebuilding a healthy Canadian economy.

Challenge '85 will provide $163 million for the Summer Employment/Work Experience component. With respect to that component, the federal participation will take the form of wage subsidies for jobs not only in the private sector but also in municipal goverments and community service organizations.

In all these sectors, priority will be given to applicants offering jobs to students while giving them the opportunity to acquire more knowledge, job experience and training in a future career. Mr. Speaker, this should alleviate the fears of the Hon. Member for Notre-Dame-de-Grâce-Lachine East that groups such as community non-profit organizations will be left out next summer. Our second priority will be for jobs where students will be able to acquire some work experience.

In addition, Mr. Speaker, the federal Government in co-operation with the provinces is willing to make $30 million available in the form of loan guarantees and loans for those wishing to go into business.

The Minister sent out an invitation to large corporations and business organizations, which have already suggested that they would gladly promote student hiring in the private sector.

Mr. Speaker, in closing, I would like to mention that, with this program and the involvement of the provinces and the private sector, the Government is confident that Challenge '85, an inspired and audacious new approach to student hiring, will be of great help to thousands of students both next Summer and in the near future when they will enter the labour market for good.

[*English*]

AGRICULTURE—REVIEW OF PROGRAMS. (B) AGENDA OF FIRST MINISTERS' CONFERENCE

Mr. Maurice Foster (Algoma): Mr. Speaker, on February 14 I put a question to the Deputy Prime Minister (Mr. Nielsen) who had made a very grand presentation to the Canadian Club of Toronto about two days before that. On that occasion in his speech entitled "Agenda for Change", he outlined study teams in the various sectors of the Canadian economy whose job it was to cut out, eliminate, reduce and consolidate programs. I asked him why there was no representation on the study team on agricultural programs from the agricultural community itself, that is agricultural producers and farmers. I asked him why there was no representation from eastern or western Canada. I asked why was there no representation from rural Canada, and why was there no representation from women involved in the agriculture industry?

• (1810)

When you look at the study team you will see that most of its members are from multinational corporations, banking institutions or the federal Government. The team leader is a past president of St. Lawrence Sugar. The private sector people come from the large multinational corporations or banks. The other five come from the Public Service. Surely it would have been reasonable to expect that there would be representation from western Canada on a study team that will be reviewing some 90 Government programs relating to agriculture, programs which involve some 14,000 jobs and an expenditure of $1.5 billion. Surely there should be some such representation.

The response from the Deputy Prime Minister was that the private sector advisory committee members are broadly representative of all regions of this country, business and labour. That is totally wrong. It is questionable whether the Deputy Prime Minister read his own speech. When he was replying to a question by the Hon. Member for Trinity (Miss Nicholson) he did not seem to know what he said in his speech. It is as if he just read the speech without really understanding what he was saying.

I fear for the agricultural community. Let us look through the list of programs. It seems to me that on the committee studying livestock and farm input supply there could have been a livestock producer from western Canada or eastern Canada. Having regard to programs such as the Seed Potato Export Promotion Program, one might consider having a representative from New Brunswick or Prince Edward Island on the committee.

Rather than having this collection of people from Montreal, Toronto and Ottawa consider programs under the Agricultural Products Co-Operative Marketing Act, it seems to me there should have been members from co-ops in Manitoba, Saskatchewan or elsewhere on the committee. That would be more sensible than having a few former presidents of big multinational corporations and some civil servants deciding which Government programs will be maintained.

It is most disturbing to find upon reading the published documentation that the committee has already made its report. The interim report apparently was made on February 15, two days after the Deputy Prime Minister made his fateful speech to the Canadian Club in Toronto. It would have been interesting if he had made that speech to the Canadian Club in Winnipeg. I have a press clipping from Manitoba which is highly critical of the Deputy Prime Minister. Not only was there no representative from Manitoba on the study committee on agricultural programs, there was no such representation on any of the approximately 12 committees the Deputy Prime Minister set up. I am sure that in response to every program that gets chopped, not only in Agriculture but Transportation and Health and Welfare, the people in Manitoba will ask what is happening.

The Prime Minister (Mr. Mulroney) comes from Westmount, the Minister of Finance (Mr. Wilson) and the Minister of Regional Industrial Expansion (Mr. Stevens) come from Bay Street. It appears that they, along with civil servants from Ottawa, are the only ones who will have representation on the committees. The sad part is that this has been done secretly and behind closed doors. Apparently the recommendations are in now. When the Budget comes down we will find that various programs, in agriculture and other aspects of our economy, have been wiped out without there having been representation from the private sector in any part of our country, with the exception of those from Toronto, Montreal, and the civil servants in Ottawa, who make all these decisions behind closed doors.

● (1815)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, it is unfortunate that the Hon. Member asking the question not only has his facts wrong, but has drawn wrong conclusions from those facts that he had available in front of him.

The Ministerial Task Force on Program Review is examining all the programs of the federal government to achieve better service to the public, less red tape and greater efficiency. Programs in support of the agricultural sector are one of the priority areas for review, to ensure that they are truly contributing to the stability, growth and competitiveness of the agri-food sector.

In this field of joint federal and provincial jurisdiction it is important to examine potential areas of duplication in federal and provincial programs. A study team comprised of private sector individuals and public servants has been formed to examine the results of federal programs. These people are consulting with groups benefiting from the programs. They are trying to determine whether there are any clear overlaps.

The study team has met with the Minister of Agriculture (Mr. Wise), the Minister of Transport (Mr. Mazankowski) and the Minister of State for the Canadian Wheat Board (Mr. Mayer). Members of the study team have met with the Deputy Minister of Agriculture and all senior officers of the Department to understand their view on the effectiveness and efficiency of their programs.

The team is also meeting with knowledgeable people in the private sector in both western and eastern Canada who can give first-hand knowledge and advice on areas of duplication or overlap, or where programs simply do not contribute to the strength of a dynamic agri-food sector which is so important to Canada's future economic prospects.

The study team indicates that it has received the fullest co-operation from all those contacted, from Ministers to officials to private individuals. Clearly all of them are enthusiastic about the future growth prospects of the agri-food sector, and want to see federal programs playing the most productive role possible to bring about that future.

Adjournment Debate

PARLIAMENT HILL—REQUEST THAT PEACE CAMP BE REMOVED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on November 13, five days after this House commenced, I asked the Minister of Public Works (Mr. La Salle) a question with respect to the peace camp that he has located on Parliament Hill. The Minister replied:

> I have the impression that my colleague is asking me to do in a few weeks something which the previous government failed to do in 18 months.

That was a few weeks then, Mr. Speaker; but that was November 13 and we have seen December 13, January 13, February 13, and soon it will be March 13. The Minister does nothing. This is a trespass on the lawns of Parliament Hill. Here we have the property of the people of Canada being used in a fashion that is not complimentary to this cherished place, the House of Parliament here in Ottawa.

Not only has this Minister refused to do something about that which is his responsibility to guard, the efficacy of this Parliament, but he refuses to come to grips with the problem. He says "Oh, they will move away when winter comes". That was on November 13. Winter has come and winter has just about gone and the peace camp still has not moved away. It has been here now for nearly two years. It will soon be past its second anniversary, yet the matter stays the way it is.

● (1820)

In a question I placed on the Order Paper I asked the Minister whether he intended to set up fees for those who would like to establish further protest camps on Parliament Hill. The Minister responded that the Government had no intention of setting out a new fee schedule. Presumably it is the intention of the Government to allow anybody—everybody and sundry—who wishes to protest to set up a camp on the lawns of Parliament.

Where is this Government going with respect to its responsibilities to guard Parliament? I say seriously that the Government has an obligation to bring forward a Bill, if necessary, in order to charge the users of the front lawns of Parliament Hill with trespass and move these trespassers from the front lawns of the Parliament Buildings. In spite of everything which has been done to bring the matter to the attention of the Government, nothing has happened.

I have been approached by not only citizens generally, but by people who work in the House who are concerned about the way the House is being denigrated by the existence of that camp on the front lawn. If something is not done very soon, other groups around the country will be setting up tents. Is it the intention of the Government to continue to allow this? If that is the intention, to continue to allow protests on Parliament Hill—something which does not exist in any other civilized country in the world—then let the Government say so, and let us have a debate in the House with respect to such camps. Surely somewhere along the line Parliament Hill has to be given some degree of respect. This camp is a disrespect of Parliament, and a disrespect of the democratic process.

I do not know what reply the Ministry has given to the Parliamentary Secretary, but I certainly would not want to be in his position. There are all sorts of questions which could be asked with respect to the camp, but it must come down to this; if we are to continue to allow this type of thing to take place, Parliament will lose the respect the people should have for this institution. It is high time that the Government and the Minister faced their responsibilities in this regard.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, before getting into my formal reply, I should like to suggest that the Minister has in no way located the peace camp on Parliament Hill, as the Hon. Member unintentionally implied in his remarks.

The Minister of Public Works (Mr. La Salle) has replied to questions both oral and written on the subject of the peace camp, and the Minister does not intend to legislate the peace camp off the grounds of Parliament. This remains the policy of the present Government of Canada. Hon. Members on all sides of the House and the people of Canada support the notion of peace and those efforts made in the pursuit of an enduring peace throughout the world. This Government is committed to that goal.

What the Hon. Member raises is a question of a totally different nature. The Government and the citizens of the country must ask themselves whether the peace camp is setting a precedent which may be followed by other groups, and to what extend this should be allowed when in fact this action may impede access by all Canadians to the grounds and institutions of this Parliament which rightfully belong to them. There have been editorials and letters in newspapers across the country which have either applauded or denounced the presence of the peace camp on Parliament Hill. What is most unfortunate is that the physical presence now becomes the issue rather than the quest for peace. We are focusing on this physical presence rather than the moral presence.

Our responsibility as a Government is to maintain Parliament Hill for all Canadians, as a space for all Canadians to enjoy—Canadians from every region and with different political viewpoints who wish to visit Parliament Hill. We as a Government wonder at what point the peace camp people will understand that they have made their points, and that by remaining there they will not change this Government's resolve to work hard for global harmony. What its physical presence does is spark a controversy over the physical presence rather than drawing attention to the point they want to make.

The Hon. Member has referred to the possibility of other groups setting up. We suggest that would be an unfortunate scenario, because that would really begin to hinder the ability of all Canadians and people from other countries to enjoy Parliament Hill. The grounds have long been of social pride for all Canadians and for people from other countries. They are a focal point of this nation's capital. We intend to see that they remain so.

In closing, I am informed that the Minister is continuing to study this issue and will make a statement in future weeks.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Tuesday, February 26, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed from Monday, February 25, consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I wish to thank you for giving me this opportunity to take part in the debate on the Small Businesses Loans Act. Having owned two small businesses myself, I believe I am in a position to appreciate the concerns of this sector.

However, I fail to understand the position the present Government seems to be taking with respect to small- and medium-sized businesses. It seems to me there are many contradictions between what I have heard from our Conservative colleagues and what I have read in Bill C-23, and I shall, if I may, Mr. Speaker, touch on a few that are particularly revealing.

First of all, the Hon. Members opposite have been very expansive about their desire to consult with the groups in question so as to better respond to their needs. This is an entirely worthy attitude, but I do not think the Conservatives are particularly innovative in this respect. Otherwise, small- and medium-sized businesses would not, as they do today, represent nearly 30 per cent of the Gross National Product. But let us be generous. Let us give them the benefit of the doubt and believe they are sincere in their desire for consultation. If they are, then how do the Minister of State and his colleagues propose to explain the fact that the vice-president of the Canadian Federation of Small Business and the president of the Canadian Federation of Independent Business have both protested against the provisions of the Bill concerning the 1 per cent fee to be paid by lenders to the Government? If these organizations had been consulted, this fee would not have been included in the Bill, unless the present Government, with all its consultations, has been ignoring the views of the groups concerned. Not necessarily on purpose—I would not want to believe that.

Mr. Speaker, I can only hope the Government will make good use of these consultations it has been making so much of. In fact, when I was looking at the recent consultation paper on small business presented by the Minister of State (Small Businesses) (Mr. Bissonnette) and the Minister of Regional Industrial Expansion (Mr. Stevens), I noticed some very major paradoxes in the Conservative approach.

The first page of this document refers to some of the goals the federal Government has set for itself. One of these I found particularly interesting, and I quote:

"—to adopt policies that will lead to increased investment, further and more intense innovation, improving our international competitive position and establishing a climate favourable to creating and developing new enterprises."

A little further it says that job creation is a fundamental priority for the present Government and that Canada must strengthen this growth model and promote the start-up of new businesses.

Mr. Speaker, I am afraid the Party opposite has yet to come up with something new. It is as plain as the nose on anyone's face that small- and medium-sized businesses are the motor of any economy. I do not see why it took them six months to realize this.

Even worse, in Bill C-23, the Conservatives have neglected to observe these primordial goals by proposing incoherent policies and amendments.

I say incoherent, Mr. Speaker, because clause 2 of the Bill provides that from now on, liability for losses sustained on loans will be shared by the Government with the lending institutions, the latter to be liable for 10 per cent.

While the Small Businesses Loans Act is aimed at encouraging lenders to make loans to small businesses, the amendments proposed by the present Government will have the opposite effect. It is not at all unlikely that lenders will be reluctant to make loans if they are liable for 10 per cent of the losses sustained on such loans. Lenders will tend to exercise extreme caution and draw up more restrictive regulations, and one could hardly blame them for doing so.

However, this attitude will also make lenders less inclined to make loans to small businesses, which will certainly have an adverse effect on the emergence of new small businesses. The contradiction here is very obvious. On the one hand, the Government wants to make things easier for small- and medi-

um-sized businesses and promote the establishment and growth of such businesses, but on the other hand, it is obliging lenders to endorse 10 per cent of losses sustained on loans, which will force lenders to be more selective or to make fewer loans or fewer large loans. What the party opposite is urging is that we cripple a piece of legislation which has been the mainstay of Canadian small business for 23 years.

● (1110)

Our colleagues across the aisle openly brag about stimulating private investment and the Canadian economy, but they fail to take the proper approach—in fact, they throw cold water on businessmen and lenders who are anxious to participate in our economic growth. I hope they realize the disastrous consequences of the fresh approach they want to take with respect to small business. It is essential that you grasp the full implications of such measures. Perhaps I might be of some help.

Still referring to this consultation paper, I read that entrepreneurship and risk-taking are not sufficiently promoted. I fail to see how the provisions of this piece of legislation will enable you to promote and spur risk-taking by small business and lenders. You know as well as I do that no businessman or businesswoman will invest unless the chances of failure are extremely remote. Canadians are not risk-takers, and they should not be unless the economic climate and conditions are altogether favourable. To be frank, I am convinced that your proposition will never create the conditions conducive to and required for risk-taking. The more your Government will force lending institutions to pay for a high percentage of losses incurred on outstanding loans, the fewer loans those institutions will make, the less small business will take advantage of those loans and the less new businesses will want to set up shop.

Furthermore, I can read in this famous consultation paper—and, of course, you had no idea how many inconsistencies this paper would contain—that "small business considers that Governments and most financial institutions have an approach which favours the requirements of big business".

Then again, section 2 on loss sharing by the Government and lenders will do precious little to encourage the latter to make loans to small business. One might even suggest that this measure will be a boon to big business since the market will not be crowded by small business, and lenders will be more inclined to offer better conditions to big business. Hypothetical though it may be, this suggestion is not all that far-fetched.

It is a fact that the Progressive Conservative Government spent the first six months worrying about big business, foreign multinationals and the need to attract them to Canada. This Government has been concerned about making room for big rather than small business. What will be the impact of uncontrolled foreign investments in this country?

The answer is simple: they will corner the Canadian market. That being so, is it still possible to talk about promoting small business in Canada? I hardly think so. I would suggest that the Government will indeed be well advised to reconsider—as they so aptly put it—the regulations and policies that might hinder small business financing, including venture capital.

● (1115)

This is a priority, Mr. Speaker. It is a priority because the legislation contains so many nefarious provisions that will only hinder SMB financing. Among other things, their Conservative Minister will require lenders to pay a fee of 1 per cent of the amount loaned under the Act. This means that on each and every loan, the lender will have to pay 1 per cent to the Government as a guarantee. Assuming that total loans remain at the current level of $900 million a year, lenders will be paying out $9 million to the government to account for that 1 per cent fee. Those $9 million that will go the public Treasury will reduce by $9 million the amount of loans available to small businesses. This is one way for the Government to fill its coffers at the expense of lenders and especially of small businesses. We cannot be consistent and support such a measure. The Minister of State himself is entertaining doubts as to the true efficiency of such a policy. As he stated in this House last week, and I quote:

> The total impact on the yield to lenders over that period or over the term will be minimal. Therefore, the volume of loans should not decline significantly.

Despite the weak-kneed phrases used by the Minister, clearly when he said "minimal impact" and "should not decline significantly" he meant that in fact, there will be negative results and the volume of loans will go down. The Minister is admitting therefore that his proposal implies a negative impact. When he says "not significantly" and "minimal", it is only to reassure those who are concerned and distract the attention of the people involved.

In fact his statement was conditional and this is therefore extremely hypothetical. His comments are fraught with uncertainty. "The volume of loans should not . . .", meaning that it could decline significantly. If we are to rely on assumptions, mine is just as valid as the Minister's. But I for one know very well that the odds are in favour of lenders reacting unfavourably. Who will be happy to pay out $9 million rather than investing the money?

Finally, Mr. Speaker, what the Government wants to achieve with Bill C-23 is to significantly reduce access to the Small Business Loans Act by lenders, and in turn by small businesses. In other words, they are limiting access to financial sources that are absolutely vital and that have in the past enabled a number of small businesses, small Canadian firms to start in business and prosper in this country.

Anybody who claims to support small businesses and view them as our society's economic locomotive must reject the

Government's proposals because they are inconsistent and unacceptable. This is a serious issue and so is our duty.

As you know, Mr. Speaker, in New Brunswick in 1980 there were 17,000 small- and medium-sized businesses with a sales volume of less than $2 million a year. There were 17,000 in 1980, and now there are many more. In 1983, with the Small Business Loans Act, 745 new small businesses obtained loans for a total amount of $22 million. You know also, Mr. Speaker, that in my province of New Brunswick, small businesses are essential. They provide most of the jobs and they also are vital to our people. The citizens in my province are born workers whose ability to earn a living is aleatory, greatly dependent as it is on the climatic conditions under which they operate. I refer for instance to our people involved in the fishing, farming and tourist industries.

• (1120)

As they operate already under difficult and uncontrollable conditions, the last thing we should do is to create new obstacles for them. On the contrary, we should try and find ways and means to alleviate these natural impediments. These ways and means are already at our disposal, Mr. Speaker. The party opposite preaches that Canadians should be encouraged to invest. But "preaching" is just not good enough. It should take action. What is more, it should take appropriate action.

So far, the new government has covered the first two stages. As to the third, I suggest that its first appropriate action should be to withdraw the provisions about the 90-10 per cent sharing of losses and the 1 per cent loan fee which lenders would have to pay on each loan to the government.

If the party opposite really wants to help small businesses, it should fulfill its promise.

Mr. Deputy Speaker: Are there any question or comment on the Hon. Member's speech? If not, we will resume debate. The Hon. Member for Blainville-Deux-Montagnes (Mrs. Landry) has the floor.

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, it gives me great pleasure to take part in the debate on second reading of Bill C-23 to amend the Small Businesses Loans Act. The fact that I have decided to make my maiden speech in the House on this Bill shows how vital I consider the contribution of small businesses to be for the Canadian economy.

I also want to take this opportunity to thank my constituents of Blainville-Deux-Montagnes. Last September 4, the residents of Blainville-Deux-Montagnes showed unequivocally that they wanted a change in direction. The Progressive Conservative Government, under the leadership of the Right Hon. Prime Minister (Mr. Mulroney) has understood this crystal clear message. Anxious to meet the aspirations of Canadians, our Government has firmly committed itself to renewal, as evidenced in the Speech from the Throne and the economic statement of the Minister of Finance (Mr. Wilson).

Mr. Speaker, let me remind Hon. Members that the Blainville-Deux-Montagnes constituency, located to the north of the Rivière des Mille-îles and the Lac des Deux-Montagnes and to the south of Mirabel airport, includes ten municipalities. This federal district extends over 287 square kilometres in the greater Montreal area. At the 1981 census, it had a population of 112,000, of which 86 per cent were francophones, 12 per cent anglophones and 2 per cent belonged to other ethnic groups. In addition, the population of Blainville-Deux-Montagnes continues to increase at a rate which reached 22 per cent during the period from 1976 to 1981. This population increase reflects the attraction my constituency holds for many Quebecers.

The economy of this mostly urban constituency revolves around the manufacturing sector, commodity trade and socio-cultural, business and personal services. Our primary industries are largely made up of family-type farming businesses. On the other hand, according to a survey conducted by a Department of Employment and Immigration economist, the importance of service industries in the community reflects the suburban character of the region.

The major employer is undoubtedly the Boisbriand General Motors plant, which has a manpower of about 3,500. Mr. Speaker, I would like to emphasize the importance of the auto industry for our local economy. Many subcontractors owe their survival to GM.

• (1125)

Last November, I learned with regret about the decision of GM not to invest $700 million in the upgrading and robotization of its Boisbriand plant. This unfortunate decision caused great concern to local businessmen who had contributed a lot of energy and effort to welcome the General Motors plant to Boisbriand. Prompted by Mr. Michel Gagné, Chairman of the Laurentian Development Regional Council and mayor of Boisbriand, a regional committee was formed to assess the impact of the cancellation by GM of its investment project. I was more than willing to join this committee which has already met twice. While its function is to examine the direction GM wants to give its Boisbriand plant, the committee fervently wishes for other auto industries to locate in the region, thus attacting more subcontracting business.

The contribution of the General Motors Plant to the economy of my riding is of great significance Mr. Speaker, and I trust that this company will continue to play a major role and will very soon go forward with its ambitious investment project. General Motors facilities in Quebec should be on an equal footing with those in southern Ontario.

In addition to the General Motors plant, the Blainville-Deux-Montagnes constituency has numerous small and medium-size businesses which provide stable employment to a

considerable number of residents. Similarly Mr. Speaker, it should be pointed out that this constituency has major assets which allow it to face the future with great confidence. Indeed, because of its very advantageous strategic position it would be the envy of many Canadian constituencies. Located near two international airports and the Port of Montreal, Blainville-Deux-Montagnes has undoubtedly what it takes to become a major industrial centre.

Those few brief socio-economic data demonstrate very clearly, Mr. Speaker, that the bill amending the Small Businesses Loans Act is most important for many small businesses in my constituency.

I would now like to go beyond those strictly local considerations and deal with the importance of the private sector in Canada.

Our government hopes to create a favourable climate for investments, and it has realized that private enterprise had to be allowed to play its proper role as a full economic partner. The entrepreneurship shown by Canadian businessmen has substantially contributed to promote economic development in Canada.

We have to recognize, Mr. Speaker, that some 750,000 small businesses provide 26 per cent of jobs in Canada. Moreover, thanks to their vitality, those small businesses created 90 per cent of the new jobs in Canada during the past five years.

I would like to refer to the case of a small business operating in my constituency. In 1982, two local businessmen decided to set up Electromed International Limited whose aim was to establish a structure for the design and manufacture of high technology products and their marketing in Canada, in the United States and in France. In two short years, that young business has now increased its staff from 20 to 35. Within three years, it expects to have 70 employees. That company was recently awarded by the Quebec government the Stimulexport Price for its vitality. I take this opportunity to congratulate those business leaders. This short digression on a small business in my constituency is a vivid example of the economic impact of small businesses. If that kind of success was experienced at the Canadian level, our unusually high unemployment rate would be drastically reduced.

• (1130)

This government has realized that it should cooperate with small businesses to enable them to make a larger contribution to the economic recovery in Canada.

I am pleased that my colleague the Hon. André Bissonnette is undertaking this week a Canadian tour to consult businessmen, groups, financial institutions, labour, educational institutions and provincial governments. Our government knows quite well that our policies cannot be developed in isolation but that they should take into account the proposals put forward by those directly involved.

Through public meetings, our government will gather information, constructive criticisms and suggestions which will help us to meet the needs of Canadian businessmen.

In the same spirit, Mr. Speaker, I am pleased to note to what extent the federal-provincial relations have improved during the past six months. As evidenced by the results of the First Ministers' Economic Conference which was held in Regina, both levels of government are determined to work in a spirit of full cooperation. By avoiding the pointless federal-provincial bickering which had unfortunately become our predecessors' trademark of sort, the Progressive Conservative government will significantly contribute to fostering confidence among private investors. These sterile federal-provincial quarrels have certainly played their part in destroying the confidence of Quebec businessmen. Our government has realized that reestablishing a climate favourable to new investments is a sine qua non for our continued economic recovery.

Mr. Speaker, I should like to emphasize that Bill C-23 should be perceived as part of a series of measures aimed at encouraging entrepreneurship within the private sector.

Over the past few years, small business representatives have made countless representations in their efforts to obtain a streamlining of government regulations. Our government recognizes that small businesses have been the victims of "over-regulation". So, we intend to simplify a good many regulations which have very often inhibited the extension of small businesses and the entrepreneurship of our businessmen. In my humble opinion, thanks to measures such as these, the lot of small businesses can only improve. The state must provide the private enterprise with more latitude to operate.

Mr. Speaker, I feel that this long preamble on the importance of the private sector was necessary before I dealt more specifically with Bill C-23.

Mr. Speaker, I consider this bill of utmost importance for many small businesses, and that is why I support it unreservedly. In the province of Quebec, for instance, for the year ending December 31, 1983, 9,908 small businesses representing some 38 per cent of the total for Canada have availed themselves of the Small Businesses Loans Act. Such a figure proves better than any theoretical demonstration the need for such a legislation. Let us not forget that these 9,908 Quebec businesses which have availed themselves of the provisions of this legislation have created within their communities thousands of jobs. Moreover, they have had locally, more often than not, a multiplier effect by increasing the demand for goods and services.

Together with my colleague Hon. André Bissonnette, I do not feel it would be indicated to rise the $100,000 ceiling for these loans. As a matter of fact, Mr. Speaker, the average loan granted in 1984 amounted to only $28,888. This $100,000

ceiling for these loans clearly seems to satisfy those who are directly concerned.

Mr. Speaker, there is a second aspect of the Bill that deserves further consideration, and that is the provision that losses will be shared between the Government and the lending institutions. Under the present legislation, the Government is liable for the full amount of losses sustained on loans. This is a situation which, in my view, is very unfair and should be corrected. In the Bill before the House today, the lending institutions will have to share the liability with the Government, that is, they will be liable for 10 per cent of losses sustained on loans to small businesses. The Federal Government will continue to pay the lion's share, since it will be liable for 90 per cent of such losses.

I do not think this puts any undue burden on the lending institutions, and I feel such a measure is entirely justified. I also think it makes very good sense to charge lenders a single fee which amounts to 1 per cent of a loan made under the Act. In this way, the Government will be able to recover part of the losses sustained on these loans.

Finally, Mr. Speaker, I would advise Members opposite not to delay unduly the passage of this legislation. The Small Businesses Loans Act can be said to have passed the test of time, and now, Hon. Members must act quickly to respond to the increasing number of applications under the Small Businesses Loans Act. As the Member for Blainville-Deux-Montagnes and former owner of a small business, I realize how important this legislation is to many local small businesses.

Mr. Deputy Speaker: Any questions or comments on the Hon. Member's speech?

[*English*]

Mr. George Henderson (Egmont): Mr. Speaker, my concerns about Bill C-23, an Act to amend the Small Businesses Loans Act, is not so much its contents but what is not contained in the bill. The small business sector of our economy certainly has the potential to create jobs but I suggest that it is facing severe difficulties in Canada.

Under, the Small Businesses Loans Act in my province, only 101 loans were submitted in 1983. The total amount of money that was borrowed was $2.4 billion and the average loan in P.E.I. in 1983 was approximately $23,000. That is down significantly from the national average loan of approximately $28,000. The problem related to national programs for small business is the geographic difference and population difference in various parts of the country.

There are three main industries in Prince Edward Island: agriculture, which is the primary industry, the fishery industry, which is basically the inshore fishery; and tourism.

● (1140)

If we look at tourism, Mr. Speaker—I listened to my friend from Carleton-Charlotte (Mr. McCain) yesterday, and I see him coming in now—he made the point that with the lower dollar we should see more tourists in the Atlantic Provinces, certainly in Canada in general. This is an area that Canada can certainly continue to develop, but in Atlantic Canada we find that while there may be one aspect of an industry or program which is helpful, we run into all kinds of other things that work in the opposite direction. In the tourism sector I think it is mainly high gasoline prices which will have a very serious effect. The increase in ferry rates to my province is also going to take away from any benefit we may have gained by a cheaper dollar.

Small business is faced with many, many problems. High interest rates affect small business in a very detrimental way. With the fall of the dollar it is likely that we will see another round of high interest rates which would have a serious effect on small business, including our tourist operators.

In Prince Edward Island, as in Atlantic Canada generally, we have only a three-month tourist season because of climatic conditions. In my province we have high operating costs because of high energy and transportation costs. This will certainly make people who come to my province look twice. Most of the tourists that we get come from either the New England States, Quebec or Ontario. Therefore, transportation adds to their costs. If they have x number of dollars to spend, if most of them are blue collar workers, and it is going to cost them more at their vacation site, they will shorten their stay by a day or so. Therefore there will be no net benefit.

If we look at agriculture in Canada today, Mr. Speaker, it is in serious trouble. In my province the main agricultural product is potatoes. We are noted for potatoes, as my friend across the way knows. Yesterday we discussed briefly the contemplated increase in inspection fees and what effect that will have on our farmers in Atlantic Canada. As well, hog and dairy producers are affected by high freight rates which are reflected in the price of feed grain in Atlantic Canada. The picture is not bright for the agricultural and tourist communities.

How are we going to create the jobs which all Members from Atlantic Canada believe are going to be necessary in our part of the country over the next few years? It seems as though every time we see a break coming, there is something else that the bureaucracy or the Government bring in to offset that slight advantage. That concerns me a great deal. Look at the fishing industry. In my province it is mainly an inshore fishing industry. Here is an opportunity for some sort of expansion in that industry for value-added products, and research into value-added products, but there is a tremendous problem with the small fishing industry today as it relates to processing.

I have in my riding a very, very good fishing operation called Acadian Fishermen's Co-Op. I think I used this as an example of how small business is having some real difficulties. This Co-Op was formed many years ago, expanded in the early 1970s with great anticipation of the advent of the 200-mile zone, and they thought they could take full advantage of a lucrative fishery and processing in the 1970s. That company, like all other fish processing companies, got into some very serious difficulties through over-capitalization, and high interest rates put a tremendous squeeze on them. As well, they were

in competition with some of the larger processing companies in Atlantic Canada and elsewhere.

One of the problems which small business has is cash flow. In many cases they buy a raw product, process it, and then it has to sit in warehouses for many weeks, sometimes as much as a year, before it is actually sold on the market. Of course, when that happens we sometimes get panic selling by those companies. That tends to bring the price down on world markets to a point below the cost of production. You must remember that holding on to a large inventory of goods means high costs. Even if the company is in fairly good financial shape, it has to bear the burden of those dollars tied up over long periods of time. That puts these companies at a tremendous disadvantage if they cannot recover the cost at the other end, in the market-place. Of course, it is then mostly larger companies which get into these problems of high inventory and they start dumping at the wholesale and retail levels. No small business can cope with that sort of situation for very long. Where do they turn to? This legislation does very little for them, because if you have to borrow money at high interest rates, it does not do you an awful lot of good. I think we have not addressed the interest rate situation.

Getting back to the Bill specifically, local credit unions are usually the financial institutions that loan money to small business in my area. They have not used this Act in the past because it has simply no profit margin for them, and being a small financial institution, they cannot bear the cost. It presents some great problems to certain areas of our country. It may not have the same effect in what I call the Golden Triangle of Montreal-Toronto-Ottawa, or in areas that are very close to American markets or markets within our country.

● (1150)

Then we take a look at some other areas of potential growth. We look at a company or a business operator, someone with a good idea who wants to put that idea in the form of a business. I went through this myself a number of years ago in the shellfish industry. I set up Canada's first commercial oyster factory. This was a totally new and innovative idea. It was the first in Canada. I had worked on the research stages with the Fisheries Research Board of Canada. We had the theory worked out in the lab stages in what I called the beaker stages. You bring oysters into holding tanks at a certain water temperature. You take the oysters and you spawn them artificially. You put them in tanks, rear the larvae, and have the larvae set on culch, as they call it. Then you take them from there and put them in the natural environment. You then raise them through to maturity, which takes about five years. In nature that would be a 12-year process.

One of the problems I had in setting up the business was that I needed buildings, tanks and equipment. In some cases I needed very innovative equipment, equipment that had to be designed specifically. That is quite a capital outlay. Then one needs staff and technicians. In the long run you have to wait five to ten years to get any amount of money back from your investment. But what happens in the interim? Like most people, you find yourself with a cash flow problem.

Where do you turn? When you are setting up the new business today you may be able to get help. In most cases Governments do have vehicles, grants systems, that will help you with your capital infrastructure. But that is only part of the problem of operating a business. The real problem is to be able to operate and carry on in the interval between the time you develop a product, sell it and have cash coming in. That is one of the problems. The Government today and Governments in the past have not had the proper financial mechanism in place for that to take place. Research and development is an area which should be taken full advantage of. We are not doing enough research and development which is needed to create jobs. It will have to be done in the future if we are to create the kinds of jobs that are necessary.

Just last week I talked to a man who is into fox farming. Many years ago Prince Edward Island was noted for its silver fox. Prices back in the early 1900s were as high as $250,000 for a pair of fox-breeding stock. For many years that industry was flat. In the last number of years it has started to come back to a point where there is a profit in it.

For a person interested in fox farming today once again there is a tremendous capital outlay required to start. First, you have to have your ranch in place, which costs a good amount of money. You have to set yourself up with breeding stock. It takes a while to get into the business, three or four years. Those involved with it who understand the genetics of raising foxes, and one thing or another, sometimes are not the ones to benefit. You will find that corporations exploit that kind of an industry, which should be left to those who can do it best, those who understand the industry. Understanding and being able to operate a business is no good unless you have access to the dollars to carry on the business.

These are some examples of how small business is having great difficulty today. Some of our small contractors in rural areas have a tremendous impact on job creation. Once again, they have difficulty getting the required dollars. Contractors do two or three jobs and they have five or six people working for them in the summer months, sometimes year round. They are, however, restrained. They could get lots more business if they had the cash flow, the dollars to tide them over. This is very difficult and this piece of legislation is not doing much for it.

Let me come back to the agricultural industry. Certain areas of small business have to have some support from government. I am speaking about infrastructure. What if you grow potatoes and you do not have the transportation to take those potatoes from the farm to the market? You would find yourself in great difficulty. In my own area we ship about 80 per cent of the potatoes from Prince Edward Island. We were looking for a deep water berth which amounted to $3.5 million to $4 million contract, which was approved. I am now told that is being held up. Governments have to take a look at providing the infrastructure to our industries so that small business can

provide the jobs that this Government and I am sure every Member of Parliament would want to see provided.

We can no longer carry on with the welfare state. We have to make sure the dollars we spend in government are spent properly. We should ensure that things are helpful to business and not a hindrance. I come from the business world. There is so much red tape about. Every time you turn around something is in the mail which has to be filled out. I hope the Government would seriously consider what is happening out there. I hope the Government keeps its ears to the ground to do something to help the people of this country rather than hinder them.

I thank you, Mr. Speaker, for your indulgence. Those are just a few suggestions I wanted to make to add to this debate today.

Mr. Deputy Speaker: Are there any questions or comments?

• (1200)

[*Translation*]

The Hon. Member for Louis-Hébert (Mrs. Duplessis), for questions or comments.

Mrs. Duplessis: For comments, Mr. Speaker.

Mr. Deputy Speaker: Please proceed.

Mrs. Duplessis: Mr. Speaker, I was quite disappointed in the speech made by the Hon. Member opposite. He obviously does not seem to understand what is happening today to small businesses. I do not know whether he is satisfied with the so-called climate of trust the previous Government tried to create with respect to small- and medium-sized businesses when it was in power, but that is not what this Government intends to do. Just so he will understand, allow me to explain to him what I think of the main features of this Bill and tell him to what extent the Government is anxious to continue to play its role of catalyst with respect to the initiatives of small business in the private sector. I will not insist on what I feel is an administrative re-arrangement of the basic and lasting purposes of the legislation, namely the additional $300 million provided under this measure.

However, the new definition of small business in the Bill is finally geared to the economic situation which has changed radically since 1977. True, the new $2 million ceiling no longer jibes with the definition given by Statistics Canada and the Small Business Secretariat, as the Minister of State (Small Businesses) pointed out. On the other hand, this amendment calls for a broadminded approach in the sense that our Government readily acknowledges that the sales of a small business are expected to grow along with its activities and that the inflationary trend in recent years has put a damper on sales figures, with the result that some businesses which need financial support had been left out in the cold.

Mr. Speaker, is there need to point out that the sales of most Canadian small businesses are in line with the standards advocated in the Bill? When I say most businesses, I mean that more than 95 per cent of Canadian companies account for at least 30 per cent of the GNP, as the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) reminded us on behalf of his Party. Our colleague may have been carried away by his own oratorical flight, so I can appreciate why he forgot to mention that the Bill finally reflects the reality of our economy.

Without a doubt, job creation has to be the most significant contributive role of those economic components. According to the Canadian Federation of Independent Business, all new jobs in Canada between 1980 and 1982 were created by small businesses with fewer than 50 employees, including 18 per cent by companies less than two years old.

It is further evidence that we do need those entrepreneurs, and we will encourage them through this Bill. We must encourage them, not take their place. Let me explain. Last February 6, Gulf Canada President John L. Stoick addressed the Greater Barrie Chamber of Commerce and stated—

[*English*]

The Acting Speaker (Mr. Taylor): I hesitate to interrupt the Hon. Member, but the comments in question should be very brief. I think his comments are now verging on a speech. Would he complete them and then ask a question, please?

[*Translation*]

Mrs. Duplessis: Mr. Speaker, far from making a speech, I was just commenting on the red tape for which the Hon. Member opposite was reproaching us. I should like to follow my point to the end, in order to provide explanations and directly respond to his speech. I continue.

The President said this: The various governments should not forget that what the people with entrepreneurship and owners of small businesses desire is a more discreet presence of the state in their endeavours, and not an increased participation.

It is this more discreet presence that must be provided to these businessmen, and the purpose of this bill is to encourage them to act without, however, the government taking the initiative in their places. So, the difficulties small- and medium-size businesses meet when trying to secure financing are among the major problems they face when they reach their full development. That is why I like the provisions dealing with amalgamated borrowers and the possibility for them to obtain loans under the new program. Indeed, under the new program, increased loans may be obtained through an amalgamation. The amendment which the Hon. Minister has proposed ensures to the corporations the reimbursement of the loans made under the program—

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

Mr. Speaker, this sounds much more like a prepared speech than questions and comments.

[*English*]

The Acting Speaker (Mr. Taylor): I think the point of order is well taken. The Hon. Member has now spoken for five minutes. I would suggest that you put your question, if you have one. We will give you 30 seconds to finish your comments. Is that satisfactory?

[*Translation*]

Mrs. Duplessis: I hope, therefore, that Hon. Members opposite will support this bill which could create new jobs and ensure our economic recovery, for it is well known that small businesses are the engine of the economy.

[*English*]

Mr. Henderson: Mr. Speaker, I certainly did not hear a question in the Hon. Member's comments, so it is very difficult for me to reply. I have to give her some credit because it looked like she had a prepared text which was typed out while I was speaking; I do not know where the secretary was.

However, I think the Hon. Member has missed the point because there was no correlation whatsoever between what she said and what I said. She is supporting this Bill. I mentioned earlier that I am not so much against what is in the Bill but what is not in it for small business. Anyway, this Bill has a regressive aspect to it inasmuch as there is a 1 per cent charge on loans to banks. I have talked with representatives of financial institutions in my riding. I hope the Hon. Member has talked with her financial institution representatives in order to obtain their feelings on it. I challenge her to visit my riding and discuss it with the managers of banks, credit unions and other lending institutions. They will tell her that this 1 per cent stipulation will not work for them. Therefore they will not be very co-operative as far as lending money to those who really need the dollars is concerned.

That is the point I am trying to make. I certainly respect the Hon. Member's comments and views, but in the real world out there it is extremely difficult for small business. It is extremely difficult for them, unless the business was inherited from a family member or from someone closely related, or some government came along with a substantial grant. Even with a government grant, provincial and/or federal, they require operating capital. This is where many small businesses fall down. It is the fact that they do not have the capital with which to operate after they have established themselves. That problem is not dealt with in the Bill. I hope the Government takes a look at it in committee to see if it could bring in some program which would be of real assistance to small business.

● (1210)

[*Translation*]

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, I wish to thank you for giving me my first opportunity to speak to this honourable House. My reason for making my maiden speech as the Member for Kamouraska-Rivière-du-Loup at this particular time is that the Bill before the House today is an excellent one and is worthy of the set of measures the Progressive Conservative Government is proposing to restore the health of our economy. It is therefore an honour and indeed a duty for me to express today the concerns of the people of Kamouraska-Rivière-du-Loup with respect to Canada's economic future, because it is my sincere conviction that if we are to restore this nation's economy, we must start with the regions. They must have a say in the matter. The fact that I am speaking today to the Parliament of Canada on their behalf is the most precious gift I could ever offer my constituents and is also the measure of the thanks I wish to extend to a team of workers and representatives in my constituency, because in Kamouraska-Rivière-du-Loup, we also live by the words: "Co-operation, co-ordination and collaboration", a motto that honours this Government of which I am proud to be a Member and which reflects honourably on all Canadians.

But, Mr. Speaker, what do the people of Kamouraska-Rivière-du-Loup want? They want jobs, and they want food on the table. The Bill before the House today is concerned with exactly that, because if we stop to think for a minute, we will realize how important small business is to our economy.

In fact, it is very easy to understand. We only have to ask: What sector generate the greatest number of jobs? The answer is easy: small business!

Over the period 1978-1982, at the height of the recent depression, they generated almost all of the new jobs that were created. Today, they account for 30 per cent of the Gross Domestic Product in the private sector. Numbering over three quarters of a million, they make up 96 per cent of Canadian businesses and are managed by a class of entrepreneurs who reflect both this country's economic vitality and the image of our changing society. Their average age is 35 to 45, with women on the increase. Their number has increased threefold between 1964 and 1980. And people under 30, anxious to take risks and confident of investing in this country are now twice as numerous as they were 15 years ago.

But for the SMBs to fully exercise their role as the locomotive of our Canadian economy, they must have the means to do so. In order for a business to create jobs, it must operate. And in order to operate at a fair rate, it must provide for a minimum of competition, which means that it must improve, modernize and adjust itself. And in order to do that, the owner of that industry must have access to the funds that are available.

Already, Mr. Speaker, the Progressive Conservative Government has taken a major step towards the promotion of financing for Canadian SMBs by creating Investment Canada, which will build a climate of confidence liable to attract foreign capital and to strengthen the backbone of our economy. All our regions will benefit.

In the case of the Province of Quebec especially, an ancillary agreement under the Canada-Quebec RDA has been

signed in order to foster among other things the setting up in our areas of industrial infrastructures. This is another initiative put forward by this Government to encourage industrial expansion and promote SMBs.

All those measures taken in a relaxed and harmonious atmosphere have had a most beneficial impact on our economy and what I might call the "troups' morale".

I spent all of last week in my constituency, where I had the chance to take the pulse of the people, not only of industrialists and workers, but also of all those men and women who on the surface are very remotely involved in that sector. The response was unanimous. The feeling is the same everywhere. Now they can relax! Now, they see the light at the end of the tunnel. But those initiatives, Mr. Speaker, are but a first step. With the legislation now before us, we are taking another step along the road to the summits of excellence which Canada has every right and every duty to look forward to.

That goal is apparently being lost from sight. Too many years of mediocrity, too many years of unhappy results have made us forget that Canada can have its place in the sun. Not in the shadow of another country, but in the full light of day, side by side with our partners from around the world—the Americans, the Japanese or the Europeans. Too many years of neglect under a Liberal administration have led us to forget that we must look far ahead and set our sights high. Such are the secrets, such is the recipe for success. Still, we have let them gather dust.

However, the clean-up has started, and times have changed. With the help of measures like Bill C-23, we have rediscovered the recipe and we can once more aim at those summits. Because with a legislation such as this, our economy can not only tap the international resources to strengthen itself, but it can also turn directly to our national heritage.

I am indeed a bit surprised that our Liberal colleagues would oppose this Bill which promotes Canadian participation in our economic recovery, as this is precisely what they were asking so vehemently a few days ago when Bill C-15 was under consideration.

However, we should not be too upset, Mr. Speaker, because it is not the first time that the Official Opposition contradicts itself. We can see this contradiction in statements like those of the Liberal critic for regional industrial expansion about the 1 per cent fee being charged. He seemed to be suggesting that this fee would be charged every year. This is false, Mr. Speaker, and I fail to understand why the Official Opposition would want to put such doubts in the minds of Canadian men and women. This fee will be charged only the first year and it only affects the return by 0.25 per cent over the average term of a loan, which will do nothing to discourage lending institutions from taking part in the program.

As for the allegations by one of the more vocal Members of the Opposition that the banks will not agree to share 10 per cent of the losses incurred for guaranteed loans, I wonder how the Hon. Member for Hamilton East (Ms. Copps) can presume such a thing when we know from experience that the losses have been relatively low in the past. The risk taken by the banks is therefore minimal compared to the benefits.

However, these trivialities brought up by Hon. Members opposite make me digress. Let me come back to what I was saying.

Bill C-23 will be an excellent tool to help our national economy which is now on the rise. We must not follow the example of Sisyphus and let the stone roll back down the hill. We would then have to start all over again. This is exactly what would happen if we did not approve this Bill immediately. We would have to start all over again. One of the main purposes of this Bill is to provide supplementary funds to allow the banks to continue to administer the program until March 31. Is it our fault if lenders and borrowers have confidence in this program, which meets a real need, and if they make use of it?

Interrupting this program, even only for six weeks, even only for one week, even only for one day, would be enough to destroy all the confidence which surrounds it and which is the main reason for the success of a service which has amply proven its usefulness since its implementation 24 years ago by the Conservative Government led by the Right Hon. John Diefenbaker. Mr. Speaker, any interruption in this program would undermine the efforts made by people throughout the country to promote economic recovery.

Indeed, why dillydally? Why not pass this bill immediately? In addition to the sense of continuity I have just described, a clear evidence of the trust we have in the business sector, the other aspects of the Bill only show plain common sense. This bill does not radically alter the current program but only makes it more consistent with the economic realities of 1985. It simply recognizes the role of each economic sector. Thanks to a deeper involvement, the banks will feel more comfortable while relying on a firm government support.

● (1220)

In addition, the bill will enable small businesses to expand and to diversify into research and development, which is so essential for the growth of our economy and its adjustment to world markets.

Through the comprehensive measures advocated by our government, Canadian businesses will now have the means to devote part of their energy to research and development. This sector has been neglected for too long. In 1968, Canada allotted 1.3 per cent of the its Gross National Product to R&D. Fifteen years later, that percentage has remained unchanged while our economic partners throughout the world doubled or tripled their investments in that sector. During that period, strangely enough, Canada has known stagnation. We have spent less per capita for research and development than

any other industrialized nation except Iceland and Ireland. The time has come to change that. Through its actions, among which Bill C-23 which I wholeheartedly support, the Progressive Conservative government intends to set a new direction.

However, we do not want to act unilaterally nor impose our views. We leave that to others I need not name. This desire to consult and meet the needs and demands of people, especially in the industrial sector, has been warmly welcomed as shown by businessmen's statements reported in the great Toronto daily, *The Globe and Mail:*

[*English*]

Small business groups say they like the sound of the Government's word.

[*Translation*]

Does this not prove beyond doubt that Canadian businessmen are receptive to the various initiatives taken by the Mulroney Government?

And if it is true for the whole country, it is also true for my constituents.

Some will say that the economy of my riding is primarily based on agriculture. Some might even suggest that a Member from such a riding has no need to be concerned with the problems of small business.

They are wrong, Mr. Speaker. First of all, I must say that I have great respect for people living of the land. As a matter of fact, there are many in my riding and they have special problems. I am well aware of that and throughout my campaign, I made representations on their behalf and demanded policies geared to their needs. Since my election, I did everything in my power to carry out the plans of action developed jointly by farmers and myself.

So, this group is very important, but it is not alone. There is too often a tendency to forget the offshoots of small business located on the fringe of large centres like Montreal and Quebec City.

It is about time our regional industries had their say and a place in the sun as well. As I have been all my life in small business at every level, from the position of clerk to that of chief executive officer, I certainly speak from experience rather than in the abstract.

Mr. Speaker, small business is certainly as important for regional economies as for larger centres, but it is wrong to suggest that the problem should be dealt with in the same manner.

It would therefore be illusive to think that megaprojects are a must before a region can be put on the map, for what is needed is presence and visibility. We must not be afraid to show dynamism in strong regions. I would point out that the provinces were not the only victims of the centralizing mentality which the Liberals made us endure for nearly twenty years—centralization was so powerful that its impact was felt even in the regions.

For too long now, Mr. Speaker, people have forgotten that we cannot have a strong economic country unless the regions are strong as well—there is no way the whole can be strong if the parts are weak. It is unthinkable and illogical, and that is something the team to which I belong has long since recognized. As evidence of that, take the agreements signed with the provinces—including the Atlantic Accord—or again the spirit of open-mindedness and co-operation that prevailed at the Regina conference hardly a few days ago.

Indeed, Mr. Speaker, national prosperity can come only through sound regional development policies. The regions have no need for gigantic projects and white elephants, but there are other options available.

We can pave the way for regional development by encouraging small business, particularly with respect to natural resources. We have to look around us and exploit what we do have. What is the point in trying to get and develop a resource which abound in the next region? Let us make an inventory of the resources around us. Let us develop them, so that we will have strong regions.

In Kamouraska-Rivière-du-Loup, for instance, we do have several promising resources which are often neglected—fishing, and particularly eel fishing. How is it that eel fishermen have only one outlet for their product, which is to ship it to Montreal from where it is exported to Europe? How is it that we have this resource back home, yet its economic fallouts can barely be felt?

The same goes for peat. Why not start up small businesses to process that nearly inexhaustible resource, while peat bags from Rivière-Ouelle, Rivière-du-Loup or elsewhere are for sale on Toronto, Winnipeg or Vancouver markets?

What about our forests? There again the response is unsatisfactory at the economic level. Some industries are leaders in that field, but they can never be really competitive because they are often short of cash. We are strangling them instead of lending them a hand. That practice has to stop. In terms of tourism, my region is nothing more than a throughway between Quebec City and the Gaspé area. What are we waiting for before we develop that tourist industry, that natural and cultural wealth which lies idle along that throughway? The resource is there all right, but it is left unused.

As far as farming is concerned, unfortunately we lack SMBs to process foodstuffs in our area. We have a few which we often look upon as economic pillars for the region, but there are too few of them considering the potential we have.

Also needed are economic development agencies in the area itself. Agencies such as the Corporation de développement économique de La Pocatière, which is in charge of industrial promotion for the whole of the Kamouraska County Regional Municipality. This is a Quebec first in that field, and my area is proud of it. Other projects may follow such for Les Basques

and Rivière-du-Loup, and this goes to show the positive spin-offs of a healthy decentralization.

There is another kind of agency that could have quite an influence. I am thinking of job creation agencies which cause the most productive interaction, the almost ideal form of co-operation between the private and the public sectors. Being aimed at providing venture capital to the SMBs of a CRM, the key companies can easily become a vital element for the economic survival of a region. The areas of La Pocatière, Les Basques and Témiscouata are waiting for the setting up of such agencies that would complement the work done by other agencies while responding to the real needs of CRMs. Those companies are proving to be a first rate effort in regions that have been neglected up till now as far as economic development is concerned.

Finally, one has to rely on the vitality of the regions and in ours just as elsewhere in Canada people have rediscovered on September 4 a climate of confidence, conducive to innovation and progress. To illustrate that, we are organizing a seminar on subcontracting which has been labelled a major economic event in Eastern Quebec. The purpose of that seminar is to publicize the region and get entrepreneurs and potential investors to consider our area—

• (1230)

[*English*]

The Acting Speaker (Mr. Taylor): Order, please. I hesitate to interrupt the Hon. Member, but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Plourde: Looking at our area from the business location point of view, it is inconceivable that a number of our own industries, such as Bombardier for instance, cannot farm out more of its operation in the region itself, for lack of adequate industrial resources.

As I said, the time for centralizing imperialism is over. As reported in "La Presse," more than 60 percent of Quebec's SMBs are located in Montreal. What is left for the regions? Tidbits only. Enough of that! We must think out another formula, a winning formula this time. Such is the purpose of that seminar on subcontracting at which the public sector and private entrepreneurs will be able to meet, to explore new markets, to strike out good deals. That seminar fills a gap and also reflects the economic enrichment that can be generated through consultation between all parties concerned in a given region. In our area, it is the first time that such an exercise is attempted. It was about time, and it is to be expected that its results will be quite beneficial.

Mr. Speaker, as we have been saying, it is our firm belief that the private sector is the power supply of the economy. But the private sector alone cannot do everything. This is why the various levels of government must also play their roles. The current government, Mr. Speaker, is leaving to the private sector the free hand it needed to provide a healthy leadership. But the Government will also be there when the time comes to help the private sector by means of efficient and positive incentives. And among those incentives we have Bill C-23, now before us.

This Bill is clear, simple, farsighted and logical. It meets the needs of the business community by guaranteeing initial loans for industrial expansion. It meets the needs of the people because it will foster job creation.

I therefore support this legislation and I urge all Hon. Members to do likewise.

[*English*]

The Acting Speaker (Mr. Taylor): Are there any questions or comments on the speech of the Hon. Member? On debate, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am privileged to be able to speak on this Bill today. I noticed the remarks of the Minister of Regional Industrial Expansion (Mr. Stevens) in his press release on January 25, which stated:

> This initiative demonstrates the federal Government's recognition that small business is the engine of economic growth.

He seems to be in conflict with the Minister of Energy, Mines and Resources (Miss Carney), who says that energy is the engine of economic growth. It now seems that we have two engines in the country which do not work. The people of Canada are counting on those two engines for economic stimulation, growth and jobs. It is a tragedy. What the Bill does is ruin the benefits which the Small Businesses Loans Act has been providing over the last number of years.

The Government has indicated that small businesses are creating about 80 per cent of net new employment and that is the reason the Bill is important. I agree with that statement and I believe there is general agreement with it. This Bill is important. Small business is extremely important for Canada. If we do not have a healthy small business sector, we cannot hope to develop the economic headway which we want. This Bill does the exact opposite. It ruins the benefits that the Small Businesses Loans Act has been providing to small business.

The Government says that small business plays an important role in generating activity in the lesser developed regions. Potentially, that is true, but it is not happening. Anyone who looks at the statistics will realize that small businesses are going bankrupt in areas where the economy is not healthy. There is a growing gap between the economically successful regions of Canada and the areas which are undergoing regional disparity. It is a tragedy. There is no longer a common denominator in Canada. Certainly, the Government, in saying this, is misleading Canadians because it is not true and it is becoming less true every day.

I would like to read into the record two of the goals that the Department of Regional Industrial Expansion has set forward for small business. One goal states:

To support the development of an economic climate that promotes the small business sector's strong sense of competitiveness, entrepreneurship, creativity and risk taking.

Another goal states:

To encourage and support the important role of small business in economic and regional development.

If anything could be further from the truth, it is the role and the activity of this Government in using small business to generate activity in the area of regional development. It is a travesty. It is tragic because we are losing valuable time.

Any Member of the House could tell us that small businesses are closing down across the country. During the recession a great many small businesses were forced to close. The small businesses which we have today are hanging on by their fingernails. If interest rates increase, those businesses will not be able to withstand a second assault on their sphere of interest and they will close in large numbers.

What happens every time a small business closes in an area which does not have sufficient economic growth? What happens in an area where there is not a large population base which does not have convenient modes of transportation for the shipment of goods? What happens when that area does not have a market nearby? When a small business closes in those regions, in most cases the business does not return. If that business is to open again, it will open in a larger centre. That small business will be lost to the community and it will not return. That is a tragedy.

How is this Bill supposed to help small business? First, the funds to March 31, 1985 were originally $1.5 billion. That figure was increased by $300 million to $1.8 billion. That is a good decision on the part of the Government and I congratulate it on that decision. However, by saying that only $1 billion will be available from April 1, 1985 to March 31, 1990, we are sending a signal to the small business community that we are losing interest and that there is not a commitment to help small business. That signal will be readily grasped by the small business community in Canada.

The Government has said that we must be careful. Yes, we do want to help small business, but we do not want to help it that much, because in 1984 $43 million was lost. That is really something. That amount of money is important. However, on the one hand the Government is saying that it wants to help small business, and on the other hand it is keeping a score-card on small business. Which will it be? Does the Government want to help small business or not? The Government does not want to lose money on this program. It wants to provide guaranteed loans for small business, but it does not want to have to pay for it.

● (1240)

Where is small business really going to get the assistance it so badly needs? The Federal Business Development Bank's fiscal requirements are almost as bad as the chartered banks and other financial institutions. It is worried it is going to lose money. The Government says it has to help small business financially but it gives with one hand and takes away with the other, and that is wrong. Clause 2 of Bill C-23 relates to Section 3 of the Small Businesses Loans Act. There is a very pertinent subsection in this Bill. I quote Subsection 3(2)(c). This relates, Mr. Speaker, to how a bank can get reimbursed for any losses under the Small Businesses Loans Act. One of the requirements is that the bank has to be able to say, through a responsible officer of the bank, that it certifies, I quote:

—a responsible officer of the bank certified that he had scrutinized and checked the application for the loan and the statements contained therein with the care required of him by the bank in the conduct of its ordinary business;

That is a section which puts an onus on the bank. It was one thing when the banks were reimbursed 100 per cent for losses under the Small Businesses Loans Act, but what the Government is now saying is that it is only going to reimburse the banks 90 per cent. I can see that perhaps the Government does not want to be overly generous with the chartered banks, but the present and preceding Governments have put the chartered banks in the position where they have complete say over where the money goes. The Government only requires that the banks tell them when loans are made and when loans are defaulted upon.

This Bill puts the chartered banks in the position of social institutions by giving them control over loans to small businesses through the vehicle of the federal Government, and the federal Government is saying that the banks will get back 90 per cent. The banks got back 100 per cent before this and they are not philanthropic. No one can ever say that about them. So what initiatives are the banks going to show? I believe it is going to mean less and less of a concentration upon and concern with areas of this country which have economic difficulties. I would challenge any Hon. Member of this House, or indeed anyone, to check with the financial institutions in areas of regional disparity in this country and find out how much money the banks have allowed under this particular Act for those particular regions in the past four or five years.

I know that under the Small Businesses Loans Act in my area of industrial Cape Breton—which now has an unemployment rate of 40 per cent—not one cent has been received in recent years under the Small Businesses Loans Act. The banks are not prepared to take a chance on these areas. On what basis are they providing nothing? It is only because they had to account to the federal Government that they acted in a business-like way. They couldn't be bothered. They said: "Let's give this money to regions of the country where we don't have to give that accounting; where the presumption that we might help someone or show a little consideration, kindness or leeway to a particular industry which needs help would not be there".

The schedule of provincial distribution which was given to us by the Government shows that Nova Scotia received 1.8 per cent of the money; Prince Edward Island received .3 per cent of the money and Newfoundland received 1.3 per cent of the

money. This is ridiculous, Mr. Speaker. This is not helping the areas which need help. Quebec received the highest amount, 38.4 per cent. I defy anyone to go into the Province of Quebec and break that down into regions to find out where that money went. I would say without any hesitation that the money went to the more successful economic regions in the Province of Quebec. I am just using the Province of Quebec as an example to show what is happening.

The banks now have to pay 10 per cent. The banks are going to say thank you very much. They will consider this Bill interesting reading and will file it, and if they happen to get a client who is perhaps a little marginal but who would have received the loan anyway because he's not a bad guy and they have to keep up some kind of facade, they don't have to take much of a chance. The Government is guaranteeing 90 per cent of the loan. That's the difference in emphasis. The Act is going to be less and less useful to the small business which really needs that money.

In Bill C-23 there is a very interesting concept. I quote from Section 3(4)(b):

> the bank has, at the time the loan is submitted for registration or at such other time as is prescribed, paid to the Minister a fee of one per cent of the amount of the loan or such other fee as is prescribed or calculated in the manner prescribed.

Not only are the banks going to get 90 per cent instead of 100 per cent, but they are now paying a fee of 1 per cent. The banks are anything but a social institution or a philanthropic group. We know they are not going to be bothered with this. What kind of nonsense is it? The Government is saying it wants to help small business but it does not want to lose any money. Second, it is saying it wants to help small business, it does not want to lose money, but it wants to make 1 per cent from the banks before it even starts on those loans. What kind of convoluted reasoning is this?

The small-businessman is lost in the Government's mumbo-jumbo and smoke and mirrors in this small Bill. It is just not going to work at all. So who loses? The small-businessman, of course. The banks will not lose, we can be sure of that. They will make sure of that. They are not going to take a chance on losing money by lending it to Canadians. If it were a multi-billion dollar firm like Dome, I suppose the banks would take a chance, or if the loan was to a foreign country. But they will not take a chance on the small-businessman and the average citizen in this country. They will foreclose on them at the first opportunity. It is the ordinary citizen and the small-businessman who are picking up the cost of the losses on these loans to large corporations and foreign countries. I am telling the Government that this is not only not going to work but it is a regressive step in helping small business in this country.

What about the other problems of the small-businessman? He is absolutely smothered with regulatory requirements. There is a paper burden on the small-businessman which needs some relief. He spends nights and weekends filling out forms which could be compressed into one form or which may not even be needed at all. When we look at this Bill which is supposedly a vehicle of appreciation of what the small-businessmen are doing for this country, we wonder why they would want to bother being in business for themselves at all.

I ask the Government to reconsider this Bill. It is retrogresive. I am sure all Hon. Members of the House want to do something for small-businessmen. Let's not make their situation worse than it was before. This Bill is not going to work and the Government is going to suffer as a result of it. The banks are not going to put themselves out and the small-businessman once again is going to suffer.

• (1250)

Mr. Murphy: Mr. Speaker, I would like to remind the Hon. Member that a lot of the problems which he saw, the excesive number of forms, problems in dealing with the banks and the federal Government, are not things which occurred strictly after September 4. They have developed over many, many years, and the Liberals formed the Government for most of that time. It is not my purpose to get up and defend the record of the Conservative Government; I suspect there may be a few Members left in the House who might do that. But to be intellectually honest, I think we must recognize that a lot of the blame must be placed at the feet of those who served in the last Government, and the Hon. Member was part of that team.

I think he raised some good issues, Mr. Speaker. In dealing with the banks small businesses do not have much clout. We need a legislative proposal which will give those small businessmen and women the opportunity to say there is legislation that provides that the banks should be supporting small business.

I also hope the federal Government, in looking at other problem areas, would not just do what I am afraid is happening at the present time with the Minister of Supply and Services (Mr. Andre), who is putting on a huge ad campaign indicating how much this Government supports small business. I would rather that there actually be a program in front of this House showing that the Government is going to support small business; but we do not have that. The legislation in front of us is really not much different from what we have had in the past from the Liberal Government. If this Conservative Government is going to be true to its call for change, which is the basic reason it was elected, then we should be seeing new legislation to help small business.

Perhaps in responding to my comments the Hon. Member could indicate some of the things he would like to see done which his Party, when it was in government, did not do.

Mr. MacLellan: Mr. Speaker, I thank the Hon. Member for his comments because they give me a chance to deliver a commercial. I was a member of the Task Force on Regulatory Reform in the last Parliament. We came forward with a report which we felt very strongly about. I agree that the former Government did not act upon that report to the extent we would have liked. I will accept that. But it was not only a question of the former Liberal Government. This problem of regulatory reform exists in all the provinces of this country, provinces with Progressive Conservative Governments and one

province, Manitoba, with an NDP Government. It is not just a problem of the federal Government. But it is getting out of hand.

I am afraid that all Governments are afraid to tackle this problem. I honestly do not think that government feels it can get a handle on the problem of regulatory reform. It is not an exciting thing. As good as the report is, I do not think Hon. Members will take it home and read it before they go to bed. But it is a tremendously important subject which has to be dealt with. It is needlessly costing this country millions of dollars and it is getting worse and worse every year. I would recommend that the Government read the report on regulatory reform which the task force prepared in the Thirty-second Parliament.

Mr. Nickerson: Mr. Speaker, the speech by the Hon. Member was most passionate. I can well understand why it should be since he comes from an area of the country where things are not as well as they might be and there is a need for stimulus of business of all types, large and small. It was a great pleasure to listen to him because I sat in this House for some five years and I do not think I heard him speak on more than one or two occasions. A turn in opposition loosens the tongue; I found that myself. But after listening to his passionate speech I was unable to determine whether or not it is his intention to vote for or against the Bill. I wonder if he could advise us what his intention is, Sir?

Mr. MacLellan: Yes, I have no difficulty with that, Mr. Speaker. I am against the Bill for the most part. I think it is regressive. My only concern is, will the Government use this money for small businessmen starting April 1 as a carrot to get the Bill passed? I know that as insufficient an amount as this is over the next five-year period, it is tremendously important that some money be made available to small business rather than none at all.

Mr. Nickerson: Which way are you going to vote?

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. Does he not realize that in the early 1980s, when interest rates went up very dramatically, many small businesses which had borrowed money to permit them to operate and expand and become more efficient were really forced out of business and put into bankruptcy because they could not live with the very high and rapidly fluctuating interest rates? That happened under a Liberal Government and we are seeing the beginnings of a repeat of that situation in all likelihood happening again. Interest rates are going up and are likely to continue going up.

While this Bill may help a little, what is really needed for small business people is stable and low interest rates through programs which are in effect in other countries but which we have not put into effect in this country.

Mr. MacLellan: Mr. Speaker, I thank the Hon. Member. Certainly interest rates are going to have a very large role in the success of a large number of small businesses in this country. Not only is there a question of high interest rates, but you have a lot of small businessmen who are just recovering and holding on from the high interest rates of the early 1980s, as the Hon. Member said.

He mentioned that the former Liberal Government allowed high interest rates. Well, the former Liberal Government was in power at the time, but all Governments in the western world allowed these high interest rates. Certainly it hurt, and it is one thing to allow it at that time, but if it is allowed again it will be a lot like the fellow who lost $5 in the hockey game and then lost another $5 on the instant replay. This Government will be losing $5 on an instant replay and that, I think, would be an incredible situation. So I ask Members opposite to monitor and consider this very serious problem very carefully.

Mr. Henderson: Mr. Speaker, I enjoyed the speech by the Hon. Member here today. He mentioned something about how sometimes government programs work in opposite directions. I know that in Glace Bay a fish plant was burned to the ground, creating even more havoc in that area, where employment is concerned, than was caused by the downturn in steel production and mining. But at the same time the Minister of Finance (Mr. Wilson) in his statement dropped the generic promotion of fish products in the United States. This once again is a prime example of how government programs work in a direction opposite to one another. In other words, they take away from one area and give a little bit to another area. As a result there is no net growth.

The Acting Speaker (Mr. Taylor): I regret to advise the Hon. Member that the time for questions and comments has expired.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE ADMINISTRATION

POLITICAL APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, last summer during the election campaign Members opposite were promising the Canadian people that, if elected, they would become miracle workers, they would create jobs, reduce interest rates, increase the value of the dollar, along with 336 other promises. The people of Canada now realize that this was just a lot of "bulroney". The Government's biggest accom-

plishment so far has not been to the benefit of Canadians but to the benefit of its Tory friends.

The Tory Leader who was to reform patronage has been playing Santa Claus on almost a daily basis, by handing out gifts to his friends, such as advertising contracts, plum appointments, and so on. Even there the Prime Minister (Mr. Mulroney) showed his typical way of messing things up by forgetting to advise the people he appoints, who usually find out about their appointments through the media.

He goes on further by appointing people who openly admit that they have no qualifications whatsoever to undertake their tasks and have no idea why they were chosen in the first place. This is the Tory job-creation program. Successful applicants must be Tories, and qualifications are irrelevant.

* * *

SEARCH AND RESCUE

TRIBUTE TO PERSONNEL OF TRENTON RESCUE CO-ORDINATION CENTRE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, shortly after dark on February 8, a 22-year old pilot from Edmonton South took off from the border airport of Massena, New York, in a single engine Cherokee Arrow, on a three stage flight to La Guardia. Twenty minutes out, he radioed back to the tower that he had encountered a blinding snowstorm and that he was turning back. He was not heard from again.

Young Bruce Squair's dream was to become a commercial pilot. He needed to build up his hours, and, with the aid of a small inheritance, he rented a white aircraft with a red tail from the Edmonton Flying Club, and set off around North America. On the leg out of Massena he wore a down-filled flight jacket, a flight suite, and sneakers. He carried with him no food, and only a can of diet drink.

By dawn Saturday, units of the U.S. Civil Air Patrol and the Canadian Forces were in the air, flying a search pattern. Mr. Speaker, I met with young Bruce's parents the next day on a flight from Edmonton to Ottawa. Bruce had then not been heard from for over 36 hours and, while they were praying for his safety and survival, they knew it didn't look good.

I am happy to report that Bruce Squair is back home in Edmonton today with just a fractured cheekbone and a black eye. The Cherokee aircraft is a write-off. But the personnel of the Trenton Rescue Co-ordination Centre not only spotted Bruce's last flare and rescued him, throughout they maintained a friendly, helpful and positive posture with his anxious parents. They were honest but positive, and their sensibility respecting the family's concern and worry was constructive and assuring.

S.O. 21

CO-OPERATIVES

EMPLOYMENT CO-OPERATIVES' POTENTIAL

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to draw to the attention of Members of the House a conference which will be getting under way this evening in Saskatoon. It is a conference on employment co-operatives, and I want to take a few moments to indicate the vital role that such institutions can play over the next few years.

Day in and day out in the House we search for ways and means to resurrect our economy, to create new employment and enhance job security for those who are still working, as well as to promote regional development and increase productivity.

Given time, and a supportive legislative environment, employment co-operatives can fulfil all of these functions. I not only believe they can, I also believe that they will.

Throughout the country Canadians are demanding a new approach to our economic problems. They are tired of quick fix promises. They no longer have faith in the ability of government and they are suspicious, with good reason, of the motives of big business. They are demanding control over their own affairs. Employment co-operatives can satisfy this demand. They are institutions which arise from the grassroots, by the initiative of individual Canadians, not from government or the corporate sector.

It is incumbent upon Governments to follow the lead of their people to create an environment in which employment co-operatives can develop and prosper.

The New Democratic Party was founded on a belief in economic democracy, that people should have control over their own economic destiny. We believe strongly in the potential of employment co-ops, and will do everything in our power to help this important third sector.

* * *

[*Translation*]

THE SENATE

DELAY IN ADOPTION OF BILL C-11—BORROWING AUTHORITY

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, in view of the delayed passage of Bill C-11 resulting in additional expenditures, a situation due to the fact that the second chamber is unelected, I wish to say on behalf of all Canadians that the government should consider the reform of the second House.

I regret, as many Canadians do, that the leader of the Official Opposition (Mr. Turner) did not keep his word and willfully contributes to the predicament in which the government is at present.

Mr. Speaker, I think that the Official Opposition has lost the confidence of Canadians and that the New Democratic Party seems to be the real official opposition. Therefore, I

demand the immediate resignation of the Hon. Member for Vancouver Quadra (Mr. Turner).

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—ATTITUDE OF UNITED STATES GOVERNMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, last week, on February 21, President Reagan and Secretary Shultz once again escalated their allegations and threats against the Government and people of Nicaragua. In making these threats, the U.S. Government is ignoring the most basic principles of international law and the United Nations Charter. If the United States, a country of 250 million people, is free to bully a small sovereign country of 2.5 million like Nicaragua, then any larger country, including the Soviet Union, can justify bullying smaller, neighbouring countries.

How can the United States condemn the Soviet interventions in Afghanistan and Poland when it is attempting similar tactics in Nicaragua? While Nicaragua may have adopted social and economic policies that are different from the United States, this does not mean that it is a puppet of the U.S.S.R. or a closet member of the Warsaw Pact.

I would urge our Government, which supports the Contadora peace process, to recommend a similar commitment to the United States when our leaders meet in Quebec on March 17. Our Prime Minister (Mr. Mulroney) might recommend that President Reagan should visit Nicaragua, like many of us have done. If the President spoke to the people and examined many of their successful development programs, he might change his mind and support Nicaragua, rather than trying to crush this small, besieged country.

* * *

[*Translation*]

THE ADMINISTRATION

CONGRATULATIONS TO THE GOVERNMENT

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I recently had the privilege to represent the electors of the constituency of Ottawa-Carleton during a trip to British Columbia and both northern territories. I accompanied the dynamic Minister of Indian Affairs and Northern Development (Mr. Crombie).

[*English*]

We met with government leaders of the Yukon and the Northwest Territories, with Indian, Dene, Métis, and Inuit leaders, and we participated in the impressive opening of the Tenth Legislative Assembly in Yellowknife. We learned a tremendous amount about the frustrations, concerns, and aspirations of northerners and our aboriginal peoples.

There are no simple solutions to their very complex concerns of land claims, Indian status, control of resources, constitutional rights, and many more. I urge the Government, however, to keep trying.

Just as important, however, I participated in the historic First Ministers' Conference on the economy in Regina. I am proud to say that the new spirit of co-operation, harmony, and confidence referred to by all Premiers will generate a renewed strength in the fabric of our federation. Premier René Lévesque and Premier Howard Pawley both spoke of the positive benefits for the whole of Canada.

A cynical opposition Member was heard to say at the conference that the Tories were just patting each other on the back for two days. It sure beats kicking each other in the teeth.

[*Translation*]

The economic conference was good for Regina, for Saskatchewan, for all provinces, but still more important it was good for the people throughout our great country. Long live the new government and its leader!

* * *

[*English*]

LABOUR RELATIONS

TREATMENT OF BRITISH UNION EMPLOYEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to draw the attention of the House to recent actions of Bell Canada International in its acquisition of companies in Great Britain and its intention to eliminate the union representing the employees of Cable and Wireless U.K. Services as a precondition for purchasing the company.

I draw to the attention of the House that such an action is illegal under Canadian law, which gives employees the right to belong to unions, and it is contrary to any accepted practice in Great Britain.

Bell Canada has had a privileged monopoly position for developing in Canada, and is now using the power and wealth derived from that position to coerce British citizens who belong to a recognized trade union. This action has created a black eye for Canada in international labour circles. The Government should be aware that Bell's action has not gone unnoticed.

Until such time as Bell meets the legitimate wishes of its employees in Great Britain, by recognizing the trade union of their choice, I call upon the Government to delay any consideration of Bill C-19, now before the House, which permits the reorganization of publicly fostered Bell Canada holdings.

[*Translation*]

FARM CREDIT CORPORATION

REDUCTION IN INTEREST RATES

Mr. Michel Champagne (Champlain): On January 21, Mr. Speaker, the Hon. Minister of Agriculture (Mr. Wise) announced a reduction in the interest rates on loans provided by the Farm Credit Corporation. This initiative will affect over 5,600 farm producers who had obtained loans with interest rates ranging from 14 per cent to 16.75 per cent. Thanks to this initiative, these interest rates will be brought down to 12.75 per cent. This represents for these producers a reduction of their total burden of some $16 million.

Mr. Speaker, this decision will affect directly or indirectly the whole of the Canadian economy. Young farmers will consider with increased optimism the possibility of taking over the family farm. It will reduce the number of farm bankruptcies which are caused in part by the usurious interest rates accepted by the previous government. It especially announces the coming of better days for our farm producers.

I should like to remind our hon. friends opposite that this decision is the accomplishment of an election promise our party had made and is the mark of a government which is both responsible and concerned about the future.

Mr. Speaker, you may rest assured that our government, through its Minister of Agriculture, will continue its consultations with the various representatives of the agricultural industry, in order to offer Canadian producers concrete solutions.

* * *

● (1410)

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—MINISTER'S DECISION

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the decision concerning the Domtar Corporation's $1.2 billion investment project in Windsor, Quebec, demonstrates unequivocally the complete weakness, inertia and indifference of the Quebec wing of the Progressive Conservative caucus as far as the major economic projects within our province are concerned.

Although the real strong men of the Progressive Conservative Party in Quebec are the non-elected personal friends of the Prime Minister (Mr. Mulroney) in Montreal, Quebecers can rightfully wonder why Quebec members of the Progressive Conservative Party caucus have accepted such a decision.

This morning's issue of *La Presse* provided part of the answer. The Minister of Public Works (Mr. La Salle) and the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) both learned about it through the media. The Minister of State (Small Businesses) (Mr. Bissonnette) and the chairman of the Quebec caucus of the Progressive Conservative Party were unaware of the issue. And, of course, the Prime Minister is holidaying in Florida.

Mr. Speaker, it is clear that Quebec members of the Progressive Conservative Party are not getting any information about the major issues. For that matter, they are not seeking information about them either. This political decision is altogether unacceptable, and I hope that the silent majority, in this case the Quebec caucus of the Progressive Conservative Party, will put an end to its idleness and demand that the Minister either reverse his decision or resign.

* * *

[*English*]

MEMBERS OF PARLIAMENT

MEDIA TREATMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am not the only one who is disgusted with the character assassination of two Hon. Members of this House by some of the Liberals and segments of the media. Here are some extracts from a letter that I have received:

> Some of us back here in the riding have been wondering at some of the goings on in Ottawa and thought you could explain it to us . . . .It is true that an Ottawa newspaper and a television media spent thousands of dollars sending reporters and a camera crew over to Germany to discover that one of our Ministers, on his own time, took a drink at a night club? I can tell you that doesn't raise any eyebrows back here—we are more concerned about the price of pigs . . . I'm pretty sure they could take a tour around Ottawa or Hull any night of the week and they could find Ministers and Liberals and even the press boozing it up. Wouldn't that be a lot cheaper? Is this what they call new journalism? Or yellow journalism? Or is it just muck-raking?—
>
> And that there security investigation . . . .Is it right that the media and Liberals want to know who they talked to and what they said? If the Government told them, there wouldn't be any more security, would there? . . . I wish those Liberals would shut their traps so the Government we elected could send us our stabilization cheques—

I conclude that if the Liberals are serious about rebuilding their Party, they would be well advised to build it on truth and justice, not on innuendoes and character assassination veering on persecution of honourable men.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Derek Blackburn (Brant): The Minister of National Defence (Mr. Clark) says Canada, as an ally, has to support the American Strategic Defence Initiative because it brought the Soviets back to the bargaining table.

But now it is the United States that risks splitting the alliance and wrecking any chance of peace.

The Americans now say that star wars is the core of their long-term strategy. It is not just research to keep up with the Soviets.

They refuse to give it up. They say SDI is not a bargaining chip. But it seem likely that the Soviets will offer cuts in

intermediate-range and strategic nuclear missiles in return for a ban on space weapons.

Those cuts are precisely what the West has been pursuing for years, but the American precondition will prevent us from realizing that goal.

And yesterday the Norwegian Defence Committee told us they feared this American position could damage the alliance and ruin the hope of reducing the threat of nuclear war.

It is in the interests of Canada, of Norway, and of all mankind, to achieve real cuts in offensive nuclear weapons and so bring the world back from the brink of nuclear war. These cuts, and not the development of defensive space weaponry, should remain the primary goal of the West.

The Minister of National Defence should make it clear that this is the position of the Government of Canada. He should tell the Americans that they, not Canada nor the European states, risk splitting the western alliance with their illogical obsession with the development of star wars technology.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—INTEREST RATE LEVELS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. The current crisis in the Canadian dollar is being aggravated by lack of precision on the part of the Government and the Minister of Finance regarding his intentions as to the future monetary policy of the Government. Yesterday, to reporters he declared that there was no change in the policy of the Government. Yet in the House earlier yesterday afternoon he told my colleague from Laval-des-Rapides:

—that interest rates would be higher today had it not been for the policies that have been followed by the Bank of Canada and the Government in the past two or three weeks.

If special policies have been taken in the last two or three weeks, what were those special policies? Do they constitute a difference or not? Has the Minister come to the conclusion that he is prepared to devalue the Canadian dollar in order to stabilize Canadian interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition says that certain things are aggravating the situation with the level of the Canadian dollar today.

Mr. Blackburn (Brant): Like you.

Mr. Wilson (Etobicoke Centre): I can tell the Leader of the Opposition that there is one thing that definitely is aggravating the level of the Canadian dollar, and that is the action of members of his Party in the other place which is costing upwards of $10 million.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I read here that the Leader of the Opposition is backing the Senators in blocking that Bill—

Some Hon. Members: Shame.

Mr. Wilson (Etobicoke Centre): —causing uncertainty which is costing taxpayers $10 million or more. He should call off that sort of irresponsible action.

Some Hon. Members: Hear, hear!

MONETARY POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that remark was absolute nonsense. The Minister does not know whether, having had to borrow on the short rate, he will do better in the long run than having had to borrow on the long rate. He may have saved $10 or $15 million. He does not know. He has been absolutely irregular before the House in that respect.

[*Translation*]

Mr. Speaker, yesterday the Minister stated before the House that his policy was aimed at stabilizing the foreign exchange market. However, in view of the confusion which still exists some clarification about his intentions seems to be in order. If he does not bring down a budget in the near future, would he reverse his decision and make an official statement in the House about the monetary policy of the Government or could he convince his colleague, the Governor of the Bank of Canada, to make such a statement himself?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I say to the Right Hon. Leader of the Opposition the facts are there. Based on the level of interest rates today compared to the amounts of money that could have been raised about two or three weeks ago, and were not raised because of the actions in the other place, the cost to taxpayers has been at least $10 million. Those are the facts, and I ask him to reconsider his position.

Mr. Blackburn (Brant): Why don't you abolish the place?

Mr. Wilson (Etobicoke Centre): In relation to the specific question which the Right Hon. Leader of the Opposition has just asked, I have made quite clear what the response of the Bank of Canada is. It is to moderate the movements in the exchange rate and also to moderate the movements in interest rates.

I ask Hon. Members to consider what has happened today. The Canadian dollar hit a low at about 71.13 cents U.S. earlier today. It was up to 71.97 cents just before lunch. We are in a very volatile situation, Mr. Speaker. We are trying to

moderate those swings in the exchange rates to introduce a greater degree of stability and confidence so we can get back to a more normal situation.

POLICY INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister takes some encouragement from the dollar rising in value up this afternoon, but I want to recall to his attention that the dollar reached a new low this morning.

● (1420)

I recall his words to a former Minister of Finance, Mr. MacEachen, when he said, "Does he not realize"—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): This was the Minister of Finance when he was finance critic, putting a question to Mr. MacEachen: "Does he not realize that every time the level of the dollar reaches a record low, his credibility reaches a record low as well?"

[*Translation*]

I repeat to the Minister that his contradictions and the fact that he did not have a clear policy are making the dollar crisis even worse.

He told the press yesterday that his policy had not changed, but he also said to my colleague, the Hon. Member for Laval-des-Rapides, that as a result of his policies of the last two weeks interest rates had remained stable.

Can he tell us whether or not he believes that a devaluation of our Canadian dollar would stabilize interest rates? Would he reassure the Canadian people by making an official statement immediately?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am glad the Right Hon. Leader of the Opposition has quoted his oracle, Mr. MacEachen.

Some Hon. Members: Hear, hear!

Mr. Gauthier: He quoted you.

Mr. Wilson (Etobicoke Centre): I would suggest to the Hon. Leader that he might search for another place for questions to ask in the House.

Let us address the situation which we have today, what the causes of the problem are. It is not a weak Canadian dollar. It is a very, very strong and very volatile United States dollar. In terms of the United States dollar against the pound sterling today, sterling hit a low of $1.03 and it is back up to $1.07. The swing in the Deutschmark is between $3.47 and $3.39. It is not just a question of what the Canadian dollar is doing against the U.S. dollar in this very, very volatile international situation, so the comments he has made are simply without foundation.

STATEMENTS ATTRIBUTED TO PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance has expressed concern about irresponsible action. If he is that concerned, doesn't he realize that the profane and inaccurate comments made by the Prime Minister in his current *Fortune* magazine interview are contributing to the weakness of the Canadian dollar and a loss of confidence in the Canadian economy? If he really wants to do something about irresponsible statements, will he not insist that the Prime Minister retract those inaccurate and profane statements, and thereby restore confidence to the dollar and to the Canadian private sector?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the comments which the Prime Minister made to the people in *Fortune* were related to the problems this country has been encountering over the last 10 or 15 years and the situation we are facing today. However, the point of the comments by the Prime Minister was simply to point out that we in Canada are living in a very competitive international world, that we cannot expect, just because we have the products, that they will be sold, and that we have to work hard and get our costs very competitive with the international market-place. That is the substance of the Prime Minister's comments.

REQUEST FOR MINISTERIAL ACTION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance overlooks the fact that the Prime Minister was speaking in the present tense, and that he and his Government have been in place since last September. I want to remind the Minister of Finance that in 1982, when the dollar was under pressure, but far less than today, he said: "There have been many times in the past when the Canadian dollar and the U.S. dollar were strong against other currencies, but why is the Canadian dollar weak and the U.S. dollar strong today? It is because the Canadian Government is not following sound policies". Will the Minister of Finance not realize and admit that what he said in 1982 is even more true today? Why won't he take action to restore confidence in the Canadian dollar and in the Canadian economy? Why is he dithering? Why won't he act now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would ask the Hon. Member to think back to November 8 when we set in train a series of policies which were designed to strengthen the economy of Canada and lead, over a period of time, to a much stronger situation in the country.

The situation back in 1982 was entirely different. It was weakness between Canada and the United States. Surely the Hon. Member can understand the fact that this is not just a Canada -U.S. problem with which we are faced today. It is an international problem encompassing every major industrial currency. I would expect that he would use a little more broadminded point of view and take that into account.

Mr. Deans: Shades of Marc Lalonde.

Oral Questions

LEVEL OF BUSINESS CONFIDENCE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to ask about confidence. The Minister of Finance will recall that just prior to the last election he, his Leader, and others in the Conservative Party, indicated that if the country would elect a Conservative majority a renewed business and investment confidence would take hold in Canada almost immediately. I want to ask the Minister of Finance whether the most recent increases in interest rates, together with the decrease in the value of the dollar, are a clear indication of this renewed business confidence.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have spent since November 8 meeting with a number of groups, business, labour, and others, across the country. I can tell the Hon. Member, as well as other Hon. Members, that there is a distinct change, a distinct improvement in business confidence throughout the country because of the policies which we introduced on November 8. I can also tell them that I spent the last two days of last week in New York talking with members of the international financial community who said exactly the same thing with regard to their attitude toward Canada. That change in business confidence is coming, and it is coming fast.

MORTGAGE RATE INCREASES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the same Minister. Are the recently announced mortgage interest rate increases, together with the highest one-month increase in unemployment in the last five years, indications of a new increased confidence, both in the business and investment sectors?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I said yesterday that I am not happy with the increase in interest rates. I made it quite clear why I believe interest rates have increased. I have also said that the policy of the Bank of Canada has been to moderate the increase in interest rates. I would hope that, once we get some degree of stability back into the market-place from the very unusual times we are encountering today, we would see some decline in interest rates, and that should follow through in the mortgage rates as well.

FORECAST OF ECONOMIC GROWTH

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, would the Minister attribute the recent forecasts by Wood Gundy of a real GNP increase of 2.9 per cent, or almost 3 per cent for 1985, over and against the increase of 4.4 per cent which took place in 1984, to be an indicator of this renewed business and investment confidence which he promised to the people of Canada would take place immediately after the Conservatives were elected? Are these the indicators on which the people of Canada are supposed to rely?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, last November, if the Hon. Member will recall, I estimated that the real growth in the Canadian economy in 1985 was going to be about 2.4 per cent. Subsequently I have revised that projection upwards.

An Hon. Member: It is down from 1984.

Mr. Wilson (Etobicoke Centre): I am not happy with the drop in the rate of growth from 1984, but we are moving in the right direction. We are getting the expectations for 1985 up, and I would expect—

Mr. Deans: Higher interest rates, lower dollar, higher unemployment!

• (1430)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, if the Hon. Member would listen to the answer, he might learn something. What I am saying to the Hon. Member is that all economists throughout the economy are increasing their projections for 1985 from what they were last fall. That is a very good sign of progress.

* * *

[*Translation*]

INTERNATIONAL TRADE

CANADA-U.S. RELATIONS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Minister for International Trade. In the last few days, we have seen how the Minister of Regional Industrial Expansion has tried to stab Quebec in the back, especially in the case of Domtar and Windsor, and we have heard the Minister of Regional Industrial Expansion say that one of the reasons why he jeopardized an investment of $1.3 billion was his fear of American retaliation. However, American spokesmen said this morning, that the Minister is confusing apples and oranges because sacrificing jobs in the fine paper industry has no effect on the lumber sector.

Can the Minister tell the House how his Government can reconcile having cancelled a project in the fine paper sector to try to improve Canada-United States relations with the situation of the lumber industry?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in reply to my hon. friend, I am not sure whether he is confused or not. If he is attributing ministerial statements on this to me, I suggest he is incorrect. All I can tell him is that, under existing U.S. legislation, if grants are in fact given to Canadian companies, there is the possibility of countervail by the American Government against us with respect to those grants.

[*Translation*]

REQUEST FOR DECISION—DOMTAR

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister seems to have come out of a popcorn box. This is an issue which has been discussed by all Canadian media and which concerns the possibility of retaliation by the American Government against an investment in Canada by his own Government. I understand that the President of the Treasury Board and the Minister of Regional Industrial Expansion have settled this issue in secret, but I would like the Minister for International Trade to tell us whether, as Minister responsible for foreign trade, he is now telling us that the Domtar subsidy was jeopardizing the lumber negotiations. He does not know the answer!

An Hon. Member: Of course not!

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, since the question relates to the portfolio of my colleague, the Minister of Regional Industrial Expansion, I will answer in his stead as Acting Minister, especially since it relates to something that I said yesterday, about which I am now being misquoted.

I said in the House, and outside the Chamber, that there were several problems that weighed heavily on the minds of the Minister and his colleagues, among whom I include myself, in connection with the refusal of the Government to fund the relevant application, only one of which related to the possibility of countervail in the United States. The major consideration that was taken into account by the Government of Canada was the fact that a subvention of the size that was being contemplated and applied for would have disruptive influence in the domestic market-place. There are several other major companies waiting in line for a similar subsidy. If we were to give it to Domtar, we would have to give it to the others too.

* * *

THE ECONOMY

INTEREST RATE LEVELS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a question for the Minister of Finance. The Minister will certainly appreciate how fragile is the recovery these days. I notice people watching the continual falling of the dollar very carefully. More important, people are concerned about interest rates. We saw what the Liberal Government did when it was in power in terms of interest rate policy—up, up, up. Canadians tossed them out because they wanted a real change. In the last little while, what has become clear to the people of Canada is that that change might not be taking place with the new Minister of Finance.

Will the Minister of Finance give a very clear signal to the investment community and consumers across the country that he has the courage to say that interest rates are not going to be going up any longer, that they have reached their height and they will be coming down from this point on? Will he send that very clear signal out to people, rather than the usual waffling around we have been getting in the last little while?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should understand that neither the Minister of Finance nor the Bank of Canada pull a big lever and say that is what interest rates are going to be. Interest rates are decided by the individual decisions of many thousands of investors. The Bank of Canada can lean against that movement in interest rates, and it has been doing that. As I said in the House yesterday, interest rates would have been higher had it not been for the action of the bank over the past two or three weeks. I am not happy with interest rates going up. I would like to see interest rates going down. However, until we can get some degree of stability back into the exchange markets, that will not happen. That is the direction that the Government is taking to try to re-inject that confidence and stability in the exchange markets through the stabilizing process.

REQUEST FOR MINISTERIAL STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I remember hearing Marc Lalonde and Allan MacEachen repeat that same line month after month after month, saying there was nothing they could do.

There is a great deal of questioning by the public as to whether the Minister is leading the Government in terms of financial policy. Is the Minister going to send a very clear signal, a powerful signal, that he is, in fact, the Minister of Finance, that he will be making some hard decisions, making a decision on interest rates and telling the people of Canada that they will not be going up, that they will be coming down? Will he say that to the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this type of rhetoric on the part of the Hon. Member does not prove anything to anyone. What is going to be the proof is what came out in the November statement which I gave in this House, as well as what is in the Budget. There we are sending some very clear signals as to the directions we feel the country should be going in order to re-introduce a greater degree of growth and job creation.

Mr. Blackburn (Brant): And look what happened.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listen, he might learn something from the answer. The November 8 statement, and the Budget that is to follow, will send out the very clear signal that what we are trying to achieve here is a more competitive economy, a lower level of interest rates, and a greater sense of competitiveness in the economy that will create those jobs.

[*Translation*]

THE SENATE

COST OF DELAY IN ADOPTION OF BILL C-11—BORROWING AUTHORITY

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I have a question for the Minister of Finance.

Have no fear, today I am not going after the other place again. Two days in a row is too much!

First, we are well off here. Luckily for us a Member can be there two three days in a row answering questions without having to take a day off.

Here is my question: Can the Hon. Minister tell us, Mr. Speaker, how much the taxpayers will have to pay for the delay in passing Bill C-11, the borrowing authority legislation?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I have said on a number of occasions that the irresponsible actions of the people in the other place, supported—

Mr. Speaker: Order, please. Members of Parliament are Members of Parliament wherever they sit, in this Chamber or in another Chamber, and they are to be treated with respect.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—JOBS IN EASTERN TOWNSHIPS—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question concerns the Domtar issue and I will put it to the only minister who seems to be authorized to answer it. Mr. Minister, since the workers at Domtar and in related industries, and I am referring to the lumber industry, the manufacturing industry and all the small and medium businessmen who depend on the operations of that company do not accept the reasons given by the Minister for refusing to grant the $100 million subsidy, I ask you: What do you intend to do exactly over the next few days to protect and confirm those thousands of jobs in the Eastern Townships?

● (1440)

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I would like to make it very clear that I share the concerns that were expressed by the Hon. Member on behalf of his constituents. We on this side of the House understand that the Hon. Member has an obligation to voice the concerns of his constituents. He has a constituency to represent, but we on this side of the House have a constituency as well, and that is the national constituency. From time to time, the interests of a local constituency will not be in the interests of the national constituency, and it is the obligation of the national Government to reconcile those interests where possible.

We will, therefore, do our best to work with the company, the union, and the Hon. Member, to see whether there is not a possible source of alternative funding for the company's planned expansion.

[*Translation*]

Mr. Tardif: Mr. Speaker, I would remind the Minister that my constituents are not concerned here. What is concerned is the whole area of the Eastern Townships and a major segment of Quebec's economy. I would also remind the Minister that, when the Prime Minister was Leader of the Opposition, during a visit in the Eastern Townships, he said: "A Conservative Government will not taunt you. Ottawa will support you." I therefore ask this House, what do you intend to do to save those jobs? Those people want jobs for tomorrow and for next year. And I am asking you what you will be doing, keeping in mind that this is a vital matter for Quebec's economy.

[*English*]

Mr. McMillan: Mr. Speaker, the Hon. Member will appreciate that we are concerned about the 700 jobs that are at stake in that particular town, just as we are concerned about the jobs that are at stake in other mill towns. We have been assured by officials, by experts whom we have consulted, by Members of Parliament, and by the Minister's colleagues in Cabinet, that to give the requested subvention would be to place in jeopardy some five or six competing companies in the same sector within Canada. This would jeopardize jobs not only in Windsor but also right across the country. We do not want to see that happen.

* * *

AIR CANADA

PART-TIME JOBS—EFFECT ON WOMEN EMPLOYEES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, is the Minister of Transport aware that Air Canada is negotiating unlimited part-time jobs which will force women employees in particular out of full-time work and into part-time jobs, with inadequate pay and benefits, little job security, and fewer career options? Does the Minister support this policy of Air Canada which flies in the face of employment equity?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure whether or not the Hon. Member is referring to the CALEA negotiations that are now going on. I understand that they are before conciliation at the present time and it would be inappropriate for me to comment further.

EMPLOYEE EQUITY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I think it is perfectly clear that, on the question of part-time

work in general, women need to eat full time, and many women are raising children. They do not want to be forced into taking part-time jobs.

I would like to ask the Minister about government policy in general. Does he believe that this policy is appropriate? Will the Minister intervene in this dangerous precedent to make sure that employee equity, which the Government apparently supports, becomes reality for women?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will certainly take notice of the question and make sure that the representations of the Hon. Member are passed directly to Air Canada officials.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Government has thrown Domtar and hundreds of Canadian workers like crumbs to the wolves south of the border. Now at the request of the United States, the Government will throw thousands more Canadians onto the UIC rolls by making a secret deal on the Canadian export of lumber into U.S. markets. Will the Minister for International Trade tell the House whether or not there have been any representations from his U.S. counterparts requesting that the Canadian Government assist in establishing voluntary Canadian quotas on the export of Canadian softwood lumber into the U.S. market?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am very happy to answer the question of the Hon. Member. It just so happens that representatives from my Ministry and from Mr. Brock's Department met this morning in Ottawa. We have fully and thoroughly discussed the problem between the two countries at this time, and I can advise the Hon. Member that at no time were the matters of voluntary restraint arrangements or agreements raised, nor were any requested.

FORTHCOMING MEETING BETWEEN PRIME MINISTER AND UNITED STATES PRESIDENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs who indicated some weeks ago that, if this matter was not resolved quickly, he would put it on the agenda for the March 17 meeting. The matter has not been resolved. Will the Secretary of State for External Affairs tell the House whether or not both countries have agreed to put the question of Canadian softwood lumber exports to the U.S. on the agenda of the March 17 meeting? Will he further confirm that it is the position of the Canadian Government that neither voluntary controls nor externally imposed controls restricting exports of Canadian lumber are acceptable to this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the support of the Hon. Member for the summit meeting of the Prime Minister of Canada and the President of the United States. I must say it is rather surprising for me to hear support for any positive action taken by Canada and the United States, coming from members of the Liberal Party. Perhaps with their change in leadership and reassertion of Mr. MacEachen, that is one of the changes we will be seeing.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I confirm the undertaking I gave in the House some weeks ago that, if the matter is not resolved, it will be on either the agenda of the President and the Prime Minister or the agenda of Secretary Shultz and myself in Quebec City.

* * *

AIR CANADA

CLOSURE OF REGINA OFFICES—TREATMENT OF WOMEN EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport and deals with Air Canada's treatment of women workers. Is the Minister aware that in a confidential file entitled "Operation Saskatchewan", which dealt with the closing of the Air Canada offices in Regina, Air Canada deliberately moved to make sure that its married women employees could not move to Winnipeg, and is he aware that, in doing research into the closure of those offices, Air Canada compiled information on each of its employees according to age, marital status, and sex?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not aware of the assertion made by the Hon. Member. I will certainly take it upon myself to look into the matter.

POLICY AFFECTING MARRIED WOMEN

Mr. Rod Murphy (Churchill): Mr. Speaker, if in his research the Minister finds that it is a deliberate policy of Air Canada to make decisions based on age, marital status, and sex, will he see that the policy of making sure that married women no longer have full-time jobs is not adhered to in the negotiations referred to by the Hon. Member for Vancouver East? Will the Government give a policy direction to Air Canada instructing it to make sure that married women are entitled to full-time work, with decent salaries?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have already indicated to the colleague of the Hon. Member that I would look into this matter and report back to the House. As well, it is my understanding that there is an interdepartmental committee composed of the various Depart-

ments of Government that is undertaking to look at, and examine thoroughly, the question of part-time work.

* * *

HEALTH

USE OF ALACHLOR HERBICIDE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As you know, Mr. Speaker, the public is very alarmed by the fact that officials in the Minister's Department have failed to convince the Minister of Agriculture of the necessity of banning Alachlor, a herbicide used for crop spraying, which, as a result of updated research, has been considered as having the potential to cause cancer in human beings. Will the Minister fulfil his mandate by speaking to the Minister of Agriculture and having him reverse that decision in order to protect the health of Canadians from this very dangerous substance?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the Hon. Member for conveying to me his intention of asking this question, and the seriousness with which he takes it. The Hon. Member is possibly aware that this product was initially tested by a firm which came under a very deep cloud of suspicion in terms of its findings. He also knows that Alachlor is used extensively in the agriculture industry.

The Hon. Member asked me whether or not I would speak to my colleague, the Minister of Agriculture. I would like to tell him that that has been done. Also, the various positions have been exchanged with my colleague, and he has given the examples of methods for 1985 on how the safety factors could be maintained. That is still not finalized between the two Departments, but it is the state of the matter at the moment.

● (1450)

RESPONSIBILITY FOR DECISION MAKING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, would the Minister undertake to ensure that his Department, not the Department of Agriculture, will be the Department that makes the final decision on the approval or banning of herbicides and pesticides, for the sake of public health?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, having been in Cabinet before, the Hon. Member knows that the research is done in the Health Protection Branch of the Department of National Health and Welfare, and then the decision is made by Agriculture Canada. In terms of the protection of the health of Canadians, not only do I have the responsibility, but the Minister of Agriculture also takes that matter very seriously. If there are alternate plans—and the Hon. Member also knows there are other products which might be available—that matter is under advisement.

[*Translation*]

AUDITOR GENERAL'S REPORT

GOVERNMENT POSITION

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, my question is directed to the Minister of Finance or the President of the Treasury Board. I would like to know what instructions will be issued by the Minister or Ministers concerning the greatest Liberal scandal in the history of Canada. Some time ago, the Auditor General of Canada presented his report and I would like to know what the Minister, Ministers or the Government will do about it.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can certainly assure my colleague that serious consideration has been given to many of the recommendations made by the Auditor General concerning a fair number of management practices. Already the new Government has taken steps about, for instance, cash management and real estate management, and other such measures will be announced in the near future with a view to making an attempt to upgrade the management of Canadian public affairs.

* * *

VIA RAIL

STATUS OF CN WORKERS

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Transport. Does the Minister know that the decision of the Canadian Government to allow VIA Rail to do its own car repair and maintenance has been a source of concern for some 3,000 rail workers? Can the Minister assure the House that no one directly or indirectly working for VIA Rail will be affected by this new Government directive and that no worker will be laid off?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is the intention of VIA Rail to undertake to take over the operations of all the maintenance. There will be a transfer of employees from CN to VIA Rail. Those negotiations are ongoing, and I understand that they are proceeding very smoothly and satisfactorily.

[*Translation*]

Mr. Ouellet: A supplementary question, Mr. Speaker.

Mr. Speaker, I would suggest that the Minister of Transport cannot evade the responsibility of making sure that workers will enjoy job security, because it was a Government decision to let VIA Rail assume responsibilities it did not have before.

First, can the Minister assure us that CN workers anxious to go on working for the company will be able to do so and,

second, that those who will invoke the seniority clause to practice what is commonly known as bumping will make it possible for others who have been bumped to expect employment with VIA Rail?

[*English*]

Mr. Mazankowski: Mr. Speaker, as I previously indicated, the negotiations are taking place very smoothly between VIA Rail and the respective unions. I can assure the Hon. Member that a deal will be resolved which will be satisfactory to both parties concerned.

* * *

RAILWAYS

USEFULNESS OF CONDUCTORS ON FREIGHT TRAINS

Mr. Les Benjamin (Regina West): Mr. Speaker, I would also like to direct a question to the Minister of Transport regarding technological change in the transportation industry, which relates to another CPR wreck in Petawawa of a train that was carrying sulphuric acid and sulphur nitrate. It was due to the fact that a conductor was in the caboose at the rear of the train that the fire-fighting organizations were immediately informed of the contents and how they could fight the spills. Does the Minister require further evidence of the value of conductors who are located at the rear of the freight trains, especially those trains which are carrying hazardous goods? Will he enunciate a policy that technology will be used only as additional tools for employees to do their jobs more effectively?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member knows full well that the issue of the testing of the cabooseless train is currently a matter which is before the Canadian Transport Commission, and that it is about to render a decision. Surely he would not want the Minister of Transport to interfere with the decision-making process of the CTC.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, this is the seventh Minister of Transport I have been through. They all want someone else to make their policies for them. They always want the CTC, or someone else, to do it.

In another area of the Minister's Department, would he assure the House that he will come up with a policy which will provide technological change in the marine industry, of his Department—

Mr. Speaker: Order, please. I am afraid I find it hard, on a supplementary question, to mix rail and water. The Hon. Member for Athabasca.

PENSIONS

VESTING AND PORTABILITY OF PRIVATE PENSIONS

Mr. Jack Shields (Athabasca): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. I wonder if the Minister could inform the House how the negotiations are proceeding with the provinces as they relate to the vesting and portability of private pensions?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to tell the Hon. Member, as he will recall, that the Ministers of Finance have held a meeting with regard to the Canada Pension Plan. In terms of the meetings with the provinces on the two issues which he has raised, those meetings have not yet been scheduled nor have they taken place.

Mr. Benjamin: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Does the Hon. Member for Regina West have a supplementary question with regard to rail policy?

Mr. Benjamin: Mr. Speaker, my questions to the Minister of Transport were on technological change in the transportation industry. One dealt with rail, and one dealt with marine.

Mr. Speaker: I take it the Hon. Member does not have another question with regard to rail policy. The Hon. Member for Glengarry-Prescott-Russell.

* * *

THE ADMINISTRATION

TEXTILE AND CLOTHING BOARD APPOINTMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. When interviewed by the Ottawa *Citizen* on February 16 concerning his appointment to the Textile and Clothing Board, Tory fundraiser, William Hawkins, is quoted as having said that he had no idea that he had been appointed to the Board, that he did not feel qualified, and that he knew nothing about textiles. Can the Deputy Prime Minister tell us how he can reconcile this appointment with the pledge which was made on July 16 by the Prime Minister, when he said:

> We are going to bring in a brand new dimension of objectivity and representation and fairness for all Canadians.

Would the Deputy Prime Minister not agree that this is nothing more than "a fraud, a deceit and a sham", to use words that have previously been said?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not well versed on the textile industry. However, I am quite certain that all of the appointments which are made, are made with respect to men and women of quality, honesty, and integrity, and that these men and women will fulfil their responsibilities in the very highest traditions of Canada.

Royal Assent

Some Hon. Members: Hear, hear!

● (1500)

[*Translation*]

POLITICAL APPOINTMENTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, considering that, in response to my question of February 5, the Right Hon. the Prime Minister announced that the House committee on parliamentary reform would review political appointments, is the Deputy Prime Minister in a position to assure the House that there will be a moratorium on all important political appointments until the recommendations of the committee have been tabled in the House?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have answered part of that question.

Mr. Turner (Vancouver Quadra): What part did you answer?

Mr. Nielsen: I answered the first part on a previous occasion. With respect to a moratorium, I am afraid that—

Mr. Clark (Yellowhead): That's what the Senate is doing.

Mr. Nielsen: —it would be the heighth of irresponsibility to bring the business of the country to a grinding halt in order to satisfy the whim of the Hon. Member.

We certainly would not want to do in this House what the Liberal Party is doing in the other place.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Monday, February 25, 1985, meet the requirements of the Standing Orders as to form.

NUCLEAR WEAPONS-FREE ZONE—NUCLEAR DISARMAMENT

Mr. Speaker: The petitions presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Monday, February 25, do not meet the requirements of the Standing Orders as to form.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa

February 26, 1985

Sir:

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 26th day of February, at 4.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General

ROUTINE PROCEEDINGS

[*English*]

MAIN ESTIMATES, 1985-86

A message from Her Excellency the Governor General transmitting Estimates for the financial year ending March 31, 1986, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): I would like to move, pursuant to the provisions of Standing Order 63:

That the Main Estimates, 1985-86, tabled this day, be referred to the several standing committees of the House as follows:

Since the list is naturally rather lengthy, and there is a detailed allocation of the Estimates to committees, if it is agreeable to the House, Mr. Speaker, I would ask that the list be printed in *Hansard* as if it had been read. I have sent my colleague House Leaders of each of the Parties a copy of this particular motion and the references to committee so that all Parties are aware of the specific reference. Perhaps the list can be printed as if read.

Mr. Speaker: The House has heard the suggestion of the Hon. Government House Leader (Mr. Hnatyshyn). Is the suggestion agreeable?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

That the Main Estimates for the fiscal year ending March 31, 1986, laid upon the Table earlier this day, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture Votes 1, 5, 10, 15, 20, 25, 30, 50, 55, 60 and 65

External Affairs Votes 20 and 25

To the Standing Committee on Communications and Culture:

Communications Votes 1, 5, 10, 15, 20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80 and 85

Secretary of State Votes 1, 5, 10, 15, 20, 25, 30, 40, 45 and 50

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes 1, 5, 40, 45, L50, L55, L60, L65, 70 and 75

National Defence Votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs:

External Affairs Votes 10, 30 and 35

Finance Votes 1, 5, 10, 15, L20, 30 and 35

National Revenue Votes 1, 5, 10 and 15

Privy Council Vote 20

To the Standing Committee on Fisheries and Forestry:

Agriculture Votes 35, 40 and 45

Environment Votes 1, 5, 10, 15, 20, 25 and 30

Fisheries and Oceans Votes 1, 5 and 10

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1, 5, 10, 15 and 20

External Affairs Votes L15

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and 80

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, L55, L60 and L65

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45

Solicitor General Votes 1, 5, 10, 15, 20, 25, 30 and 35

To the Standing Committee on Labour, Manpower and Immigration:

Employment and Immigration Votes 1, 5, 10, 15, 20, 25 and 30

Labour Votes 1, 5, 10, 15, L20, L25 and 30

To the Standing Committee on Management and Members' Services:

Parliament Vote 5

To the Standing Committee on Miscellaneous Estimates:

Finance Vote 25

Governor General Vote 1

National Revenue Vote 20

Parliament Votes 1 and 10

Privy Council Votes 1, 5 and 25

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State Vote 35

Supply and Services Votes 1, 5, 10 and 15

Treasury Board Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50, 55, 60, 65 and 70

Public Works Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80 and L85

To the Standing Committee on Northern Pipelines:

Transport Vote 115

To the Standing Committee on Privileges and Elections:

Privy Council Vote 10

To the Standing Committee on Regional Development:

Regional Industrial Expansion Votes 1, 5, 10, 15, L20, L25, 30, 35, 40, 45 and 50

To the Standing Committee on Transport:

Transport Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, L45, L50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105 and 110

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1, 5, 10, 15, 20, 25 and 30 and

Motions

That Privy Council Vote 15 be referred to the Standing Joint Committee on Official Languages Policies and Programs; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

* * *

PARLIAMENT OF CANADA

ADDRESS OF SECRETARY GENERAL OF UNITED NATIONS

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I wonder if I could just move two further items with unanimous consent? There have been consultations with the Opposition House Leaders. The first motion has to do with the state visit to Canada of His Excellency Javier Perez de Cuellar, the Secretary General of the United Nations. I believe if you were to ask for leave of the House, Mr. Speaker, you would find unanimous consent that the following motion be adopted:

That, notwithstanding any Standing Order, when the House adjourns on March 6, 1985, it shall stand adjourned 11 a.m., March 8, 1985;

That the address of the Secretary General of the United Nations, to be delivered in the House Chamber on March 7, 1985, before Members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House; and

That the aforementioned proceedings be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Mr. Speaker: The Government House Leader is seeking unanimous consent for the introduction of the motion.

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, I am certainly prepared to grant consent to that motion. However, I want to suggest to my hon. friend that consideration might well be given to working on another approach in respect to hearing from distinguished visitors. When we have a special sitting of the nature covered in this motion, it means that we do not have a Question Period, nor any other House business. I suggest that my hon. friend and other Hon. Members of this House may want to examine the practice in Westminster where distinguished visitors are invited to address Members of the United Kingdom Parliament in a special room for that purpose so that the ordinary business of Parliament is not interrupted. I hope that this will be taken under consideration.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like as well to indicate our acceptance in the granting of unanimous consent for the change. I believe, Mr. Speaker, you are probably aware that for some time I have been concerned about the practice which has developed of leaders speaking to the joint session of the Commons and Senate and the disruption which that causes, not only to the business of the House.

I want to suggest that perhaps the committee on procedure might be an appropriate group to ask for some guidance as to a procedure we could use to try to accommodate both the desires of important international leaders to speak to Canada and to its Parliaments, while at the same time recognizing that

there has to be some way to avoid the potential embarrassment of perhaps denying someone who does not find favour at that particular point in time with the Government of the day from being able to address the Parliament of Canada as perhaps his or her predecessors had been permitted to do.

Therefore, I would like simply to say that we are happy to give the consent. We look forward to hearing the address of the Secretary General of the United Nations, but we would certainly ask the Government to consider a reference to the committee to look at some different type of procedure.

Mr. Hnatyshyn: I appreciate the observation which has been made by both of my colleague House Leaders with respect to other Parties in this House. They will understand, and I think fully agree, this being the fortieth anniversary of the creation of the United Nations, that we will look forward to the visit of the Secretary General with great enthusiasm in this country. The points which have been raised will certainly be matters of ongoing discussion. I know we have worked well together in the past and I look forward to working on this arrangement in the future for many years ahead.

Mr. Speaker: Does the Hon. House Leader have unanimous consent for the introduction of his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the motion. Shall I dispense?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1510)

MAIN ESTIMATES, 1985-86

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would also like to table in support of the Estimates, Part I, the Government expenditure plan. In addition, I have tabled with the Clerk of the House on behalf of my colleagues Part III of the Estimates, consisting of 71 department expenditure plans. These documents will be distributed to members of the Standing Committees to assist in their consideration of the spending authorities sought in Part II of the Estimates.

[*Translation*]

EXPLANATORY STATEMENT BY PRESIDENT OF THE TREASURY BOARD

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am pleased to table in the House today the Main Estimates for 1984-85. The total estimate of expenditures is $103.6 billion, an increase of 7.3 per cent over last year's Main Estimates. This represents the latest Government expenditures forecast for the coming fiscal year and conforms in every respect to the level of expenditures announced by my colleague, the Minister of Finance (Mr. Wilson) in his economic message last November.

[*English*]

Those planned spending levels for 1985-86, which include the Main Estimates, the reserves and a provision for the lapse, will total $105.4 billion and represent only a 4.7 per cent increase over the current forecast for 1984-85. I am pleased to announce that there has not been a lower rate of growth in 17 years.

Some Hon. Members: Hear, hear!

Mr. de Cotret: If we focus on program outlays, that is excluding public debt charges, the growth in spending levels amounts to just over 2 per cent, well below the rate of inflation.

[*Translation*]

This low rate of increase in expenditures demonstrates our commitment to limiting expenditures, even though we had to meet commitments made well before this Government came to power. However, I can assure Hon. Members that the increase would have been much higher if the Government had not acted as it did last November to reduce Government spending.

Before elaborating on certain details in the Main Estimates, I would like to say a few words about the presentation which has evolved in recent years. This year is the first time the complete set of budgetary documents has been published in the new format. Individual Members will now have access to information provided in a way that is better suited to their particular needs and that will help them understand the Government's over-all expenditure plan and the individual departmental plans.

[*English*]

Part I, which was first published in 1981-82, analyses the Main Estimates in relation to the Government's over-all expenditure plan by policy sector or envelope at a government-wide level. Part II, which is commonly referred to as the Blue Book, appears in its new format for the first time. It supports the spending proposals which Parliament will be asked to authorize through an Appropriation Act, and provides detailed forecasts for items already approved through existing statutes. The Blue Book is more streamlined than in previous years because it no longer duplicates information which is included elsewhere in the Estimates documents. Part III of the Estimates is a series of departmental expenditure plans prepared by individual departments and agencies with guidance from the office of the Comptroller General and which I am tabling on behalf of all my Cabinet colleagues.

A complete set of departmental expenditure plans is being published this year for the first time marking the end of the phase-in period. Each plan outlines what the Government expects to achieve as a result of its proposed expenditures in the specific area of activity with which it deals. These detailed plans provide a comprehensive picture of each department's

program and will be of particular use to the members of the Standing Committee examining the Main Estimates. Some of the information has been relocated within the three parts to provide a more logical presentation. For example, much of the government-wide summary information, which has traditionally been found in Part II or the Blue Book, is now dealt with in Part I or the Government expenditure plan. Also, some of the details related to departmental expenditures which appear in individual departmental expenditure plans are no longer included in the Blue Book. A complete explanation of a new form of the Estimates is provided in Chapter 5 of the Government expenditure plan.

Since individual Members will likely be more interested in some detailed expenditure plans than in others, the Part III document will not be automatically distributed to all Members. Members will be provided with a list with which to indicate to the Parliamentary Distribution Centre those volumes they would like to have sent to them.

[*Translation*]

Mr. Speaker, I would now like to address the Main Estimates as such. As I said earlier, these estimates conform to the expenditure plan for 1985-86 announced last November by the Minister of Finance, a plan that includes funds for contingencies or reserves for the various envelopes. These reserves serve two purposes: first, they can be used to cover the costs of planned initiatives that could not be included in the Main Estimates because of the time factor, and second, to cover cost adjustments to existing programs during the fiscal year. In either instance, parliamentary approval will be sought through Supplementary Estimates or other legislation.

In 1985-86, these reserves will total $4.6 billion. Not counting job creation projects announced recently, the total reserve level for the new fiscal year is lower than in previous years, which again demonstrates this Government's firm commitment to limiting expenditures.

[*English*]

The Main Estimates component of the total spending plan amounts to $103.6 billion. Included in this amount is $37.2 billion which Parliament is being asked to authorize or vote, as well as an estimated $66.4 billion in previously authorized statutory expenditures. The expenditure reduction initiative taken by this Government last November has limited the growth in the annually voted portion of these Main Estimates from those tabled a year ago to two-tenths of 1 per cent.

The Main Estimates total plus the $4.6 billion in reserves adds up to $108 billion in that period but actual spending will be less than that for two reasons. First, one must allow for the amount by which departments and agencies will collectively underspend the levels authorized by Parliament. This underspending or lapse, as it is called, occurs each year because the voted amounts in approved Estimates represent an upper limit beyond which departments and agencies cannot legally spend. Secondly, repayments of loans from previous years which have not been offset against new loans in 1985-86 will reduce actual spending from the total amounts authorized.

The 1985-86 Main Estimates provide for budgetary expenditures of $102.5 billion, $8 billion higher than last year. As I indicated, Mr. Speaker, that almost two out of every three dollars the Government spends is due to some legal requirement, that is through federal statute, which determines the basis whereby individuals, businesses and other Canadian Governments receive federal assistance. These statutory payments account for virtually all of the increase in budgetary expenditure. I will mention but three forms of payment.

[*Translation*]

Public debt charges show an increase of $5.2 billion, which accounts for nearly two thirds of the $8 billion increase, because of the higher debt level and higher average interest rates on the outstanding debt; transfer payments to individuals have increased by $1.2 billion, mostly because of indexation and other statutory provisions; transfer payments to other government levels for insured health services, post-secondary education, fiscal transfers and under the Canada Assistance Plan have also increased by $1.2 billion. All these payments are based on formulas established under existing legislation.

These three major payments, over which the Government has little control in the short term, account for $7.6 billion of the $8 billion increase mentioned earlier.

[*English*]

The Government has substantially greater control in the short term over the bulk of the remaining programs. This was made evident last fall when the Government announced a $4.2 billion deficit reduction package, of which $3.5 billion represented decreased spending plans.

● (1520)

First, certain programs are being terminated or trimmed back. In the energy field, for example, the Canadian Home Insulation Program will be phased out and the Canadian Oil Substitution Program terminated. Second, a number of capital projects have been cancelled. Third, as a result of its review of defence and foreign aid, the Government was able to reduce spending growth in these two areas while still meeting Canada's international commitments. Fourth, the Government is placing much of its services on a more business-like footing by increasing the prices it charges to users. The services affected include such things as the registration fee for patents and airport taxes.

[*Translation*]

Mr. Speaker, I have the pleasure to announce that, following the intervention of the Government last November, the increase in the expected cost of non-statutory programs for 1985-86 has virtually been eliminated. This clearly shows our commitment to put back some order into the financial affairs of the country and our decision to play a leading role in the economic recovery.

Main Estimates, 1985-86

The Estimates I have tabled today reflect the expenditure reduction process initiated last fall. However, they do not take into account the other initiatives already taken or planned by the Government within the framework of its longer term project to develop a sound public expenditure policy. The structural review of Government programs now being undertaken by a work force under the leadership of the Deputy Prime Minister (Mr. Nielsen), will enable us to rationalize Government activities, which will result in a more effective and productive administration of existing programs and in major ongoing savings.

These Estimates also do not reflect the expected results of the intensive consultations undertaken by this Government with other government levels in Canada, with business, labour and other groups and individuals.

[*English*]

Treasury Board has also undertaken a number of initiatives to improve management in the Public Service. In addition to providing Parliament with spending plans, the tabling of the Main Estimates has traditionally been an occasion to focus on the size of the Public Service as measured by the number of person-years under the direct control of the Treasury Board. The 258,222 person-years in these Main Estimates represent an increase of less than one-half to one per cent over the comparably defined 1984-85 Main Estimates figures. The low growth figure is totally consistent with the objectives which the Government announced last November.

In conclusion, I would urge all Hon. Members to read the documents I have tabled today as well as the related media material we are distributing to them. These documents provide a comprehensive picture of these Main Estimates in relation to both over-all spending plans and individual departmental programs. Never has more information been given to Parliament on the Main Estimates.

It has been a pleasure for me to table these documents today, especially in view of the fact that the growth in the portion of these Main Estimates which Parliament is being asked to authorize or vote, the non-statutory portion, is virtually zero. These Estimates bring to light the measures this Government has been able to take thus far in restoring fiscal responsibility. I believe they are a concrete step forward in the deficit reduction efforts of the Government and will go a long way toward reassuring Canadians that proper expenditure management and control is effectively being established by the Government of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like first to congratulate the President of the Treasury Board because this is his first tabling of Estimates and Heaven knows how much work the preparation of such documents entails. I am also happy about the fact that, this year, we shall have completed our examination of Part III for each department and Government agency, which means that the critics for the various departments will be in a better position to do their job in the committees. In a report published a few days ago, the C.D. Howe Research Institute, after determining the economic situation in which Canada will have to operate in the next few years, stated the following:

[*English*]

The new Federal Government must state bold and innovative steps to cut its deficit in order to restore the fiscal stability and private sector confidence so necessary for growth.

[*Translation*]

We have before us today the first major decision made by the new Government since its election last September 4. However, in spite of its election promises, the Conservative Government has included nothing in these estimates which would indicate a serious reduction of the deficit.

Mr. Speaker, the President of the Treasury Board (Mr. de Cotret) spoke earlier about the growth rate for expenditures, but when we look at the over-all budget of $105 billion and the true budgetary expenditures of $102 billion, we can see that budgetary expenditures have a growth rate of 8.4 per cent, which is more than twice the rate of inflation in Canada. I must hasten to add that, in view of these estimates, if the Minister of Finance (Mr. Wilson) wants to meet his formal commitment to the Canadian people of lowering the deficit, his only alternative will be to increase taxes.

Indeed, in an article published last February 17 in *The Toronto Star*, newspaperman Richard Gwyn said the following:

[*English*]

To an extent that is really quite extraordinary, it is now taken for granted that the Mulroney government lacks the nerve to bring down the budget in April or May that would do something about the deficit.

[*Translation*]

The Estimates tabled today confirm the truth of Mr. Gwyn's statement and directly contradict the formal commitments made by this Government during the election campaign. With an expenditure forecast showing an 8.4 per cent increase, more than twice the inflation rate, this Government cannot give us a total spending figure of $105 billion without a series of lapsing appropriations and reserves and, especially, increased facilities for contracting loans and obtaining advances. And I wish the Minister the best of luck with his plan to lower lapse amounts without resorting to increases in the Supplementary Estimates. Good luck.

It is truly amazing: an 8.4 increase in spending, twice the inflation rate! Mr. Speaker, the Members opposite, and I realize the Chair is on neutral ground, but just the same, the Members opposite have been waiting sixteen years to solve Canada's problems and to form the Government. These are the people who have been criticizing successive Liberal Governments for sixteen years and saying that they had all the answers, the same people who, especially in recent years, were criticizing the former Government because the Canadian

dollar had fallen below the 80-cent line . . . Imagine! We are now almost down to 70 cents, a drop of 4 cents in two weeks. These are the people who during the last election campaign criticized the former Government for its lack of economic policies. These are the people who for years have been saying that job creation is very important, and now job creation programs have been cut by $125 million for 1985-86, compared to last year. These are the people who were going to solve the problems of the forestry and energy industry overnight, if they were elected. There is nothing in the Main Estimates that gives any indication of specific action to be taken in these industries. These are the people who were going to introduce programs aimed at promoting the status of women—no increased spending on that side. These are the people who were going to introduce programs to fight pollution and acid rain: the budget for the Department of the Environment has been cut.

With all these promises and formal commitments, we had a right to expect that the first Main Estimates tabled by this Government would reflect at least a considerable part of the commitments made to all Canadians during the last election campaign. However, the Main Estimates tabled in the House today reflect none of these election promises nor any of the formal commitments made by the Progressive Conservative Party to fight the deficit, which was one of the Party's main themes during the election campaign, and none of the formal commitments with respect to job creation.

• (1530)

It will be remembered, Mr. Speaker, that last year, when the 1984-85 estimates were tabled, the former President of the Treasury Board indicated that the total expenditures projected for 1985-86 were $103 billion. Those projections, prepared last year, were based on an inflation rate of 5 to 5.5 per cent.

Now we know that the policies put forward to fight inflation have reached their objective, and the inflation rate has slowed down to some 3.5 per cent. But because of that decline in the inflation rate, Mr. Speaker, the Government could have lowered by 2 per cent those $103 billion, it could have lowered the total 1985-86 expenditures by something like $2 billion. But commitments notwithstanding, and despite the announcements made on November 8, 1984, expenditures are totalling $105 billion. And, Mr. Speaker, $105 billion account for 23.5 per cent of the Gross National Product, a 0.6 per cent increase over 1983-84. This Government is giving us figures in the document tabled, Part I, on page 41 or 42. I saw the figures a while ago and they indicate that the total expenditures at $105 billion account for 23.5 per cent of the Canadian Gross National Product, as against 22.9 per cent only in 1983-84.

So much for the so-called effort made to reduce the Government's participation in the over-all economy.

Therefore, in reviewing the projections tabled earlier today by the President of the Treasury Board (Mr. de Cotret), we realize that the Tory Government has done practically nothing to seriously address the deficit it has been decrying all along. The only thing they did, Mr. Speaker, was to juggle with loans and advances, reserves and lapsed votes.

I therefore submit, Mr. Speaker, that if the Government is serious, what with the mandate entrusted to the Minister of Finance (Mr. Wilson), if they really want to fufill their election promise, they should increase taxes. But then, they also promised that there would be no tax increases.

In conclusion, I must admit that the comments published in *The Toronto Star* were right to the point.

Moreover, if we consider some items or budgetary envelopes such as Regional Economic Development . . . the budget of that Department, can you imagine, is reduced from $16 to $12 billion. We are left wondering whether with such a cut expenditures will be reduced, but no, the expenditures will be increasing just the same. If we take the reserve fund into consideration, it represents a cut of $1.4 billion.

Let us consider other sectors affecting our regions; Fisheries and Oceans, a cut of $61 million. Mr. Speaker, confidence and leadership were among the main themes of the election campaign which ended on September 4. However after 5 months of a Conservative government, this new Government, which claimed to have solutions for every problem during the election campaign, has failed to take position on all issues of any significance in the entire country,

The Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) are constantly repeating that the restoration of a climate of confidence would be sufficient to enable the private sector to create employment so urgently needed in Canada. And we constantly hear the party opposite say that confidence in the private sector would be restored as a result of reduced expenditures and controlled deficit. There is no indication in that budget that steps will be taken to cut the deficit.

Mr. Speaker, I do not want to go on too long, but some time ago, I issued a challenge to the Government to create in 1985 some 345,000 new jobs, which would be in line with the average before the recession at the beginning of the 1980's but nothing in that budget leads us to believe that aim could be attained in the slightest degree.

[*English*]

Since September 4, Canadians have been waiting for the Government to take action and to state its policies. The first months of this administration have been marred by contradictory signals. On November 8, 1984, the Minister of Finance (Mr. Wilson) announced his intention to cut dramatically into the Budget and the deficit.

After November 8, the Prime Minister (Mr. Mulroney) contradicted his Minister of Finance and even led us to believe that the social programs could be expanded. More recently in Regina, the Government tried to create the impression that a lot of new money would be put into job creation. Today we

know that there will be not only no increase but a cut of $125 million in the job creation program.

After looking at the Estimates tabled today by the President of the Treasury Board (Mr. de Cotret) the confusion seems to be increasing. The budgetary items increase by 8.4 per cent, twice the inflation rate. All those who were waiting for these Estimates in order to understand in what direction the Government wants to lead the Canadian economy, Members of the House, the business community, social groups, have all been disappointed.

After reading part one of the Estimates, I would have to conclude two things: first, the Government has not stated its policies on any issue. The Estimates do not clarify the direction in which the new Government wants to take the economy. Second, this Government, based on its electoral promises, was committed to job creation. Thousands and thousands of jobs were supposed to be created as soon as the Government was sworn in. In fact, in the last quarter of 1984 the Canadian economy has created fewer jobs than in the second quarter, and 1985 has started off on the wrong foot with a loss of jobs.

The Estimates which were tabled today gave us a confused picture. This picture is not very promising for unemployed Canadians. For the regions of Canada that need help there is a cut of $4 billion in the economic development envelope. As regards summer jobs, the training program, et cetera, we see a cut of $125 million in these programs. On top of that, interest rates are rising and the Canadian dollar has reached an historic low.

[*Translation*]

Mr. Speaker, I suggest that the Official Opposition will have have only two positions to adopt when dealing with the analysis of the Estimates which the Government tabled today. First of all, we will have to continue to insist, just as we are doing now, that government members take clear-cut positions, in order to re-establish a climate of certainty within the economy. Second, we will have to continue to demand that all government policies be directed first and foremost toward the creation of jobs and the reduction of unemployment. While trying to please everybody at once, the Government is deluding the very people who put their trust in it when they elected it on September 4. It is especially deluding the regions in Canada which need help most. There is the case of the Domtar decision, and if I pause to reflect on the Quebec situation, I can list the cuts made to VIA Rail investment, the branch lines to the pipe-line, the Wabasso shut down, the Melchers shut down, the Tupperware shut down in Cowansville; now, there is the Domtar decision, without forgetting the Cloridorme and Newport fish plants, the loss of jobs and the Marine Industries contracts; Mr. Speaker, these are only some of the issues which come to mind when we consider these estimates and compare them with the promises which have been made. That is why I say that we will take a firm stand in the analysis of these estimates, Mr. Speaker.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, since this is our first opportunity to address matters concerning Treasury Board, I would like to congratulate the Minister, who at one time held the riding of Ottawa Centre. I also wish to congratulate his departmental officials who have now completed the changeover to the new format of the Estimates, especially Part II, which is now much easier to understand than the previous version.

Mr. Speaker, I am rather confused by the presentation just made by the Liberal Party's financial critic, because we are new seeing a change in position in these two Parties. The Liberal financial critic is apparently adhering to the position taken by his leader during the leadership campaign last spring. At the time, the leader of the Liberal Party saw reducing the deficit as his Party's priority. He later seemed to have abandoned this position, but apparently the answer is no. It is the official position of his Party.

As far as the Progressive Conservative Government is concerned, which was in favour of reducing the deficit, it is starting to forget this priority. It is now in the same situation the Liberals were in at the time, and today's Liberals are taking yesterday's Conservative position.

• (1540)

[*English*]

Right now it is really hard to tell which Party is which. Certainly, on listening to the comments of the finance critic for the Liberal Party, I heard him say quite specifically that the Liberals now believe there should be even more spending cuts. During the course of the consideration of the Estimates in committee, I hope they ensure that their critics in every area put forward the specific spending cuts they intended to propose had they had the opportunity to be in government. It also underlines the confusion which many people in the country must feel with respect to the new Government because of the fact that its members are acting in office like the Liberals they used to criticize when they were in opposition.

I also note—and this is where those two Parties are so alike—that not one word is really said, either by the Official Opposition or by the Government, about the biggest reason that spending for the Government of Canada in 1985-86 is to go up to $105 billion or thereabouts. Most of the increase is owing to high interest rates. The cuts which are being taken in many areas of activity that affect ordinary Canadians are most of all being taken in order to pay off the banks and financiers in order to pay high interest rates. My Party and I say that it is about time the Government put as much energy as possible into bringing down interest rates rather than constantly looking at spending cuts. The Government has only looked at half of what it should have been looking at in this particular exercise of developing the spending Estimates.

I recall in the summer of last year that the Government attracted a lot of votes from Canadians because of the promise of change. Of course, the Estimates are the first comprehensive chance for the new Government to demonstrate the kind

of change for which it actually stands. After all, the huffing and puffing we have had from the Government, frankly, is almost exactly the same as what we would have had from the Liberals. I can think of no Canadian who would really be happy with this particular set of spending Estimates, except perhaps bankers and other financiers who support the Conservative Party. The most striking feature of the Estimates is that in its first six months the new Government has in fact done nothing to confront high interest rates, which are pushing up spending in the country to such a high degree and forcing it over the $100 billion mark.

When the Government announced its spending cuts, important areas were affected. That is reflected in the Estimates. The CBC, which serves all Canadians from coast to coast, is one of the vital links in the country. I am glad to see that the Minister is nodding his head in agreement with me. It has been cut now by $50 million. The National Research Council has been cut savagely by $60 million or $70 million despite the Government's commitment to increase spending on science, research and development. Regional development is down by $1.5 billion or more, depending how one measures it in the Estimates. Employment and immigration is very strongly affected, particularly when it comes to the service which can be offered to 1.5 million Canadians who are currently out of work and to the three million or four million Canadians who, I am afraid, can expect to be out of work at some point or another during the course of 1985 or 1986, thanks to the policies of the old Government and of the Government which is in power right now.

If the Government had acted when it took power to give the country an independent interest rate policy, we would not have required those cuts in the CBC, in services in the Department of Employment and Immigration or in terms of science, research and development spending, because every nickel which is being cut in those areas is going to pay off banks and other people in terms of high interest rates on borrowing by the Government. We would not have needed those cuts if interest rates had been brought down. Canadians who are losing services are paying for interest on the public debt. I remind the President of the Treasury Board and the Government that last October, despite promises to the contrary made in opposition, the Government enacted Liberal tax increases on ordinary Canadians to the tune of $500 per family. That $500 tax increase, which has been directly translated in a move upwards in the unemployment rate, would not have been necessary had the Government moved to bring down interest rates rather than buy the high interest rate policy which it inherited from the Liberals who were in office before.

If I were a banker I would be smiling from ear to ear after seeing these Estimates. The stories abound, in *The Wall Street Journal*, in *The Toronto Star* and so on, that the new Minister of Finance is rapidly turning into a wimp, a man who bids fair to compete with the former Prime Minister of his Party in terms of the public image he has across the country, a man who has not been prepared and a Government which has not been prepared to confront financial interests that are holding the people of the country in thrall and having an effect on employment, as well as upon every Canadian.

Mr. Clark (Yellowhead): Step outside and say that.

Mr. Fulton: You would think the President of the Treasury Board is an escapee from the Senate.

Mr. Cassidy: Yes, he is. We should congratulate him on escaping before it is abolished.

I want to turn now to the cuts in the Estimates, bearing in mind, among other things, from where the Liberal Party has traditionally drawn its strength. The Conservatives have always had strength in Atlantic Canada. For a long time they have had strength in western Canada. Most recently they have begun to acquire a lot of seats in the Province of Quebec, even though that may be temporary. The biggest single cut in the Estimates—

Mr. Hnatyshyn: You forgot Ottawa Centre. We are getting stronger there every moment.

Mr. Cassidy: Well, we keep on winning elections. The single biggest cut in the Estimates of which we were not aware before is the cut of $400 million in lending by the Farm Credit Corporation. It is seeing its lending cut in 1985 down to about $90 million, a fifth of the level recorded in the Estimates for the year before. I presume that cut was included so that the Minister could rise and say, "Look what I have done; I have kept our discretionary spending to an increase of .2 or .5 per cent". He does not talk about the impact on the farm sector. He does not talk about the way farm spending and the farm sector, in turn, have an impact on the rest of the Canadian economy. At a time when farmers need access to credit in order to survive, they are taking it in the neck.

Shipbuilding subsidies are being cut by $40 million. That is a direct blow to the regional economies of the St. Lawrence region of Quebec, of St. John's and Halifax, of Newfoundland and of British Columbia. Although it is a little difficult to discern exactly what is happening, it appears that funds from the Government for economic development in the forestry sector are being cut from $91 million to $54 million. In other words, rather than implementing promises of massive increases in an industry which is responsible for 10 per cent of economic activity in the country, the Government is cutting back in that particular area.

[*Translation*]

Mr. Speaker, this week the Government refused to support Domtar's investment project in the Eastern Townships in the Province of Quebec. This decision will affect a major sector of Quebec's economy and it shows once again how remiss this Government is in meeting its commitments to the forestry industry.

[*English*]

Petro-Canada is now the leading company in terms of frontier oil development, not only in the Beaufort but in the Hibernia field and offshore in eastern Canada. Its frontier

exploration and development program is down by more than $200 million. This is a direct blow to all those people who trustingly voted for the Conservatives and for the Prime Minister when he said, "Come along with us, my program is jobs, jobs, jobs; let's have some change", during the course of the election campaign.

Many people in my area of Ottawa Centre, in the Ottawa region in general and in many other parts of Canada, had just begun to develop an important new industry in conservation and renewable energy. That cut was announced in the fall. It amounts to some $50 million or $60 million by the time it works its way through the NRC at the end of this coming fiscal year. That is a direct blow to another promising industry, and industry which creates more jobs and has the potential to create more jobs than Atomic Energy, which is still well funded.

Finally, six months after the election, the unemployment rate last month rose higher faster than for any month in the previous five years, yet the Government is cutting 600 positions from Canada Employment and Immigration. A pregnant mother who visits the Canada Employment office in my riding of Ottawa Centre to check on her maternity benefits is told that she has to wait for more than an hour to talk with a counsellor, and the Government is going to cut 600 more positions. In the riding of the Hon. Member for Kamloops-Shuswap (Mr. Riis) 30 per cent of the population is unemployed. People are beside themselves with the problems of unemployment in that riding and in many other parts of the country, yet Canada Employment is suffering yet another cut. As I said before, farmers and people who hold Government of Canada bonds do not have to stand in line when they go to clip their coupons, but ordinary Canadians are hurt by the cuts which are here.

● (1550)

Canada Employment has been talking about $1 billion of extra spending for job-creation, but its basic Estimates are being cut-back by half a billion dollars. When you take the two together, it means that the Government's additional commitment to job creation in the coming year, by my accounting, amounts to one-half of one per cent of the over-all spending of the Government of Canada. The changes in the Estimates are profoundly unfair and unjust. Loggers, farmers and workers suffer. Banks and big corporations benefit.

I would point out that in 1979 the Conservative Party in government with its Budget published a compendium or estimate of what tax expenditures were costing the people of Canada. At that time it was some $30 billion or $40 billion. I hope that the President of the Treasury Board (Mr. de Cotret) and his Government will ensure that we get that list again.

I am distressed over the fact that while cuts are made that affect ordinary Canadians, so far nothing is being done to affect those privileges and hand-outs to major corporations. In fact, the Government has made it clear that it will not tinker with the corporate tax system after it has imposed major tax increases on ordinary Canadians.

If there have to be sacrifices, let them be fair. If there have to be sacrifices, do not just impose them on ordinary Canadians. If there have to be sacrifices, let us see them made by big oil companies, multi-national corporations, and foreign-owned corporations which control more than half of our manufacturing industry, by those people who control large amounts of capital and who are now speculating. Some Canadians are actually speculating against their dollar. Let them carry their burden rather than simply seeing it imposed on ordinary Canadians.

My time is up. We will have a chance to resume this debate elsewhere in this House and its committees.

[*Translation*]

I wish to congratulate the Minister on his presentation, but not unreservedly on the contents of his Main Estimates.

[*English*]

Mr. Speaker: Questions?

Mr. Foster: Mr. Speaker, on the Estimates that were tabled today, I would like to ask the President of the Treasury Board (Mr. de Cotret) exactly why the Government has chosen to reduce the Estimates of the Farm Credit Corporation by some $400 million. Surely farmers are facing the most difficult financial stress that they have faced in this country since the 1930s. According to the estimates of the Farm Credit Corporation, 39,000 face serious financial difficulties. They are looking to the Government for assistance, either in reducing interest rates or setting aside programs such as the United States Farmers' Home Administration Program.

This Government, facing the most distressful time in our history, is cutting the budget from some $490 million to $90 million. I wonder if the Minister of Agriculture (Mr. Wise) or the President of the Treasury Board (Mr. de Cotret) have chosen to abandon completely this very serious problem of the farmers. Will he explain why the Government is doing this at this time?

Mr. de Cotret: Mr. Speaker, I will be happy to give the Hon. Member some exact facts before he draws his conclusions. In the Estimates there is a reduction under this item. I can assure the Hon. Member that that reduction, when explained, means that there will be exactly as much money, if not more, in 1985-86 for that particular constituency as there was in 1984-85.

There are two important things to keep in mind. The first is a change that allows the Corporation to borrow on its own account. Obviously that will reflect itself in the numbers in the Estimates. Second, despite the claims that the Hon. Member is making, the revision was made in light of the fact that there was a very appreciable drop in the demand for this kind of credit in 1984-85. We have readjusted the numbers in 1985-86 to ensure that that very important constituency in our country is well served by the Government, certainly as well served as it was in the last year. Therefore, there is no decline there at all.

Mr. Fulton: Mr. Speaker, can the President of the Treasury Board (Mr. de Cotret) advise the House why Canada's largest industry, the forest sector, which, according to his own documents, was valued last year at $25.9 billion, is having $31,690,000 chopped in the 1985-86 Estimates? Where $207 million was spent last year, only $175 million is expected to be spent in the coming fiscal year. Why is this being done at a time when it is recognized in British Columbia and in other provinces that we are in the midst of a falldown effect? We will have to cut back by 30 per cent the number of people employed in British Columbia.

It is recognized that there is a need for in excess of $300 million a year just to replant the good and medium backlog sites in British Columbia alone. In the whole of the Estimates, there is less than half of what is required by British Columbia alone. Historically, less than five cents on the dollar has been going back into the forest sector federally. My quick calculations indicate that less than one cent out of the dollar will now be put back under the new Estimates. Perhaps the Minister could explain, first, the reason for the cuts and, second, in light of the promises made during the election campaign by his own candidates that a billion dollars a year would be spent by the federal Government, where is the billion?

Mr. de Cotret: Mr. Speaker, I took notice of that question when the Hon. Member's colleague raised it in his reply to my statement. I would like the indulgence of the Hon. Member to give me time to look at the specifics of that particular item. I will be happy to give him an answer or have the Minister responsible give him the answer.

Mr. Fulton: Mr. Speaker, one would assume that the President of the Treasury Board would be able to respond in relation to Canada's largest industry. One Canadian in 10 is employed in this industry. I am sure the President of the Treasury Board is well aware that in British Columbia alone, his own Government officials have identified a need for $300 million a year. There is only $175 million for the whole of Canada.

Mr. de Cotret: Mr. Speaker, at the very great risk of stating misleading facts in this House, which I certainly would not want to do, I would again respectfully ask the Hon. Member to give me some time to take the question under notice and give him the appropriate answer.

Mr. Keeper: Mr. Speaker, the Estimates which the Minister just tabled project cutting some 600 positions from the Canada Employment and Immigration Commission and at the same time reducing the allocation for unemployment insurance on the assumption that unemployment is going down. In light of the fact that Government job-creation programs will only provide some 30,000 person-years of work and when unemployment went up last, it was the highest in five years, how can the Government justify cutting back on the allocation for employment programs?

Mr. de Cotret: Mr. Speaker, in terms of the expenditures that are put forth by the new Government with respect to job creation and job training, if one looks through the numbers carefully, one will notice that in 1984-85 the total amount of money expended in these programs was of the order of $1.8 billion. What is contained in the Estimates that were presented today, plus the announcement that was made by the Minister responsible at the First Ministers' conference recently, would mean that in 1985-86 that would be increased to $2.5 billion, with a potential of an extra hundred million on top of that. There is a very significant increase in the amount of funds being allocated for employment and job training by the new Government.

Mr. Keeper: Mr. Speaker, if what the Minister says is accurate, that he is in fact increasing the money for employment, how can he then justify cutting 600 positions from the Canada Employment and Immigration Department? People are waiting for their unemployment insurance. Job-creation programs require adequate administration. How can positions be cut at a time like this?

Mr. de Cotret: Mr. Speaker, to the best of my knowledge, the improvements in the reduction in the workforce involving that Department comes from a reorganization and technological improvements in the delivery systems. However, I would be happy to go into that further with the Minister responsible if that is not the full answer.

• (1600)

Mr. Riis: Mr. Speaker, my question is to the President of the Treasury Board (Mr. de Cotret). A quick glance at the Estimates would indicate that the largest increase that pushes expenditures up to over $100 billion is the debt servicing charge that now accounts for a substantial $5.6 billion increase for this year. Would the President of the Treasury Board agree that if the Government were to find itself lowering interest rates substantially, that in fact would go a significant way to eliminating essentially that entire $5.6 billion increase?

Mr. de Cotret: Mr. Speaker, there is no question that the pressures of the service charges on the public debt, on the over-all expenditures and on the deficit are some of the major sources of the problems we are facing today. I think my colleague, the Minister of Finance (Mr. Wilson), has replied to this question time and time again. We live in an international context, in which the interlinkages between the economies are having the effect of pushing interest rates up. We are also living in a situation in which a deficit of the size of the one that we inherited from the prior Government is acting on our domestic markets in a way that is not helpful when trying to get those interest rates down. Certainly I, and I am sure all Members of the House, would share the positive belief in an eventual decline in interest rates, and that is certainly a goal toward which the Government is working.

Mr. Riis: Mr. Speaker, my supplementary question deals with a point that was raised previously. The Farm Credit Corporation indicated in its recent report that something like 70 per cent of the farmers of Canada were in a virtual crisis situation in terms of debt management. Is it correct then that

by the Estimates, the Government has seen fit to reduce the borrowing portfolio of the Farm Credit Corporation by some $400 million? If that is the case, is this an indication that the Government is moving away from providing financing for the Canadian farm sector?

Mr. de Cotret: Mr. Speaker, as I said in answer to a previous question, the level of funding for the Farm Credit Corporation will ensure that its level of activity in 1985-86 will be fully consistent with the demand that is expected and with the trends and demands we witnessed in 1984-85.

Mr. Foster: Mr. Speaker, I have a supplementary question regarding the Farm Credit Corporation. Will the Farm Credit Corporation be borrowing from the private sector the equivalent of the $400 million which is being cut from its budget in the Estimates? It does have the power to borrow from the private sector. Perhaps the Minister could clarify that.

I would also like to ask the Minister why the Government is choosing to impose some $25 million worth of additional service charges on agricultural producers for inspection fees on various commodities and for research. Why is the Government imposing additional fees on agricultural production, ROP and that sort of thing, of $3 million and additional fees of $5 million on agricultural research? This is a very difficult time for many sectors of the agricultural community. Why is the Government now imposing additional fees of some $32 million?

Mr. de Cotret: Mr. Speaker, I will say again that the changes that were made and presented in the Estimates with regard to the Farm Credit Corporation will allow the Farm Credit Corporation to meet the demand for loans from the agricultural constituency in the year to come. It is not a cut that will in any way inhibit that particular agency or keep it from meeting the demands of its particular constituency.

Regarding user fees, throughout Government, because of the six and five program, we have seen the level of user fees relative to costs decline very substantially. Last November we announced our intention to get user fees back up to a level that is more consistent with historical patterns. That is all we are doing in this case. An Hon. Member spoke a while ago of being even-handed throughout the country and of making sure that everyone pays his fair share. We must be even-handed regarding user fees to see that the costs are spread out.

Mr. Baker: Mr. Speaker, my question is perhaps the most relevant question that could be asked today given the new regime of the Estimates as they have been presented. As outlined in the documents tabled today, these expenditure reductions are identical to the ones that were presented to the House previously by the President of the Treasury Board. They are identical to the individual cuts announced by individual Ministers since Parliament resumed.

Some of these program reductions and eliminations in certain Departments have encountered vigorous objections from provincial Governments and individuals in this country. I can give as an example the elimination of the fishing vessel insurance scheme or the charging for telephone calls to weather offices. There is a whole list of such program reductions and eliminations. What manoeuvreability does each Minister now have within his own departmental budget to reinstate or change some of the programs that have been cancelled or substantially reduced? In other words, as far as the President of the Treasury Board (Mr. de Cotret) is concerned, does each Minister now have a responsibility under this new regime to cut another program within his Department if he is to change that which is contained within these documents? That is a very relevant question, Mr. Speaker.

Mr. de Cotret: Mr. Speaker, I believe that that is a relevant question. The typical experience of similar exercises in the past has been that after an initial will to reduce expenditures has been shown, six months down the road there is a very serious erosion and the object of the exercise is often defeated. I am very happy to report that six months after this exercise, the announcement of a reduction in expenditures plus some revenue increases of $4.244 billion, we are still at $4.244 billion.

Mr. Cassidy: Mr. Speaker, my question to the Minister is very straightforward. At the time of the Budget in 1979, the Conservative Government published an estimate of tax expenditures which was to run at 30 per cent or 40 per cent of direct government expenditures. Is it the Government's intention to do that again in 1985? Will we see such an outline of tax expenditures either prior to the Budget or at the time of the Budget this spring?

Mr. de Cotret: Mr. Speaker, with all due respect, I think the question should be addressed to my colleague, the Minister of Finance (Mr. Wilson), and I do not wish to respond to it either in the affirmative or in the negative. I think it is a very valid question and one which I would like my colleague to have the opportunity of answering.

Mr. Riis: Mr. Speaker, the Export Development Corporation and the Canadian Commercial Corporation have been making presentations. Their very critical role in the future of the country for the next number of years is becoming more paramount in that we need to open up new export possibilities. Yet I see that in the Estimates, we are decreasing the portfolio of the Export Development Corporation by $47 million and the portfolio of the Canadian Commercial Corporation by nearly $9 million. Can the President of the Treasury Board explain how this is in the best interests of the country, this being such a critical point in time? While he is on his feet, could he indicate to the House whether or not he believes that the $27 million we set aside to run the Senate is a decent investment?

Mr. de Cotret: Mr. Speaker, to answer the second question first, I am sure the Hon. Member knows that the budgets for the operations of Parliament, both the Senate and the House, are not under the purview of the Treasury Board nor of the Government. They are set in this place by the Commissioners of Internal Economy and in the other place by an equivalent body. Far be it from me to comment on a matter that does not fall within my purview.

In terms of the Hon. Member's first question regarding EDC and CCC, I would like to have a chance to take that question as notice. I do not think that there has been a major shift in emphasis. It may just be a question of the submissions that were made by those agencies. There may be some slight policy change, but I would like to wait and give the Hon. Member a full and detailed answer.

• (1610)

Mr. Fulton: Mr. Speaker, I would like to direct the President of the Treasury Board to the area of fisheries and oceans where there has been approximately a $100 million cut in capital expenditures. My question is twofold. First, during the election campaign last year, the current Minister of Fisheries and Oceans (Mr. Fraser) indicated, first, that there would be a buy-back of approximately $100 million from the fishing fleet in British Columbia, and, second that $200 million would be spent on salmon enhancement. Both of those matters fall under the capital expenditure for the Department of Fisheries and oceans, which is decreasing from $210 million to $124 million.

First, where is the $300 million in capital costs for the salmon enhancement and the fleet buy-back? Second, how sizeable does the President of the Treasury Board think the Supplementary Estimates will be at the end of this fiscal year? Will we find large amounts related to forestry and fisheries and oceans being smuggled into the Supplementary Estimates, or are the fisheries and oceans Estimates considered to be reasonably accurate?

Mr. de Cotret: Mr. Speaker, I can assure the Hon. Members that we do not expect that the Supplementary Estimates will be used as a device to smuggle in expenditures that we now know about and do not want to talk about. If anything, he will notice that the reserves which have been provided for this year are less than in past years. That is largely because we have tried to put as much of the known expenditures into the Main Estimates, rather than keeping larger reserves for the Supplementary Estimates. I can assure the Hon. Member that the Government is fully committed to restraint, the control of expenditures and living within the numbers that are published in these Estimates.

Mr. Henderson: Mr. Speaker, my question follows that of my colleague. It relates to inspection fees as they pertain to agricultural products, specifically potatoes. Did I understand correctly the President of the Treasury Board that inspection fees—as announced in the economic statement of the Minister of Finance (Mr. Wilson) and in a letter which was sent to the P.E.I. Potato Marketing Board and the P.E.I. Potato Producers' Association which told them that there was a 33 cent per hundredweight fee—would be levied for field inspection for No. 1 table stock potatoes? I may have misunderstood, but I believe that the President of the Treasury Board said that it was a *fait accompli* and that it will stand and come into effect April 1, 1985?

Mr. de Cotret: Mr. Speaker, I did not confirm or imply any such specific issue. I only made a statement on broad principle as it affects cost recovery throughout government services.

Mr. Speaker: Petitions.

Mr. Malépart: Mr. Speaker, I have one quick question.

Mr. Speaker: With great respect, I indicated to Members earlier that I was waiting to see who was rising in order to indicate when the time would expire. I will allow one question.

[*Translation*]

Mr. Malépart: Mr. Speaker, I have a very short question for the President of the Treasury Board. I was looking at the appropriations for spending on agricultural programs, but I cannot seem to find them in the Estimates. Could the Minister inform the House where I could find an entry reflecting the commitment made by his colleague, the Minister of Public Works (Mr. La Salle) respecting $13 million to help hog producers? I cannot seem to find that amount among the appropriations.

Mr. de Cotret: Mr. Speaker, I think this matter, as the Hon. Member knows perfectly well, has been discussed for a number of months and that it was understood it would not be included in the Estimates tabled today. However, it is certainly a matter we are giving careful consideration.

* * *

PETITIONS

CONTINUED SUPPORT FOR CARROUSEL DU P'TIT MONDE D'ANJOU INC.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, at the request of my constituents, members of the Carrousel du P'tit Monde d'Anjou Inc., I have the honour to present to the House a petition asking that the support given to that association in previous years by Canada Works not be discontinued, including the five positions created to structure and maintain the operations of the Carrousel, an organization to help to train young families.

[*English*]

REINSTATEMENT OF *FRIENDLY GIANT* TELEVISION PROGRAM

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour to present a petition, signed by 205 citizens of this nation, which calls for the reinstatement of *The Friendly Giant* television program on CBC. The petitioners claim that the program has unique value, an educational function and that it promotes Canadian identity and culture.

Reference to Committee

FLY SALMON FISHING QUOTAS

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, I have the honour to present a petition from a group of anglers from the Miramichi region which deals with the cut-backs on fly salmon fishing in 1984. In the petition they express concern about the Government's present salmon regulations. They have asked me to convey to the House, with this petition, their objections to the present quotas. I do so and submit this petition on their behalf.

* * *

JUSTICE AND LEGAL AFFAIRS

REFERENCE TO STANDING COMMITTEE OF SESSIONAL PAPER

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations with the House Leaders with respect to the reference to Committee of Sessional Paper No. 331-4/6 which deals with equality issues in federal law. I think, Mr. Speaker, if you were to ask for unanimous consent, and I could put the motion, you would find that it would be adopted. The draft order is as follows:

That the Standing Committee on Justice and Legal Affairs be empowered to examine, inquire into and report on equality rights under the Canadian Charter of Rights and Freedoms;

That the document entitled "Discussion Paper on Equality Issues in Federal Law", tabled in the House on January 31, 1985, (Sessional Paper No. 331-4/6), be referred to the Committee;

That the Committee seek the views and opinions of Canadians, both individuals and organizations on the subject matter of the Discussion Paper;

That the Committee review federal statutes, and particularly those mentioned in the Discussion Paper, in order to ensure their conformity with the letter and spirit of equality and non-discrimination guarantees in the Charter;

That the Committee report and make recommendations for any necessary changes or other actions to the House no later than September 9, 1985;

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee be empowered to adjourn from place to place within Canada; and

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, the Committee shall report its findings by depositing its report with the Clerk of the House, and that it shall thereupon be deemed to have been laid upon the Table.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to confirm that we have been consulted on this matter and that we agree. As a matter of fact, we wish to express our satisfaction that the reporting date has been postponed to September 9. That will allow more Canadians to express their views. We give unanimous consent.

Mr. Speaker: Does the Hon. Government House Leader have consent to introduce the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Shall I dispense?

Some Hon. Members: Dispense.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the following questions will be answered today: Nos. 217, 219, 221 and 245.

[*Text*]

DEPARTMENT OF THE ENVIRONMENT—FEMALE EMPLOYEES

Question No. 217—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Department of the Environment were women?

Hon. Suzanne Blais-Grenier (Minister of the Environment): 29.07 per cent.

DEPARTMENT OF PUBLIC WORKS—FEMALE EMPLOYEES

Question No. 219—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Department of Public Works were women?

Hon. Roch La Salle (Minister of Public Works): 24.5 per cent.

EMPLOYMENT OF PRIVATE SECTOR LAWYERS

Question No. 221—**Mr. Howie**

In the fiscal year 1983-84, were any lawyers in New Brunswick, outside of the government, employed by the Department of Justice and, if so, how many and, in each case, what was the total expenditure related to their remuneration?

Hon. John C. Crosbie (Minister of Justice): 1. Yes.

2. Fifty-two.

3. See list below.

Moncton	Brison, Emery	9,661.41
	Drapeau, Ernest	38,297.36
	Innes, Bosse & Mills	50,351.64
	Lampert, Irwin	8,366.76
	Leblanc, Bernard	90.00
	McAllister, Gregg	524.00
	Rideout, McGrath & Co.	15,969.06
	Robichaud, Brigitte	120.00
	Sheeham, Mark	1,132.00
Newcastle	Burchill, William	480.00
	Lordon, Denis	10,483.53
	Smith & Smith	22,278.95
Oromocto	Mckay & Whittaker	3,510.00
Perth Andover	Shaw, Graema	1,913.20
Richibucto	Richard, Clermont	11,261.67
Sackville	Meldrum, W. W.	978.80

Shediac	Robichaud, Theogene	6,178.50
St. George	Larsen, Glen	7,072.97
St. John	Barry, O'Neil & Company	3,498.99
	Gilbert, McGloan, Gillis & Co.	848.65
	McKenna, Hubert	10,494.80
	Purnell & Brien	31,921.28
	Teed, Eric	16,792.82
St. Joseph	Gauthier, Jacques	4,001.24
St. Stephen	Hansen & MacDonald	16,094.71
	McConkey, Dana W.	25.00
Tracadie	Doiron, Leo	30,526.90
Woodstock	Depow, Herve	1,305.00
	Maddox & MacInnis	4,584.43
Bathurst	Richard, John	5,260.58
Campbellton	Dumont, Guy	1,830.07
Edmunston	Tweedie, Edgar	2,059.99
Fredericton	Calabrese & Whitehead	6,064.82
	Jackson, Leslie	5,561.68
	Mockler, Eugene J.	282,588.95
Moncton	Drapeau, Ernest	16,359.00
	Innes, Bosse & Mills	2,462.50
Newcastle	Smith & Smith	9,329.21
St. John	Barry, O'Neil & Company	11,269.09
	Clark, Drummie & Company	21,225.18
	McKelvey, Neil	31,704.12
	Palmer, O'Connell & Co.	407.94
Woodstock	Maddox & MacInnis	221.51
Bathurst	Gallagher, Micheal	6,863.60
Buctouche	Michaud, Leblanc & Co.	2,671.75
Campbellton	Senechal & McBrearty	627.60
Caraquet	Leger, Reginald	13,749.29
Dalhousie	Hayes, Paul	4,414.94
Fredericton	Jackson, Leslie	1,126.02
	Kingston, C.V.	4,724.50
Grand Falls	Duffie, Paul	552.30
Hampton	Day, Lutz & Co.	864.42
Lameque	Noel, Roger A.	1,002.76
Minto	Lawson, William	5,896.06
Moncton	Innes, Bosse & Mills	13,970.48
Newcastle	Bowes, Michael	1,726.00
	McKenna, Frank	96.50
	Smith & Smith	34,982.63
Richibucto	Richard, Clermont	985.90
Shediac	Robichaud, Theogene	3,772.61
St. John	Colwell, Ryan & Co.	160.64
	Gilbert, McGloan, Gillis & Co.	14,537.42
	Leger, Franklyn	305.36
St. Stephen	Hansen & McDonald	981.80

DPW—CONTRACTS AWARDED

Question No. 245—**Mr. Boudria:**

From September 4, 1984 to December 31, 1984, how many Department of Public Works contracts have been awarded or filled by suppliers or contractors, originating in part or in whole, from the constituency of Joliette and, in each case, what was the total value of the contracts and the names of the individuals or companies who were awarded each of these contracts respectively?

Hon. Roch La Salle (Minister of Public Works): Two contracts have been awarded from the Constituency of Joliette. The names of the two contractors and the value of each contract are as follows:

Name	Contract Amount
M. Gabriel Parent, Joliette, Québec	$ 2,000
Construction Fernand Perrault, Joliette, Québec	$45,100

[*Translation*]

Mrs. Tardif: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bissonnette that Bill C-23, and Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to comment on a few aspects of Bill C-23, with particular relevance to how it substantially meets the goals of arriving at a more adequate policy to assist and encourage small business in Canada. Some of my colleagues have spoken to the Bill and have expressed concern about a couple of major points. One of their concerns was the allotment of a further $1 billion for lending. Certainly, that will not be adequate to meet the needs that businesses can anticipate over the next few years. Second,—and we have said this again and again in the House—they are concerned about the fact that interest rates are such an important factor for small businesses, that to ignore that and try to pretend that interest rates are beyond the power of the Government is something which is injurious to the extreme to small businesses in Canada.

● (1620)

As far as the Bill is concerned, Mr. Speaker, if more assistance is being provided, then the New Democratic Party finds itself in favour of that. Our concerns are that regardless of the general opinion that small business is a good thing—an opinion which is held by Hon. Members of all sides of this House—that is still not translated into practical action which would have meaning for many small businesses which are seeking to establish themselves or to expand in order to provide job opportunities and new forms of ideas, innovation and enterprise.

This is important to my riding, Mr. Speaker. We have had such enormous success stories, such as the growth of Mitel

from a small company in a garage ten or twelve years ago, financed, I think, on someone's Visa card, to the industrial giant it is today. There are large numbers of other high-tech companies which have grown in Ottawa over the course of the last few years. There has been as well a very substantial number of enterprises in my riding flowing from our ethno-cultural communities, from the Chinese restaurants along Somerset Street to the grocery stores. These small businesses have been developed by new Canadians who want to establish themselves, and they have been in fact making a great contribution to my riding. That is the story, of course right across the country.

Bill C-23, although it addresses the issue of financing, does not go beyond what I see to be the basic issue for small business in this country today, that is, the issue of power. Small business people live and work and do their business in what has to be described as a free enterprise kind of system where in fact they are the ones who are the most vulnerable to the winds of change and forces of a free enterprise economy while their big brothers and sisters, the major corporations, are not in that kind of situation at all. To say that free enterprise exists for free enterprise today is to say that the Wild West can still be found in Palm Springs, California. That is not true any more for major corporations. They have all kinds of means of sheltering themselves from the vicissitudes of high interest rates, fluctuations in the dollar and other kinds of things which can be devastating in their impact on smaller businesses. Big business and multi-national corporations, in general, pay taxes which are at rates much lower than what is paid by small business. Big business often has access to sources of capital at much lower rates than small business. They do not get called by their banker and forced to sign the mortgage for their own home, for example, in order to keep their business alive when things are tough. If the company is Chrysler Canada, Massey-Ferguson or Dome, if your name is Conrad Black or your company is Norcen, under those circumstances you will get the ear of governments in tough times when assistance is needed in order to survive.

We are running at a rate of some 30,000 bankruptcies among small business every year. Those are bankruptcies of small businesses which did not have the clout of Mr. Black, Chrysler or Massey-Ferguson. Therefore, they were left to sink or swim and, unfortunately, too many of them were forced to sink. We have no adequate monopoly control or anti-monopoly program in this country, and big business interests have successfully prevented that kind of legislation from being passed and have as well prevented changes being made to the Restrictive Trade Practices Act.

From the time I was last in this place, Mr. Speaker, as a journalist covering Parliament back in the 1960s, we have not seen effective changes in Canada's control of monopolies. Yet what is the picture in terms of job creation? Have the tax concessions, the big loans and that kind of thing really done a lot to create jobs? The answer is no. As many Hon. Members have said in this debate on Bill C-23, small business is the major source of job creation, not just in this country but in the United States and, increasingly, in the European countries as well. Whether one looks at countries like Hungary, China or countries in the western industrial world, it is recognized more and more that there are some very special and important virtues in having enterprises which are relatively small and limited where people can relate to each other face to face. These are the countries where ideas and innovation have tended, and are tending, to be found.

If the issue is the question of the imbalance of power between those big corporations which receive the tax concessions and other favours from government and the small businesses which in fact are creating the jobs and providing new sources of hope for ordinary Canadians, then it seems to me that we should confront that question rather than try to sweep it under the rug. The New Democratic Party is very concerned about trying to do that, about trying to ensure that small business has a more adequate place in the life of this country. I do not think of the concept of free enterprise because we do not have free enterprise for business any more. Because of the concessions, the hand-outs and the controls by multi-nationals, the oligopolies and the monopolies, the other kinds of restraints of trade, and the market niches which exist for big business, they do not live in a free enterprise type of environment. Small enterprise does. I suggest that what we should be looking toward, Mr. Speaker, is the concept of "fair" enterprise which recognizes and rewards the contributions which small business makes in terms of the economy.

Over the course of the last month or so, a number of members of my caucus, myself included, have travelled from coast to coast in Canada on a task force on jobs. People have been telling us that control of the economy and of economic development should be decentralized. They do not trust big government. They do not trust centralized agencies any more. They want to do things themselves, Mr. Speaker. They want some encouragement. They say, "Give us the tools and we will finish the job". There has been a good deal of positive comment from groups which have come before us, sometimes from regions where it is hard to see how one could possibly be positive about their prospects. In our ridings we have all seen that the birth of enterprise is in fact important and is something to be nourished. There may be a bit more of it today than there was a few years ago. Our task force will be looking for ways of encouraging that kind of development.

I believe one of the concepts which needs to be developed is what I call "the concept of fair enterprise". What that concept requires is that small business be given a fair chance to grow, to survive and to play its role in the economy of Ottawa Centre, Ontario and of Canada. On the other side, it is also reasonable to suggest that small business should be prepared to take on responsibility, to accept and to co-operate with government initiatives and leadership where they are being offered. I think it is reasonable that if we in government seek to nurture small enterprise, in turn small business should respect efforts made by government to ensure that wages are adequate, that health and safety conditions are decent and to ensure that working people have a right to speak for themselves through

organizations, unions, or other vehicles they happen to choose. I do not think it is fair to say that, because small businesses should be encouraged, as a consequence they should be free to avoid the laws. We should be encouraging, rather than discouraging. There are a number of rules and regulations we make through Government. Let us not forget them. Let us try to ensure, however, that in applying them, they are sensitive to the different needs of smaller enterprises. I believe in the fact that inevitably small businesses in order to survive are going to have to make profits. I accept that. My Party accepts that, because if they do not make profits, they do not survive.

People sometimes have need for expertise as well. When a small business starts up and then fails, it is later asked why that particular business failed to survive. The reason seems to be that the proprietor or the entrepreneur knew about marketing but did not know about production and finance, or he knew about production but did not know a darn about finance. He needed some assistance and advice. I think we have to try to provide ways of giving people that kind of assistance and advice. I would like to see in my riding of Ottawa Centre and across the country groups of people who have been successful in small business devoting a bit of their time to provide consulting services to other people who are on their way up. I would like to see those advisory services expended. In view of the difficulty which exists for governments and organizations to provide assistance for small business, we need to be looking at decentralized sources of venture capital, perhaps co-operatives, in which municipalities or very small-scale funding mechanisms can be found in order to assist with the birth and encouragement of small businesses.

• (1630)

We need to be aware of the fact that some small businesses will fail. If they do, we should try to ensure a relatively soft landing for the people who had the spunk to set the business up in the first place. In other words, you should not be in a situation where you are taken to the cleaners by the receivers if you have to go bankrupt, as is too often the case these days. Possibly, legitimate looses incurred in a small business which failed should be available to the small business persons to write off against other income if they start to get back on their feet. Perhaps there should be other ways to minimize their losses so that instead of having to wait for six or seven years to get their act back together, those small business persons can get going again and start another small business, if that is what they want to do, or make some other similar contribution to the economy. In other words, there has to be a vigorous process of enterprise formation. In order to have that, people have to know that the stakes are not too high if they happen not to succeed the first time they try.

I also want to suggest that when we are looking at the needs of small business, we should recognize that small businesses at different stages will have varying needs. At one stage it is advice, at another stage it is financing, at another stage it is access to marketing channels, and at yet another stage it is access to subcontracts in order to make parts or components or provide services for larger firms. I do not think we recognize the great variety of need out there in the small business sector. Not all those needs can be met through government, but certainly some of them can. At the very least the FBDB and other small business services provided by the federal Government can be more flexible and should be more sensitive to those particular needs.

I had a case come through my door the other day in my riding. This was a franchisee with his business just outside Ottawa. He had taken a loan from the FBDB back in 1981 at 18 per cent. After four years that franchisee was still stuck with paying 18 per cent in order to keep the business alive, and the FBDB was not prepared to make any kind of arrangement to allow that particular small business to buy out of that loan and borrow at today's rates which are a great deal more sensible, this despite the fact the business was being driven to the wall by having paid those high interest rates year after year. That is one of the reasons why, through the course of this debate, we have emphasized the importance of interest rates.

We should also consider addressing the question of the corporate structure and how it affects small business. We need a variety of corporate structures. In the future we are going to see a great deal more different forms of organizations. We are already seeing the phenomenon of worker buy-outs. We need to have more vehicles by which workers can participate in the ownership of their enterprise, particularly when it is small enterprise, and it does not necessarily have to be what we know as a joint stock company. We need to look for the development of co-operatives in which there is a certain amount of entrepreneurship or perhaps a shared enterprise in which municipalities will joint with the private sector in encouraging small business, as has occurred in places like Jamestown and Buffalo, New York.

Mr. Horner: Why?

Mr. Cassidy: I hear someone on the other side asking why. I ask, why not? Why do we have to stifle that particular kind of innovation just because it happens to involve government participation in helping to create jobs and so on? I am sorry that the Hon. Member from Brampton would feel so upset about that particular kind of thing. It seems to me that those kinds of innovative ideas would be good in encouraging small businesses, and I do not think we should think small business has to be a replica of General Motors or Massey-Ferguson. God help us if it were to be.

I look at the coming innovation in enterprise forms from other countries of the world like the very intriguing experiments now taking place in the People's Republic of China. This is not because I think the economy of China is a model for this country—

Mr. McDermid: That is a good example! You are going the other way.

Mr. Cassidy: —but because I think we should be looking for a number of different ways of doing things. I will tell my hon. friend a story. A constituent of mine, a Mr. Peter Lee, a supporter of mine with a successful garage in my riding, has

just been to Peking and talked with the Chinese Government about establishing a garage in the capital of China. He has come back and told me that the incentives to small business in the People's Republic of China happen to be more generous than they are here in the People's Republic of Canada. Well, that makes you think, Mr. Speaker. I would like to make some other specific suggestions prior to concluding.

[*Translation*]

I would like to conclude my remarks by making specific suggestions which are likely to help small business in Canada and which might complement the measures proposed in Bill C-23.

First and foremost, we have to do something about interest rates to make sure that they are not unduly high; among other things, I believe that Canadian banks ought to be compelled to set aside a given percentage of their loans specifically for small business.

[*English*]

Secondly, Mr. Speaker, many small businesses have a great deal of difficulty doing business with the Government of Canada and the provincial Governments. The tiny small-business services, the tiny manufacturer who wants to expand, is often in competition with government procurement agencies which say that they have always bought from some manufacturer in St. Louis or some other part of the U.S. and they are going to continue that rather than letting this small firm have access to business which will allow it to grow. Given the importance of government in the economy, government as a consumer of intermediate products, for example, that has to be changed. In the U.S. now the Small Business Administration has ensured that the federal Government sets aside as a target a very substantial portion of its procurement to be dedicated to purchases from the small business sector. We should be talking about that here in Canada and encouraging the provinces as well.

Mr. McDermid: It is being done.

Mr. Cassidy: We should be cutting the red tape and questioning the requirements for substantial tender bonds, so that small businesses can bid for contracts from the federal Government. We should ensure that large companies which win major bids should be required to subcontract a certain proportion of their work to small firms. The Department of Regional Industrial Expansion and others should be doing their utmost to encourage major companies to subcontract to smaller companies and to make sure those smaller companies are Canadian.

It is interesting to me that while the major companies in this country are in the majority controlled abroad, small businesses are 95 per cent or 98 per cent controlled by Canadians. They do their procurement in the main here in Canada. They are contributing an awful lot more to our economy than is the typical larger business in very many cases. Yet I am struck, as are people who visit Canada, by how much the nuts and bolts, the intermediate products, things you buy in your hardware store, the things that business needs to use in the office in this country, do not come from Canadian sources but from abroad. Why does printing and stationery materials come from abroad when we have one of the largest pulp and paper producing sectors in the world? These kinds of questions are very serious and these are the areas where we can develop and encourage the growth of small business.

My time is about up, Mr. Speaker, but I would like to see much greater concentration on ensuring that the results of research and development are made available in a form which small businesses can use. I mentioned the need to reform our bankruptcy laws so they do not devastate small businesses which happen to go under. I mentioned the need for a much broader variety in forms of ownership in order that co-operatives and other innovative structures and their workers can be encouraged to participate in learning the skills of management, doing business and becoming small businesses so that they may also share the responsibilities of businesses.

• (1640)

I believe those comments are positive and constructive and would complement the increase in financing that is being proposed in Bill C-23.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Scarborough West (Mr. Stackhouse)—Canadian International Development Agency—Monitoring of food relief distribution in Ethiopia; the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—External Affairs—South Africa—Conduct of Canadian companies—Government guidelines. (b) Visit of apartheid apologist; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Environmental affairs—Acid rains—Federal-provincial agreement on control measures. (b) Federal Government funding.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. McDermid: Mr. Speaker, is the Hon. Member not aware that the Government of Canada is currently conducting sessions throughout the country for the small business sector about how to sell to Government procedures for getting involved and how to get on bid lists? These seminars are taking place and programs are being conducted whereby products presently being imported are being displayed to Canadian entrepreneurs, primarily in the small business sector, to see if they can produce them here in Canada to be supplied to the Government of Canada? Does he know if that is taking place?

Mr. Cassidy: Mr. Speaker, I am aware that that is going on. I applaud such a move and I think it is desirable. It has taken a long time for it to start.

As the Hon. Member knows, my previous experience has been in Ontario. It took a long time before Ontario began the kind of innovation that is occurring at the federal level now. However, it is not close to the scale it should be at today.

I believe there should be an annual report in the House made by the Minister of State for Small Businesses (Mr. Bissonnette) in terms of the targets the Government is setting for procurement from the small business sector in Canada and how it is performing in relation to those targets. If that progress is not sufficient, we would then be in a position to make the Government accountable to ensure that it does better in the future.

The Hon. Member will agree with me that while this is taking place now, it was a long time before the country began to focus on that kind of valuable assistance to encourage small businesses to grow by dint of being able to sell more adequately to the Government.

There are still many obstacles, such as a delay of a year and a half to get a contract before there is any cash flow and sales in return. Furthermore, tender bonds or other obstacles are put in the way of small business. This effectively rules them out of participating effectively with the Government.

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have a few comments to make on Bill C-23, an Act to Amend the Small Businesses Loans Act.

Today, in my mail, there was a document I received from the Canadian Federation of Independent Business in which it is stated:

> The difficulty in obtaining adequate financing often is one of the major problems faced by new or growing businesses.

It goes on to say:

> Since the interest rate crisis has receded in 1982, the overall tax burden is the main problem referred to by most businesses in the National Survey—

That was a poll carried out by that firm, and all Hon. Members have had the findings sent to their offices. That poll was carried out regularly, month after month. It helps us a good deal as Members of Parliament, because precisely it gives us the views of the Canadian Federation of Independent Business.

From the very first day the legislation was discussed, everyone has been referring to the importance of small and medium-sized businesses. And upon listening to several speeches, I have come to realize the extent of the expansion experienced by our small entrepreneurs, but the main thing I am realizing is that those small businesses are the ones most often penalized.

First, the Government over there inflicted Bill C-15 upon them. Now they are faced with Bill C-23. It would seem the Government cannot force itself to help our small and medium-sized businesses. These people often speak of consultation and discussion, but they have been ignoring a number of good suggestions. For instance, I read early in February a rather interesting speech made by the President of Gulf Canada. In that speech, this gentleman reminded us of the Government's intention to leave job creation to the private sector, something with which he is in total agreement. However, he goes on to offer suggestions to improve conditions for small and medium-sized businesses.

He is suggesting among other things that we reconsider the following programs: the unemployment insurance scheme, health and safety in the work-place, and the pension plan. He recalls that wherever a business has a deficit, the burden is shouldered by the manager-owner personally. In fact, the whole tax system could also be revamped, he said. It could be provided that the realization of capital gains, when the owner dies, should not lead to a forced sale. Small and medium-sized business owners could be granted the same treatment as farmers, who can roll over the family farm to their children without tax being paid on the capital gains.

The same applies to the pension plan. Why not treat small businessmen the same way as we do farmers allowing them to transfer any taxable capital gains realized between 1971 and 1983 in an RRSP?

Many changes could be made to lighten the burden of small businesses, but we have now been presented with Bill C-23, which will frustrate them even more and make them waste even more time.

Mr. Speaker, more and more women are heads of businesses. It is a fact that over 30 per cent of new businesses are headed by women. I think that they show a lot of courage, especially in these difficult times.

All the figures show that this Bill will affect the most vulnerable group in Canada, namely women between the ages of 35 and 45. Moreover, the proportion of businesses owned by people under 30 has doubled between 1964 and 1980 while that of businesses owned by women has tripled.

In addition, we can see that women are as involved financially as men. However, this is where equality stops. Collateral required of women when they ask a bank for a loan is not always the same as for men. Only a few years ago, a woman had to give the name of her husband when asking a bank for a loan. What will happen to women when they want to borrow to start a business, especially with the fee of 1 per cent of the amount of the loan which will have to be paid by the lending institution to the federal Government? If the banks are already suspicious of businessmen, what will they think of women who want to get into business? I wonder whether bankers will change their minds on this subject, especially since 10 per cent of the risk will have to be assumed by the financial institution. What will happen in practice?

We should not think that the banks will reduce their profits. These losses will have to be incurred by someone, that is for sure. We should not think either that getting a loan will be as easy as before. It is quite clear that the banks will not be any quicker to approve loans, which will mean another loss of time. Who will be penalized? The answer is quite simple, Mr. Speaker, it will be the small businessman.

What about the times when a business would only need minimal assistance to get through a difficult period? There is no thought of providing such assistance to our businessmen and women. It would sometimes take very little money, but it is too much for the businessman. Some type of assistance could have been provided for such difficult times.

It is a well known fact that small businessmen spend most of their time taking care of their business. They are often willing to give their free time to support their business. Many young businessmen even borrow the personal savings of their friends and families.

• (1650)

All of us have known these small businesses which involve most of the family members. While one of the spouse is the main shareholder and the other is its main business executive, most everybody comes in once in a while to lend a hand. These small businesses can survive only at the cost of major sacrifices.

It is a fact that entrepreneurship among Canadian men and women continue to flourish in spite of various problems. Thousands of Canadians, previously unemployed, have created their own jobs, and in my Saint-Michel-Ahuntsic riding office, I often come across people complaining that they cannot find jobs. I suggest to them to start a new business. Often, as I was saying, these people are women and they have a hard time, because the banks demand additional guarantees from them. I fear that banking establishments will eventually "pass on" to their customers the cost for their 10 per cent share of the losses and the 1 per cent loan fee which they must pay to the government.

There are in Canada some 750,000 small businesses. What people do not realize at first sight is that these small businesses generate much economic activities in all Canadian towns and villages. For that matter, statistical data show that small businesses play an important role in creating and preserving jobs. Thanks to the regional development for which they are responsible, several Quebec municipalities have flourished and prospered.

This morning, I noticed that several of my colleagues who live in the country or in small villages—personnally, I live in a major metropolitan centre—seem to think that their people experience more difficulties in obtaining these loans. That is indeed a pity, for everybody keeps saying and repeating that the private sector in general and small and medium-size businesses in particular are the key to the survival of the Canadian economy.

Like many others, Mr. Speaker, I wonder if the government is not turning its back on progress. For the past few weeks, I have had the impression that most of the bills we have been dealing with are taking us back 20 years. All this serves only to destroy the achievements of so many years. I see that the Hon. Member from Hochelaga-Maisonneuve (Mr. Desrosiers) agrees with me.

Mr. Desrosiers: Not at all! Absolutely not!

Mrs. Killens: This Government really shows that its priorities are not those of Canadians. If I wanted to be mean, I would say to the Hon. Member for Hochelaga-Maisonneuve that the Government is obviously more often trying to please the Americans than the Canadians.

Mr. Boudria: It is true.

Mrs. Killens: I do not think that the Bill as such would be good for the financial situation of small businesses. Indeed, if it were passed in its present form on third reading, it would have a baneful effect on most medium and small businesses.

Vested interests are denied. Conditions will be made more difficult for them. Men and women in the business sector have much more to do than to spend several hours a week filling those questionnaires. It is already difficult enough to manage a company without having to go from one bank and one district office to another.

Mr. Speaker, as my colleague the Hon. Member for Hamilton East (Mrs. Copps) said in her speech on February 7, the Government has adopted a kind of Pontius Pilate approach and abandoned small businesses. It merely entrusts the whole affair with the Governor in Council if not the Minister who will have the last say about future amendments.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned:

[*English*]

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-13, an Act to amend the Public Works Act and the Public Lands Grants Act—Chapter No. 1.

Bill C-21, an Act to amend the Currency Act—Chapter No. 2.

Bill C-17, an Act to amend the Excise Tax Act and the Excise Act—Chapter No. 3.

Bill C-28, an Act to amend the Pension Act—Chapter No. 4.

* * *

● (1700)

BUSINESS OF THE HOUSE

Mr. McDermid: Mr. Speaker, I rise on a point of order. The Hon. Government House Leader asked me to announce the business of the House for tomorrow. We will continue with Bill C-23. Once that is completed, we will carry on with Bill C-24.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Speaker: Is there unanimous consent for the House to proceed to notice No. 34?

Some Hon. Members: Agreed.

* * *

GOVERNMENT OF CANADA

SUGGESTED EXAMINATION BY STANDING COMMITTEE OF GOVERNMENT APPOINTMENTS AND CONTRACTS

Mr. Don Boudria (Glengarry-Prescott-Russell) moved:

That the Standing Committee on Miscellaneous Estimates be empowered to examine all aspects of appointments made by the government, except those made by the Public Service Commission, and to examine all aspects of government contracts including those relating to advertising for services let by the government, for the period commencing September 17, 1984.

He said: Mr. Speaker, it gives me great pleasure to participate in this very important debate this afternoon. Of course, all Hon. Members will recognize that this is a very important issue and one which affects the credibility not only of the Government but of the Prime Minister (Mr. Mulroney) personally because of the commitments he made during the election campaign.

I remind the House of an article which appeared in *The Toronto Star* on January 5, 1985, alleging that certain government advertising contracts had been given to friends of the Conservative Party. These contracts were allegedly given, or were to be given, to those friends of the Conservative Party by a pre-arranged deal whereby certain individuals would contribute funds to the Conservative Party in exchange for getting those contracts. Those allegations appeared on January 5 in *The Toronto Star* and on January 7 in *The Globe and Mail*. Also I remind the House that I immediately wrote to the Commissioner of the Royal Canadian Mounted Police and asked that a criminal investigation be launched into this issue because of potential violations to Section 108 and Section 110 of the Criminal Code of Canada involving corruption. The RCMP is still conducting inquiries into this issue. They had been to Montreal and Toronto to interview different individuals and will be reporting to us shortly as to whether they will be launching a criminal investigation.

● (1710)

In my view, government advertising contracts should be tendered in a very different way. The Minister of Supply and Services (Mr. Andre) has told the Canadian public that it is not done in any other way in any other country in the western world. He told all of us that we cannot have a structure by which government advertising contracts would be tendered, that this would be impractical in the Minister's opinion.

I beg to differ with the Minister of Supply and Services. We could look into the possibility of having an internal agency of

record. Why can we not have public servants do the grouping of the advertising contracts in order to obtain the better rates that one gets when grouping contracts together? There is no reason why that kind of structure cannot be looked at by the parliamentary committee, as I suggested.

From there on, there is no reason why a parliamentary committee cannot interview various experts in the advertising sector who could tell us of new and better ways to award government advertising contracts. There is no doubt in my mind, and I do not think there is doubt in the mind of any Member, that the present structure is inadequate and improper. Of course, it reeks of political partisanship.

I want to remind Hon. Members of certain commitments that the Prime Minister (Mr. Mulroney) made during the election campaign which we had not that long ago. Let me read a few of the commitments for the benefit of all Members. On July 9, 1984, the Prime Minister said:

> I commit myself to set up criteria for quality which will impress the Canadian people. I think that what took place is completely unacceptable in an open and democratic society. We are going to reform this instrument of our national life.

This, Mr. Speaker, was said by the present Prime Minister on July 9, 1984.

Some Hon. Members: Hear, hear!

Mr. Boudria: I am glad to see some Tory Members applauding that initiative. No doubt when they speak later this afternoon those Members, like myself, will condemn the Prime Minister for the actions that he has taken, condemn him for the blatant political patronage that he has exercised, and condemn the Prime Minister for having breached a sacred trust, to use an expression that has been used sometimes before by certain Conservative politicians in this country. On July 16, the Prime Minister said:

> The method of making appointments could be corrected by dramatic measures.

Where are the dramatic measures? This Government has been in power for six months and what has it done?

An Hon. Member: We won the election.

Mr. Boudria: Yes, they won the election by making 338 promises, by making commitments to the Canadian people that they would reform the institution. What have they done? They have broken almost every single promise that they made to the Canadian public.

Let me read another promise of the Prime Minister, this one made on July 16. This explains the views of this Government. It really tells what has been going on. This is what the Prime Minister said:

> I was talking to Tories then and that is what they wanted to hear. Talking to the Canadian public during an election campaign is something else.

That is the kind of double standard that the Prime Minister has used. Time and time again he has told what they want to hear and has done completely the opposite. It is time that the Prime Minister delivered some of those promises that he made to the Canadian people.

Hon. Members may ask how we could reform some of those institutions. Perhaps the Prime Minister should have thought of that before making the promise during the election campaign. However, being the constructive Opposition that we are, let us outline some of the methods by which the Government could improve the present process.

Certain appointments, because of their power and prestige or remuneration, or because of the public and media perception of the past and present abuse, might be removed from the political arena in whole or in part or subjected to a parliamentary process, much like the Prime Minister suggested during the election campaign and not delivered upon. Frequently, a combination of both professional and parliamentary scrutiny could be appropriate. Let me express some of the alternatives.

[*Translation*]

In the United States, for instance, Congress and the Senate especially are empowered to examine or confirm many presidential appointments to senior positions. In Canada, there are three ways a similar procedure could be applied, each with its own specific advantages and drawbacks. I shall elaborate.

Appointments to senior positions in the Government could be referred for consideration to a standing committee. This committee could be a so-called ad hoc committee or else an existing committee could be used, as I suggested in today's motion. Referral to a committee of the House of Commons would make it possible for elected representatives to exercise control over appointments of senior officials.

Quite recently, we have heard Progressive Conservative Members speak in this House to emphasize the importance of elected representatives.

I hope Hon. Members will vote in favour of referral to a committee so that our elected representatives will be able to speak to this matter.

Mr. Speaker, another possibility would be to have the appointments reviewed by a committee of the Senate, which could check political appointments, and the same committee could review appointments and give the House and the Canadian people the assurance that the people who would hold these positions were competent in the areas in question.

We could also have a review by several committees or by joint committees of the Senate and the House of Commons, and in this way we could take advantage of both the experience of our Hon. colleagues in the other Chamber and that of the elected Members of the House of Commons. In this way, Mr. Speaker, we could take advantage of the resources of both the House and the Senate.

We could also have appointments reviewed by professional associations, for instance, and then refer the matter to the House, more or less like the Bar Association does before suggesting names for appointments to the bench.

Mr. Speaker, these are some of the ways we could deal with political appointments in order to remove the partisan aspects

which exist today, thus meeting the solemn commitment made by the Leader of the Progressive Conservative Party during the last election campaign.

[*English*]

As I was mentioning a moment ago, one thing we have to do is ensure that the people who are recipients of political plum jobs which the Government offers to them are indeed qualified for the functions they will be undertaking. I read in the Ottawa *Citizen* not long ago that Mr. William Hawkins had been appointed to the Textile Board. By his own admission, Mr. Hawkins clearly stated, according to the same report, that he was not qualified for the job, that he had not applied for it and had no idea why the Government chose him for that function in the first place. There is not doubt in my mind that with that kind of information, a parliamentary committee reviewing the candidacy of such an applicant may have second thoughts before recommending to the House that he be appointed.

• (1720)

Not long ago, there was the appointment of Roy McMurtry as High Commissioner in England.

Some Hon. Members: Hear, hear!

Mr. Boudria: I am glad to hear the applause in this House. I happen to know Mr. McMurtry quite well and consider him a personal friend. I feel that he is qualified for that job.

Some Hon. Members: Hear, hear!

Mr. Boudria: That is good. However, we are not discussing the calibre of that individual; we are discussing the process that was used. The Prime Minister said that important political appointments in the area of economy or external affairs would be reviewed by a parliamentary committee. I would ask Members across the way what is more important to the area of external affairs than the High Commissioner representing this country in Great Britain. If that is not an important position, then what is? If it is an important position, then just maybe the Prime Minister of the country should deliver on the promise he made some six months ago.

We are told that the Prime Minister has, after the numerous questions I have raised in the House, finally asked the chairman of the Committee on the Reform of the House to look at the possibility of finding a formula to interview those candidates in the future. That is nonsense. Where I come from, it does not take six months to figure out a procedure for interviewing candidates.

After six months, all the Prime Minister has offered us is this possibility of a solution. We need more than that from the Prime Minister. We need leadership. We need the Prime Minsiter to deliver on the promises he made. If he cannot deliver on those promises, the Prime Minister should rise in the House and apologize to the Canadian people for having made a mistake when he told them he would deliver on a promise. He should now admit that he is unable to deliver on that promise and that he does not have the competence to deliver on the things he offered in the first place.

[*Translation*]

I see my colleagues of the Progressive Conservative Party, the bookends on this side of the House, Mr. Speaker, and I hope that the bookends who have been elected to the House—

An Hon. Member: There are not too many books.

Mr. Boudria: No, and not too much support that I can see, Mr. Speaker, because there are very few bookends to support the Government this afternoon. Still I hope the bookends in the House will take the floor and support the commitment made by the Prime Minister during the election campaign, while at the same time denouncing the attitude of the Prime Minister since the September 4 election.

Mr. Speaker, no one can claim at the same time that the Prime Minister was right during the election campaign and that he is still right today, because he is doing exactly the opposite of what he said during the campaign. I note that my colleague on this side of the House is nodding approvingly, the Prime Minister is right when he contradicts himself. It is possible, Mr. Speaker, perhaps that is the mentality of the Progressive Conservative Party. That must be how the Conservative Members get to think that the Government has the right simultaneously to tell the people two different things.

I know I cannot say that Hon. Members give the Government the right to lie, that would be unparliamentary. Let us say that Members of the Progressive Conservative Party think that the Government has the right to tell Canadians two different things at the same time. That is how Members of the Progressive Conservative Party can support the Prime Minister when he acts in such a way as to deceive the people of this country.

So far, Mr. Speaker, we have been getting unsatisfactory answers from the Prime Minister and the Deputy Prime Minister (Mr. Nielsen). Reference to committee is called for to debate this issue. I hope the committee will be given a mandate today and will convene soon so that we might establish the necessary criteria and then hire applicants for those important positions, as promised by the Prime Minister during the last election campaign.

[*English*]

Further, I believe that as of today, the Government should immediately place a moratorium on political appointments for a period of two months. In those two months, we could establish the necessary parliamentary structures the Prime Minister promised during the election campaign. Once those structures are in place, then the candidates that are appointed to high offices will be appointed not only with the consent of the Government but with the support of the House and of the people of our country.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, having heard what the Hon. Member has said, I can see why there are only two members of the rat pack and one second-row member present in the Liberal seats.

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member not to refer to the presence or absence of Hon. Members in the House. They may be in committee meetings.

Mr. Bradley: I am sorry, Mr. Speaker. That was an oversight on my part and one for which I apologize. It was just the shock of seeing the bare seats that overwhelmed me.

The Hon. Member called for an internal agency of record. I would ask the Hon. Member if he is now suggesting we have another CUIO, or if he remembers how violently he opposed that little item. The Hon. Member spoke of various ways in which we could look at things. He spoke about referring the matter to a standing committee, a series of committees or a joint committee.

Mr. Boudria: I talked about alternatives.

Mr. Bradley: I might add, Mr. Speaker, that if we had a joint committee at the present time that included members of the Senate and of the whole House and that studied all contracts, it might grind to a sudden halt. The Hon. Member referred to a committee of professionals set up to review these appointments and to review the contracts given by the Government.

The Hon. Member has said that where he comes from, it does not take six months to create a committee to review these things. Perhaps if he told us where he came from, we would understand why it does not take six months to do so. I am sure that he wants proper leadership. He wants committees that will look—

Mr. Boudria: We are not getting any leadership.

Mr. Bradley: He wants committees that will look at these matters and give them serious consideration. That does not happen overnight. He calls for leadership.

Mr. Boudria: Do it.

Mr. Bradley: We have leadership. Our leader is showing leadership. Having heard what the Hon. Member has said today and having seen the absence—excuse me, Mr. Speaker—of his Leader, it is obvious that he does not have leadership in his Party. Possibly he has not been present for the last six years to see how nice it is to have leadership in the Government all of a sudden. We appreciate the leadership that we have from our Leader, the Prime Minister of the country.

I would like to read the motion of the Hon. Member because—

Mr. Nunziata: It's a good motion.

Mr. Bradley: It is an interesting motion. However, the Hon. Member did not speak to the motion. The motion refers to the Standing Committee on Miscellaneous Estimates and not to all of the alternatives of which the Hon. Member spoke. The motion states that the Standing Committee on Miscellaneous Estimates should be empowered to examine all aspects of appointments made by the Government except those made by the Public Service Commission and to examine all aspects of government contracts including those relating to advertising for services let by the Government.

This is an important issue. It is a serious issue. However, I guess from the tone of the Hon. Member's presentation, the tone of the Hon. Member's motion and the tone of the heckling from the pack at the back that he is concerned about how this Government does business. I take exception to that. I challenge the Hon. Member to say that any Minister on this side of the House is not taking his responsibilities seriously.

Mr. Nunziata: The Defence Minister.

Mr. Bradley: I defy him to say that the Acting Minister of Defence (Mr. Clark) is not doing his job.

Mr. Nunziata: The former Defence Minister.

Mr. Bradley: I defy him to say that the Minister of Transport (Mr. Mazankowski) is not seriously concerned about transport in Canada. I defy him to say that the Minister of National Health and Welfare (Mr. Epp) is not concerned about issues that arise in the area of health and welfare.

Some Hon. Members: Oh, oh!

Mr. Bradley: We could name them all because they are all responsible and they all carry out their duties. It surprises me that two members of the pack over there are making a lot of noise. It would be unparliamentary for me to say that I did not know that rats were so vocal, so I will not make a statement such as that. However, they are loud over there. If the third famous member of the pack were in the House, the House can be assured that it would even be louder. I know the Member opposite is aware that the appointments which have been made since September 17 have been fully defended in the House when they had been raised and challenged, because this Government fulfils its obligations and fills its positions with qualified individuals.

• (1730)

Mr. Boudria: What about Hawkins?

Mr. Bradley: For example, I could cite the case of the Canadian Arsenals Limited. I have been waiting for a question from the Hon. Member for weeks on this subject, but he is afraid to ask the question. We approached the President of Canadian Arsenals Limited and asked him what qualities he wanted in the members of the board. He provided characteristics which were desired in board members, and this administration fulfilled these requirements in our appointments.

The only contract award that has caused discussion in the House is that of the Agency of Record, which is the organization for the placement of advertising. After questions were

raised, two Hon. Members received copies of the AOR contract and there have been no further comments from those Members on the matter.

It is an extremely important issue. Traditionally, the appointment of the Agency of Record was not one which was subjected to the competitive process. The appointment of a new AOR was an effort to save money for the taxpayers of Canada. My Department was able to negotiate a new contract, which resulted in savings of $18,000 per month. I might remind the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) that the AOR was introduced by the previous Conservative Government to save money. Since 1981, the AOR has saved the Government of Canada $3.6 million.

I would like to cite a few other points which will show the magnitude of this motion. I would like to cite from the annual report of the Department of Supply and Services, which I am sure the Hon. Member has memorized. With respect to purchasing highlights, during the 1983-84 fiscal year, the Department of Supply and Services placed 350,232 contractual documents, which had a total value of $10,563 billion. That is the highest value of contracts which has been issued in the history of the Department's contracting activity.

The second part of the motion states that the Standing Committee on Miscellaneous Estimates be empowered to examine all aspects of government contracts including those relating to advertising for services let by the Government. As I have just stated, the Department of Supply and Services alone had over 350,000 contracts last year. If all of those contracts had been referred to committee, the committee would sit—in the 170 sitting days of the House—every day, and it would have to consider 2,000 contracts a day to examine only those let by DSS, not the Department of Public Works or other Departments of the Government. Or, if the Hon. Member wants to sit every day of the week, the committee would have to consider 1,000 contracts a day every day of the year. I do not think that is what the Hon. Member had in mind when he drafted the motion. If it was, he certainly did not think before he wrote it.

We could look at the area of printing production. I am proud of this Department. The printing production provides a centralized copying, duplicating and printing service to Parliament and to government Departments. The main plant is situated in Hull, Quebec, and it fulfills the printing requirements of Parliament and government Departments which, because of their sensitive and urgent nature, must be processed in-house. A network of 48 outside plants operates throughout the national capital region and provides on-site service for government Departments and processing short-run requirements. The total manufacture or in-house printing business volume for fiscal year 1983-84 was $66 million. Does the Hon. Member want the committee to sit and review every printing contract which goes to those 48 outside plants in the Ottawa region?

What about the Advertising Management Services Branch? It is one of which I am sure the Hon. Member is well aware. That branch contracts on behalf of government Departments for advertising agency services, including the services of the Agency of Record. The branch also contracts for the purchase of media space and time through the Agency of Record. During the 1983-84 fiscal year there were 483 contractual documents, with a total expenditure of $66.9 million, which were awarded on behalf of client Departments. I might also point out that by taking advantage of the prompt payment discounts which are offered by media suppliers, savings of $322,417 were achieved for the benefit of client Departments. If those 483 contracts had to sit on a table waiting for review by a committee, there would not have been over $322,000 savings for prompt payment. The contracts would not yet have been approved.

I could go on. The annual report is full of examples. I could talk about the Consumer Products and Traffic Management Branch. That branch is responsible for the acquisition of food, drugs, clothing, and textiles, the movement of personnel, household effects and freight. That branch purchased products and services which totalled $310 million in fiscal year 1983-84. The products included uniforms, protective clothing, tents, tarpaulins, flags, books, buttons and mail bags. That branch also purchased canned goods, ration packs, wheat, edible oil, beans and corn for foreign aid programs, and hospital equipment for both federal and provincial Governments. The branch also purchased drugs, infirmaries, and other medical installations.

I could go on to cite examples which would indicate the futility of referring to the Standing Committee on Miscellaneous Estimates, all the contracts of the Government of Canada for review. I could speak about the Marine, Electronics and Industrial Systems Directorate, the purchasing which it does and its contracts.

Mr. Boudria: What about patronage?

Mr. Bradley: I could go on to patronage, and I will. Appointments are part of the Hon. Member's motion. He is aware that I am the Parliamentary Secretary to the Minister of Supply and Services and that I am concerned about the accusations and the comments he has made about the Department. I am not prepared to sit back and let him say those things. The Department has some 10,000 employees who oversee all the contracts of the Government. How can he propose that it should be done by a standing committee of the House of Commons, which would have to review some 2,000 contracts a day?

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): The Liberals did it with one person.

Mr. Bradley: That's right. As my hon. friend said, in the last Government the Liberals did it with one person. We are not prepared to do that.

The Hon. Member has made accusations against the Prime Minister (Mr. Mulroney). We would look at *Hansard* of February 5, 1985, when the Hon. Member for Glengarry-Prescott-Russell raised a question. In that question he said:

Government Appointments and Contracts

I have a question for the Prime Minister. During the election campaign the Prime Minister said on the CTV program *Question Period* that the key position affecting economic of foreign policy should be screened by a House of Commons committee.

The Prime Minister replied:

I have communicated with the Hon. Member for St. John's East, who is chairing the task force on parliamentary reform, ably assisted by the agriculture critic of the Liberal Party.

The Prime Minister said nice things about the agriculture critic. Sometimes I wonder. He is showing leadership, and when he says nice things about people he means it. I will not quote the nice things he said about the Hon. Member because the Hon. Member does not have a grain of—

Mr. Boudria: A rat.

Mr. Bradley: Yes, but I would not say that. The Prime Minister continued and said that he had "asked him and his distinguished colleagues if they could provide a formula whereby such appointments will be vetted by committees of the House of Commons, as we all wish". Obviously, the Hon. Member for Glengarry-Prescott-Russell is not a member of that committee. He may not know how committees such as this work. He undoubtedly knows that the committee is working *in camera*, working hard and that it sits for long hours. The committee will provide a solution which I am sure will bring happiness to all because it will be done properly. He talks about these things—

Mr. Nunziata: Is it any wonder he is not a Minister?

● (1740)

Mr. Bradley: Will someone stop pulling the Hon. Member's chain? An Hon. Member of the New Democratic Party is pulling a chain in the pack area.

I ask the Hon. Member if he does not agree with the appointment of Lloyd Francis? I ask him if he does not think that Stephen Lewis is a good ambassador for Canada to the United Nations?

Mr. Boudria: What about the rest?

Mr. Bradley: What is the Hon. Member's complaint about Bruce Phillips? As I said a while ago, I might suggest that he walk forward six steps, turn about and face his own front bench, then start asking about appointments. He should ask the previous Prime Minister. Where was the Hon. Member at that time? He was a Member of this House.

Mr. Nunziata: You promised to change it.

Mr. Bradley: No, no, he wasn't. He is just finding his wings and his four legs and learning what it is about, Mr. Speaker. I am sure that wherever he came from it does not take six months to create a committee. Possibly where he was, he could have asked his Leader about the appointment of Mr. MacEachen, Mr. Pitfield, Joyce Fairburn, or Michael Kirby.

Mr. Boudria: Who made the promise to David Cunningham?

Mr. Bradley: Who made the promise? The Hon. Member's Leader made the promise to the former Prime Minister. He promised him that when he became Prime Minister, he would appoint all those Liberals to the Senate. That is who made the promise, Mr. Speaker, and we on this side know how the Liberals kept their promises. We see how it is costing the Government of Canada and the people of this country millions of dollars because of the promise the Hon. Member's Leader made of putting some fellow by the name of MacEachen in the Senate, Mr. Speaker.

Mr. Boudria: Order.

Mr. Bradley: We agree that a review is required for the appointments to the political system. That is why the Prime Minister of this country has asked the Hon. Member for St. John's East (Mr. McGrath) to undertake such a task. This is something which, as the Prime Minister says, we all want.

Mr. Nunziata: After three months of my asking for it.

Mr. Bradley: It is under review. The Hon. Member says, after three months of his asking for it. I am sure my colleagues on this side of the House are aware that we have been asking for it for the last 16 years. Time is needed to create an efficient process, Mr. Speaker. We can look at the U.S. Senate. As the Hon. Member mentioned, a confirmation is required by the U.S. Senate for appointments in the United States. But we might remember that Attorney General Meese was appointed by the president last year and his approval was not received until February of this year. We might point out that the American Senate breezes through some 140,000 appointments and literally rubberstamps them. We don't want that, Mr. Speaker. We want a good committee which faces responsibility and does its job. We will work toward that, Mr. Speaker. We will work for the betterment of this Parliament not to its detriment as the Liberals have done for the last 16 years. We have a Prime Minister who in this area, as in all areas, offers leadership, not dictatorship.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am glad that this subject is getting ventilated in the House of Commons because it has been a concern of mine for some time. I feel it is a serious issue and I want to take it seriously, although I must say, to have a member of the Liberal Party making these proposals for reform is a bit like having Dracula clean up the blood bank, as we used to say in the Ontario Legislature.

Some Hon. Members: Hear, hear!

Mr. Cassidy: I would remind my hon. friend from Glengarry-Prescott-Russell (Mr. Boudria), who, I believe, will be making a contribution to this House, that it was only back in July that the Turner Government—only days before the election was called—awarded a 21-month contract for the Agency of Record to a consortium of four advertising agencies known as Canadian Media Corporation which has strong ties to the Liberal Party. I raised the question of the Agency of Record when the House resumed in January. Of course, the only

difference between that and the award which was made by the Progressive Conservative Party Government on January 7 was that its award for the Agency of Record went to a firm with Conservative links rather than to a firm with Liberal links.

Frankly, I think the allegations are largely irrelevant. The fact is that this has been used and is being used by both of the old Parties as a means of rewarding their friends and for the purpose of keeping an advertising capacity in the wings to help develop advertising for them in forthcoming election campaigns. The Hon. Member who raises this issue should be aware that he is one of the very few people in his caucus who, I believe, can justifiably raise the issue. Most of his colleagues sat in government in the House of Commons, watched and did nothing, and did not even have the grace to hold their nose at the patronage practices of the Liberals when they were in power.

I would like to deal with the question of appointments. This resolution properly raises the subject, although I would say to my hon. friend that perhaps it could have been drafted in a better way. It does raise the issue of misspending, the use of abusive contracts such as the one for the Agency of Record, as well as the question of appointments.

I would like to deal with appointments first. As all Hon. Members have recognized, the issue of appointments came up during the course of the election campaign. Even prior to that time, the Prime Minister (Mr. Mulroney) indicated in his book *Where I stand* that he thought that at the very least, major economic appointments made by Governments, such as that of the Deputy Minister of Trade, the Deputy Minister of Finance or the head of the Economic Council of Canada, should be subject to some form of parliamentary review. He did not say in what form it should be. He thought that this was something which should be developed. But that was a promise made in his book, which was reiterated by the Prime Minister when he appeared in the Leaders' debate on television during the election campaign. A very specific promise was made. Yet when I raised this issue with the Deputy Prime Minister (Mr. Nielsen) shortly after we resumed in January, all I was told was that he was assured that the select committee on parliamentary reform was looking at that particular issue. Essentially the same answer came from the Prime Minister a few days later.

It is a fact, Mr. Speaker, and, I feel, a regrettable one, that when the terms of reference for that committee were drawn up, the Government overlooked including in the terms of reference this particular question around which a specific promise has been made by the Prime Minister during the course of the election campaign. Frankly, I was distressed at the tone of some of the remarks made by the Parliamentary Secretary to the Minister of Supply and Services (Mr. Bradley) a few moments ago. He seemed to be going on the defensive rather than saying, "Look. I don't like the tone of the Hon. Member for Glengarry-Prescott-Russell or some of the cracks he is making about us, but, yes, we are serious about this particular issue".

I appeal to Hon. Members on all sides. I believe this is an area where we do have an opportunity in this House to make strides forward with respect to a reform, a reform which I believe would be very innovative in terms of parliamentary government. I have taken the trouble to do some research on this particular subject in terms of the extent to which other legislatures, parliaments or assemblies actually vet or review major appointments made by their particular Governments. I think it is a case that every Government has to have a certain number of appointments which do not come about on merit or through the civil service process but, one way or the other, are made by the head of state or the government of the day. To what extent do other legislatures review those appointments?

The fact is that in the Mother of Parliaments, according to the research I was able to do, because it is a centralized and unitary system in Great Britain, there are large numbers of such appointments made by the Government and, in fact, there is no form of parliamentary review except through questions or Estimates, the same devices we use here. It is possible, of course, to criticize a bad appointment through questioning, as we can do and sometimes do, as was done today when the facts of the appointment of Mr. Hawkins were raised in the House. But that is not an adequate form of review.

The Parliamentary Secretary, on the other hand, wants to push this to the extreme. There are potentially many thousands of appointments made in a year by the Government. That is our system. The Parliamentary Secretary asks if parliamentary committees should review all of those. He asks if the Hon. Member is suggesting that every contract of the hundreds of thousands of contracts awarded by the Government of Canada each year should be scrutinized by a parliamentary committee. For practical reasons, that is impossible. In the United States, to take a second example, there is a process of review of appointments which is very widespread. The Parliamentary Secretary indicated that a lot of those payments are rubberstamped. That is correct, because hundreds of thousands are subject to that kind of review in a particular year. However, what happens in that system, which is definitely different from ours, is that the Senate committees, and I think House committees as well, have the right to look at any particular appointment. They could focus on the appointment of a federal judge in Alabama, if they chose, although generally they tend to concentrate on the several hundred appointments to senior levels of government in a system which has two and three tiers of political appointments. This is unlike our own, where the Deputy Ministers and Assistant Deputy Ministers are not such political appointments. In the U.S. the system is selective, although they have the power to look at almost anything.

• (1750)

One way or another this will come up before the committee on parliamentary reform. I have been planning and preparing a brief for that particular committee. I hope that in response to this particular debate, and I put this forward constructively, the Prime Minister or the Deputy Prime Minister (Mr. Nielsen) might get up in the House in a couple of days and

announce that the Government was making a specific reference. Perhaps the Prime Minister might simply write to the Hon. Member for St. John's East (Mr. McGrath) and ask that the committee specifically take up the question of the extent of patronage appointments, or Order in Council appointments as they are also called, and how they would be reviewed by a parliamentary committee or committees. Since I am a member of the Standing Committee on Miscellaneous Estimates, I plead with this House not to make all those appointments subject to review by that particular committee. It would make more sense if an appropriate committee were to have the responsibility of looking at appropriate appointments. Standing Committee on Finance, Trade and Economic Affairs, for example, would look at appointments of, let us say, Deputy Minister of Finance, Governor of the Bank of Canada, Chairman of the Economic Council, and the deputy ministers and assistant deputy ministers of Regional Industrial Expansion. Similarly for the Standing Committee on Fisheries and Forestry, the Department of Fisheries and Oceans, the Standing Committee on Agriculture and major appointments to such agencies as the Farm Credit Corporation, as well as of the Deputy Minister of Agriculture.

What I am suggesting is that the responsibility for review should be spread around the House. As well, it seems to me that not every appointment should have to be automatically reviewed by a Commons committee. My reason is quite simple; it is that there are a lot of appointments. Many of them are relatively routine. If there is something of a blue tinge to some of the appointments, well, some of that is to be expected. Where there is competence and there happens to be partisanship, I think a lot of people will say that is O.K.

The other day I welcomed Mrs. Pigott when she made her first appearance before the Standing Committee on National Resources and Public Works in her new roles as chairperson of the National Capital Commission. She is a well known Conservative, but she is also a publicly spirited individual with a great deal of capacity who I think will be a good chairperson for that agency. However, in my responsibilities as Member for Ottawa Centre, I would have liked the opportunity to have a committee ask the appointee to that particular agency, whoever it may have been, to appear before a committee in order to let the committee review that particular decision. Therefore, I think we probably need a two-tier process, which is effectively what has emerged in the U.S. The U.S. is the only jurisdiction which has gone a serious distance down the way, according to my research, in having a review of major government or Order in Council appointments.

My proposal is that it should be possible—and the committee on parliamentary reform might well come up with a list—to come up with a certain level or type of position which should automatically be referred to an appropriate committee for review. I would have thought that deputy ministers, assistant deputy ministers and then the heads of, let us say, 20, 30 or 40 major Crown corporations and government agencies would be covered. Among them might be the chairperson or president of Atomic Energy of Canada, Canadian National, Air Canada, the Farm Credit Corporation, the Federal Business Development Bank, the Bank of Canada and certain groups like that. The Science Council and the National Research Council should, I think, automatically be subject to review. Beyond that, there is a much wider number of appointments, some to full-time jobs and some to jobs which are honorific or only part-time. I do not think the committee should have to summon as a witness someone who has been appointed to a job on some agency or board which involves the individual sitting for maybe five or six days a year and getting $200 per diem. That does not make much sense. Well, the Hon. Member for Glengarry-Prescott-Russell says yes, but they should be able to. With that I agree. The power to review those Order in Council appointments should be there even though, as a matter of course, most of them would not be subject to review.

The device which is used frequently with respect to delegated legislation in the United Kingdom is one we could follow here. Where a regulation or piece of delegated legislation has been put together in Britain, it is frequently, according to the terms of the umbrella legislation passed by Parliament, required to lie on the Table of Parliament for a certain period of time. Some 30 days is often the period proposed, and that would be suitable in this particular case. Therefore, the appointment of a citizenship judge or an appointment to some agency where the appointee is going to earn $1,000 a year providing some advice to government should lie on the Table of this House for a period of 30 days and the appointment should not come into force, except for emergency circumstances, until that period has passed.

It also seems to me that there should be a device by which Members can refer such appointments to an appropriate committee. The kind of device I would see would be, for example, having such appointments referred to an appropriate committee on the request of any 10 Members of the House of Commons, since we are talking about this place and since we want to abolish the other place. That would mean that most appointments would get routine review in the sense that the opposition Parties would ensure their critics would look at appointments in their particular area to make sure they were not particularly objectionable. In certain cases it could help to cleanse the system by bringing a minor appointment up before the committee because some issues of principle were involved. Without taking too much time of any individual committee, it would mean that the major appointments of an Order in Council nature would be automatically referred and considered.

It is my feeling as a parliamentarian that the responsibility for the appointments probably has to continue to rest with the Government. Therefore, I would tend to suggest that the review carried out by a committee, either optionally or because it is required to do so, would have to be concluded within a certain specified period of time, say 15 days beyond the 30-day period, and that the review would result in ventilating the issue of the appointment, possibly in a recommendation, although given the Government's majority, there might be no recom-

mendation. But I do not think at this time we are ready to say that a committee should actually have the power to refuse an appointment. However, there should be the power to make such a stink that the Government might discreetly decide it would not proceed with an appointment which proved to be particularly objectionable. That would enforce a kind of accountability in the process and avoid such monstrosities as the appointment of Bryce Mackasey to the ambassadorship of Portugal. That appointment was eventually withdrawn, mainly because the people of Canada objected and the Government of Portugal got into the act. We would have a way by which that kind of misuse of patronage could in fact be controlled.

The time for this debate is coming to an end, Mr. Speaker, and I want to give another Hon. Member a minute or two to speak. I will just say that the question of contracts which are let without tender, which includes 85 per cent of services' contracts, is also an area for abuse. I do not believe we need parliamentary review of each contract, but I think we need to have a change in the system and I am seeking to have that reviewed through the Standing Committee on Public Accounts.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—MONITORING OF FOOD RELIEF DISTRIBUTION IN ETHIOPIA

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, under the leadership of the Canadian Government, the country has made an inspiring response to the crisis in Ethiopia. But that should not blind us to a possible deficiency of the program.

The Auditor General's report on CIDA claims that there are often too few field workers monitoring aid programs. Unless arrangements have changed recently, that is the deficiency in Ethiopia today. There may be no Canadian Government worker assigned full time to monitoring the distribution of Canadian food relief there.

The embassy staff of about six is preoccupied with other duties. It is not realistic to assume that NGO staff can do what only Government officials can do.

What this can mean, not simply to governments and officials but to the hungry, is being shown day by day in the provinces of Eritrea and Tigre.

Mr. Peter McPhearson, the administrator of the United States Agency for International Development, has said on public TV that of all the famine affected areas on the continent of Africa, the most gravely affected are these in the north of Ethiopia, namely Eritrea and Tigre.

Mr. Brian Kline, the deputy director of the East African office for AID, has told my office that Mr. McPhearson has indicated that the Ethiopian Government is "actively pressing bilateral donors to deny assistance to rebel held areas".

From talking with several authorities who have visited the famine affected areas of Africa, it appears that there is reason to fear that the Ethiopian Government may be attempting a Biafran type situation in the north of their own country. The *Wall Street Journal* has pointed out, "Hunger will do what helicopter gunships and rocket launchers can't".

On February 1, 1985, I raised the point in the House that a ship carrying Canadian food relief to Ethiopia had been forced to wait for unloading facilities while a ship carrying Soviet military equipment was unloaded. On that very afternoon, the *New York Times* ran a story that was entitled "Aid Officials Say Ethiopia May put Arms Before Food".

A United States Congressman, with whom my office and I have discussed this situation, has indicated that intelligence reports indicate that ships from two NATO countries had been seized and prevented from unloading.

Only yesterday, Vice-President Bush, in speaking to the National Press Club, stated:

> Food for starving millions still takes a back seat to military cargo when authorities decide the order in which ships can dock in the ports of Ethiopia.

I am concerned about reports of Ethiopian Government and rebel obstruction of free world relief efforts in Ethiopia itself. You have probably heard a number of charges and they are shocking. For example, we have received reports in the news media of the selling of food and the feeding of soldiers with relief aid. According to reports from Metro Toronto people from Tigre, refugees fleeing from Tigre to the Sudan have reportedly been bombed by Ethiopian planes. Hungry civilians have been denied food because they lacked Government registration cards.

In late December and early January the death rates in the refugee camps on the Sudan-Ethiopian border were among the highest in medical history. They rivalled those on the Cambodian-Thai border in the late 1970s.

Mr. Dan Connell of Grassroots International indicated that the amount of aid to the areas in the north of Ethiopia may be less than 5 per cent of what arrives in Government run feeding stations in that country. As a result, the death toll is climbing daily. Already more than 200,000 in Tigre have perished, and all behind a curtain of silence that is attempting to keep the public from any awareness of what is happening.

To quote Vice President Bush again:

> Famine has been so devastating in Ethiopia in part because the government has used it as an instrument of war in Eritrea and Tigre. The Ethiopian government has refused "to allow relief agencies safe passage to take food into areas of Eritrea and Tigre not under its control".

The Ethiopian Government controls about 6,000 trucks, yet it has put only about 5 per cent of those toward getting food from the docks to the feeding centres. However, in September, it spent millions of dollars on its tenth anniversary celebration.

Our concern should not be either to knock or defend our relief program. Its merits stand by themselves. It is an impressive program. Every member of the Government deserves great credit and great thanks for the initiatives that have been taken to make it possible. What should concern us first is that we maintain the credibility of that program by being able to give full assurance to the public that food relief is going to the people for whom it is intended; and second, that the people for whom it is intended are having their needs met.

● (1805)

I urge the Minister to call upon the Ethiopian Government and the rebels alike to grant safe passage to all who will attempt to take food into Eritrea and Tigre. Put the hungry first. Let that be the message to those who are seeking to put their own political aspirations first, and to make sure they do, let us assign field workers who can monitor the distribution of the food that Canadians have sent.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for giving me this opportunity to reassure Canadians about this important matter.

The Government has taken various steps to ensure that Canadian food relief for Ethiopia is reaching the people who need it and to whom it is directed. The program's concept and the choice of distributing organizations reflect the government's concern for monitoring and accounting for the distribution of this food relief.

First of all, we have insisted on having a considerable part of our food relief distributed by well-known non-governmental organizations. This year more than half of the aid provided to Ethiopia under our regular food relief budget was distributed through the International Committee of the Red Cross, the Central Mennonite Committee and the Lutheran Association of Canada for World Assistance. These organizations are in a position to indicate exactly how the goods are being used. As for the rest, this is assistance provided from government to government.

The World Food Program is supervising distribution of food on behalf of the Government of Canada. As Hon. Members are aware, the World Food Program is an extremely efficient channel for bringing in emergency relief. Thanks to its extensive program in Ethiopia and its experienced field personnel, it is particularly qualified to provide this vital support service.

The Hon. Member may be aware that thanks to the resources of the Special Africa Fund and the contribution by the Government of Ontario, 25,000 additional tons of grain have been sent to Ethiopia by this country. In this particular case, most of the distributing will be done on behalf of the Government of Ethiopia by non-governmental and international organizations such as the World University Service of Canada, the Office of the United Nations High Commissioner for Refugees and Norwegian Church Aid. These organizations will monitor distribution in consultation with the Canadian Embassy and will make progress reports.

I would like to add that most non-governmental and international observers in Ethiopia are of the opinion that food distribution through official Ethiopian channels is taking place with a minimum of loss. It is also true that Ethiopia does not have the administrative resources to provide donors with all the reports they would need on the distribution of their donations.

Finally, Mr. Speaker, I would like to point out that at this very moment, the Hon. David MacDonald, the Canadian emergency relief co-ordinator, is in Sudan to observe the situation in that country. Canadians may be confident that we have taken all the necessary action to ensure that our aid will have maximum impact.

[*English*]

EXTERNAL AFFAIRS—SOUTH AFRICA—CONDUCT OF CANADIAN COMPANIES—GOVERNMENT GUIDELINES. (B) VISIT OF APARTHEID APOLOGIST

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on December 21, 1984, the Hon. Member for Scarborough West (Mr. Stackhouse) asked what I thought was a very legitimate question. He referred to the visit of the Reverend Bishop Desmond Tutu, a Nobel Peace Prize winner. He asked the Prime Minister what consideration was being given to increasing Canadian pressure on South Africa to abolish apartheid, a very important and concise question.

The Prime Minister (Mr. Mulroney) completely evaded the question and tried to wash the whole situation over with Irish blarney. I hope I will not be accused of racism by using that term. The Prime Minister said:

> Mr. Speaker, I was honoured, as we all were yesterday, by the presence of Bishop Tutu in the House. I had the privilege of a private meeting with him wherein he gave me the benefit of his views. I indicated to him how helpful they would be to the new Government as we get into a foreign policy review. Of course the question of our relationship with South Africa will be very carefully re-examined.

● (1810)

The Prime Minister said absolutely nothing in response to that very important question asked by the Hon. Member for Scarborough West.

On February 15, I asked a question about the non-compliance of the Bata Shoe Company with the voluntary guidelines for Canadian companies operating in South Africa. In his own way the Secretary of State for External Affairs (Mr. Clark) said just as little as did the Prime Minister in response to the earlier question. He talked about a review of policy in light of the well-known Canadian abhorrence of the policy of apartheid.

Some of us have some questions as to just how serious the Conservative Party holds that policy of abhorrence for apartheid when we have seen a number of Tory Members take expense paid trips to South Africa. We wonder just how abhorred they are by that policy.

Then the Minister went on to say with respect to reports concerning particular companies, "the best way to judge their performance as employers would be for the companies concerned to issue public reports, as called for by our present code of conduct". That is precisely the point—29 out of 30 of the companies from Canada operating in South Africa have not bothered to file a report since 1981. To say that the best way would be for them to file a report is a complete non-starter in terms of dealing with a very important situation. Obviously what the Secretary of State for External Affairs thinks is the best way is not working. It is important that they should come up with something a little better.

I suggested one small step—compulsory compliance for all companies doing any business with the federal Government. The federal purchasing power should be at the service of human rights both in Canada and overseas. That would be one small step which could be taken. It would bring companies such as Bata Shoes to report on what it has been doing so that we would have some idea of the way in which it is working. However, the Government would not indicate that it was prepared to take even that one small step.

Today Canada is hosting Gaza Buthelezi, who is the leader of Bantustan where the Bata Shoe Company operates. Official Canadian policy claims that we do not recognize the so-called homelands or Bantustans. We do not pretend, as does the Government of South Africa, that the Government of those Bantustans are in any way independent. They are simply puppets, and that is supposed to be our official policy. Over the past few years some four million black Africans have been forcibly removed from the general area of South Africa and on to the most arid, unproductive land. The whole system of Bantustans is integral to the system of apartheid, and we are supposed to reject it. Why then are we rolling out the red carpet for Mr. Buthelezi who is trying to drum financial support for the South African economy?

Mr. Buthelezi claims to be an opponent of apartheid and of the Botha Government, but we have only to look at his actions to raise very serious questions about that. He claims to be the democratically elected leader of his people in Kwazulu, but in the 1978 election when his Party won all the seats in Kwazulu, only 14 per cent of the people had been registered and only 38 per cent of those registered actually bothered to vote. In other words, slightly more than 5 per cent of the total population gave this man his mandate, and he claims to be a democratically elected leader. He purports to reject the new Constitution introduced by the Botha Government because it does not recognize citizenship for blacks.

● (1815)

He claims that this is a non-negotiable item. At the same time, he opposes leaders like Bishop Desmond Tutu for not, as he says, recognizing the necessity for compromise politics. He lives and operates in a country where the possibility of compromise politics is completely ruled out by the South African Government. The great majority of the people living in South Africa are not regarded as citizens. They have no say, no way of shaping any of the compromise, yet he rejects other black leaders because they do not recognize the necessity of compromise politics. They recognize the impossibility of compromise politics. He points out that in his view, economic pressure will not work. I suggest that the great lengths to which the South African Government has gone to avoid economic pressure indicates that it does work. In fact, any black Afican who speaks out and demands sanctions is liable to be charged with an indictable offence and sent to jail.

I would, therefore, like to raise the question that was raised on December 15. What consideration is the Government giving to increasing Canadian pressure on South Africa to abolish apartheid? In what direction is the policy review that the Secretary of State for External Affairs mentioned going to go?

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would recall for the House that the code of conduct concerning the employment practices of Canadian companies operating in South Africa was issued on April 28, 1978. Its main provisions concern general working conditions, collective bargaining, wages, fringe benefits, training and promotion and race relations.

Since the code's adoption, a number of companies have issued public reports, although most have not done so on a regular basis. One feature of the code has been its voluntary nature. A second feature has been that companies are requested to issue their reports publicly rather than report to a government agency for scrutiny. To have done otherwise would have raised questions about the extraterritorial application of Canadian law.

In the absence of an official monitoring mechanism, the code has not operated as effectively as had been hoped. Consultations have been held with the Canadian companies concerned and interested church and labour groups on how the code could be made more effective. As the Secretary of State for External Affairs (Mr. Clark) informed the House on February 19, a number of options are under consideration as part of a complete review of relations with South Africa and any changes will be announced to the House.

In conclusion, I would add that although there have been criticisms of codes of conduct by those favouring disinvestment and economic sanctions, most observers close to the scene believe that they have led to improvements in working conditions for non-whites. We should not disparage any gains in the fight against apartheid or slackening in our efforts to promote basic change. Our common purpose must be to encourage the removal of apartheid by peaceful means.

As the Secretary of State for External Affairs informed the House on February 15, Canada is reviewing its relations with South Africa, and the Government wishes to consult extensive-

ly with people whose views are relevant. Canadian policy is one of dialogue, including dialogue with those with whom we do not always agree. It may be noted that all major black leaders in South Africa are controversial figures in their own country.

While Chief Buthelezi is not a guest of the Canadian Government, we are happy to take advantage of his presence in Ottawa to review the situation in his country with him. The Minister of External Relations (Mrs. Vezina) will be meeting Chief Buthelezi to hear his views. Like Chief Buthelezi, we are opposed to apartheid and we cannot say that the present South African constitution, which excludes blacks, has abandoned the concept of apartheid. We, too, have reservations about the effectiveness of economic sanctions in fostering peaceful change and we are concerned about the effects they would have on the poorest segments of the South African population.

ENVIRONMENTAL AFFAIRS—ACID RAIN—FEDERAL-PROVINCIAL AGREEMENT ON CONTROL MEASURES. (B) FEDERAL GOVERNMENT FUNDING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, today I would like to follow up on a question I asked of the Minister of the Environment (Mrs. Blais-Grenier) on February 6. I see that the Minister is here to respond. I think it is a very good practice which apparently is being followed by the new Government of having Ministers themselves respond during the Adjournment Debate. I hope that that continues for as long as possible.

• (1820)

On February 6, I asked the Minister about the agreement that she had reached with the provinces with respect to acid rain. I believe I asked the Prime Minister (Mr. Mulroney) as well just when concrete money would be allocated toward reaching the goals set by the federal Government and provinces with respect to a reduction in acid rain. I did so in following up the remarks that the Prime Minister is now famous for having made about Canada having to go to the bargaining table with the United States with respect to acid rain with its hands clean, and having to clean up our own back yard if we wanted to bargain from strength when it comes to talking to the United States about acid rain. I agree with that principle and I have made it clear that I thought that that was a good sentiment expressed by the Prime Minister.

My question that day was directed toward eliciting from the Prime Minister just when the Government would follow up on that insight of his by allocating concrete money toward the pursuit of the reduction of acid rain that was agreed upon by the federal Government and the provinces. As well, if not on that day, then on another day, I asked the Prime Minister when, and preferably before the visit of President Reagan on March 17, the Canadian Government would be announcing that it would bring auto emission standards down to the level of those of the United States. If we did that, we would not be in the position of having the President or Americans in general telling us that we have not met American standards as yet.

The Prime Minister has had a great deal to say about Canadian-American relationships and about wanting to improve them. He has been critical of the relationship that existed between the previous Liberal Government and the United States. A word that he has often used is "maturity". I believe that is a good word to use to describe the kind of relationship that we ought to have with the United States of America.

In that context, given that we know the President will be here soon and that there will be an opportunity for direct discussions between the President and the Prime Minister, I would like to say that maturity is a two-way street. I am sure we could debate the ways in which Canada might be able to improve the maturity of its relationship with the United States. In my view, it would mean being more independent of American foreign policy and more willing to have a peer relationship with the United States. Whatever it might mean, maturity is a two-way street, and if maturity is the goal, then the Prime Minister ought to have something to say to the President about a few things that have happened recently. For instance, he ought to be concerned about the attitude Americans have taken toward New Zealand and its attempt to respond to the democratically expressed wishes of its people with respect to nuclear powered and nuclear-armed ships docking in its ports. Is that an example of the maturity of the response of Americans when countries choose to be mature and independent from the wishes of the United States.

Another such action recently took place in Manitoba. Efforts were made by the Manitoba Government, by many Manitoba citizens and, indeed, by the federal Government, to have removed the part of the Garrison River Diversion Project which would have endangered Manitoba waters. In response, the North Dakota legislature has passed a Bill which would have the effect of making impossible the transmission of electricity from Manitoba to Nebraska.

• (1825)

This is particularly ironic in the sense that this is a case in which we were very concerned about the environmental consequences of something, and we were successful in preventing what we thought would be damaging, and the Americans, through the North Dakota legislature have said that they would refuse to import Canadian electricity. Then, the other day, with respect to acid rain, there was a Bill introduced by Democratic Senator William Proxmire which indicated that if Canada did not clean up its act on acid rain, the Americans might refuse to allow the importation of Canadian electricity. On the one hand we are getting it because we are environmentally sensitive, so the Americans are going to ban our imports. On the other hand we are getting it because we are not adequately environmentally sensitive. I must ask if this is a rational and mature response to Canadians—and in this case Manitobans—who want to prevent their water, fish and marine life from being downgraded by the introduction of American waters. Those are the things which the Prime Minister should speak to President Reagan about when they meet on March 17.

A number of things must be said. One, that we will bring our auto emission standards into line with those of the U.S.; two, that Canada will put money behind the agreement that the Minister signed with the provinces, and three, that a mature relationship requires that maturity exist on both sides and that Americans—when it comes to things like the Garrison Diversion Project—ought to respect the fact that Manitoba had no choice and would have been irresponsible if it had not done everything in its power to prevent that project from going ahead as it was originally intended. That is the kind of maturity I would like to see on the south side of the border. Perhaps at another time we could debate what would constitute a mature Canadian stance with respect to American-Canadian relationships.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): First of all, Mr. Speaker, I should tell my colleague that I appreciate his very positive remarks concerning my presence in the House. However, I hasten to add that I do not share his pessimism about our relations with the United States. On the contrary, I am quite confident that we will be able to solve common problems in harmony.

As the Right Hon. the Prime Minister (Mr. Mulroney) said during his election campaign, the acid rain issue is our priority and, as early as last month, we did convene a federal-provincial conference to seek ways to reach agreement on lowering sulfur dioxide emissions. The conference was held last February 5 and made it possible to follow up on the work already begun by the former Government. We ended up with a clear-cut objective to reduce acid emissions: by 1994, acid emissions in Canada's eastern provinces will be limited to 2,300,000 tonnes.

Such provincial limits reflect the efforts made by each participant and show to what extent it is imperative that the provinces and the federal Government be at one on such an issue. Some of my provincial colleagues used the word historical when referring to the agreement we managed to negotiate among ourselves.

It stands to reason that the federal Government and the provinces must share the costs with industry in a field of activity which is always under economic constraints. I believe that this co-operation will continue in coming months and that we will eventually be in a position to announce new measures likely to please all Canadians.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, February 27, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, the present standstill in the Japanese Canadian redress issue is most regrettable and unacceptable. In an attempt to re-establish a dialogue, the Japanese Canadian Association has been seeking a meeting with the Right Hon. Prime Minister (Mr. Mulroney). Its search to date has been fruitless, and its deep frustration and disappointment were clearly demonstrated in a February 2 letter addressed to the Right Hon. Prime Minister.

The refusal of the Prime Minister to meet with the Association is difficult to comprehend. This is the same individual who gave this issue great importance during his days as Opposition Leader, and who demonstrated his commitment to redress repeatedly during the recent federal election campaign. Consequently, the Japanese Canadian community rightfully expected a process that would be completely open, genuine, and thorough. Instead it has received government imposed deadlines, unilateral government proposals, and a reversal on the Government's negotiations commitment. Now that process is at a deadlock. An uncomfortable and confusing silence prevails.

The Prime Minister promised emphatically that his office would be open and accessible. I urge him to prove that this promise is fact rather than fiction, by opening his doors to the Japanese Canadian Association. Only in this spirit will the redress issue have any chance of resolving itself.

The Association has met with our Party and with the NDP—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

[*Translation*]

PETRO-CANADA

UNJUSTIFIED INCREASES TO SMALL RETAILERS—IMPACT ON QUEBEC

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I am rising in the House today to speak out, once again, against the unacceptable practices of Petro-Canada management who now expects Quebec station service operators to renew next year's leases at rates of 15 to 20 per cent higher than current leases.

I intend to draw the attention of my colleague the Minister of Energy, Mines and Resources (Miss Carney) and of the whole House to those unwarranted increases being forced upon small retailers by Petro-Canada. The situation is particularly serious in Quebec where gasoline prices are already higher than anywhere else. Since the 1984 inflation rate was only 4.4 per cent, I see no justification for Petro-Canada—it is ours, they keep telling us—to seek rent increases of about 15 per cent.

Time has come to ask for explanations from the management of this Crown corporation, and that is our responsibility. I am confident that we can indeed help small service station operators by putting a stop to the unquenchable thirst of Petro-Canada which is destroying those essential business enterprises by forgetting to behave as a good corporate citizen mindful of the will of its true owners, the consumers in Quebec and elsewhere.

* * *

[*English*]

MULTICULTURALISM

MEMBERSHIP OF COUNCIL

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the new Canadian Multiculturalism Council announced last week by the Minister of State for Multiculturalism (Mr. Murta) is not the representative body it should be. Eighteen of the sixty members live in the Province of Ontario. Fifteen of those eighteen persons, a full quarter of the Canadian Multiculturalism Council, are residents of the Metro Toronto region.

Although Torontonians often regard themselves as the movers and shakers of our nation, their numbers represent a little more than one-tenth of the Canadian population. These demographic realities should not have been forgotten by a Minister from the Canadian west.

The fact that three persons are expected to represent all the Ontario ethnocultural realities outside Metro Toronto is par-

ticularly objectionable to my constituents and other residents in northwestern Ontario. They thought that the multiculturalism directorate was preoccupied with metropolitan concerns in the past. These appointments will confirm them in their sense of neglect by successive Ministers of State for Multiculturalism.

A concern that partisan politics will continue to dominate federal multicultural policies is encouraged by the fact that Sault Ste. Marie provides the sole northern Ontario member of the Council. Excellent candidates from the larger communities of Sudbury and Thunder Bay—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

THE SENATE

NON ACCOUNTABILITY

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, accountability is one of the basics of democratic government. The Government of Canada is accountable to the House of Commons. This House is accountable to the electorate, but the other place is not accountable to anyone.

The Leader of the Opposition in the other place has said that he is not accountable to the Leader of his own Party for what happens there. Each member of his caucus is accountable only to his own conscience for what he does there, but nonetheless the other place asserts a legislative authority which affects not only the work of the Government but the well-being of Canada, and at a high cost.

The other place is not accountable to the people, but in the next fiscal year it will cost $26 million to operate, or about a quarter of a million dollars for each member of that place. If one member appointed last summer lives to retirement age, he will have cost taxpayers about $5 million for salaries, expenses, and the cost of his office. When they assert the authority they claim and cost the expense they incur, surely they ought to be accountable to someone.

* * *

[*Translation*]

TOURISM

CONTRADICTORY ACTIONS AND DECISIONS BY GOVERNMENT

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, since November this Government has been proposing one contradictory policy after another. As far as the tourist industry is concerned, the contradictions are particularly obvious. Allow me to explain. On December 12, 1984, the Minister of State for Tourism (Mr. McMillan) said, and I quote:

To provide a sound basis for Canada's tourist industry, we must establish an action plan aimed at making the entire industry more competitive, instead of having short term initiatives that are totally uncoordinated.

Since the Minister took up his duties, I have seen no such plan. In fact, it is his Government and his department that are proposing short term and uncoordinated initiatives.

I will give an example that involves the entire Canadian tourist industry and especially the Minister's own province, Prince Edward Island. A reporter of the "Journal Pioneer" made the following point, and I quote:

[*English*]

But while welcoming the increased injection of federal dollars into the tourism marketing process, it can't help but be noted that the Government is oddly inconsistent in its policies. On the one hand it spends money to attract tourists, while at the same time it continues to boost the price of gasoline, thereby putting in place a serious impediment—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

• (1410)

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—POSITION OF EASTERN TOWNSHIPS

Mr. Jean J. Charest (Sherbrooke): Mr. Speaker, it is with the utmost reluctance that I rise in the House today to speak under the provisions of Standing Order 21. When this House bestowed on me the privilege of serving as Acting Speaker, I agreed not to take part in debate out of deference to the House, to the Speaker's function and the Speaker himself, for whom I have the greatest respect.

Today, exceptionally, I wish to address the House on the Domtar case. My constituents find it very difficult to accept the Government's decision in this matter.

Like all Canadians, we realize that the Government's financial position is a precarious one, but we also know that in the Eastern Townships, high unemployment, vulnerable traditional industries and low average wages have been the rule for far too long.

We know the Domtar project to be an excellent one and particularly suited to a region which, in the course of a recent socio-economic summit, expressed its commitment to settling for nothing less than excellence. Today I want to say that we are determined to see the Domtar project carried out, for the well-being of the entire country.

The people of the Eastern Townships will feel encouraged today by the statement made by our Prime Minister (Mr. Mulroney) who promised to see whether other forms of assistance would be feasible, and they are prepared to work together through various task forces in order to ensure the Domtar project is carried out.

[*English*]

NATIONAL DEFENCE

CALL FOR OVER-ALL POLICY REVIEW

Mr. Derek Blackburn (Brant): Mr. Speaker, it is probably too early to question the new Minister of National Defence (Mr. Nielsen) on the complex problems of his portfolio. We will leave that for tomorrow. However, the time is right to set out some of the issues he will have to deal with as soon as he gets his bearings. Here is a shopping list of changes and challenges we would like to see the Minister tackle.

First, the Minister will have to start an over-all policy review right away. We are committing ourselves to major purchases and untried strategies, without any sense of direction. Let us take a hard look at some of those expenditures. The Minister is certainly qualified to do that. We are rushing to get our sailors into new uniforms while their ships are stranded, either in drydock or on the drawing boards of engineers. Let's get our priorities straight.

At the same time we have to ask ourselves whether we are being sucked into dangerous new strategies. The new Minister should make it clear to everyone that Canada will have no part of nuclear weapons or of a defensive arms race in space. Loyalty demands that we speak out when our friends are making mistakes that could cost us all dearly. Unquestioning servitude does no one a service. Finally, the Minister should let everyone know that Canada threatens no one. We only seek to protect the democracy we hold so dearly.

If the Minister would undertake these challenges, he would certainly have our support and encouragement. Let us not let this opportunity slip by.

* * *

BALTIC EVENING

COMMEMORATION OF BALTIC STATES' INDEPENDENCE

Mrs. Mary Collins (Capilano): Mr. Speaker, tonight we celebrate the Thirteenth Annual Baltic evening on Parliament Hill when Canadians of Baltic heritage from across Canada join with parliamentarians in commemoration of the Independence Days of Latvia, Lithuania, and Estonia.

The desire for liberty and independence of the people of the Baltic nations remains alive and strong, and constitutes one of the best hopes for a just and lasting peace. Canadians are known internationally to possess an understanding and sympathy for the national and human rights aspirations of people throughout the world.

I believe it is fitting that we in this House clearly manifest to the people of the Baltic nations that the people of Canada share with them their aspirations for the recovery of their freedom, national independence, and human rights.

I am sure that all Canadians would want us to welcome the honorary consuls from the three Baltic states, Lithuania, Latvia, and Estonia, and the representatives of the Baltic communities in Canada who are here with us in Ottawa today.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

"CHALLENGE '85"—NECESSITY TO AGREE TO INCREASED AID TO STUDENTS

M. Nic Leblanc (Longueuil): Mr. Speaker, in her speech on February 6 of this year, the Minister of Employment and Immigration announced her new summer employment program for students, which is called Challenge '85.

Mr. Speaker, I think we should consider what the name of this program implies. The challenge is one that the present Government is offering to the private sector and its individual members. It is a new approach that is aimed at giving the initiative back to the private sector. In accordance with our desire for collaboration, consultation and co-operation with our various economic partners, we are truly delighted with the project announced by the Minister of Employment and Immigration (Miss MacDonald).

Today, Mr. Speaker, I would like to offer the same challenge to all Members of this House. I shall, if I may, explain how I set up my own campaign.

With the co-operation of business organizations in my constituency, such as the Chamber of Commerce, I sent a personal letter to all heads of businesses, both large and small, urging them to take up this challenge and support economic renewal by helping our students.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

FINANCING OF PUBLIC EXPENDITURES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, Canadians are astounded, amazed, and perhaps even outraged—

Some Hon. Members: Oh, oh!

Mr. Johnston: They are certainly discouraged. I have come to the conclusion that the Government has absolutely no shame when preaching restraint. Notwithstanding the political arithmetic of the President of the Treasury Board, we have seen an effective increase of twice the rate of inflation in the Estimates when properly compared with last year. The Prime

Minister and his office are virtually wallowing in the public trough. At the same time, some of the poorest provinces, most notably Manitoba, have been savaged.

My question is directed to the Minister of Finance. Does the Minister plan on financing this massive $105 billion increase in public expenditure with a tax increase that will be borne by ordinary Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member thoroughly understands the situation, which is that these Estimates are spending estimates. Based on what I said in the House the other day, we are looking at an improved economic situation and we will probably have a better economic and fiscal picture as we move into next year. I believe the Estimates that were provided to the House yesterday by my colleague demonstrate a clear understanding of the fiscal situation, and of the restraint that is necessary to get the deficit under control.

EQUALIZATION PAYMENTS TO PROVINCES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, that is one of the most fatuous statements I have ever heard from this Minister. Surely to goodness when there is this increase and the provinces are being savaged, he cannot rise and not tell us how he is going to finance that expenditure of $105 billion.

I was an observer at the honeymoon in Regina two weeks ago. The Premiers sat around the table having a wonderful honeymoon among themselves. Why did the Minister of Finance, who was present, not seize that opportunity to discuss these cuts? Why did he not discuss the $73 million reduction in the case of Manitoba and the $263 million reduction in the case of Quebec? Was he afraid of spoiling the honeymoon?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member would want us to obey the law as we set down our Estimates. Those Estimates for the equalization payments are based on the law as it stands today. He understands—

An Hon. Member: It was set by them.

Mr. Wilson (Etobicoke Centre): That is right. He understands the law as it was established by the previous Government in 1982.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have had ongoing discussions with the provinces to which he referred, and I would hope that we would be able to reach some resolution of the situation in the very near future.

PRIME MINISTER'S OFFICE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, surely we have not reached the point at which we will plead dura lex set lex when it comes to the treatment of the provinces and of individual Canadian citizens with respect to the transfer of payments.

My last supplementary question is directed to the Prime Minister. Perhaps I may borrow that splendid word "refurbish". Why has the Prime Minister elected at this time to refurbish his own office with a 54 per cent increase in the budget, what he describes as being a tiny amount of $2 million, and 30 new positions? How can the Prime Minister preach austerity to his colleagues and the country, yet justify that kind of expenditure?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend referred to the word "tiny". To place it in perspective, the PMO expenditures represent six one-hundredths of 1 per cent—

Ms. Copps: 54 per cent.

Mr. Allmand: That's a bad example.

Mr. Mulroney: My hon. friend says that is a bad example. When I cut my own salary by 15 per cent, the Leader of the Opposition said no.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The rate of increase is the lowest in some 15 or 16 years, and I think that is a tribute to what we have been trying to do. My hon. friend asked for real increase. I think that I can give him the real increase. For example, during the transition from Mr. Pearson to Mr. Trudeau, the increase was 700 per cent in terms of personnel. That is clearly the kind of abuse against which my hon. friend spoke so frequently when he was seeking to lead the Liberal Party. That is the difference.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

FUNDING OF JOB CREATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I would like to direct my question to the Minister of Employment and Immigration. During the election campaign the Conservative Party said that unemployment was its highest priority and that it would create thousands of jobs. How can the Minister honestly state that unemployment is the highest priority when, in the Estimates which were tabled yesterday, the Government committed less real resources to job creation and training than in the present year, and while increasing the budget for the Prime Minister's Office, $290 million was cut from job creation and $120 million was cut from training programs, when it had previously cut $386 million on November 4? What kind of priority and commit-

ment is that? How can she reconcile her rhetoric during the election campaign with her actions yesterday?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, perhaps the Hon. Member was not around long enough to understand how the Estimates are prepared.

Mr. Allmand: Seven years.

Miss MacDonald: He said he was there for seven years. He still does not understand.

Some Hon. Members: Hear, hear!

Miss MacDonald: As the Hon. Member very well knows, those Estimates were in print before the $205 million was announced for Challenge '85. That is not included in the Estimates, nor is the $695 million that the Prime Minister announced in Regina. The Hon. Member will find, when the total amount is added in, that those figures will compare most favourably to anything which was done in the previous year.

Some Hon. Members: Hear, hear!

SIZE OF FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I prepared Estimates for seven years, and I doubt that she will last that long.

Some Hon. Members: Hear, hear!

Mr. Allmand: The Minister referred to the statement which was made in Regina on February 14. That was another example of media politics. In this little green book, she said that, over and above the $1.2 billion which is now available for training and employment, there would be another $695 million. Today she said that the $695 million was not in the Estimates which were tabled yesterday. Is she going to give us another shell game? As I have pointed out, the Minister has already cut $796 million from employment programs. By calling them different titles, is she going to put back $695 million to fool the Canadian people?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what I intend to do, and what the Government intends to do, is to provide jobs for Canadians. We are not going to get into a numbers game with the Hon. Member. That is not what Canadians are looking for. Canadians are looking for the kind of measures which were taken in Regina. Those measures were endorsed by every provincial Premier in the country, as well as labour groups, business groups and youth groups from one coast to the other. I wish that he would catch up with the rest of the people in the country.

Some Hon. Members: Hear, hear!

• (1425)

FINANCE

INTEREST PAYMENTS ON PUBLIC DEBT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. Canadians are also looking for relief from the high interest rates we are experiencing right now.

My question relates to whether we are getting the straight goods about government spending in the Estimates which were tabled yesterday. The most striking feature of those Estimates is the $5 billion increase in interest payments on the public debt, as the Minister knows. We were told by the Minister's officials that the average rate of interest on that debt is going to 10.6 per cent. In view of the fact that there is not a single maturity of government bonds which could be floated for less than 12 per cent on the market today, how much is the increase in interest rates we will experience this spring going to cost Canadians in 1985-1986?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all I would like to thank the Hon. Member for his support in our effort to reduce that deficit, which obviously is causing us great difficulties. In terms of the Estimates, it is the 10.6 per cent interest rate which we have used to calculate the charges which would be paid for servicing the public debt. It represents our best estimate of the average rate which we will be paying throughout the coming fiscal year on the outstanding debt of the country, and we stand by that estimate for the moment.

UNITED STATES' INTEREST RATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister says: "We stand by the estimate for the moment". That means he is leaving the door open to a change of view later on in the year. It sounds to me just like the Liberals when they were in power.

In view of the warnings which came today—

[*Translation*]

In view of the warning note sounded today by the President of the Federal Reserve Bank of the United States, Mr. Volcker, who mentioned the possibility of an increase in interest rates in the United States, can the Minister give the House the assurance that Canadians will not have to pay once again for any eventual increase in the cost of servicing the public debt, and if not, can the Minister give the House the assurance that no additional cuts will be made to pay for the increased cost of servicing the debt?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, when we set interest rates on the basis of what it costs to service the public debt, we do so not only on the basis of our own forecasts but also on the basis of forecasts made by a number of independent agencies. I am told that the Confer-

ence Board, for instance, is expecting interest rates to drop this year, a development that will undoubtedly be most welcome, to my hon. colleague as well. I may add that our forecast of 10.6 would seem to be quite objective and quite logical for the purposes of the document I tabled yesterday.

[*English*]

FEDERAL TAX EXPENDITURES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my final supplementary question is directed to the Minister of Finance who will know that the estimates tabled yesterday only tell half the story about government spending. Will the Minister undertake to provide Parliament with a full accounting of $30 billion to $5 billion in federal tax expenditures and tax concessions, well in advance of the Budget so that Canadians get the whole picture of government spending before the Budget comes down?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated my concern for the size of the tax expenditure figure, as has the Hon. Member and some of his colleagues. I am looking at that right now. I would hope that I would be able to provide additional information on that, if not before the Budget, certainly within the Budget.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He has probably had a chance to read the letter my Leader sent him yesterday, asking him to become personally involved in the Domtar case. He is undoubtedly aware of the negative reaction of all parties involved, including the Government of Quebec and the unions, who feel that the reasons given by the Minister of Regional Industrial Expansion were not satisfactory. Does the Prime Minsiter intend to act personally to reverse his Minister's decision in the Domtar case?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member was referring to a letter from his Liberal leader. I have not received it yet, but I may add that I am still waiting for an answer to a letter I sent him two weeks ago, about the extraordinary and unacceptable behaviour of Liberal senators who were obstructing legislation. I have yet to receive a reply from the Leader of the Opposition.

About the request concerning Domtar, a company—

Mr. Chrétien: Yes or no?

Mr. Mulroney: The Hon. Member for Saint-Maurice says yes or no. We are going to do better than the Liberal Party which said no to Pétromont and then practically killed the petrochemical industry in Quebec. That is what the Liberal Party did! You tried to kill the petrochemical industry in Quebec.

I have received a request. I intend . . . Ah! . . . the clowns from Quebec! There are not as many, but they are still here.

I can inform my hon. friend that I intend . . . Ah! . . . the Quebec lieutenant from Newfoundland!

There will probably be some talks on the Domtar case in March.

• (1430)

Mr. Lapierre: Mr. Speaker, I think the Prime Minister's cheap shots are in very bad taste, when thousands of jobs in Quebec are at stake.

I would like to ask the Prime Minister who is telling the truth in this Government. While he is carrying out an exercise in public relations, his Minister of Regional Industrial Expansion issues a press release saying that the decision will not be reviewed. Who is telling the truth? Does the Prime Minister intend to rap the knuckles of his Minister of Regional Industrial Expansion?

Mr. Mulroney: Speaking of cheap shots, Mr. Speaker, we have the Hon. Member for Westmount—

Mr. Johnston: Saint-Henri-Westmount!

Mr. Mulroney: Saint-Henri-Westmount, I beg your pardon! Do you live in Saint-Henri or Westmount?

On one side, we have the Hon. Member for Westmount who is asking us to cut Government spending and to deal with the deficit we inherited, and on the other side we have the Hon. Member who is demanding that we give a direct subsidy of $100 million to a company whose major shareholder is the Government of Quebec. That being said—

Mr. Lapierre: Yes, I am a Quebecer.

Mr. Mulroney: He says yes, but I am a Quebecer too, and all Quebecers want public funds to be managed prudently, and that is what we are going to do, in collaboration with the Government of Quebec.

* * *

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

SIZE OF EQUALIZATION PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance and relates to funding for Quebec, Manitoba, and two other provinces which, as a result of the Estimates tabled yesterday, believe they will be receiving less funding through equalization payments than they

received last year. I recognize that the Minister was right in answering a previous questioner, when he said the fault for that lay with the previous Government. The thing is, he now represents the Government. Therefore, will those provinces be receiving more money in equalization payments?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer I gave to the previous questioner stands. These Estimates were prepared on the basis of the existing law, and that law stands until it is changed. It will not be changed until we complete discussions with the affected provinces. Those discussions are going on today. But I would caution the Hon. Member to look at this in the broader context. The transfer payments for post-secondary education and health care are increasing by 7.4 per cent next year.

REQUEST FOR CHANGES IN FORMULA

Mr. Rod Murphy (Churchill): Mr. Speaker, when the Minister's Party was in opposition its members said that the equalization plan was not sufficient and they would change it to help the poor provinces. Are they going to do that? If so, are they going to do it soon so those provinces can make plans for their expenditures?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have set in train a series of meetings which will be starting around mid-year for officials, and will continue on through the fall for all Ministers involved in the equalization issue. There may or may not be some changes in the equalization formula arising from those discussions. I cannot prejudge the discussions at this point, but we are going into it with an open mind.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. JAMES TUCKER, SPEAKER OF THE NEW BRUNSWICK LEGISLATIVE ASSEMBLY

Mr. Speaker: May I briefly interrupt the proceedings to advise Members of the presence in our gallery today of James Tucker, Speaker of the New Brunswick Legislative Assembly.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—PRIME MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Prime Minister, for it also has to do with the Domtar subsidy which has yet to be approved. I bring this matter up again because, in my opinion, it has been dealt with rather lightly in the House today. I wish to stress and draw to the attention of the Prime Minister a Canadian Press report concerning a statement allegedly made by the Minister of Industry. Here it is:

[*English*]

The Government took into consideration the U.S. Government's sensitivity towards any subsidy of production at this time to the American market for forest products.

[*Translation*]

I would like to ask the Prime Minister whether he is going to stand still while his Minister of Industry—or any other of his Cabinet colleagues—is listening to the representations of the Americans rather than meeting the needs of the people of Quebec who are desperately looking for work and not getting anything from this Government.

Right Hon. Brian Mulroney (Prime Minister): The nerve of the Hon. Member! Barely a few months ago, the Liberal Government turned thumbs down on an essential subsidy to Petromont in order to save Quebec's petrochemical industry. Only $15 million and you turned it down. Having left the public treasury saddled with a $35 billion deficit, the Liberal Party is now urging us to give blank cheques to a company whose majority shareholder is a provincial Government.

This I can tell my colleague: we consider that Domtar is a sound company, well administered and with challenging projects. The Premier of Quebec and I will see if we can provide any kind of assistance but, ever mindful of the financial predicament which we inherited, I cannot give or ask anyone to give blank cheques to any company—private or public.

STATUS OF JOB SECURITY OF DOMTAR EMPLOYEES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I appreciate that the Prime Minister is telling us there is no money left, or that the purse strings are so tight that the Domtar people cannot be helped. I might therefore ask him to explain why the decision has already been made to spend over $50 million to outfit the military with new uniforms, or why millions will be spent to raise by more than 50 per cent the budget of the Prime Minister's Office staff, while the Domtar people will just have to wait. That is what I want to know. What must they wait for?

Right Hon. Brian Mulroney (Prime Minister): This important matter was long neglected by the Liberal Government when it was in office. The Liberal Party and the Liberal Government have neglected the Eastern Townships for years and years. The only thing they remember in the Eastern Townships is that the Hon. Member for Saint-Maurice made a commitment in five different election campaigns—he was going to transfer a Government department from Ottawa to Sherbrooke, five times he promised that, so much so that the people of Quebec and the Eastern Townships residents finally said that they had heard enough from the Liberal Party, they

wanted worthwhile projects, a responsible Government that would work hand in hand with the Quebec Government to strengthen regional economic structures.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—REQUEST FOR RESIGNATION OF SOLICITOR GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, while the Minister of Justice and the Solicitor General are both hiding out in Barbados because it is too hot for them here—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —I would like to direct a question to the Prime Minister.

Mr. Clark (Yellowhead): Nunziata's pupil.

Mr. Kaplan: One day is fine, but one week is too much.

Mr. McDermid: Sour grapes.

Mr. Kaplan: When the Prime Minister spoke in the House in answer to questions about the Hatfield meeting with the Solicitor General, I took his answer, and the country took his answer, to suggest that he was questioning the judgment of his Solicitor General. Mounting editorial opinion is demanding the resignation of the Solicitor General over that meeting.

Some Hon. Members: Oh, oh!

Mr. Kaplan: Last week in Edmonton—

Mr. Speaker: Order, please. Does the Hon. Member have a question, please?

Mr. Kaplan: Is the Prime Minister aware that his own Cabinet colleague, the Minister of Justice, has also said that he would demand the resignation of the Solicitor General? In view of the untenable position that the Minister is now in, will he not do the proper thing in the interests of the administration of justice of this country and demand the resignation of the Solicitor General?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see that a week's holiday has done nothing for the Member's grace or sense of humour. Bad puns will always be alive and well as long as the Member is asking questions. The Minister of Justice—you know full well—made no such statement. The manner in which you distort the statement would have the Minister saying that. In point of fact, both the Minister of Justice and the Solicitor General have responded fully, as best human beings can. Their answers are on the record and should satisfy the Hon. Member.

● (1440)

Mr. Speaker: Short supplementary.

Mr. Kaplan: Mr. Speaker, I would like to have the Prime Minister answer fully. Although he has been asked, he has not so far told the House when he first learned that marijuana had been found in the luggage of Premier Hatfield. He has said when he heard about charges; he has said when he heard that charges were laid.

Mr. Speaker: I have yet to hear a question. The Hon. Member for Skeena.

* * *

FORESTRY

FEDERAL GOVERNMENT EXPENDITURES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of State for Forestry. It is clear now that the struggle in Cabinet is over and that the forest sector has been given the axe at the federal level. Would the Minister explain to Parliament why Canada's largest industry, which contributed $25.9 billion to our economy and employed one worker in 10 Canada, is facing a 15 per cent cut from last year's level of expenditures, at a time when his own officials have said that between Newfoundland and British Columbia a failure to give more money to the forest sector at the federal level will mean the loss of tens of thousands of jobs?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the Hon. Member is obviously off cue here. When we finish the agreements and discussions with the provinces we will have signed for more money in forest renewal and forest lands with the provinces than the previous Government did in 10 years.

SIZE OF FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister. I am sure that he is aware that less than one-tenth of 1 per cent of the proposed expenditures which were released yesterday will go to the forest sector at the federal level. During the election campaign all of the government Members from British Columbia went around B.C. promising $200 million a year. Why has he only put forward $175 million a year for the whole of forestry at the federal level in Canada, knowing that it will mean the loss of tens of thousands of jobs in Canada's largest industry?

Mr. Blackburn (Brant): He won't answer that.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the Hon. Member knows full well that we negotiate, under the ERDA, sub-agreements for forestry. He knows full well that we have already signed with several provinces, and more are pending. When we finish we will have more than the Hon. Member mentions in terms of forestry agreements and activity on the land to help the forest industry in Canada.

AGRICULTURE

BEEF IMPORTS FROM EEC COUNTRIES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. It is with regard to the quotas which the Minister announced last December on EEC beef coming into Canada. This beef from Ireland was heavily subsidized by up to 48 cents a pound.

Can the Minister confirm the report that the Government is planning to cave in on those quotas and, due to pressure from the EEC, is going to allow the beef quotas to be lifted and allow the beef to come into Canada without the quotas?

Hon. John Wise (Minister of Agriculture): The simple answer to that question, Mr. Speaker, is no. It would be very improper and foolish for us to give any indication of what our bargaining position is, particularly when those sessions are currently in progress.

NEGOTIATIONS INQUIRY

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister is then confirming that in fact negotiations are going on to raise the quotas. Why is the Minister selling out the farmers of the country? If the Minister is going to maintain the quotas as announced at 5.9 million pounds in December, why is he negotiating? Why is he sending his officials to negotiate with the EEC countries unless he is going to be caving in on us?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is very obvious from the comments of the Hon. Member that he does not fully understand the international trade agreement. I would like to assure the Hon. Member and the House through you, Mr. Speaker, that because of the inaction of the Government last year, which resulted in a disaster in the Canadian beef industry in 1984, we gave a commitment that that same disaster would not repeat itself in 1985. I stand by that commitment.

Some Hon. Members: Hear, hear!

* * *

MAIN ESTIMATES

PRESENTATION BY GOVERNMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister, who promised a major change in direction when he was elected on September 4. The Estimates have given us our first opportunity to see the Government's plans. The Prime Minister promised help to many sectors that are not reflected in the Estimates. The Bay Street friends of the Minister of Finance called for massive government reductions in spending and size, which are not reflected in the Estimates.

Would the Prime Minister not agree that this set of Estimates could have been submitted by the Hon. Member for Windsor West when he was President of the Treasury Board? How is the Government differing from what we became used to, with Liberal Government after Liberal Government? How does this differ at all?

Right Hon. Brian Mulroney (Prime Minister): Probably in a number of important ways. First of all, the document contains many important decisions announced on November 8 which caused the Government of Canada to be able to contain the rate of growth to the lowest figure in many years. I think that is important. My hon. friend should take some hope from that. Having inherited a situation midway through the fiscal year, the Government is trying to arrest the growth of public expenditures so as to cause the negative impact on that deficit and the driving up of interest rates by crowding out the private sector on the borrowing side.

The statement of November 8 was important and contained very important items. I think that my hon. friend will be pleased as well to see that the next statement made by the Minister of Finance, being the Budget, will contain further and important provisions designed to get Canadians back to work and to increase wealth in Canada.

PRIME MINISTER'S OFFICE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is for the Right Hon. Prime Minister. He knows how important is the leadership that he gives the country during this very difficult time. Could he explain once again, at a time when the Government is trying to curtail growth and expenditures, what kind of symbolism it gave the people of Canada when he expanded his office from 90 to 120, and increased expenditures more than 50 per cent? What kind of signal is that giving to the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Probably not a good one. As I indicated to the press this morning, I hope it is a temporary measure. It was brought about by a number of considerations, one of which was the decision made by the former Prime Minister to eliminate two co-ordinating Ministries in Social Affairs and Economic Development. As a result of this, when we came into power with the first majority Progressive Conservative Government in 25 years, in the absence of the two co-ordinating Ministries the PMO was called upon to take a greater role in the co-ordination and development of government policy across the board. Because by hon. friend is known for his fairness he will recognize, as I do, that while the total expenditure represents, as I have said, six one-hundredths of 1 per cent of total expenditures, I acknowledge to my hon. friend quite readily—

Some Hon. Members: Order.

Mr. Speaker: With great respect.

Mr. Mulroney: I could go on, but they don't want to hear me any more.

[*Translation*]

FINANCE

COST OF DELAY IN ADOPTION OF BILL C-11—BORROWING AUTHORITY

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister of Finance. It is the same one as yesterday and I hope to get a reply today.

Could the Minister of Finance inform the House what the delay in passing Bill C-11, an Act to provide borrowing authority, will cost Canadians?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the latest calculation that I have done on the cost of the inordinate delay of some three weeks in the Senate of Bill C-11 is about $10 million.

Some Hon. Members: Shame.

Mr. Wilson (Etobicoke Centre): There could well be additional costs if there is a greater compression of government borrowing, if there is further delay. I hope there will not be further delay because taxpayers are getting very, very impatient with the Senate.

* * *

[*Translation*]

STATUS OF WOMEN

APPOINTMENT OF ADVISORY COUNCIL CHAIRPERSON—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister.

On January 31 of this year, I asked the Minister responsible for the Status of Women about the appointment of a president of the Advisory Council on the Status of Women. The Minister answered that it was a matter of weeks. There has been no appointment since that time, and the vice-president who was in an acting capacity left Ottawa yesterday.

Could the Prime Minister inform the House when he intends to appoint a president of the Advisory Council on the Status of Women?

Right Hon. Brian Mulroney (Prime Minister): Tomorrow, Mr. Speaker.

• (1450)

REQUEST FOR DECISION CONCERNING APPOINTMENT OF CHAIRPERSON

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in that case I wish to thank the Prime Minister for this appointment.

Could the Prime Minister give the House the assurance that the future president will be bilingual and have the requisite energy and knowledge of women's issues to properly advise on the present status of women in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the future incumbent will above all be competent. Next, bilingual, without a doubt, and lastly, full of enthusiasm for these issues.

* * *

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE

SIZE OF BUDGET

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. Yesterday the Government, to its credit, broke with a long tradition of Liberal secrecy and for the first time in the history of our country announced the operating budget for the new Canadian civilian Security Service, the incredible amount of $116 million. In view of the fact that the RCMP estimates have been reduced by only $45 million as a result of the transfer to a civilian service, could the Prime Minister explain to this House, and to the people of Canada, what major new threats to the security of Canada justify this massive increase in the expenditures on the new civilian Security Service?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Solicitor General, who, I am sure, will be able to address these matters very adequately in a committee context, I will take the Hon. Member's question as notice and make sure that an answer is given to him as soon as the Solicitor General returns to Canada.

SERVICE'S ACCOUNTABILITY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, perhaps the Prime Minister might answer an important question. In view of the fact that while he led his Party in Opposition, that Party joined with the NDP and thousands of Canadians in condemning the dangerous powers, the vague mandate, and the lack of parliamentary accountability of the Security Service, what steps is the Prime Minister going to take, now that he forms the Government, to amend this legislation to ensure, in particular, that there is full parliamentary oversight of the operations of the new Security Service?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the things that we have done, and perhaps we should do more, was to appoint an overview committee composed of five distinguished Canadians, including a very distinguished member of the NDP, the Hon. Sol Cherniak, whom I had the pleasure of inviting to join the Privy Council for that end.

Some Hon. Members: Hear, hear!

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I would like to direct my question to the Prime Minister, who appears to have lots of energy today.

My question concerns the recent agreement which the Prime Minister signed with the Province of Newfoundland. In that agreement all oil from the off-shore of Newfoundland must first go to meet the industrial capacity and the needs of eastern Canada before any new industries will be allowed to be built in the Province of Newfoundland. Will the Prime Minister undertake to re-examine this clause, to remove the discrimination in Clause 54 against Newfoundland, before the legislation is introduced into this Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, most documents that I am aware of by and large have some imperfections and I would be happy to look at anything that might be raised if it were helpful to Newfoundland and Labrador. I think my hon. friend would agree, however, that notwithstanding the point he raises, and we can look at it objectively that after 13 years of obstruction by the former Government—

Mr. Guilbault (Saint-Jacques): Don't be dirty now.

Mr. Mulroney: —we were able to conclude an agreement with the Government of Newfoundland and Labrador for the benefit of Newfoundlanders, and I think that is good for Canada as well.

Some Hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I am not concerned about the desires of the Newfoundland Government; I am concerned about the desires of the Newfoundland people.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a supplementary question. Are the Prime Minister and the Government advocating that they would suggest the same deal to the Province of Alberta and force Alberta oil to be sold to industrial capacity outside the Province of Alberta before allowing Alberta to build a new petrochemical industry? Is that what the Government would suggest to the Province of Alberta?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have said many times that what we are trying to do, and for which we make no apology at all, is to show that we, unlike the previous Government, are not afraid to inflict prosperity on Newfoundland and Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We think that is fair and that is good for Canada.

There is nothing in the signed agreement that would give rise to that difficult situation envisaged by my friend. If it were the case, and it is not, why would all the Liberals in the provincial House be joining the Conservatives in Newfoundland? They are doing it because they know that that deal was good for Newfoundland and Labrador, and good for the people of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

* * *

THE SENATE

ABOLITION RECOMMENDATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Right Hon. Prime Minister, who apparently said this morning that something would have to be done about the Senate. Would the Prime Minister indicate to us whether he is prepared now to consider the long-standing NDP recommendation that the Senate be abolished? If he is not prepared to go that far, will the Prime Minister at least declare a moratorium on the appointment of Senators until such time as the Government can come forward with proposals for Senate reform?

Right Hon. Brian Mulroney (Prime Minister): I have not gotten around to that, Mr. Speaker, except to assure my hon. friend that there will be action taken, given the historic obstruction of the Liberal Senators preventing the unanimous will of the House of Commons being followed through. I did consider something cataclysmic—the appointment of the Hon. Member for Birds Hill to the Senate.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But I do not know whether the Senate would survive it.

Some Hon. Members: Oh, oh!

Mr. Blaikie: The very thought of going to the Senate disturbs me greatly, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Blaikie: I feel that I am far too young, and I am not used up yet.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): That is not the way it seems to us.

Mr. Speaker: The time for comments is used up. Perhaps a question?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST FOR MORATORIUM ON APPOINTMENTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, could the Prime Minister give us some indication of what kind of time line he has in mind, that is, when we might see some proposals from the Government? In view of the fact that some action is planned, will the Prime Minister give us the assurance that no more people will be appointed to the Senate so that, when that day comes, as it must now come, for reform of the Senate, we will not have to pay for the retirement of more Conservatives as well as of all the Liberals?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can give my hon. friend the assurance that there will be action taken soon. I know that all Canadians feel a great deal of dismay at the fact that the Liberal members of the Senate, who are members of the Liberal caucus, have repudiated their own Leader and have refused to follow what the Leader of the Opposition has stated. That, of course, is unacceptable. We want to encourage the Leader of the Opposition as much as we can.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

LABOUR RELATIONS

ABOLITION OF POSITIONS IN CANADIAN BROADCASTING CORPORATION

Ms. Sheila Copps (Hamilton East): I can see, Mr. Speaker, that it is a clear case of reform for doing nothing, and abolition for doing something.

Some Hon. Members: Oh, oh!

Ms. Copps: My question is for the Minister of Labour, or rather should I say the minister of management?

Mr. Hnatyshyn: Order.

Ms. Copps: My question is for the minister of management.

Some Hon. Members: Order.

Ms. Copps: The Minister of Labour, Mr. Speaker. The Government, through the Minister of Labour, has joined with the management of the CBC in axing 1,200 positions—

Mr. Clark (Yellowhead): Take a deep breath.

Ms. Copps: —without even the decency of the labour management committee required by his own Ministry of Labour code. How can the Minister move expeditiously to facilitate the firing of 1,200 workers when he should, in fact, be acting with sensitivity in working with the union and seeking some other way of saving the jobs of workers?

● (1500)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member is aware that the dismissal was a CBC management decision. This Minister's responsibility is to interpret the Canada Labour Code. This remains a responsibility of this Minister, when a collective agreement signed by two parties is the same, or has the same effect as pertinent legislation. I am sure the Hon. Member would agree that whenever possible a document signed by two parties should be honoured over and above legislation.

CANADA LABOUR CODE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister quite clearly knows that he is violating his own Canada Labour Code. Is this the standard which he is setting? Is this an example which his Government is setting for private businesses across the country which fall under the Canada Labour Code—a violation of his own Canada Labour Code according to the arbitrators on the issue?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am very concerned about the Hon. Member's understanding of the Canada Labour Code. I thought it would be more perfect than it is. The fact is that the arbitrator, who made a decision prior to the decision to grant the waiver, confirmed that the collective agreement signed by management and the unions involved had the same effect or similar impact as the Canada Labour Code. I would, therefore—now and in future—favour a collective agreement, signed by two parties, over legislation.

* * *

CLERK OF PETITIONS' REPORTS

FLY SALMON FISHING QUOTAS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Northumberland-Miramichi (Mr. Jardine) on Tuesday, February 26, meets the requirements of the Standing Orders as to form.

CONTINUED SUPPORT FOR CARROUSEL DU P'TIT MONDE D'ANJOU INC.

Mr. Speaker: The petition presented by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) on Tuesday, February 26, does not meet the requirements of the Standing Orders as to form.

REINSTATEMENT OF *FRIENDLY GIANT* TELEVISION PROGRAM

Mr. Speaker: The petition presented by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on Tuesday, Febru-

ary 26, does not meet the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills without amendment: Bill C-11, an Act to provide borrowing authority; Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto; and Bill C-29, an Act to amend the Western Grain Stabilization Act.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

February 27, 1985

Sir:

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of February, 1985, at 4.30 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary to the
Governor General

● (1500)

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PARTICIPATION IN NASA SPACE PLATFORM PROGRAM

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I have the honour to present a petition from the students of Centennial College in Scarborough, endorsing the government policy to participate financially in the NASA Space Platform Program.

[*Translation*]

GAS AND HEATING OIL PRICE INCREASES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour of presenting a petition signed by 15,742 residents of the metropolitan area. The signatures were obtained through the good offices of a program called "Bonjour Montréal", broadcast by CJMS. The petitioners object to the excessive and unconscionable increases in the price of gas and heating oil, a situation that is putting a considerable burden on all consumers in Quebec. The petitioners humbly pray that Parliament ask the Minister of Consumer and Corporate Affairs (Mr. Côté) to intervene in this case so that the situation can be normalized as soon as possible.

I herewith present this petition and recommend that the Government act upon it as soon as possible.

[*English*]

REINSTATEMENT OF DEATH PENALTY

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, it is my duty and honour to present to the House a petition signed by 21,400 Canadians calling for a national referendum permitting all citizens the right to express their wishes regarding the reinstatement of the death penalty for capital murder.

This petition is sponsored by the Vancouver Division of the Royal Canadian Mounted Police Veterans' Association and was conducted over the last year.

LUMBER EXPORTS TO UNITED STATES

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the honour to present a petition from concerned citizens. Whereas the Prime Minister (Mr. Mulroney) of Canada will be meeting the President of the United States in Quebec City in March 1985, the petitioners request Parliament to call upon the Prime Minister to make it abundantly clear to the President of the United States that Canada flatly refuses to consider voluntary cut-backs in softwood lumber exports into the U.S. market and that any attempt to limit Canadian imports into that market or other forest products into the U.S. market would be viewed as a matter of grave concern to Canada and certainly would not be tolerated by the Canadian Government.

[*Translation*]

BUDGETARY CUT-BACKS IN WILDLIFE SERVICE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, it is my duty to present to this House a petition signed by a number of my constituents who object to budgetary cutbacks at the Wildlife Service.

My constituents are asking the Minister to reverse his decision and restore these programs.

[*English*]

FISHERIES AND FORESTRY

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Jim Fulton (Skeena): Mr. Speaker, I should like at this time to move concurrence in the third report of the Standing Committee on Fisheries and Forestry, which is Sessional Paper No. 331-8/5.

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

Mr. Fulton: Mr. Speaker, the committee has considered a great deal of evidence regarding CN's twin-tracking project which, as I think most Hon. Members know, is a $16.5 billion project related to a great extent to the Crow rate legislation passed by the House during the last Parliament.

The Standing Committee on Fisheries and Forestry has unanimously concurred in and recommended to the House what we are considering today. It involves the following motion which was passed by the committee:

That the Standing Committee on Fisheries and Forestry recommend to the House of Commons that there be a one year postponement of the CNR twin-tracking project while the social and environmental impact of the 36 Indian bands most directly impacted by this project are assessed; and

That the economic justification for the CNR twin-tracking be made available to the Alliance of Tribal Councils; and

That an objective evaluation of the many potential impacts on native people living on the Fraser river and depending on the salmon resource has been evaluated.

It continues:

That at the same time the alternative of single tracking be studied by way of the application of the latest railway transport technology available.

We have heard a great deal of evidence. I know there is a great deal of ongoing work on the government side on the part of the Minister of Transport (Mr. Mazankowski), the Minister of Fisheries and Oceans (Mr. Fraser), the Minister of Indian Affairs and Northern Development (Mr. Crombie), and the Minister of the Environment (Mrs. Blais-Grenier) regarding this matter.

● (1510)

I know that in the few minutes before three o'clock, there seemed to be a great deal of alarm on the government side about proceeding with concurrence in this motion. However, I think all Members of this House will understand the urgency of proceeding with this motion today when I put a few relevant facts on the record.

The first and most significant is that CN plans to proceed with the Ashcroft subdivision miles 59 to 69 on Friday of this week. I had hoped to obtain a commitment from the Government that it would not proceed with the Order in Council for allowing that CN action under the Navigable Waters Protection Act and other pieces of federal legislation, which I am led to believe will be signed tomorrow. In the moments immediately prior to three o'clock, I received a variety of messages from various Parliamentary Secretaries and others that something else might in fact be going on.

There is important evidence that we heard from the Alliance of Tribal Councils of British Columbia and important information we heard from fishermen, as an expression of the concern there is in British Columbia that the interests of native people have not been dealt with fairly, particularly by the previous Government.

I do not intend to say that this matter has suddenly arrived on our doorstep. This problem has been brewing in British Columbia for five years since the project began in 1981. No one has taken it seriously, neither the Department of Indian Affairs, nor the Department of Fisheries and Oceans, nor the Department of Transport, nor, in particular, CN. I have seen no evidence that CN has in any way fairly negotiated or dealt with the Indian people who are most directly affected, or those communities in terms of the wide variety of issues that I intend to raise in the next few minutes.

We heard these witnesses. It was following an excellent presentation by the Allied Tribal Councils of British Columbia, who represent Indian people in about 50 per cent of British Columbia, that there was a unanimous recommendation. All members of the Conservative Party, the Liberal Party and the New Democratic Party who were represented on that committee, one of the largest standing committees of this House, voted unanimously.

There are a couple of other important points that are salient to the debate today. First, is or is not the Government going to come forward with the Order in Council in the next 24 or 48 hours to allow this project to proceed? It would place ballast and tunnelling muck into the Thompson River, a river system combined with the Fraser system that provides somewhere between 40 and 50 per cent of the salmon stock in British Columbia.

The second point is the EARP process. The Minister of Fisheries and Oceans and his colleague, the Minister of the Environment, will not be provided until the next month with the Environmental Assessment Review Panels' recommendations in their preliminary report. Those same Ministers will not be provided with the final recommendations of FEARO or EARP until the summer.

Here we have a process where native people have been refused involvement. At this point I would like the House to realize what kind of an attitude CN is taking toward Indian people in British Columbia. I wish to quote from a July 26, 1984, letter to Mr. Connelly, the Chairman of the panel on CN twin-tracking. That letter is from Mr. Hostland, the professional engineer responsible for the plant expansion program. Here is what he had to say about the involvement of Indian people in British Columbia in the process. I quote from page 2:

However, at the same session, the Panel heard requests for access to the design process from native groups and other interested groups. These groups want to infiltrate the process, each for their own reasons. CN Rail feels that any such distractions—

He calls them distractions, the involvement of Indian people in having rail lines ram through their reserves, through their historical burial grounds. CN left bones from previous grave

sites lying on the rail tracks the last time it came through. The letter continues:

CN Rail feels that any such distractions would interfere with the present smoothly working system and may ultimately destroy its operation. CN Rail cannot support this interference and does not feel there is a legislated obligation to do so.

CN may think that under the Railway Act passed at the turn of the century it can run through Indian reserves, dump ballasts in the Thompson and do whatever it wants to the Fraser system. However, the people in British Columbia are not going to sit idly by and see a project that has not been properly evaluated jammed down the throats of British Columbians.

I am not standing in this House on behalf of my Party to say that we are opposed to getting increased rail capacity. In British Columbia we realize, whether we are talking about the Port of Prince Rupert or the Port of Vancouver, that there is a legitimate need for increased rail capacity. We had witnesses before our committee who revealed to us that, through the joint utilization of CN and CP trackage, we can increase rail capacity by 300 per cent. We had Mr. Walker, the Vice-President of CN, before our committee two weeks ago. To add insult to injury, we learned from him under cross-examination that the total amount of time and money that CN put into evaluating the joint utilization of track was, one person for six months to evaluate alternatives to a $16.5 billion project. I say that is not good enough.

Transport Canada has not looked into the options for this kind of twin-tracking since 1977. It is important in terms of today's debate that the government side, albeit there will be some short-term embarrassment and a great deal of work required by a variety of Departments, will pull this matter back together and deal with the fisheries issue. There has been no full system hydrology done on the Thompson or on the Fraser. Fisheries and Oceans is responsible for ensuring that that kind of comprehensive and cumulative hydrology is done. I see the Minister of Fisheries and Oceans in here. Let me point out from the Government's own Environmental Assessment Review Panel—

Mr. Fraser: I am not only here, I am listening.

Mr. Fulton: The Minister is listening as well. Let me point out a few of the impacts that the Environmental Assessment Review Panel found. They are concerned about the blockage and delay of migration of fish, the reduction of cross-section area and consequent increase in river velocity and change in flow behaviour, and the loss of rearing or holding habitat. On that point I would like to remind Hon. Members that CN has long been promising no net loss, in fact net gain of habitat when it constructs. Well, CN twin-tracking is not just in the Fraser Valley. CN twin tracking goes from Redpass to Prince Rupert and between Terrace and Prince Rupert, and it is estimated that we have lost 13 per cent of the fish habitat on the north bank of the Skeena River. That is between the Department of Highways and CN, but not a square inch of that habitat has been replaced. That project has been under way for five years.

The report goes on to say that they are concerned about the loss of spawning or rearing habitat, the alteration of river velocity and flow behaviour, resulting in downstream scour or deposition, the loss of feeding areas, infilling of shallows, downstream scour, loss of rearing and holding habitat, the placement of rip-rap and increased bank roughness, the lowering of water quality and spawning conditions, the loss of fish-holding pools, the loss of or hindered access to fishing sites, the loss of landing sites for river recreation, and the loss of aesthetic quality.

It goes on to other impacts, including the loss and delay in migration, the loss of spawning and rearing habitat, the possibility of flooding, erosion, ice damage, and in terms of wildlife and collisions with wildlife, the policy in dealing with that. What is CN's practice for the control of deep slopes on the rail line? What are the present practices with regard to rock and other ballast? What is the composition and toxicity of the flange lubricant? There are all kinds of questions that have been raised, legitimate questions to which CN has not responded. Government departments that are responsible have not dealt with them effectively.

Let me deal with Orders in Council, which really brings this to focus today. The Minister of Transport within hours will be seized of his obligation to CN—and CN considers him obliged to it—to provide the Order in Council. Let us look at the Orders in Council in relation to the CN twin-tracking in British Columbia. Between mile 123.23 and mile 128.23, the Albreda subdivision, four miles of Order in Council along riverbanks; miles 3.82 to 4.04, 6.69 to 6.72, the Clearwater subdivision, .3 miles of river lost; bridge at mile 8.3, Ashcroft subdivision, mile 109.56 to 109.73, Yale subdivision, another one-fifth of a mile of river lost; and mile 112.47 to mile 112.61, Yale subdivision, another fifth of a mile lost. Those are Orders in Council passed after this House in its wisdom had put legislation forward. I remind the Minister of Transport, even though he is not here, that he is tending now to use Orders in Council where he should not. He is providing to the M/V *Arctic* an Order in Council allowing that tanker to go up into the Canadian Arctic in Zone I ice, knowing full well that that tanker is not allowed to go into that area under the Arctic Water Pollution Prevention Act.

● (1520)

An Hon. Member: Jimmie, you're off the issue.

Mr. Fulton: I know I am. I just wanted to throw that in to remind the Minister of Transport that I am following his affairs.

I have here a letter from the Department of Indian Affairs and Northern Development dated January 11, 1985, to Mr. John Sam, a witness who appeared before our committee. The letter in part reads as follows:

CN Rail is apparently unwilling to provide us with the Minutes for the meeting. I was not provided with any documents, such as Environmental Design Reports, Minutes of past meetings, or attendant studies, and this has made it very difficult for me to present the notes in a really organized fashion.

The letter that was sent to John Sam came from the public and intergovernmental relations section of the Department of Indian Affairs and Northern Development, and I assume that a copy of that letter has been provided to the Minister. CN is not providing the necessary documents, studies and relevant information to those people who are directly impacted.

Let us take a look at some of the other issues that have been raised by the Environmental Assessment Review Panel. Again, the Ministers responsible for this project, particularly the Minister of Fisheries and Oceans and the Minister of Indian Affairs and Northern Development and, to a great extent as well, the Minister of Transport will not receive the final report of FEARO, our own government agency, the Environmental Assessment Review Panel, until the middle of the summer. This project is supposed to begin this Friday. I understand that the equipment required to dump ballast into the Thompson River is at site. The Thompson River is one of the most important salmon rivers in the world, not only North America.

What are some of the long-term issues that have been raised by our own officials who have heard witnesses? They have asked if there is a capacity problem. Transport Canada has not looked at this matter for 10 years. We have heard from witnesses that by making use of the CN and CP track and by making better utilization of the Port of Prince Rupert, we could have a 300 per cent increase in capacity. Is there a capacity problem? That has not been resolved.

What about the communities? What about Kamloops and Ashcroft? What about the Oregon Jack Band, members of which appeared as witnesses and are deeply concerned about what has happened in the past? Their grave sites have been dug up; the bones thrown all over the place. Their orchards have been taken over. They are being driven off their land.

Mr. Riis: Thirty-six tribes.

Mr. Fulton: That is right. Thirty-six bands are affected along with the sports fishermen and others who make use of the river.

Let us not forget, Mr. Speaker, that neither you nor I could throw one shovelful of dirt into the Thompson River without being charged under Section 33(4) of the Fisheries Act. We are not allowed to put materials into flowing water or the ocean that are deleterious to fish. However, CN has all kinds of special rights.

What about land use and resource issues? What about Indian lands? We have not even dealt with the constitutional issue of aboriginal rights in this debate, nor do I think it is necessary to do so. However, in terms of those reserves that have been allocated, CN has already taken more land than it is allowed to under existing legislation. Now it is being told it has no rights and cannot get documents. Indian Affairs will not give it documents. Representatives of the Department of Indian Affairs and Northern Development were not allowed to participate in the technical working group until we began our hearings on this matter, five years into the process.

The rights of Canadians have been abrogated and the House has a responsibility to put this project on hold and, either through an inquiry process or through the appointment of someone of very high calibre, to pull together the disparate issues here. There are questions of full river system hydrology, questions of bank stabilization, questions of use. Do we need the capacity to be developed in that way? Is it correct that CN, as it told the parliamentary committee, can proceed only in that way right now? This is a $24-million section. We are talking about 160 person-months of employment. We are only asking the Government to suspend 160 person-months of employment. That is what will be needed for the Ashcroft subdivision.

There are other issues to be discussed. What about heritage resources? These resources have not yet been completely evaluated. What is the real impact on fisheries? We have heard from trustworthy witnesses from the Department of Fisheries and Oceans that the impact is not that great. However, the Minister of Fisheries and Oceans of all people should recall what McTaggart-Cowan said about the Arctic, that is that the destruction of many of our resources occurs by insignificant increments. Perhaps the loss of a few hundred yards of habitat between mile 59 and mile 69 is not that great a loss. However, I will turn to the specifics of that subdivision in a moment.

CN has been allowed to proceed. We heard from the Vice President of CN that if we went for joint track usage between CN and CP, then a second track would be required by 1992. Everyone in the House must understand that the converse is true. The double-tracking issue is not the only issue before us. CP will come before the Minister of Transport indicating that it knows that CN's own evidence is that by 1992, we will have to look at the matter all over again.

We must look at the cumulative impact of rail lines, highways, hydro lines and oil pipelines. We must look at the impact of Weyerhaeuser dumping its residue at Kamloops. We must look at the entire system. The Minister of Fisheries and Oceans knows the impact that there has already been on the Fraser River estuary from raw sewage and from bark from logs stored in the fresh water to keep the touritos out of them. There has been the dumping of debris from municipalities all the way up the Fraser Canyon.

Those are not the only issues before us. What about wildlife? What has CN done? Where the tracks go through our national parks, CN and CP are two of the largest harvesters of wildlife in Canada. They kill bighorn rams, grizzlies, elk, caribou, deer, foxes and moose. What is being done? They have not spent one plugged nickel trying to figure out ways of building exits from the tracks so that some of the larger ungulates can get off the tracks when the snow gets deep.

What about tourism and recreation? CN and the Department of Transport have not taken those into account. We must look at these kinds of things.

What about water? The Environmental Assessment Review Panel has determined that there will be additional scouring, increased velocity and the movement of huge amounts of sediment. What about cross-river-bank hydrology questions in

which ballast is put on one side of the river turning the river over to the other side, scouring into the land on the other side and then moving sediments down? This changes water quality and destroys habitats. It has an effect on the entire economy of British Columbia.

There are other issues. What about the hazards of toxic fill? We are just getting regulations now for the marking of cars and the moving of toxic and hazardous materials through that area. Why is it that in almost all of the plans of CN, additional sidings are being built on the river side? Why are we not looking at some of the options that were raised by witnesses? What about trading land with the B.C. Department of Highways? Automobiles can move up and down steeper slopes. Railway cars require good, flat, low gradient in order to be competitive and operational. We have not looked into those kinds of things and the Government of Canada has a responsibility to do so. This is a good year in which to do that.

The Minister of Agriculture (Mr. Wise) and the Minister of State for the Wheat Board (Mr. Mayer) are saying that we cannot move anything through Thunder Bay and that the number of cars moving to Prince Rupert and Vancouver is down. What better time than now to undertake this task? I would tell government Members that we must call the previous Government to task for this. It is the one that delivered to us this god-awful mess, and that is about as nice a way as I can describe it.

Let me deal with a few specifics relating to the Ashcroft subdivision. I think Members should know about the plight that exists there. If I have only a minute to go, I will have to let someone else put these issues on the record.

The Acting Speaker (Mr. Paproski): Order, please. I have just indicated that the Hon. Member has one minute left. There is a 10-minute question and answer period following his remarks. I would appreciate it if he would wind up his debate.

Mr. Fulton: Thank you, Mr. Speaker, Let me sum it up this way: we find ourselves in a very difficult position. I think the Fisheries and Forestry Committee has done a very honourable thing in unanimously endorsing the motion which I have moved today. I know it has put some of its members in a difficult position. I believe they are very honourable Members for having taken what I consider to be the right position on this issue.

The fact of the matter is that the equipment is there. CN plans to move imminently because it claims it will lose a two-year window if it does not proceed immediately. That is a lot of hokum, Mr. Speaker. It is related to the Adams River run. Perhaps during the question period, if some Hon. Member would like to ask me about the Adams River run, I would be more than pleased to explain about it.

The Acting Speaker (Mr. Paproski): Questions or comments?

• (1530)

Mr. Riis: Mr. Speaker, after an excellent presentation on the problem that not only the fishery industry but native people as well will be facing as a result of the about-to-be-made decision of the Government, I would like to ask the Hon. Member if he would elaborate on some of the concerns which the Alliance of Tribal Councils expressed before the committee, and perhaps make reference to the relationship of this particular project and its approval with the Adams River salmon run.

Mr. Fulton: Mr. Speaker, first I would like to deal with the Adams River run. That is really the crux of the CN argument. A letter from the Department of Fisheries and Oceans indicates the window within which this project should proceed. It reads:

> The last date that this department would allow construction on the Ashcroft subdivision, mile 59-69, is September 9, 1985. It must be noted however, that historic records indicate that water levels would become too high to allow construction on or about May 31, 1985.

This particular section of twin-tracking is ten miles long and it is called the Ashcroft subdivision. For the most part, it runs along the Thompson River. The reason it would require a two-year delay for that particular section is that this year high water is expected in May, and next year the Adams River run would be in the river, which would make construction impossible. That is the reason for the two-year window.

The reason there is great interest in terms of the twin-tracking on this particular section—and the twin-tracking runs from Valemount down to the Thornton Yards in Vancouver—is that it is the longest single section of single track which is left within the whole of the twin-tracking. There are no portals and there is no place for trains which CN moves—which are 6,000 feet in length—to move off the tracks to allow trains which are going in the other direction to pass. It is a real problem. We are caught between a rock and a hard place. There are other sites within that section of single track that CN could proceed with within the two-year period. We were told by many of the witnesses who came before the committee that it would not create a situation which would not allow trains to go to Vancouver if they were not allowed to proceed. They would not go that far. They said that they were saturated, but many rail lines in Canada are saturated.

The concern of the Nl'akapxm Nation, and the Alliance of Tribal Councils that they represent on behalf of the 11 tribes within their nation, is that a total of 52 reserves would be affected by this project. I could speak at length about the horrible things which have happened in the past, but I do not think we have to dig into that. I believe we must deal with the present. I believe that the tribal councils have a very legitimate reason for being concerned about how they have been excluded from the process by Transport Canada, CN, and the Department of Fisheries and Oceans, and that their rights either in appearance or in reality are not being dealt with. As Members of Parliament and as Parliament we have a responsibility to respond immediately to the concerns by delaying the signing of the Order in Council. I think the Minister of Transport, in

good faith, will do that. The Standing Committee on Fisheries and Forestry will be travelling to hear witnesses on the subject at the end of next month. The Standing Committee on Transport will be going there in the middle of March. So I think Parliament is moving on a terrible problem which was delivered to us by the former Government.

Mr. Brisco: Mr. Speaker, I listened with interest to the comments which were made by the Hon. Member for Skeena (Mr. Fulton) and I would like to ask him a couple of questions.

Does he have an indication of the cost of changing the existing rail proposal? He made reference to seeking alternatives, and indeed those alternatives exist. Could the Hon. Member give the House an example of the costs of those alternatives?

I would also appreciate an indication from the Hon. Member a to the absence of involvement of the former Minister of the Environment and the former Minister of Transport. What could they have done to ameliorate or prevent what has suddenly now been thrust upon this House?

Mr. Fulton: Mr. Speaker, the actual Ashcroft subdivision and the actual evidence which was given by Mr. Walker, who is the Vice-President of CN, is that that particular site is the least expensive within the entire section. In the actual construction it would involve $24 million and 60 person-months. In total, it would involve 180 person-months. It is separated in that some of the work will be done by running trade gangs and some parts of the project will be contracted by the Government through the tendering process, with the lowest bidder doing the actual ballasting and other work.

In terms of the second question, I think that is the crux of the matter. The former minister of Transport, over a period of years, could easily have dealt with this matter by getting involved with the B.C. Department of Highways. In that particular section there are several options, because there are other areas where secondary lines could have been placed. The provincial Department of Highways has some of the best land, which is very flat. As the Hon. Member knows because he comes from the Kootenay area, in terms of rail line there has to be as low a grading as possible, particularly where heavy equipment is being moved. Otherwise, the impact on the equipment and rail line would be far too heavy.

The former Government, because of its general attitude toward western Canada, sloughed it off and let it go. It was not until the project was three years old that the EARP process actually started. That is the reason the Minister of Fisheries and Oceans cannot obtain the final report. The final report will not be received until this summer, therefore, the Minister of Fisheries and Oceans and the Minister of the Environment cannot respond to the global problems of the whole project.

In terms of this particular situation, we are caught between a rock and a hard place. From listening to the evidence of CN and listening to the evidence of other witnesses, it it my view that this will not hinder the movement of Canadian products to port. The only thing the witnesses have indicated is that they are in a state of saturation. They would not say that, without proceeding with the Ashcroft subdivision, we would lose the movement of cargo. They also did not say that there were not other parts of the project within the Ashcroft-Kamloops area that could be proceeded with to provide the portals that they require. They do not have as many permits in place for other sections of the line, but I think that is something which the various Ministers who are involved could move on very quickly if one of the other sections was not proximate to a water system or to water-fowl habitat. I think we could move quite quickly, in concert with the Province of British Columbia, to obtain on an urgent basis the required permits and approvals for other sections which are farther away from the Thompson-Fraser system. What is really bringing this to a head is that we are talking about the impact on reserve land where negotiations have not taken place to resolve the problem. There have not been any other lands offered nor any kind of process. That must be dealt with.

I am very concerned about the fishery. Witnesses have told us, in terms of the individual project, that we are only losing some pink salmon habitat which is proximate to Chinook spawning areas. Of course, the Chinook are the mainstream spawners in the Thompson River and do not go out into the smaller creeks. I think those issues can be dealt with legitimately. I do not think we are in as tough a position as some Members of the House tried to lead me to believe earlier today.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. I will recognize the Hon. Minister of Fisheries and Oceans (Mr. Fraser) on debate.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I would like to put this whole debate into perspective. The first thing which is important for the House to remember is that the Party which I represent—when in opposition and during the election campaign last summer—insisted that it was going to attempt to make Private Members more relevant. That means the committees of the House, which are comprised of Private Members, would deal with an innumerable number of problems which concern the well-being of our country.

• (1540)

I have to say to the Hon. Member for Skeena (Mr. Fulton), who is a personal friend and a diligent Hon. Member of this House, that he had every right to put the motion he did to the standing committee, after hearing evidence from the Canadians who came before it to advise it on the issues which are at stake. As a matter of fact, the Hon. Member should be commended for his motion. However, it is also important that this House and the country understand that the committee, which naturally was made up of an overwhelming majority of Conservative Members, supported that motion. I think it is important to say that before I even begin to respond to my hon. friend, and I do not use the word "friend" in the polite sense but in the sincere sense, as he well knows. It is very

important to realize that this was a unanimous recommendation of a committee of this House. I am deeply conscious of the fact that I have on many occasions advocated greater independence of committees.

I am now responding as a Minister of this Government to a motion which the committee has put forward, and while I give full credit to the Hon. Member who made the motion, I am quick to point out again that the committee itself, with its majority of Conservatives, endorsed that motion. So I take the motion very seriously, not only because a majority of Conservatives endorsed it, but because it comes from a committee of this House. I have been here almost long enough to ask Hon. Members to understand when I say that I feel now I have become a part of this place and that I have great respect for the committee which heard the evidence and agreed to this motion.

My friend, the Hon. Member for Skeena, said that we were between a rock and a hard place. He is articulate. I don't know if he is a poet but he does have a flair for words and occasionally he delights this House, sometimes terrifies it, and when he is not at his best, infuriates it. My friend has put the position of this House of Commons of Canada very aptly as "between a rock and a hard place", and it has nothing to do with the fact that we are clearing rock in that narrow confine known as the Thompson Valley. The Hon. Member's motion is understandable and legitimate. The effect of it is not that there would be a one-year deferral but that there would be two years of no construction whatsoever in this particular part of the Thompson River. That does create some problems. My hon. friend knows full well that in British Columbia we have 15 per cent unemployment. That is the official figure. In fact, it is greater than that. He and I have fought long and hard, side by side, on British Columbian issues, and I acknowledge that fact with a certain degree of pride. I believe that we will continue to do so in the future. The Hon. Member knows as well as I do that we have some very serious economic difficulties in our province and he also knows that every commercial enterprise which was ever invented will say that it should go ahead with what it has planned because of the financial and economic implications. I see the Hon. Member nodding his head with a kind of bemusement. I agree full well with the Hon. Member that we are between a rock and a hard place and because we both understand that, I think that we can have some kind of communion today is this chamber.

I am not particularly proud of the record of Canadian National in this case. I probably do not now it as well as I would like to in terms of detail, but yesterday I received a telex from our follow native Canadians who pointed out the number of times that they had asked Canadian National for information and had not received it.

I will say to the Hon. Member for Skeena that I was impressed with his speech and that I am not impressed with the management of Canadian National on this issue over the last couple of years. But saying that does not get us away from the situation which my hon. friend described as "between a rock and a hard place". I know that Canadian National can tell a committee that it sent out a lot of communications. It has a written record, which, in the most narrow technical sense, can demonstrate that it asked the natives what they wanted to do. And if all one looked at was the record, written as it is, one could say that the natives had their chance to be consulted and they did not take it. But I can understand the difficulties of Canadian National. It is not, after all, an enemy of the country.

The difficulty I am in is that I have to say to Canadian National that just putting it on the record is not enough, not when we are dealing with our native people. For that matter, it is not enough when we are dealing with anyone. This Government is committed to consultation, to trying to get along with people and trying to enter into an era of reconciliation in this country. It goes far beyond just making sure memos are sent to people. So I say to my friend, as to one who is another British Columbian like myself who cares about that province just as much as I do, that I am not here to hold any particular brief for the way CN, or anyone else, handled this problem. Neither am I here to defend—to use the Anglican confessional—"the sins of omission or commission" of the past of several Departments. I am not here to fight the last election, but it is astounding to me to find that a new Government is faced with this kind of situation with our native people.

I was in my hon. friend's riding a week ago because, as I have said, one cannot be a Minister of Fisheries and Oceans unless one goes where the fish and the fishermen are. The Hon. Member will understand that. But I was in Prince Rupert a week ago and I met with representatives of the native people on this very issue, as the Member well knows. It is astounding to me that a new Government is now faced with this wretched situation. We are almost in a position that no matter what we do, we are going to be assailed by somebody. My friend knows exactly what I am talking about. The one-year moratorium is not a one-year moratorium; it is a two-year moratorium because of the Adams River run. I see my hon. friend nodding.

• (1550)

Given the fact that a lot of mistakes have been made, and a lot of basically decent Canadians have kind of badly managed this thing, we are faced with the question of what do we do now. With the tremendous respect I must have for the committee, and given the fact that I have on many occasions stated with no equivocation whatsoever my determination to do what I can in public life to advance the legitimate claims of our fellow Canadians who are Indian or native, I am in a difficult position today. I do not deny it and I do not run away from it.

I had the advantage of an extensive briefing yesterday from the various departments on this issue, Mr. Speaker. I did not use those evocative words that the Hon. Member for Skeena did of being between a rock and a hard place, but I said that there are two choices. We can decide to do nothing for two years, with all of the economic implications that may well involve, or we can go ahead and be immediately hit by an application for an injuction in the courts. There is already an

action under way, which will undoubtedly go to the Supreme Court of Canada because it affects the whole basis of native claims. Anyone in this country who thinks that this issue is going to go away is absolutely dreaming. I give this House full notice that it is not going to go away. Provincial Governments are not going to be able to kick it under the rug. Corporations are not going to be able to ignore it. No one is, because it is with us. It is probably one of the great issues we are going to have to face in the next decade, just as keeping the country together was the issue we have had to face for the last 15 years. With the Almighty willing and a little bit of goodwill, we got through that one.

I am acutely aware that every native Canadian with any sense of what is going on in the country, and most of them have that sense, is going to be listening very carefully to how I respond to my hon. friend. The best response I can give because it is the only one, is this. Given the respect I have for the committee and the Member who has just spoken, as well as the deep respect I have for the cause of our native people, perhaps there is the possibility of a compromise. Maybe there is some way in which, with a bit of help from the Government, from my colleague, the Minister of Indian Affairs and Northern Development (Mr. Crombie), as well as myself and the Department of Transport, we could establish a joint management group or committee or something in which we, admittedly belatedly, brought some of our distinguished fellow British Columbians from the native community into a day-by-day management committee which could oversee what work was acceptable this summer and what work was not.

As my friend has so accurately and eloquently pointed out, the basic complaint is that it is not just a case of our native people feeling they were not consulted. In truth they were not consulted. Oh, people went through the motions to get it on the record, but I am a lawyer and I understand all about getting things on the record. I do not think they were consulted in an appropriate way. My plea to my hon. friend, not from a position of having to touch the cap or bend the knee, not at all, is that we try to find our way out of this spot between the rock and the hard place.

It does not diminish Government or Ministers to say that we are in a dilemma. That is something this country has not heard for many years. I have no apologies for saying to the Canadian public, as I am saying now because this is broadcast everywhere, that we are in a dilemma. We do not have some magic answers. There is nothing wrong with saying that sometimes governments are not omniscient, that this is a very difficult problem and it will not be solved by myself or my colleagues making arbitrary decisions. It has to be solved with some goodwill, some wisdom and some practical application of common sense; just as I think the committee members applied those elements to the motion as they started to listen to some of the evidence.

I know my time is nearly up, Mr. Speaker, but I want to put this to the House. I am very pleased that my colleague, the Minister of Indian Affairs and Northern Development, is here, and I am frankly pleased that there are so many Members in the House because this is an important matter.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Minister's time has expired. The Hon. Member for Comox-Powell River (Mr. Skelly) on a question.

Mr. Skelly: Mr. Speaker, I certainly appreciate the remarks of the Minister. I want to make a comment to which I hope he will respond. I moved this motion in committee, and one of the things which broke the camel's back was the role of the department of Fisheries. It did not act in this matter as a guardian of the resource; it was almost an advocate of CNs project. There was no increase in resources to investigate, supervise or monitor this project, none whatsoever. This is not a single incident and the Department refused to examine it. It was looking at the CN and CP double-tracking, and we are looking at the world's largest salmon river and the incredible value it has to western Canada and to the country as a whole.

There is in-filling and pollution on the river. The Department only examined this as a single event. It depended on company and other resources to investigate and monitor. It used dated studies. On the whole, Mr. Speaker, the committee lacked confidence in the Minister's officials when they appeared before the committee. There was failure to provide resources and, I think, confusion about what their role was. Given the closeness of the change in government, I do not think this was the fault of this or the previous Government. I would like to hear whether the Minister intends to develop a more responsive role in his own Department to deal with this project and others.

● (1600)

Mr. Fraser: Mr. Speaker, I think I made an error earlier. I referred to the Hon. Member for Skeena as the Private Member who moved the motion in committee. I seem to have been in error, and I regret that. I think that the civility of the House demands that we give credit where credit is due. That was an error on my part, and I am sorry. That does not take anything away from the nice things I said about the Hon. Member for Skeena.

Mr. Skelly: How about the seconder of the motion? Does he get a little credit too?

Mr. Fraser: I will give credit to the seconder. I am sure that in the time available someone will draw the attention of the House to that.

I will address the question posed by the Hon. Member for Comox-Powell River (Mr. Skelly). He asks what my attitude is toward the relations between my Department and our native Canadians. I think the attitude is commendable. There are grievances which I believe are founded in sound legal arguments. I think they must be solved. I do not accept the position of those who say that even to discuss this is ludicrous and is reaching back into the centuries. I know there are those who take that position.

The solution to the problems is very difficult indeed. Under the law I am mandated to support this resource on our West Coast and in the interior of our province. I have told our fellow native Canadians that my first responsibility is to get the resource back, and then we can talk about sharing it. I am in complete and utter accord with the principle that these claims must be settled somehow. I have no patience whatsoever with those who indicate that this is a superficial or whimsical issue. I believe it is very important. I think it goes right to the question of the kind of morality we have in this country with regard to how we deal with each other.

Mr. Skelly: Mr. Speaker, the Minister of Fisheries and Oceans (Mr. Fraser) completely ignored the role of the Department of Fisheries in what almost appeared to be a failure to protect the resource. We appreciate the incredible importance of that land claim issue. However, I would point out to the Minister that he has obviously forgotten to mention that all British Columbians and people of Canada depend on the protection and longevity of that river and the resource in it. He did not once mention what he would be doing with his Department to improve its role in this matter.

Mr. Fraser: Mr. Speaker, I must apologize to the House and to the Member because I did not mean to avoid that issue. I am determined to pursue a policy of net gain of habitat in British Columbia. The Member and his colleagues never heard that before from a federal Fisheries Minister. I am intensely concerned about that aspect of the issue. My Department does not see the worth of endangering the total supply of salmon, steel-head and trout in the river. That is not the only issue for the natives. The issue for them is not just whether this will diminish stock. It is a very personal question of where they can fish. These people have fished in these places for hundreds and hundreds, if not thousands, of years.

I am sorry that I did not touch on that issue adequately before. I want my hon. friend to know where I am coming from. I want him to know that I expect him and his colleagues to push me to ensure that as long as I am asked by the Prime Minister (Mr. Mulroney) of the country to occupy this position I will not be allowed to forget that my objective is the net gain of habitat.

Mr. Fulton: Mr. Speaker, I will keep my question very short. I am very glad to see Chief Edna Louis here this afternoon listening to this debate. She was one of the witnesses before our committee. I do not want to speak on her behalf although I would like her to be part of the debate.

I want to put something very precise before the Minister. If one looks carefully at the motion which was drafted and passed unanimously by the committee, it will be seen that we have asked that the twin-tracking project be suspended for a year. It was clear on the basis of the evidence given to us by some of the witnesses that some parts of what CN is proposing can never proceed. They are inappropriate sites, not for geographic reasons but because of the proximity of historic native lands in British Columbia. I take full cognizance of what the Minister has said.

The reason we are asking for a year, and the reason I am interested in having the Minister expand upon his remarks, is that I do not think it is good enough to have an interdepartmental working committee with members of the Allied Tribal Councils participating. It must be an independent process. They must be given the legal tools required to resolve this matter. They must be allowed to choose alternate sites on the basis of good engineering information. The federal and provincial Governments must co-operate to provide them with appropriate lands. I am not talking about aboriginal title. I am talking about lands impacted by this CN project. At least for the moment, aboriginal title is a separate issue in my mind. I think it should be kept separate in the mind of Parliament, although they may flow together in the coming months and years.

Would the Minister support an independent process with the majority mandate given to the Allied Tribal Councils? Does the Minister support the concurrence motion which is before the House today? It is crucial that Members of the House and the native people affected know whether a Minister of the Crown supports the concurrence of this motion.

The Acting Speaker (Mr. Paproski): Order please. Questions and comments are now terminated. I would like to recognize the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie) for debate.

Mr. Blaikie: On a point of order, Mr. Speaker.

Mr. Fraser: On a point of order, Mr. Speaker, I wonder whether the House would consent to permitting me to respond very briefly to the question that my hon. friend has asked.

The Acting Speaker (Mr. Paproski): Does the House agree?

Some Hon. Members: Agreed.

Mr. Fraser: Mr. Speaker, the point my hon. friend makes is completely valid. The proposition that I put forward for discussion does depend on the independence of the committee that would oversee the work. I would support every effort that should be made and every caution that should be taken to ensure that it is in fact independent. I think that is the question my friend asks. He may have seen me trying to get the attention of my friend, the Minister of Indian Affairs and Northern Development (Mr. Crombie). I am almost certain that the Minister of Indian Affairs and Northern Development would agree with me in that regard.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

● (1610)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, first I ought to explain that it was not my intention to be debating a concurrence motion today in the committee report. I was on the way out when I heard the Hon. Member for Skeena (Mr. Fulton) dealing with the matter. I think everything I have to say, at

least in part, has either been said at the committee by the Minister, or by some Hon. Members who have spoken previously. I think it might be worthwhile, however, if I made a short intervention to indicate my own participation in this matter.

I do so, first, because I think the motion, as the Minister of Fisheries and Oceans (Mr. Fraser) has already indicated, is a serious motion before the committee. It is a motion of an entirely different dimension from the matter of the role of the committee in relation to matters having to do with the independence and power of committees. In other forums we have talked about the importance of that in relation to reform of this House. I think it is a serious matter and when a committee has dealt so strongly with respect to a particular matter, ought not to be dealt with lightly. Clearly this is a serious motion.

More important, this is a serious matter for Indian people. As Members of this House know, Mr. Speaker, I have been involved in this job for only a brief period of time, that is, five months. I would say that, as an example, Indian concerns and the effects of the development of Indian communities are not being dealt with adequately. That is certainly not news either for this House or in the history of this country.

The history of Canada is littered with evidence of lack of consultation and incredible ignorance of the needs and the rights of Indian communities. I might say in this connection, as I look at the history of my own Department, under the old Government it was excluded from the interdepartmental committee.

I got involved with the matter directly early in December when I received some communication from the Indian communities affected. They asked me to take into consideration some of the effects of twin-tracking. I tried to find out whether my department had been involved in these matters before. It had not in any significant way, unfortunately. I then indicated to the people in my Department that it was necessary to strike up a committee as fast as possible to see if we could deal with the issues that were raised in the communication. I also met with some of the people from the Indian communities involved.

There was consultation, Mr. Speaker. There were two meetings in January and one on February 15 dealing with some 15 specific sites in the one ten-mile stretch. Mention of those things is an indication that, like the Minister of Fisheries and Oceans and the Hon. Member for Skeena also indicated I think, there has been very very little done. Here we are at the end of a process instigated by someone who wants to twin-track. We are involved in a process that should have been begun two years ago, or earlier. It is not acceptable as a process. It is unacceptable.

Some Hon. Members: Hear, hear!

Mr. Crombie: I think the Members from British Columbia who spoke are much closer to the matter in terms of their experience than I am and they have stated the situation as well as it can be stated. If I could put it more generally, I think it is long past the time when this House will tolerate any more development, governmental or private sector activities that continue to ignore the rights and the needs of the Indian people in this country.

Some Hon. Members: Hear, hear!

Mr. Crombie: I do not think that I speak for a small number of people in the non-Indian community. Many appreciate the problem. I want to assure the House, whatever may be the deliberations of the House with respect to this committee report and its importance, that the Ministry which I now head will make sure to the best of its ability that the needs of the people who are affected by this proposal will be dealt with in an appropriate way through consultation and, I might say, mediation.

I think a number of Hon. Members have already indicated that perhaps the consultation which has been by and large internal—at least at a late date it was an attempt to grab at something perhaps useful to the event—showed that we ought to move to a phase whereby we have some independence and mediation.

I can say without doubt that if we proceed in the way in which people perceive we are now proceeding, without the appropriate consultation and mediation, then we will rue the day because the communities affected will not tolerate, as we should no longer do, that their needs and rights be ignored.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, it has been very useful and helpful to hear the two perspectives of the Ministers involved.

Would the Minister of Indian Affairs and Northern Development (Mr. Crombie) be more specific about what can be done by the Government, of which he is a Minister, in the very near future to prevent CN from going ahead, and tell us what the Government intends to do? We have been talking about the long term, about consultation and whatnot. But I am sure that what everyone here is concerned about in the immediate sense is what is going to be done in the next little while to prevent CN from pre-empting the unanimous concern first of the committee, and now I take it, the House of Commons, that this action not proceed until the concerns we have recognized today are addressed.

Mr. Crombie: Mr. Speaker, my remarks were intended to deal with the point which the Hon. Member raises. It is not my total purview to divine a course of action. I have attempted to do something in two areas, first, with respect to Indian people in the communities affected, to see whether I could work out a consultation process with my own Department, something that did not exist heretofore. That is proceeding and will continue. People are speaking with my legislative assistant, who is a British Columbian, if not now as we speak then certainly they have done so prior to this moment. Second, I should like to bring some order to the Government's perception on the matter because the lack of participation, lack of organization, and the lack of any positive steps by the previous Government left things in such a situation that the Government's perspective did not have the coherence it ought to have had when the

matter began. The second level is to try to make sure that we have a government perspective that reflects the interests that I mentioned earlier.

Mr. Skelly: Mr. Speaker, the amount of goodwill and whatnot has been exceptional in the House today. As well, we saw the recognition of the problems by the Minister of Fisheries and Oceans (Mr. Fraser), the Minister of Indian Affairs and Northern Development (Mr. Crombie) and, I would expect, the Minister of Transport (Mr. Mazankowski).

I have a question for the Minister. Something has to be done in a concrete form very quickly. Does the Minister of Indian Affairs and Northern Development have on his agenda in the next seven days a meeting with his colleagues, the Minister of Transport, the Minister of Fisheries and Oceans and the Minister of the Environment (Mrs. Blais-Grenier) to work out solutions to these problems? Will that take place? If the Minister does meet with his colleagues, will the information coming from that be made public quickly?

Mr. Crombie: Mr. Speaker, I met with the Minister of Transport (Mr. Mazankowski) the other day, and on two previous occasions I met with the Minister of Fisheries and Oceans (Mr. Fraser). It is my understanding that the Minister of Transport will be meeting with Indian communities on Friday in British Columbia. That will be part of the Government's attempt to make sure that it is dealing with the matter in a way in which it should have been dealt with two years ago.

Mr. Skelly: Mr. Speaker, what I understand is that the Minister said no, that he and the other three Ministers will not be meeting collectively to work out some kind of joint response.

• (1620)

Mr. Crombie: Perhaps we should speak in some other language because what I was saying was that I had already spoken—this is a process; it is not a one-shot effort—with the Minister of Transport the other day. On two previous occasions I spoke with the Minister of Fisheries and Oceans. The Minister of Transport will be in British Columbia to speak with Indian communities on the matter, and then we will have another discussion.

Mr. Fulton: Mr. Speaker, I know that the Minister is seized of the urgency of this matter. Within the next 24 to 28 hours the Minister of Transport will come under extreme pressure from CN to sign the Order in Council to proceed with the Ashcroft subdivision. The reason, as outlined to us by CN witnesses, in particular the Vice-President of CN, was that they have legal obligations under the Crow legislation, the Western Grain Transportation Act.

We need to get down to the nitty-gritties here. The interventions and the speeches by both Ministers have been excellent. They have made some of the best comments I have heard in relation to aboriginal matters for many years in the House. As a Minister of the Crown, is he telling us that he will now go to CN and say what the committee recommended, that they cannot go ahead with the Ashcroft subdivision because they may have to redesign globally what is left of the twin-tracking? They may have to put some track where the B.C. highway is. They may have to go on to CP lines in some areas. They may have to triple-track in some areas. They may have to do other things. This project is a mess.

We have to tell CN that it has been bulldozing through a project which is crushing native rights and which is having a dramatic impact upon environment, wildlife, heritage sites and the hydrology of the river systems and so on. We have to grasp the moment. One of the Ministers has to go to CN and say, "The gig's up, boys; you are not getting the Order in Council". If this matter has to be fought in the Supreme Court of Canada between the Crown of Canada and the Crown corporation of CN, it will have to be done. The project has to be changed. They cannot ram through those native communities. I think that is what Chief Lewis is here to hear and what Canadians from coast to coast are waiting to hear. We could go on for days gobbledegooking in here, but we do not seem to get to the nub of the issue.

The Minister of Transport is seized with a legal obligation. Within the last 24 hours he would not tell me whether or not he would sign that Order in Council today or tomorrow. That is why I have risen today. I think the Minister will support a fair, independent process to resolve the geopraphical and land issues, as well as the fisheries issues and so on.

However, is the Minister telling the House now that he is arranging a meeting with CN and with his colleague, the Minister of Fisheries and Oceans, who I think will say the same thing to CN—"The gig is up, boys; you are not getting the Order in Council"? Is that what the Minister is telling us?

Mr. Crombie: I hoped that was clear. I indicated to the Hon. Member, as I am sure he is aware, that the authority for the Order in Council rests with the Minister of Transport. It does not rest with the Minister of Fisheries and Oceans nor with the Minister of Indian Affairs and Northern Development. It is a matter which he has to take into consideration, given all his obligations.

I have made representations. The Minister of Fisheries makes representations. The Minister of Transport will be meeting on Friday with the affected communities. I think it would be improper and not very productive for me to speculate on what we ought to do following those meetings. I think it is appropriate that we wait until after the Minister of Transport has had those meetings. I will be meeting with the Minister of Transport after that.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the interventions so far have been of such a nature that it will be easy for the House to reconstruct the atmosphere and the nature of the meetings in committee. A considerable sentiment of unanimity emerged from all parties. It is reflected here this afternoon on a broader scale, including the two excellent interventions of the Ministers who spoke in the House. It is this kind of convergence of views which leads me to believe that we have a unique issue here which should be addressed in

a unique manner. In a way it could be a turning point in bringing together aboriginal considerations, environmental considerations and transport considerations by way of a consensus that does not often happen in this Chamber.

I was very impressed by the high quality of the reasons given by witnesses who appeared before us in committee. I should like to refer to the first meeting and the submission of the Alliance of Tribal Councils at page 4. I should like to put it on record because it is central and quintessential to what we are debating here. It reads:

> The time to study the river is before the work is done, not after. A one year period is needed to analyse the changes in the river and to monitor the movements of the fish over a season. The various locations used by Indian fishermen in response to these changes can also be documented. At the same time, the construction plans of the CNR can be analysed in relation to this information and changes agreed to by the railway and the bands to prevent unnecessary damage.

I submit that this is the absolute quintessence of reasonability. It continues in the next paragraph:

> Over 50 per cent of all B.C. salmon stocks originate in the Fraser and Thompson River systems. These stocks have declined drastically over the years as development has occurred along the river valleys. We must know what the additional effects of double tracking will be before the project continues any further. The salmon are an important food source and cultural factor to the Indian people. We also have legal fishing rights along the rivers that were established when the reserves were defined by the Royal Commission in the 1880s. We must have the time to ensure this renewable resource and our rights to it are not lost.

I should also like to put forward the statement of concern expressed by the Alliance of Tribal Councils on page 2 of its document. Again it is a very well reasoned piece. It outlines the reasons for supporting the idea of a moratorium on twin tracking as follows:

> 1. Past grievances associated with the first track must be settled to the satisfaction of all Bands before the second track proceeds.
>
> 2. The twin tracking project will destroy fish habitat . . . and will result in a net decrease in the potential productivity of the Fraser and Thompson river fish runs.
>
> 3. Economic necessity for the second track must be justified.
>
> 4. Alternatives such as joint track usage must be considered before twin tracking proceeds.

This is a very important point, the joint CN-CP tracking alternative, which was not exhaustively studied and explained in the committee hearings. It continues:

> 5. All environmental studies must be made available to the Alliance well before construction so as to provide opportunity for review followed by submission of our recommendations to be incorporated into the final design.

Its sixth reason deals with the construction scheduled to begin this year. It indicates that it will result in:

> (a) interference with the Indian property right interest in the salmon fishery due to:
>
> (i) destruction of spawning grounds and rearing habitat
>
> (ii) destruction of traditional Indian fishing sites.
>
> (b) destruction of significant heritage sites including burial grounds.

According to the Alliance of Tribal Councils, the environmental assessment review process was not satisfactory. The first reason indicated to us in committee was that the terms of reference were narrow. Second, the amount of time allotted for a proper assessment was too short. The Alliance was not able to complete, we were told, its questioning of CN and the Department of Fisheries because enough time was not allotted. Its third reason was the unavailability of project design documents. Also we were told that the panel was to ensure the provision of existing and any additional information to interested parties to allow their participation in the review. However in reality, its submission indicated, that critical information was withheld from the panel and the public by CN Rail. The documentation, which I will be glad to table, states that CN has considerable information on miles 59 to 68, Ashcroft subdivision, which it intends to twin-track starting in 1985, and deliberately withheld this information from the Hon. Member for Cochrane-Superior (Mr. Penner).

● (1630)

We all know that these are very complex processes and that they have a momentum of their own. They are extremely difficult to modify or improve unless a deliberate effort is made. We came to the decision of putting forward this motion for concurrence after exhaustive discussions in which members of each Party went through an excruciating analysis of the pros and cons. We arrived at the decision under the most excellent chairmanship of the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway), the chairman of that committee. We did arrive at a unanimous decision. Why did we do that? As the Minister of Indian Affairs and Northern Development (Mr. Crombie) just said, I suppose we feel that this is not the way to proceed if we are really serious about our relationship with the native people and our respect for their tradition and economy.

Somehow there has to be a turning point. This is the opportunity for providing this turning point and to demonstrate with facts what we say with words. Personally, I was not convinced by the submission made by CN that they had exhaustively studied all alternatives and that they would not be able to find a solution by way of joint track usage, namely by making better use with improved technology of the CP tracks on one side and CN tracks on the other side of the river. This joint track usage, rather than undertaking a twin-tracking program, is a very important potential alternative. It is not a time for pie in the sky civility.

There is also the whole question of the scheduling of trains which needs to be examined in order to determine whether the potential of better scheduling and timing would provide the desired results. I am basing this consideration on a speech made in Calgary on April 25 or 26. The speaker was Roger Phillips, President and Chief Executive Officer of the Ipsco steel plant in Regina. The statement he made really struck me. I quote from his speech:

> Railway building . . . is a mature technology and consequently a mature supply network has been put in place. In fact, the supply network is presently beset with over-capacity.

In committee, we were not convinced by the submission made by CN that this level of over-capacity had been reached. This was one of the basic reasons bringing us today to the House to make a very strong plea to the Government to provide the moratorium being requested so that an exhaustive

analysis of all the elements can take place, possibly leading to a solution that will not affect the habitat of the native people, will not disturb their tradition and economy, and will translate into action the concepts and beliefs to which we adhere in so many speeches.

Mr. Orlikow: Mr. Speaker, I would like to make a couple of comments and ask the Hon. Member a question. It is interesting and encouraging that we have what seems to be unanimous agreement on the necessity to take action. I cannot understand why we get this unanimous agreement to take action to stop the CN from proceeding quickly at the eleventh house, when a great deal has already been done which cannot be undone.

What concerns me is that when the plans were being made for the double-tracking, Hon. Members on this side were being told every day that we were doing a disservice to the country by holding up the Bill to get rid of the Crow rate. Today we are hearing concerns from the native people about the disastrous effects this project will have on the fish in the rivers and the serious effect it will have on the lives of the native people.

A Member who just spoke was the Minister of the Environment for some time. I would ask him where the Ministers were when the project was being considered. Where were the senior officials in the Department of Fisheries, the Department of the Environment and the Department of Transport? Why were they not raising these questions? Why were Members of Parliament and the Government not being told about the concerns? Why were they not asked to think about these problems and to assess the consequences of what they were doing? Why were they not protecting the people affected by the department which they ran?

It seems that they were working hand in glove with the railways to get this project going and not worrying about the very serious and adverse consequences on the native people, fishermen and others in British Columbia. It is great to hear the Hon. Member agree now that we have to do something. Where were they when it would have been much easier to do things without the tremendous pressure which we now have to try and rectify the situation before it is too late?

Mr. Caccia: Mr. Speaker, I thank the Hon. Member for his question. I knew that it was coming. I entered this debate fully conscious that he was waiting for the opportunity to ask that question. It has become a normal practice of NDP Members. I recognize that there is a political motive. It is part of the atmosphere in which we live.

I can only say to him that it troubled me very much, once I became aware of the issue and its implications, that this had taken place and ought to have been the object of a very thorough examination. I only became familiar with the Ashcroft section along the Fraser Valley during a visit to my office by tribal council representatives a month and a half ago. With the benefit of hindsight, you could, of course, do a lot of things better. Having said that, I submit that double-tracking across most of the nation is something that can be done without causing serious environmental damage. I suspect that in some parts of the provinces there will be very little environmental damage.

With hindsight, I would say that perhaps it would have been good administrative practice immediately after the passing of the legislation to have set into motion a commission that would have analysed and identified earlier the delicate, fragile points that the railway would have required for double-tracking or for alternative technologies. That would have been the object of a cumulative or collective set of earth studies which then would have looked at the totality of the fragile points in order to arrive at an environmentally-conscious, economic and native rights-respectful way of resolving that issue. That is the conclusion at which one can arrive with the benefit of hindsight.

● (1640)

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned.

[*English*]

Mr. Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to Her Excellency the Governor General, in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-11, an Act to provide borrowing authority—Chapter No. 5.

Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto—Chapter No. 6.

Bill C-29, an Act to amend the Western Grain Stabilization Act—Chapter No. 7.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Speaker: Was the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) rising on a question?

Mr. Blaikie: No, Mr. Speaker, I was rising for debate.

Mr. Speaker: There were five minutes remaining for questions and comments. There being no further questions, I now recognize the Hon. Member for Fraser Valley East (Mr. Belsher) on debate.

• (1650)

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is with pleasure that I rise to speak on the motion of the Standing Committee on Fisheries and Forestry. In that this is my maiden speech, I want to say at the outset that I am most pleased and proud to represent the people of the Fraser Valley East constituency in the House. I would like to extend to them my sincere appreciation for their expression of faith and confidence in my candidacy. It is a great honour to be their Member of Parliament. I want to assure them that I will spare neither time, talent nor effort in representing them. I give to my constituents my solemn pledge that I will discharge my responsibilities with integrity, honesty and thoughtfulness. It is my intention to be an effective and demanding spokesman in defending their interests. At the same time, I want to assure Members on both sides of the House that I intend to accord to them the courtesy and dignity which befits a Member of Parliament and which the people of Canada rightfully expect.

Fraser Valley East was represented by the Reverend Alex Patterson for over 20 of the last 30 years, and we in the Valley are indebted to him. I am sure all Members of this House will join me in wishing him and his wife a rich and fulfilling retirement.

The riding of Fraser Valley East is large. It is situated between the Fraser River and the international boundary in what is known as the central and upper Fraser Valley. Included in its northern portion is the picturesque mountain region of the Fraser Canyon. The grandeur of the coast and Cascade Mountains, the spectacular canyon and the boiling waters of Hell's Gate, the beauties of the Harrison resort area, and the rich flood plains of the central Fraser Valley, make the riding one of breath-taking splendour. It is indeed a pleasant place in which to live.

Some 110,000 people make their homes in Fraser Valley East. While the largest group—some 50 per cent—are of British descent, we are enriched by the remaining 50 per cent which provide diverse ethnocultural communities. I am proud to represent all of the people. The spirit of fairness and equality, of consultation and consensus, as expressed by this Government, is appreciated by the people in my riding. It is clearly evident that this Government has listened and is listening to the people. We are in a time when the aspiration of the people and the commitment of Government are in harmony. This is the unity which the nation has needed, and that is why there is hope and optimism today.

In this regard, I want to make it known that this Government is not merely saying that it will listen; indeed it is doing so. In the few months since coming to power, the evidence of consultation, consensus-building, and finding solutions through co-operation has clearly been seen.

I want to commend the Minister of Agriculture (Mr. Wise) for visiting my riding in November and consulting with the agricultural industry in the Fraser Valley. The visit of the Solicitor General (Mr. MacKay) to my riding in January to hold consultations and hear the concerns of the local officials was much appreciated. The local elected representatives of the people greatly appreciated that consultation.

The geography of Fraser Valley East almost compels a north-south mindset. It seems that California is more accessible than Alberta. Our union with the provinces of Central and Atlantic Canada, which was confirmed 100 years ago by the completion of Canada's first transcontinental railway, has endured the tensions of a century and has engendered in the people a genuine pride in being Canadian.

The transportation links with the other regions of Canada have always been the symbols of unity for the people of my riding. Highway 401 and the mainlines of the CNR and the CPR through the Fraser Canyon traverse my riding for over 150 kilometres. In addition, the Abbotsford Airport serves as an alternative to the Vancouver International Airport.

The people in my riding very clearly understand that transportation systems are the tangible evidence of a united country. Without them the various regions of Canada would soon experience isolation and would be compelled to develop trade patterns in a north-south direction for the sake of economic survival. In this regard, I would like to congratulate the Minister of Transport (Mr. Mazankowski) for the steps he has initiated in bringing back VIA Rail services.

Several bands of natives of the Stalo Nation reside in Fraser Valley East.

The motion which we are debating today came about in an unusual way and quite hastily. Indeed, the motion which was initiated in committee by the Hon. Member for Comox-Powell River (Mr. Skelly), and subsequently amended by the Hon. Member for Davenport (Mr. Caccia), was adopted by the committee after hearing only one group of witnesses representing native bands in the Fraser-Thompson Canyons of British Columbia, who presented their collective and individual concerns about the CN twin-tracking program to the committee on February 7. Although the motion was unanimously adopted, there was mention by some members that other groups, such as Canadian National Railways, the federal Department of Fisheries and Oceans and Environment Canada, should be offered the opportunity to present evidence for the committee's consideration in formulating its position and reporting to the House on the matter in question.

The members of the Standing Committee on Fisheries and Forestry were obviously moved by the presentations of the native representatives, and in particular by the impending start of CN rail work on a twin-tracking project on the CN Rail Ashcroft subdivision between miles 60 and 69, or thereabouts. This railway work is to start on or about March 1 and will involve placing rock into the wetted perimeter of the riverbank to build up a subgrade on which the second track will be built. Undoubtedly, this early project start date was a principal factor in the committee's consideration in adopting the motion

and in the decision to report the matter to the House at the earliest possible date, which was February 12. That was the same day that Environment Canada, the Department of Fisheries and Oceans and CN Rail officials appeared to give their testimony to the committee.

To the extent that the motion is now being debated in the House, it serves as evidence that the Government is concerned about the possible environmental, fishery, social and economic impacts related to the CN twin-tracking work in British Columbia. But the Government has been cognizant of these potential impacts for some time and has set in place various processes to ensure that environmental and other impacts from CN twin-tracking projects would be either eliminated or minimized to the maximum extent possible.

In this regard, I refer to the federal-provincial task force, the technical working group, the steering committee and the federal Government's Environmental Assessment Review Panel, which are all involved with the CN Rail mainline capacity expansion program in British Columbia. Furthermore, and most recently, a joint CN Rail-Indian committee was established to deal with specific native concerns about fishing spots along the Thompson and Fraser riverbanks, access trails to those fishing spots and the heritage sites which might be destroyed or affected by CN construction work.

The point which I am making is that the concerns raised by the native groups were not just recently brought to the attention of the Government by way of the Standing Committee on Fisheries and Forestry report and the motion to the House that no processes and mechanisms are in place to deal with the over-all and specific environmental and socio-economic impacts from CN twin-tracking projects. Groups have been in place as far back as 1980, when the CN rail twin-tracking project was introduced.

The Department of Fisheries and Oceans has the federal responsibility to ensure that the salmon resource is not affected detrimentally by any works, and furthermore, that the salmon habitat and growth of the fishery resource can be enhanced. Testimony received from fisheries officials on February 12 clearly indicated that the expert and scientific expertise that has been and is being brought to bear on CN's project is extensive and that no approvals will be given to CN's project if the risk to the salmon resource is unacceptable.

Many professional fishery and environmental people have been involved. Numerous studies and research activities have been completed and study programs are in place. A lot of dialogue, consultations and deliberations have taken place, many changes have been made to CN designs and much more can be expected along these lines of consultation in the future.

● (1700)

The motion before the House may give an impression that CN twin-tracking work has gone ahead and was being implemented in an irresponsible way as regards environmental and fishery protection and safeguards or that there was a lack of response to the concerns raised by native groups. I hope that my remarks thus far will provide a clarification of the real situation that exists.

I would now like to address the elements of the motion as reported by the Standing Committee on Fisheries and Forestry. In doing so, I will be referring to pertinent testimony, in my opinion, which was presented by the witnesses that appeared before the committee on February 12. My purpose, Mr. Speaker, is to cause Hon. Members to recognize the need to reflect further on the motion, on its wording and on what may be implied if indeed CN Rail and others involved were to abide by the several elements contained in the motion.

The first element of the motion calls for a one-year postponement of CN twin-tracking while the social and environmental impacts on the 36 Indian bands most directly impacted by this project are assessed. The first point I wish to make concerning this element of the motion is that it appears to be somewhat vague in terms of application and that it makes no implied or explicit reference to the fact that social and environmental impacts, not only on the native groups but on all persons and interests, have been and will continue to be evaluated by responsible agencies. These evaluations would be done either by the federal Environmental Assessment Review Panel, by the federal-provincial environmental and fishery agencies forming the technical working group, or by the joint CN-Indian committee recently established. These committees, Mr. Speaker, will also concern themselves with all of the CN twin-tracking projects planned in the Thompson-Fraser Canyons over the balance of this century and beyond.

The ambiguity of the element contained in the motion relates to whether the one-year postponement is intended to relate to the specific Ashcroft subdivision work which is scheduled to begin March 1, or to any and all remaining CN Rail twin-tracking projects in the future. The ambiguity arises because the Ashcroft project is along a segment of main line on which only two and not 36 Indian bands have reserves adjacent to the CN right-of-way. These bands are the Oregon Jack Creek Band, whose reserve is located at the northernmost end of the CN Ashcroft project, and the Cook Ferry Band at the southernmost end of the Ashcroft project.

Furthermore, as came out in the evidence presented by Fisheries and Oceans officials, as well as by CN officials, a one-year postponement if intended to apply to the Ashcroft project is effectively a postponement of two years to the winter of 1987. This is due to the fact that CN must commence its Ashcroft project work March 1 when water levels are at seasonal lows and, importantly, due to timing restrictions designed to respect the migratory cycle of pink salmon; that is, there is no salmon activity or life expected in the river encroachment sites this winter to May, 1985. CN will not be permitted by Department of Fisheries officials to do any of the encroachment work next year in the winter of 1986. If the one-year postponement refers to all CN projects, then necessary expansion work already started last year and currently under way to completion at Blue River, for example, will be halted.

In effect, Mr. Speaker, the one-year postponement of CN twin-tracking is, in reality, a two-year postponement. This delay would affect CN Rail's capacity expansion needs and thereby present risks to the company and the nation that an adequate, efficient and safe rail transportation capability might not be available for shippers and the transport of growing volumes of bulk and other traffic in support of Canada's export business. Furthermore, foreign buyers of Canada's bulk resources, such as coal, grain, potash, sulphur and so on, may take this one or two-year postponement as a signal and reactivate their earlier concerns about Canada's determination and will to demonstrate that our reliability as a supplier of export commodities will be ensured by the railway capacity expansion program and supported by the Government.

Another element of the motion requires that an economic justification for the CN Rail twin-tracking program be made available to the Alliance of Tribal Councils. Hon. Members may recall, and if not, I would like to make them aware, that in the late 1970s the Japanese, the South Koreans and other Pacific Rim countries had been expressing concern that the Canadian railways could not be looked upon as reliable and efficient carriers of various bulk commodities which these offshore countries required and which Canada and its resource industries were most willing to produce and supply. Simply put, these Pacific Rim concerns were justified in that CN and CP railway capacity was being stressed and expansion programs were needed.

The Coal Association of Canada and many other Canadian industries formed a task force on the crisis of western Canadian railway transportation. It was clear at the time that unless the railways undertook a major expansion or a sufficient expansion of their railway capacity, Canada would lose a lot of export business to other competing supplier countries because foreign clients were not interested in buying from Canada if we, collectively, could not assure reliable delivery of coal, sulphur and grains, to name a few important export commodities. Lack of capacity would also affect the operating efficiency of the over-all distribution system, including the ports and railway components. This would be reflected in higher transport costs and Canadian commodity prices.

The question of economic justification of twin-tracking on a project-by-project basis is also a very complex matter which involves not just construction costs but railway system operating and maintenance needs and other factors. The CN testimony indicated that the economics of any particular twin-tracking project is but one consideration in the over-all decision to first choose the location of the particular expansion work and then to decide the best option to build the new capacity, be it encroachment into a river or by tunnelling.

These decision elements, as pointed out by CN in its testimony, have not been unilateral decisions by the corporation. Preliminary conclusions on project location are fully analysed and thence the preliminary construction approach is extensively reviewed and adjusted by the various technical experts in the Government's environmental, fishery and other agencies through the aforementioned committee. That is, although the economics of any one project are important, the environmental impacts and the fishery impacts are equally important factors considered in finalizing a twin-tracking project location and design.

In closing, Mr. Speaker, one can accept the motion before the House as a means for bringing forward a valid concern of the members of the Fisheries and Forestry Standing Committee. However, as the motion was drafted and adopted by the Committee after hearing only one interest group as witnesses, the motion does not reflect, in my view, the equally valid and considerable testimony to the Committee from witnesses appearing after the motion was reported to the House. While it may be that there could have been some breakdown or some inadequacy in specific consultations between the native peoples and CN and other agencies, I suggest that measures are now being taken to remedy the situation. We have reasonable assurances from the Environment Canada witness that the environmental assessment and review report, expected in March, has identified the consultation level question as an issue and will address this and the related recommendations in its report. I can say to the House that our Minister of Transport (Mr. Mazankowski) will ensure that CN will make the greatest efforts possible to resolve the issue of inadequate consultation with native groups in the conduct of its twin-tracking program.

Moreover, Mr. Speaker, earlier this afternoon we heard that the Minister of Transport will be meeting, along with other Ministers, with the native people, bringing to a successful conclusion their concern, yet addressing the issues which they are bringing to our minds.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the Hon. Member's maiden speech?

Mr. Blaikie: Mr. Speaker, first I would like to say, with respect to the fact that it was the Hon. Member's maiden speech, that it is unfortunate that on the occasion of his maiden speech he had to resort to the bureaucratic argument which someone had passed along to him. It was a very narrow argument and one which the Minister of Fisheries and Oceans (Mr. Fraser) himself rejected. The Minister was critical of the way things had been handled in the past, yet the Hon. Member gets up and defends the way things were handled in the past. A very odd argument to begin with.

• (1710)

With respect to the two-year issue, if it amounts to a two-year postponement, then so be it. I cannot understand an argument which says that if we are worried that something is bad, let us not postpone it for one year because it might take two years. I mean, if the thing is bad it ought to be postponed indefinitely. That is what we want to find out. If we have to take the time to find out, let us take the time. That is what this motion would provide.

There are three dimensions to this issue that I would like the Hon. Member to comment on. There is the environmental

dimension, and the question of the rights of native people on their reserve. In this case it is two reserves and the clarification of just how many reserves are involved in that one subdivision was very useful; I was glad the Hon. Member brought that up. Nevertheless, we are talking about the rights of those two reserves. Thirdly, there is the question of Parliament and its committees.

We have heard a lot of talk about parliamentary reform. Here we now have an opportunity, and I say this as one who has been concerned about parliamentary reform for a number of years now. We have a unanimous recommendation of a committee of the House of Commons. We have had a lot of talk about an increase in the power of committees in this House and about Parliament having more real power over Crown corporations and what really goes on in the life of this country. Here we have an opportunity to make a difference. We can do that by allowing the motion moved by the Hon. Member for Skeena (Mr. Fulton) to go foward and come to a vote so that this Parliament can say to the CNR, a Crown corporation responsible to the people of Canada through us, that it ought not to go ahead with this project as now conceived.

The days of Sitting Bull have passed. The kinds of things we have said we abhorred that went on in the nineteenth century and other times are things of the past, not things that we are going to repeat over and over and over again on the grounds of the narrow kind of economic arguments advanced by the Hon. Member for Fraser Valley East (Mr. Belsher) on behalf of some nameless bureaucrat somewhere.

Are we going to take this moment? Are we going to seize this opportunity to be a Parliament and respect the unanimous decision of a committee? Or are we going to blow it? That is what is at stake here this afternoon. Have we any self-respect left as Members of Parliament, as the House of Commons? Do we have any respect for the unanimous decision and recommendation of a standing committee of this House of Commons of Canada, the Standing Committee on Fisheries and Forestry, which determined that the CNR ought to be instructed not to go ahead with what it now has in mind? If we have any respect for ourselves and for Parliament and for all the rhetoric we have heard so often about parliamentary reform, particularly from Members who are now on the Government side of the House, we will allow this motion to come to a voice vote. We ought unanimously to say yea, let the House of Commons and its committees speak and let Crown corporations and others in the country be accountable.

Some Hon. Members: Hear, hear!

Mr. Belsher: Mr. Speaker, while I agree with part of the Hon. Member's comments, I must disagree with others because of some of the actions we are taking. The Hon. Member has heard this afternoon that the Minister of Transport and other Ministers are meeting with the native people who are questioning whether this project should take place. The CNR cannot go ahead until the Minister of Transport signs the Order in Council permitting them to do so.

The Hon. Member refers to bringing this motion to a vote this afternoon. If no one stands up to speak on it, then it will be brought to a vote. Nonetheless, I believe all the facts should be brought out into the open. You cannot say you are going to consult if you turn around and do not consult.

This Government which took over on September 4 is trying to say to the people of Canada that we are consulting. People say we are taking too long to take action on things. Well, we will make mistakes and there is no doubt about that. But we will make them with the best of intentions, with all of the facts we can get before us. We are not saying that CN has consulted extensively or done enough. That is why the committee is involved with the native people. Do you want the committee to work or do you not?

We know there is a two-year time lag because of the spawning habits of pink salmon. This is very important and affects more than just my riding or the riding we are discussing. The natives are concerned about this industry as well, and it is for this reason that we will continue to make sure we get all the facts out and on the table.

Mr. Blaikie: Mr. Speaker, does the Hon. Member not realize that is why we have committees of the House of Commons? It is so they can hear evidence and all the facts and all sides of the story. That is what the committee did in hearing from the CN, the fishermen and native people. So the facts have been placed before a committee of the House of Commons. It is not as if we are talking about something reported in the newspaper. This is evidence given on the record of a standing committee of the House of Commons, which led to the unanimous recommendation we now have before us. So I reject the claim by the Hon. Member that we do not have the facts or evidence before us—unless he wants to impugn the judgment of the committee, because that is what he is doing by bringing up the points he has.

Does the Hon. Member also not think, Mr. Speaker, when we are talking about potentially irreversible damage to a river and the salmon habitat, and we are also talking about potentially irreversible damage to the burial sites of native people, that two years is but a blink of an eye in the long historical process involved? If it takes two years to do something like that properly, that is just fine with me and I think it is fine with others. Two years is not a long time when you are talking about irreversible damage. That is something we ought to keep in mind.

Mr. Belsher: Mr. Speaker, we are not just talking about two years right now. The Hon. Member alludes to that as if it had just come about. Back in the 1970s we know that we lost certain contracts for the export of grain and things like that. We have a responsibility to think about the livelihood of people right across the Prairies, people he also represents. I, too, am very concerned about the native people. A good many of them live in my riding and I am very concerned about this.

Mr. Blaikie: They are laying off people in my riding because they say they have more than enough rolling stock.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Belsher: I believe it is time that we continue to go as we are.

Mr. Blaikie: We have an over-capacity on the railroad right now.

Mr. Manly: Mr. Speaker, the Hon. Member raised a concern about the motion. He said it was too vague when it talked about the social and environmental impact on the 36 Indian bands most directly impacted by this project and the need for assessment. When Chief Bob Pasco addressed the committee, one of the things he said was this:

> I sat as a member of an environmental assessment review panel for over a year until the CNR decided to proceed with the work near Ashcroft through my reserve land without even meeting with my band. I was forced to resign to avoid a conflict of interest between my obligations to the Oregon Jack Creek Indian Band and the need for an objective input into the final report of the panel.

The Acting Speaker (Mr. Paproski): Order, please. The time for questions and comments is now terminated.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my contribution to this debate will be brief because I, too, want the motion before the House passed and concurred in.

● (1720)

In working toward that end I would like to go back to the question posed by the Hon. Member for Winnipeg North (Mr. Orlikow). I thought it was a useful question to place before the House. He asked the previous Minister of the Environment, the Hon. Member for Davenport (Mr. Caccia), why something had not been done sooner. Twin-tracking has not just started: there are already some 228 miles completed and another 538 miles to be completed. Why has something not been done sooner? Why are we now at the eleventh hour with an Order in Council about to be signed with last minute negotiations going on between the Minister of Transport (Mr. Mazankowski) and Indian leaders? Did no one sound the alarm?

I want to tell Hon. Members that someone did sound the alarm. In the previous Parliament I had the honour of chairing the Committee on Indian Affairs and Northern Development. There was a member of that standing committee who said to me on more than one occasion that this will be a very explosive issue and something should be done about it. He said that we must draw to the attention of the Government the concerns of Indian people and environmentalists on this issue. The Member to whom I am referring is the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway). He is now the Chairman of the Committee on Fisheries and Forestry. He gave leadership in that Committee in bringing forward this third report which has been moved for concurrence by the Hon. Member for Skeena (Mr. Fulton) this afternoon. That Member gave what I consider to be courageous leadership. In his concerns for his constituency and this country I find him to be one of the outstanding Members of the House. He deserves a great deal of credit.

Some Hon. Members: Hear, hear!

Mr. Penner: The simple answer to the question of the Hon. Member for Winnipeg North is that committees are not listened to by governments. There are many reasons why the previous Government lost its mandate. I would say that one of those reasons is that that Government was not particularly good at listening to expressions of unanimity from standing and special committees. It played around with the recommendations and all too often responded in a facile fashion. If the Government had listened more frequently to what parliamentarians were saying about legitimate concerns in the country, it may have lasted a lot longer.

It may be strange for me as a Member of the Opposition now to be advising the new Government to listen to its committees. If it does it will be around for much longer than I would like to see it around. In most cases parliamentarians are in touch with the people. They meet in committees, receive testimony, analyse and debate it among themselves with freedom, concern and urgency, and then present a report to the House. If the Government responds we will have better government in the country than we had before.

Some Hon. Members: Hear, hear!

Mr. Penner: Hon. Members are here but have not proven very much yet. It is a little early to be patting yourselves on the back. If you do, you may have to go to an Hon. Member for chiropractic treatment.

I do not know how many citizens watch the debates of the House of Commons on television after Question Period. People who are watching this debate ought to be aware that there is a painful process involved in decision-making. It has been said a number of times this afternoon that there are several issues involved in this debate rather than a single issue. As my hon. friend from Davenport said, there are very deep and conspicuous environmental concerns which cannot be ignored. There may well be a Railway-Indian Committee working. However, the issues are so wide and numerous that that committee will need a lot of time. The people representing the corporation will have to be very sensitive. They will have to be a lot more sensitive than the CN officials whom I have encountered in my experience as a Member of Parliament, who want to run through railway towns in northern Ontario without any concern for the impact on that community or the safety issues. There are environmental issues involved but there are other concerns as well.

The Hon. Member for Skeena (Mr. Fulton) talked about the fishery aspect of the environmental concerns. As the Member for Fraser Valley East (Mr. Belsher) pointed out, the economic impact on British Columbia is important; that cannot be denied. I am not sure whether this qualifies as a megaproject, but it is big and there are jobs involved. At a time when unemployment is high that cannot be passed over lightly. The transportation issue is involved. We need to move our goods to and from the coast in a much more economic and efficient manner than we have so far.

There is another issue which is easily forgotten and passed over. That is the rights of the aboriginal people, the first

citizens of Canada. Those rights cannot just be glossed over quickly. We cannot try to convince the House that it will all be looked after. The Indian leaders who appeared before the Committee on Indian Affairs and Northern Development on numerous occasions have too much bad history to relate to have any confidence in us. I will return to that point later if time will permit me.

Members of the Standing Committee on Indian Affairs and Northern Development joined members of the Fisheries Committee to hear the testimony. There are two committees involved in this. The Standing Committee on Indian Affairs and Northern Development supports this motion. At the last meeting the Member for Cowichan-Malahat-The Islands (Mr. Manly) asked that this report be appended to our own minutes of proceedings and evidence. That was agreed to unanimously. There are two standing committees of the House of Commons that support this report.

No matter what kind of bureaucratic arguments we put on a piece of paper, Indian people are going to be affected. We can argue about how many reserves, how many bands or how many nations, but it does not matter. The alliance of the three nations involved have given very telling testimony about the impacts that they see upon them from this twin-tracking project. It is not that they want to stop it. They have said that these concerns are so vital that they need a little more time. From having spoken with their elders they know about the past grievances. They know that when the first railway track was built those grievances were never satisfactorily settled. We want to build a second track while we have outstanding grievances from the time the first track was built. In many cases the acquisition of rights of way proceeded in an irregular fashion without approval of the bands and without fair and adequate compensation.

Hydro-Québec said that it had a big project in northern Quebec which could not be delayed because billions of dollars and jobs and the future of Canada was involved. The Cree of northern Quebec went to court and said that they were being run over by a roller and needed some time. They got a sympathetic Justice who said that he would impose an injunction on the project until there was a proper settlement. That led to the James Bay and northern Quebec agreement. That could very well happen in this particular case. Mr. Speaker, if we do not pass this motion. If we do not arm the Ministers who are concerned—the Minister of Indian Affairs and Northern Development (Mr. Crombie) and the Minister of Fisheries and Oceans (Mr. Fraser) are deeply concerned—with this motion to get such a moratorium, then perhaps the courts will do it for us.

● (1730)

The Hon. Member for Fraser Valley East in looking at the motion was concerned that it was too vague. He told us, for example, that the second paragraph which states that a twin-tracking project has social and environmental impacts on the 36 Indian bands was much too vague. Let us see how vague it is. Let us talk about the social and environmental impacts. This is a resumé from the testimony received from the alliance of the tribal councils to which I referred earlier. These are just some of the land-related impacts. These land-related impacts are based on historical documents and on oral accounts that were passed on from the elders to the Indian leaders living today. Here are just a few of them:

> Loss of fields, gardens, orchards, timber, irrigation flumes, and ditches due to the construction of the CNR. Desecration of graveyards, heritage sites, sacred sites and village sites by the CNR.

Let us elaborate on one, the desecration of graveyards. Supposing in the City of Toronto you want to build a spur line and it just happened to go through a graveyard. What do you suppose the CNR would do, Mr. Speaker? Can you just imagine what the CNR would do? Can you imagine the meetings with Metro Council and the Toronto City Council? Can you imagine the millions of dollars they would be prepared to spend? Can you imagine the public relations program they would introduce? It would be something to behold, Sir.

Here is how the CNR deals with Indian people. This is from a document dated 1913. The Department of Indian Affairs informed the CNPR, the Canadian National Pacific Railway, about the desecration of graveyards on the Ashcroft reserve. Let me read from the document. It states that the Chief of the Ashcroft Band reported that in consequence of extending the slope of the railway grade at their old graveyard at Ashcroft, a large number of bones of deceased Indians were exhumed and left exposed along the grave. This was reported to the engineer in charge who informed the Indians that he was not going to pay for the burying of any more Indian bones, that the Indians could take them away if they wanted to, but he would have nothing more to do with it. Apparently it was necessary to desecrate the old Indian burial ground. Under these circumstances it is thought that the remains should have been treated with common decency.

Something should be done or compensation should be made to satisfy the reasonable complaint of the Indians. The document goes on to state that cases of the above nature with railway companies have been allowed to drag along at great length, allowing a large amount of apparently useless correspondence. We read also: "I should be much obliged to you if you will cause each case to be gone into and settled as soon as conveniently possible."

In response, the CPR right-of-way agent informed the Department of Indian Affairs that this complaint has been settled with the Indians finally and, I believe, satisfactorily to them.

I can quite imagine with the second tracking that there will be witnesses from the Canadian National Railways appearing before one committee or another saying: "We had our meetings. We had our negotiations. We paid attention to all the concerns and they were all satisfactorily settled". Do not believe it for a moment, Mr. Speaker.

Here are some of the other impacts: the disruption of drainage patterns and flooding of farm land; fragmentation of limited reserve land base; discouragement and displacement of settlements adjacent to tracks. Some specific places are

referred to. The list of impacts includes: quality of life disrupted due to noise, pollution, vibrations and dangerous crossings; loss of lives and livestock along rights of way; restrictions placed on the irrigation of reserve lands by CN Rail, allegedly because of wash-out problems; loss of traditional fishing stations.

You can see, Mr. Speaker, that this is going to take some time. If there is in fact an active CN committee, it will have a lot of work to do. Bureaucrats say: "Everything is okay; trust us. We will work it out. Don't worry; leave it in our hands". I tell you, worry, Mr. Speaker, worry. We have lots to worry about. We need time and that is why we have to support this motion. We need the time.

Mr. Thacker: You are spawning Crown corporations faster than fish.

Mr. Penner: The committee which the Hon. Member for Fraser Valley East spoke about needs the time. This motion must be concurred in.

I imagine there are quite a few Hon. Members who are gathering and want to speak. I think we should debate this issue at some length. I do not think that we should have to call it quits at six o'clock. We can go on for a while. We are all concerned about this issue. We are prepared to stay here, to debate it and to hear all the points of view. We do not want to cut the debate off and we do not want to introduce any closure.

I would like to ask you, Mr. Speaker, to consider, pursuant to Standing Order 8(4)(*a*), that we extend the hours and debate further this important motion to concur.

The Acting Speaker (Mr. Paproski): Mr. Penner moves, seconded by Mr. Caccia, to extend hours pursuant to Standing Order 8(4)(*a*).

In putting the question on such a motion, the Speaker shall ask those Members who object to rise in their places. If 25 or more Members rise, the motion shall be deemed to have been withdrawn; otherwise the motion will have been adopted. All those who object to the motion please rise?

And more than 25 Members having risen:

The Acting Speaker (Mr. Paproski): I declare the motion lost. I declare the motion withdrawn and lost.

Mr. Riis: I have a question, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) has the floor.

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

Mr. Taylor: I have a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Sorry. I regret that there are questions and comments after the Hon. Member's speech. Therefore, I will recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis) on a question.

Mr. Riis: Mr. Speaker, my question—

The Acting Speaker (Mr. Paproski): Order, please. I see the Hon. Member for Western Arctic (Mr. Nickerson) is rising on a point of order.

Mr. Nickerson: I distinctly heard you say, Mr. Speaker, that the motion had been lost. That is not my understanding of the event that took place. My understanding is that, pursuant to the Standing Orders, by virtue of the fact that more than 25 Members objected and rose to do so, the motion was deemed withdrawn. It was not lost.

• (1740)

The Acting Speaker (Mr. Paproski): That is what I said. I corrected myself and said that it was withdrawn. Therefore the questions and comments are on the Hon. Member's speech and I recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis) for that purpose.

Mr. Riis: Mr. Speaker, I should first like to make a short comment. Regardless of what the Hon. Member for Western Arctic (Mr. Nickerson) had to say, what needs to be made perfectly clear is that members of the NDP and Liberal Party were hoping to have a vote on this motion tonight.

Mr. Dick: Mr. Speaker, I rise on a point of order. According to the rule I believe that the opportunity for questions and comments has to be relevant to the speech of the person who has just spoken, not comments which he might want to make about motions that have passed in the House or have been deemed withdrawn.

Mr. Blaikie: On the same point of order—

The Acting Speaker (Mr. Paproski): The point is well taken.

Mr. Blaikie: Mr. Speaker, on the same point of order—

The Acting Speaker (Mr. Paproski): Could I just finish one, please?

Mr. Blaikie: Don't finish it until you have heard Hon. Members on it.

The Acting Speaker (Mr. Paproski): Would the Hon. Member please let me finish? The point of the Hon. Member is well taken. The Hon. Member for Kamloops-Shuswap has a question and comment on the speech of the Hon. Member for Cochrane-Superior (Mr. Penner), and I would like the House to direct itself accordingly.

Mr. Riis: Mr. Speaker, my question is directed to the Hon. Member for Cochrane-Superior (Mr. Penner). In terms of the excellent points which he was making and in terms of making a case as to why this motion should come to a vote today to stop the advance of the plans of CN in terms of environmental concerns, the concerns of native people and of the fishery, which were articulated, like so many other of his points, so extremely well, is my understanding of the result of the vote we have just had correct? The Conservatives voted unanimous-

ly in the House, with two exceptions. This means that this motion will not come to a vote and will die on the Order Paper at six o'clock. Am I correct that it was the Conservatives who made it impossible for us to continue this critical and important debate as it touches on environmental issues, native issues, fishery issues and economic issues generally?

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

An Hon. Member: What are you afraid of?

Mr. Dick: I am not afraid of anything, but I should like to tell the Hon. Member, if he does not realize it, that there was no vote taken. It was a matter of standing in our places; there was no question for the yeas—

The Acting Speaker (Mr. Paproski): That is debate, not a point of order.

Mr. Riis: The Tories voted against it; the CN flacks voted against it.

Mr. Dick: Mr. Speaker, I think it should be pointed out that the matter does not die but goes back on the Order Paper and may be called again.

The Acting Speaker (Mr. Paproski): You have made your point. The Hon. Member for Cochrane-Superior wishes to answer the Hon. Member for Kamloops-Shuswap.

Mr. Penner: Mr. Speaker, it occurred to me that if Canadians are watching parliamentarians at work, this is an issue to which they would want to pay close attention because it is not a simple issue. In fact, most decisions which are made are complex and have many aspects to them. It seemed to me that this was a good opportunity for all aspects to be expressed by Members who are concerned. Let them take only one aspect and say that it really bothers them. Let us hear more about the economic impact. We have not heard enough about that today. For goodness sake, why should such an important motion come, as the Hon. Member for Winnipeg North (Mr. Orlikow) told us, at the eleventh hour, regretfully? Why should we stop at six o'clock and say that that is the end of it? Nothing has been given to the Government to arm it to raise its concerns with the railway and to respond legitimately to the testimony received by the Standing Committee on Fisheries and Forestry. This is why I thought it was important for us to go beyond six o'clock, to continue the debate and hear everything.

Mr. Riis: We can't now, is that right?

Mr. Penner: We cannot now unless Hon. Members agree at three minutes to six that we will not say anything more and we will let the motion be concurred in. That would be the honourable thing to do.

Some Hon. Members: Hear, hear!

Mr. Penner: That is the way in which we could say to the Canadian people that the reform of Parliament is not something which will come about when the committee on parliamentary reform has reported. We could say to them that parliamentary reform has begun in this House today because this Parliament is being responsive to one of its committees.

Mr. Thacker: Mr. Speaker, I have a question for the Hon. Member for Cochrane-Superior (Mr. Penner) who has served many years in the House. Does he remember even one occasion upon which his Government permitted such a motion to come to a vote? He is an experienced Member and knows that the committee has done a lot of good work. At the same time he knows that the dynamics of the committee are somewhat different from the dynamics of Cabinet which has to make the final decision on all sort of bases that the committee might not have considered. He knows that that process is ongoing.

What did his Government do in terms of ever letting such a motion come to a vote? What did he do and what did the Hon. Member for Davenport (Mr. Caccia) do when he was Minister of the Environment? It was their Government which spawned Crown corporations like fish.

Mr. Penner: The Hon. Member is really flattering me way beyond anything I deserve because he is asking me to repeat the first part of my speech. What I am telling him and other Hon. Members is: for goodness sake, let us not get ourselves stuck in the past when Governments did not respond to the work of committees. The Party opposite went to the Canadian people and said that it was time for a change. Who can deny that we want to see changes? But where are these changes supposed to be? Are they supposed to be in some far off place? Why not let those changes begin here? The change we could adopt very easily is that we could begin to listen to standing committees, special committees and task forces of the House.

I am not happy with the past. I said to all Hon. Members of the House that if the previous Government had listened more to its Members, it might still be around governing. If this Government listens more to its committees, it might last a lot longer than I would like it to last. I will put all that aside because I think it is more important to the country, not who governs which political Party, to have good government. We cannot have good government unless we have parliamentarians working along with the Government to give us the best kind of legislation possible.

Some Hon. Members: Hear, hear!

Mr. Fraser: Mr. Speaker, I rise on a point of privilege. I just want to clarify something. There was a suggestion made by an Hon. Member on the other side—I am sure it was not with any malice—that all Conservatives had risen—

Mr. Riis: Except two, I said.

Mr. Fraser: Except two. I just want it recorded, for some reasons which—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Fraser: It is not a speech, Mr. Speaker; it is a point of privilege.

The Acting Speaker (Mr. Paproski): It is not a point of privilege if you are going to keep on talking the way you are right now. That is not privilege. Is the Hon. Member for Kootenay West (Mr. Brisco) rising on a question or comment? He has exactly two minutes.

Mr. Brisco: Yes, Mr. Speaker. I listened with interest and appreciation to the concerns expressed by my colleague across the floor. I should like to put a question to him. There has been an examination of this matter by the standing committee. The debate today, by and large, on both sides of the House has been supportive of the concern which was brought before the House. We know that there are those Members on this side who understand and appreciate his concern and have addressed it. He is of the view that we are a Government with a Minister of Fisheries and Oceans who is not going to listen and not going to act on what was said, and with a Minister of Transport who will not act on what has been said today, as well as a Minister of Indian Affairs and Northern Development who will not act on what has been said today. Is that his view? If that is not his view, then I ask the Hon. Member why he is so exercised over the fact that the matter is not coming to a vote.

• (1750)

The Acting Speaker (Mr. Paproski): That is a great comment, but I would say that comments and questions are now terminated.

Mr. Penner: Mr. Speaker, I rise on a point of order. I think that was a very worthy question and to be just left hanging in the air seems unfair. I would like unanimous consent to respond briefly.

The Acting Speaker (Mr. Paproski): Does the Hon. Member have unanimous consent to respond briefly?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Riis: Mr. Speaker, I rise on a point of order. Because it is myself that is being referred to, I want to make it clear that I indicated that the committee chairman and the Minister of Fisheries and Oceans did not support—

The Acting Speaker (Mr. Paproski): Order, please. It is now debate.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, this has been a very interesting afternoon. Up until an hour or so ago, I thought that we were having a level of debate in the House of Commons that I have not had the opportunity to enjoy on very many occasions. Beginning with the intervention of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) it rapidly deteriorated, and it has been deteriorating very quickly since that time.

Mr. Blaikie: Sorry I asked for action. I'm sorry it bothered you.

Mr. Gurbin: There are several major points. It is not a question of where Members' minds are at or what action they ask for. It is a question of honesty of action and whether or not they are consistent in their positions. That applies to Hon. Members on the other side as well as this side of the House. It flabbergasts me to sit here and listen to some of the interventions that can be made.

So many times I hear Members of the Official Opposition making comments to us that they would not appreciate from us and I hope we will never be guilty of perpetuating it the same way they did year after year after year.

Mr. Blaikie: You just have.

Mr. Riis: You have muzzled Parliament.

Mr. Gurbin: Here we go again with the NDP. If it were not for the mindless interventions of the NDP, such as the Hon. Member for Winnipeg-Birds Hill, we would not have had the last five years of Liberal Government that ended up with this and so many other problems with which we have had to deal. They do not know where their head is at. They do not have to take the responsibility. They continue, even this afternoon, to refuse to look for ways to accomplish things. Instead—

Mr. Keeper: Mr. Speaker, I rise on a point of order. The Hon. Member who is speaking said that it was only the NDP that were against this matter coming to a vote. He should know that two Members of his own Party—

The Acting Speaker (Mr. Paproski): I regret that that is debate.

Mr. Gurbin: Mr. Speaker, I do not have a lot of time left.

Mr. Riis: That is your decision.

Mr. Gurbin: That is unfortunate. Something happened this afternoon and it is getting worse all the time. Somebody asked a while ago what somebody watching television would think. If I had been watching TV, I would have turned it off. At this point in time one of the interesting things—even the NDP might be able to understand this if they will be quiet for a minute and think about it—

Mr. Riis: Aren't you wonderful, aren't you superb?

Mr. Gurbin: If they would take the time to read the motion that is before the House and see what it says and what has been accomplished through the interventions of the chairman of our committee—

Mr. Riis: Why didn't you support him?

Mr. Gurbin: —and through the other people who have been discussing what the Minister of Fisheries and Oceans—

Mr. Skelly: Mr. Speaker, I rise on a point of order. In terms of enforcing the rules of the House, I wonder if it might be possible for the Chair to consult the Hon. Member and ask him if he is merely talking this motion out in order to prevent the House from taking a vote?

The Acting Speaker (Mr. Paproski): Order.

Mr. Gurbin: Mr. Speaker, I am only embarrassed to have to deal with these people, not embarrassed to be here. The point I was trying to make, if they would care to read the motion, is that even if the motion had sat there without being debated this afternoon, the committee, and I give full credit to the chairman in particular for this—

Mr. Riis: Why didn't you support him?

Mr. Gurbin: Here we go again. The committee has accomplished a very considerable end.

Mr. Blaikie: Why did you betray your own committee?

Mr. Gurbin: The substance of the motion as it stands before us now refers to the advisability of the Government considering postponement. Those things have been in process ever since the committee brought the motion forward. They will continue on in spite of some of the things that have happened in between. The Minister of Transport (Mr. Mazankowski), the Minister of Fisheries and Oceans (Mr. Fraser) who made an excellent intervention this afternoon, and the Minister of Indian Affairs and Northern Development (Mr. Crombie) have lent their support to trying to seek as reasonable as possible a resolution to this matter.

There is something Hon. Members opposite should understand. They are hung up. One of the primary foci of the first intervention this afternoon was on the Order in Council. Yes, there is a legal obligation for the Minister of Transport to sign an Order in Council, but the Order in Council is only offering the opportunity for CN to do things. That is a legal obligation.

Mr. Riis: That is exactly what we are worried about.

Mr. Gurbin: That by itself does not result in the consequence of one piece of rock falling into one drop of water anywhere along that portion of land. I think, from what we heard from the Minister of Indian Affairs and Northern Development and the Minister of Fisheries and Oceans, that there has to be, particularly because of this motion and the work of the committee, an honest effort on the part of the Government to resolve the situation that did occur, unfortunately and regrettably because of the lateness of the introduction of the EARP process as a result of difficulties that there have been historically. I am not going to waste any time or spend any time on that.

Mr. Keeper: Let's vote.

Mr. Gurbin: Mr. Speaker, I have been on my feet now for maybe ten minutes, and for about five minutes of that I have been listening to catcalls from the other side.

The Acting Speaker (Mr. Paproski): Order. We must see if the Hon. Member has a point of order.

Mr. Fulton: Mr. Speaker, I regret taking a moment of the Hon. Member's time, but I think this is important. It is two minutes before the hour, for those who are watching this debate or who read it later—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Gurbin: In the final several minutes that I have left, if anybody is watching now and doing anything but laughing at the NDP and the Liberals, I would like to—

Mr. Taylor: Mr. Speaker, I rise on a point of order. If the NDP did not waste so much time, we could have voted today.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Gurbin: Mr. Speaker, in the final moment I have left, I want to—

The Acting Speaker (Mr. Paproski): I believe the Hon. Member for Skeena has a point of order, or are you just fooling around with the Chair?

Mr. Fulton: No, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I would hope not. In any event, I regret to say that I cannot hear a point of order because it is now six o'clock.

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, February 28, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed from Tuesday, February 26, consideration of the motion of Mr. Bissonnette that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, it is a pleasure for me to speak on Bill C-23, an Act to amend the Small Businesses Loans Act. It is also a pleasure for me to speak for the first time in this House on any Bill.

Some Hon. Members: Hear, hear!

Mr. Warner: It's very nice to get the applause before the speech. I would also like to thank my electorate who sent me here last September to be part of this new and dynamic Government.

The riding of Stormont-Dundas comprises the entire counties of Stormont and Dundas and almost the entire township of Charlottenburgh in the County of Glengarry. It stretches along the St. Lawrence River some 80 kilometres from Lancaster in the east to Iroquois in the west. It extends north of the St. Lawrence River approximately 40 kilometres to include Winchester, Chesterville, Morewood, Crysler and Moose Creek.

The City of Cornwall is the only city and the largest community in my riding, with a population of approximately 46,000 people. The rural area has some 1,900 farms, of which 42 per cent are dairy operations. Cornwall and other communities in the constituency are among the oldest settlements in Ontario and Canada, having been established over 200 years. Last year Cornwall, along with other communities in my riding, celebrated its bicentennial.

The mother tongue of the residents of the constituency is approximately 72 per cent English and 25 per cent French. Unemployment in our area is quite high. Of course, we are most concerned with positive and progressive developments in our area. We are expecting a few new companies to locate in Cornwall in the immediate future. We are doing all we can to encourage other manufacturers and businesses to locate in Stormont, Dundas and Charlottenburgh as well.

We are quite fortunate to have access to excellent transportation facilities with highways, railways and the St. Lawrence Seaway all running through our area. We are also very fortunate to have the least expensive hydro-electric power rates in Canada, some 28 per cent less than the surrounding areas. I invite all Members to visit the people of my area. We are located within a one-hour or one-and-a-half-hour drive from Ottawa. Hon. Members would be very warmly welcomed by all of the people there.

The majority of the discussions on Bill C-23 have been very positive and supportive. The Bill is recognized as basically housekeeping and modernizing the Act which has been so popular in the past. In the last five years the activity in this area has more than tripled. In 1978 the amount of loans written was approximately $176 million, while in 1983 the amount increased to $691 million. At the same time the number of loans increased from 7,300 to over 25,000.

This activity certainly indicates the popularity of the Act and the very useful purpose that it has for small business across Canada. There were only two areas that seemed to have created very much controversy and those were the areas of the administration fee and the concept of participation in losses. The 1 per cent administration fee on loans made after April 1 will be imposed on the banks and will certainly help to defray some of the costs of the program. It is also a provision of the Act that this charge will not be passed on to the borrowers.

• (1110)

Also effective April 1 the federal Government will absorb 90 per cent of the losses as compared to the full 100 per cent of the losses which had been absorbed in the past. In 1984 losses or claims on this program amounted to some $43 million and it seems to be only good business practice that the underwriters of these loans participate to a certain extent in the absorption of losses and also pay a reasonable fee for the insurance protection that they are receiving.

I feel quite strongly that our financial institutions in Canada are the most appropriate vehicles for the Government to be using to distribute its programs. They are the most simple of vehicles and have the greatest lack of bureaucracy. Those small-business people who have dealt with such companies or concerns as the Federal Business Development Bank know what bureaucracy can be, particularly when they are trying to get a loan through quickly to solve an immediate problem. I would hope that in the future, if the Federal Business Development Bank is not going to be active in this area, we will see fit

to further expand this Act so that the amounts of loans will be greater. As well, we would certainly hope to encourage more participants.

It was quite encouraging to see that in 1983 the number of lenders had increased to 1,860 in addition to the chartered banks. Of course, with the great number of financial institutions that are eligible as lenders, I believe they only need be encouraged in order to see the great benefit that this Act has for the small businesses in their communities. I would hope that in the future some of the *caisses populaires* and credit unions that have not been active in the past will see fit to provide this very essential service for small businesses.

This Act will certainly provide some of the assistance that is required for small businesses. I am certainly not going to say that this is the be all and end all for small business, but it will certainly be an integral part of the Government's program to assist small business in the great future that we see for it in the next few years.

• (1115)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I welcome this opportunity to make a relatively brief contribution to the debate on Bill C-23, which concerns small business loans. A number of Members in my Party have spoken to this subject, and I would now like to offer a summary of the Liberal Party of Canada's position before the Bill is referred to committee, which we expect will be done today.

First of all, we think the Small Businesses Loans Act is an excellent piece of legislation. The loans program is a very good one and has been extremely popular. Applications under the program have continued to increase over the years, which proves that Canadian small business is very appreciative of this legislation, especially since most jobs in Canada are created by small- and medium-sized businesses, in other words, by those businesses that are eligible for loans under the Small Businesses Loans Act.

As a general rule, the Liberal Party of Canada supports Bill C-23, especially since the legislation which Bill C-23 is intended to amend was passed by the previous Liberal Government and received with great enthusiasm.

I would like to start by reviewing two of the measures proposed in Bill C-23 which I think are excellent, and which are in fact why we intend to give our consent that Bill C-23 be read a second time and referred to a standing committee of the House.

First, the ceiling or aggregate amount of funds that may be lent to small businesses under the program has been raised from $1.5 million to $1.8 billion. We think this is a very wise step because demand has already outstripped the funding available under this program.

Bill C-23 will also amend the definition of a small business by raising the maximum gross revenue for small businesses to be eligible for loans under the Small Businesses Loans Act from $1.5 to $2 million annually. This will open the program to a larger number of small businesses, and we believe this is a very sensible decision.

However, while Bill C-23 seems to be making the loans program available to a larger number of businesses as a result of the two measures I mentioned earlier, namely, the increase in the aggregate amount of loans that may be offered and the change in how small businesses are defined, we wonder why the Bill also proposes restrictions that will make it much harder for small businesses to obtain loans. First of all, why did the Government decide to reduce the guarantee provided to financial institutions under the program so they will not have to shoulder the entire risk burden, from 100 per cent to 90 per cent? Bill C-23 as it is now stands provides that the program will not guarantee more than 90 per cent of the loan, and financial institutions will be asked, in fact obliged, to take 10 per cent of the risk. This will certainly reduce the amount of money being lent by financial institutions, especially since the institutions are also asked to pay, as of April 1, 1985, a fee of 1 per cent of the amount of the loan.

So the Government is now telling the financial institutions that they are going to take on a greater share of the risk than before, and on top of that, they will have to pay a 1 per cent fee, thus reducing the profits an institution can make on a loan, because although interest rates may fluctuate, according to the legislation they are set at prime plus one.

If we ask financial institutions to pay a 1 per cent fee every time they agree to make a loan under the Small Businesses Loans Act, we are reducing their cash flow.

Those are the two aspects of the legislation we are most concerned about. We believe the Government would be ill-advised, while ostensibly broadening the availability of such loans, to introduce other measures that would actually reduce that availability.

That is why, when the Bill is referred to a standing committee of the House of Commons, we expect our Members on the committee to make a contribution towards improving the proposed legislation, especially by removing the two measures I have just mentioned, that is the 1 per cent fee and the obligation on the financial institutions to share part of the loan liability.

Furthermore, we must not forget that under the provisions of this Bill, the Minister has the power to change the rules of the game in various ways. For instance, the maximum rate which is now set by legislation could be changed by the Governor in Council, in other words, by the Minister with the approval of Cabinet.

• (1120)

As I mentioned earlier, it has now been proposed that the guarantees be shared by the Government and the lending

institution—90 per cent and 10 per cent respectively. Here again, the sharing formula can be changed by order in council, so that the Minister will not have to come before Parliament to ask for amendments.

Similarly, the ceiling on the over-all amount of the loan under the program can be changed.

In my opinion, that is enough to create uncertainty among people who might benefit from this program. How can anyone seeking a loan repayable over a term which might run to ten years not be concerned over the possibility that the loan conditions may be changed while it is still outstanding?

I suggest that the Government, by creating such uncertainty, is going against its own policy, which is to favour the private sector.

Yet it would seem that the Government has given up about job creation, relying instead on the private sector to pick up the ball. It is rather strange that the Government has chosen to limit the benefits available to small business—the major source of new jobs in Canada—under the small businesses loans program.

To sum up my remarks, Mr. Speaker, I can say that we agree to have Bill C-23 referred to the committee because we feel that it does have a few good points. However, we will try to improve this measure and delete those provisions which we think will not serve the interests of small business in Canada.

Mr. Speaker, those are the few remarks I wanted to make on behalf of my Party.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Stevens, seconded by Mr. Hnatyshyn, moves that Bill C-23, an Act to amend the Small Businesses Loans Act, be read the second time and referred to the Standing Committee on Regional Development. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Regional Development.

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

Hon. John Wise (for the Minister of Energy, Mines and Resources) moved that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Oil Substitution Act

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, Bill C-24 provides for the termination of the Canada Oil Substitution Program or, in the jargon of this place, "COSP", on March 31, 1985, and for the phasing out of the Canadian Home Insulation Program, or "CHIP", by March 31, 1986.

It is essential, Mr. Speaker, that Parliament should weigh the issues involved when such programs are created and it is also essential that Parliament should weigh the issues involved when the time comes for such programs to be withdrawn. I do not believe that anyone has worked harder to establish this principle than the Minister of Supply and Services (Mr. Andre). You may not remember, Mr. Speaker, though many in this House will, that four years ago the Hon. Member for Calgary Centre, now Minister of Supply and Services, challenged an attempt by the Liberal Government to escape Parliament's scrutiny of these very programs. At that time he obtained a landmark ruling from Madam Speaker that these two Acts, and eight other spending items, had been brought improperly to the House as part of non-debatable appropriations. As a result of the ruling, the Government of the day was forced to introduce separate Bills to create COSP and to extend the life of CHIP. I am pleased to be acting in the spirit of that decision by introducing legislation so that the amendment of these Acts can be properly debated in this House of Commons.

• (1125)

The Government's intention to make these changes was announced by my colleagues, the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret), last November 8. Since then we have all had the chance to assess the reaction to these plans. I think it is quite clear that the people of Canada, as well as those involved in providing materials, equipment and services for residential oil substitution and energy conservation, acknowledge that outright consumer grants for these purposes are something this Government of Canada can no longer afford. A large potential exists for further oil substitution and energy conservation in the residential sector, and the pursuit of that potential remains an important priority for Canada. But at a time of restraint the Government must find less costly ways to support these objectives. I will return to this subject later in my remarks.

Under the off-oil program introduced in 1980, taxable contributions of up to $800 were provided towards the cost of converting oil heating systems to natural gas, electricity and propane, as well as to wood and other renewable energy resources. The existing legislation provided for a termination date of December 31, 1990 for the program. The amending Bill changes this date to March 31, 1985. The Minister has provided a limited exception which will allow applicants a further three months, until June 30, 1985, to complete their conversions if they had signed contracts prior to the November 8 announcement and if they faced difficulties in getting the work done by March 31. She has also waived the need for inspections to be completed by March 31, in recognition that backlogs of inspection requests may incur in some areas.

We in the Ministry of Energy, Mines and Resources have received a number of representations proposing that three or four or five extra months be allowed to complete conversions in respect of commitments signed by applicants before March 31 of this year. It has been argued that it is impossible to convert to natural gas between November and April, or in any event more costly to do so than during warm-weather months. Both gas and electrical utilities have expressed concern that the pressure to get the work done by March 31 may adversely affect work quality. In some cases, because of limited inventories of equipment, less than optimal systems may be installed.

We were sympathetic to these concerns and gave serious consideration to an extension of the period for eligible conversions into the summer. The Minister concluded, however, that a general extension could not be permitted in view of the additional program costs involved. For example, a minimum useful extension of three months only, to June 30, would increase cost outlays in the 1985-86 year by up to $35 million. I think that is a relatively conservative estimate. This would reduce by more than one-third the program savings that the Minister has pledged in respect of COSP toward the deficit reductions announced by the Minister of Finance and President of the Treasury Board.

I would now like to comment on the CHIP program. That program provided taxable contributions of up to $500 towards insulating and draft-proofing measures in existing homes. It was announced in 1977 and the Act provided for its termination date at the end of 1987. The amending Bill provides for a two-stage phase-out under which the Government's share of eligible costs is reduced to 33⅓ per cent from 60 per cent effective January 1, 1985, and the program comes to an end on March 31, 1986. I emphasize that in these final 15 months of CHIP, the maximum contribution is unchanged at $500. The Minister has provided an extra year for CHIP beyond the termination date for COSP, in recognition of the fact that suppliers and installers of residential conservation materials across Canada need the time to prepare for the withdrawal of CHIP.

• (1130)

The end of the program has been anticipated for some time by industry and government. For example, the reduction of the contribution rate to 33⅓ per cent is a natural and important step which follows an earlier reduction of the rate for materials to 60 per cent from 100 per cent.

Moreover, homes have been admitted to the program sequentially on the basis of their date of construction. The process is now in its final stage. The last group to become eligible, the 1.3 million homes built between 1971 and 1977, will have had two years to use the program by the time it concludes next year. That further period will also be helpful to the many small contractors across Canada who are working in trade that is still relatively young. They have rarely had notice of changes in CHIP and this phase-out period gives them some time to expand scope of the conservation work they can do and improve their ability to explain the advantages of conservation to householders.

In this respect we are indebted to the National Insulation and Energy Conservation Contractors Association, which represents insulation installers across Canada, for its advice and support. The Association recognized early last fall that CHIP might have to be discontinued and volunteered options for an orderly conclusion of the program. Its suggestions were very helpful to the Minister in preparing recommendations to her Cabinet colleagues. The Association was later able to identify the likelihood that backlogs of orders for work and material would arise in advance of the change in the contribution rate on December 31. The Minister was pleased to accept the modification which permits applicants to sign for the work by December 31 but have it performed in the first three months of 1985 at the 60 per cent rate. More than 80,000 applicants have taken advantage of this provision.

Let us look at the budgetary savings because this is important. We estimate that CHIP and COSP expenditures in the current fiscal year will total almost $350 million. The termination of COSP and phasing out of CHIP will provide continued savings from the appropriation levels for the two programs of $180 million in 1985-86 and $315 million in 1986-87. These are major and necessary contributions towards reduction of the federal deficit. Our decisions have been made not just because we must address the deficit. Our decisions recognize that the market-place has changed and that the Government's role with respect to oil substitution and energy conservation must change with it.

COSP was introduced in October, 1980. We all remember that at that time OPEC dominated the world's view of the future for oil. It was expected to control world supply and push world prices much higher. Almost 40 per cent of Canadian homes were heated with oil. Most of those home owners had little knowledge of oil substitution. Residential oil substitution was identified as a priority and a large consumer grant was introduced as the instrument to make it happen.

It is difficult to establish how much of the activity which has taken place since 1980 can be credited to COSP. Almost one million units have been converted under the program representing oil displacement of some 32,000 barrels a day, which is a very significant amount. Over this period the financial benefits of oil substitution have become more familiar to home owners. A trend has been established toward installation of medium and high-efficiency natural gas furnaces which are being made available at steadily declining and more competitive prices. Dual energy systems such as plenum heaters and heat pumps are offering savings and comfort to home owners and advantages in load management to the utilities.

A broad range of controlled combustion wood-burning systems are now available. Hundreds of thousands of homes across rural Canada use wood as their only source of space heating and obtain their supplies at a very low cost. To preserve a share of the residential market, oil dealers and manufacturers of oil heating equipment are marketing new high-efficiency oil furnaces and retrofit packages for existing

oil furnaces. Everyone is getting in on the conservation game and we applaud that. In this mature and competitive environment I anticipate a continuing rapid decline in the residential use of oil after COSP is withdrawn.

CHIP has provided assistance toward conservation measures in more than 2,500,000 homes. Significant energy savings averaging some 17 per cent have been achieved in the homes that use CHIP. An evaluation of the program has established that CHIP played an important part in achieving those savings. It is estimated that the equivalent of 28,500 barrels of oil a day are being saved as a result of work done under CHIP. Between CHIP and COSP we are talking about some 60,000 barrels of oil. As with oil substitution, the benefit of energy conservation and reduced heating bills and increased home comfort are much more fully understood by Canadians now than seven or eight years ago. Installation specialists now certify their work to accepted national standards.

However, there remains a significant gap between understanding and action on the part of both consumers and industry. Consumers still lack confidence in the quality of work and the advice that they are offered. They see conservation and heating system technologies as being complex and doubt their own ability to sort it all out. Major technical issues remain to be solved and the work standards now in place need to be refined, expanded in scope, and backed up by the installer training program. These are very real problems, but they are not resolved by a Government grant, as I think everyone understands.

Reducing the use of oil and energy in Canada remains a very important national objective of the Government. Very large potentials for savings exist, not only in the housing stock but in other sectors as well, including commercial and industrial buildings and processes, buildings operated by various institutions, and the federal Government's own buildings and operations. We know that in many cases it can be less costly to invest in conserving energy than to bring on the same amount of new supply. In the existing housing stock the average potential for savings from cost-effective conservation measures has been estimated at 30 per cent. For millions of Canadian households it will be a very attractive investment, with a rapid return of dollars spent, to insulate, to draught-proof, and improve or convert their heating systems.

We cannot and should not continue to expect the public treasury to use borrowed dollars for the payment of consumer grants to try to ensure that this energy investment takes place. A more limited and balanced role for Government is clearly preferable, sensitive to the information needs of energy users and suppliers, to the technical problems still unresolved, and to opportunities for further development of energy use today.

The legislation before the House today is therefore a necessary step, but only a first step in reorienting government programs in these sectors. The Minister has also directed that all other programs of the Department of Energy, Mines and Resources in the areas of conservation and renewable energy are to be thoroughly and critically reviewed. She has directed her officials to conduct a parallel review of these program areas with provincial Governments in order to identify instances of waste and duplication of effort. Meetings have already been held with all provinces and territories.

Officials, the Minister and I have also been actively soliciting industry views on energy use in all sectors and on the respective roles that should be played by government in the private sector. We look forward to further discussions with provincial Ministers. The Minister will be bringing recommendations to her Cabinet colleagues for future program directions. We intend to review federal-provincial teamwork in energy programs and activities. We will work in co-operation with the private sector and achieve a more selective, disciplined and effective deployment of resources to effect energy use in Canada.

• (1140)

I want to go into some detail about the very substantial public expenditures involved in these programs to date. Over the past five years, CHIP has paid out over $530 million in grants to consumers. The gross cost of CHIP to the federal Government over the past seven and one-half years has been over $855 million. The total budget expenditure to the end of the calendar year 1984 is some $1.4 billion, of which perhaps $300 million has flowed back to the federal and provincial Governments in the form of tax on those grants. At present, rates of program activity grants under the two programs represent a gross annual cost to the federal treasury of some $300 million.

COSP has mainly been an oil substitution program contributing half of the eligible material and labour cost of converting space heating and water heating systems from oil to non-oil energy sources. The maximum grants for single family units and non-residential buildings is $800. The sliding scale of grants results in smaller amounts per unit for conversions of apartment blocks and other multi-family dwellings.

In Prince Edward Island, Newfoundland, the Yukon and Northwest Territories, COSP grants can be used for off-oil measures as well as insulation, draught-proofing, and furnace improvement measures in recognition of the fact that there are few reasonably priced alternatives to oil.

COSP has paid grants toward conversion or conversion measures in about 900,000 units, including 880,000 housing units. The oil savings which have resulted from that activity are estimated at approximately 30,000 barrels per day, which is equivalent to the output of a Syncrude plant. When it is put into those terms, it is quite significant.

Electricity accounts for 41 per cent of the units which have received COSP grants and gas accounts for 35 per cent. Some may have thought it would have been the opposite. Surprisingly, wood accounts for 20 per cent and the remaining 4 per cent represents propane, a very small number of conversions to other sources and conservation measures.

Provinces have been invited to limit the alternatives to oil eligible under COSP so as to conform with provincial energy-use policies. In most cases provinces have been prepared to let the program operate on a neutral basis.

In Saskatchewan, Alberta and British Columbia, the provincial Governments have tilted the application of the program toward natural gas, which appears to conform with public preferences. In these provinces conversions to gas have represented 62 per cent of all conversions. It should be noted that past policies of federal and provincial Governments, together with the low price of natural gas and its public acceptance, led to significant conversion to gas in the west even before the introduction of COSP. In Alberta, urban and even rural gasification was almost complete by the end of the 1970s, as my colleague sitting to my right knows.

Manitoba may have made the greatest progress in the course of the 1980s to adopt gas and electricity for home heating. It is estimated that 24,000 of the 54,000 Manitoba homes on oil in 1980 have converted since then.

But COSP was aimed mostly at Ontario and Quebec, which in 1980 accounted for 73 per cent of residential oil use and for 73 per cent of the estimated realistic potential for conversion from oil. In fact, 75 per cent of the units converted under COSP have been in these two provinces. While these provinces represent by far the greatest potential for oil substitution in this decade, there are marked differences in the energy preferences of these populations. Gas has been preferred to electricity in Ontario by a margin of three to one. In Quebec, electricity is preferred four to one over gas. Moreover, total conversion activity has been significantly higher in Quebec where both electric and gas utilities have offered non-taxable cash grants for conversions in addition to COSP grants.

Only 11 per cent of COSP grants over the past four years has gone to the Atlantic Provinces, although they represent 15 per cent of the eligible housing stock. The region lacks access to natural gas, and for home owners in most areas electricity is at least as expensive for home heating as oil. The conservation assistance offered by COSP in Newfoundland and Prince Edward Island has had rather limited take-up, and while conversions to wood have been popular, demand now is approaching saturation.

With respect to the experience under CHIP, the program has provided grants up to $500 per unit toward insulation and draught-proofing measures in about 2.5 million units. That represents about one-third of the eligible housing stock built before 1977. The program has been dominated by attic insulation activity and an installer force has grown up specializing in blowing insulation into attics by mechanical means. As demand for this measure has approached saturation, the industry has begun to diversify its service by including a comprehensive caulking and weather stripping, insulation of basements and to some extent insulation of walls. Energy savings attributable to work done under CHIP are estimated at the equivalent of 28,500 barrels of oil a day.

The take-up of CHIP by region reflects the length of time homes in various provinces have been eligible and the pattern of energy costs. On both counts, this has resulted in the most extensive use of CHIP in Atlantic Canada. The homes covered by CHIP represents 61 per cent of the eligible housing stock in Newfoundland, 89 per cent in P.E.I. and 91 per cent in Nova Scotia. The figure drops to 35 per cent in Ontario, 29 per cent in Quebec and 31 per cent on average for the western provinces.

Activity under COSP and CHIP has been significant. The critical issue is how much of the activity can be attributed to the existence of the incentives and how much would have taken place anyway. These are important considerations but extremely difficult measurements to take. A formal evaluation has been taken of CHIP, establishing that the incrementality of the program, the extra activity for which it can take credit, was 29 per cent of total activity.

This is an impressive figure and puts the Government's investment in a favourable light compared with costs of tax concessions or grants devoted to the development of new oil or gas sources. However, the measurement was made when the grant consisted of 100 per cent of the costs of materials to a maximum of $350 and one-third of labour costs to a maximum of $150. This grant structure was fraught with a variety of problems and was changed in 1982 to 60 per cent of both material and labour costs. The incrementality of CHIP has probably declined since that time.

These programs were introduced at times when the progress to reduce energy and oil use was unacceptably low and the savings to home owners poorly understood. In Canada and other industrial countries, conservation is now a much more popular concept and the public is much better informed. Substantial progress has been made in the technology and installers have begun to expand their services to cover a more comprehensive range of conservation measures.

Similarly, public understanding and acceptance of the advantages of oil substitution are now much higher than they were in the 1970s. Competition for conversions between gas utilities and suppliers of electrical systems has been spirited. We need only look at the advertisements by electrical and gas utilities today to see that free entreprise is working well.

Canada must continue to make progress in both conservation and oil substitution: let me make that very clear to the House and the people of Canada. In the residential sector, this past decade has seen the average consumption of energy per household decline by 16 per cent. It is estimated that there is another 30 per cent to go—a 30 per cent reduction in energy use for the average home from such readily available measures as comprehensive draught-proofing, basement insulation and efficiency improvements in heating systems. These future savings would provide good pay-backs for the householder in reduced heating costs and, for the country, total energy savings equivalent to a further 60,000 barrels of oil per day.

• (1150)

A further substantial amount of residential oil substitution will also make sense for the country and individual households. It will help preserve domestic supplies of oil; that is very important. The major alternative sources—natural gas and electricity—are in abundant domestic supply. Their increased use is supported not only by the federal Government but by the Governments of the provinces where the resources have been

developed and whose industries and taxpayers benefit from their consumption. Wood has become another important alternative which will endure as a primary source of space heating in rural areas where supplies can still be obtained at low cost. Exciting new advances have been made in the efficiency of heating equipment, and this new technology is largely Canadian.

Conversion from oil will be practical and attractive for perhaps a further million homes in Canada. Even without a government grant it will offer savings in operating costs which justify the costs of converting. I think that is an important factor.

The over-all impact of COSP has been beneficial and it has obviously helped bring Canada closer to oil self-sufficiency. However, any massive intervention of this kind brings with it problems and distortions. We have heard that from all sectors. From the start there were areas of Canada where alternatives to oil did not provide cheaper home heating. It was no favour to home owners in these areas to encourage them to go off oil. By offering assistance only toward conversion, COSP discouraged the option of oil furnace retrofit in circumstances where it might make more sense than conversion. COSP has set up oil substitution in a kind of competition with conservation for attention and for the home owners' investment dollar, when home owners should be considering both actions as part of a planned approach to home energy management.

Much more can be done to foster such a total perspective to the household energy bill. It is up to suppliers and governments to provide better information on the full scope of conservation and off-oil measures, the sequence and timing for undertaking them, and the cost and savings involved. Conservation and conversion can be among the best household investments available, yielding savings in heating costs which can pay the investment back rapidly and go on providing savings year after year. They can be significant investments, amounting to several thousands of dollars for some home owners. In present circumstances there is no prospect that governments can afford grants or other incentives large enough to cover investments of this size or to pay for a share large enough to guarantee action by home owners.

Grants are not the answer in future, nor should they be necessary. Better alternatives are at hand. We can help ensure that householders, wherever they live in Canada, enjoy access to objective and comprehensive information on what to do about saving energy and how to do it. The more specific information can be made to individual household needs the better. We can continue to pursue solutions to technical problems, refine and expand work standards, and assist industry to improve insulation techniques and marketing. All these things can be done at far less expense than CHIP and COSP, and all of them can be done in co-operation with industry and provincial governments. This is being done now.

Surely this is the direction we should be taking—away from massive interventions and government hand-outs which can so easily prompt arbitrary decisions and invite abuse, toward better quality of work and better decisions by householders to reduce the use of energy. This is to what we are committed. I ask the House for its support of Bill C-24.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I thank the Hon. Parliamentary Secretary for his applause. I hope he will listen intently to what I have to say and hang on to every word, so to speak.

I do not think there have been many programs offered by the federal Government which have been of more general help to low-income, unemployed and fixed-income Canadians than CHIP and COSP. They have been of tremendous benefit. These are two of what the Department of Energy, Mines and Resources refers to as direct action programs, and they are in four categories. The first is energy conservation, that is, CHIP. The second is development of renewable resources. The third is the development of alternative fuels; and the fourth is the off-oil substitution program or COSP.

I will say a little more later about the second and third ones, the development of renewable resources and the development of alternative fuels. However, I want to deal first with the two direct action programs and how they are affected by Bill C-24. These programs are aimed directly at the final consumer. In that regard it makes them very special programs. They are aimed at Canadian families and Canadian home owners. When we talk about cancelling programs such as these, we are talking about taking away direct money from the federal Government to the ordinary Canadian family in the ordinary Canadian home.

We have to look at the ramifications of that. What would be the ramifications? First I will refer to CHIP, grants to home owners who invest in residential energy conservation. It provides up to $500 for home owners who wish to invest in home energy conservation. That is extremely important. As of the summer of 1984 it assisted 1.5 million Canadian householders in making their homes more energy-efficient. In 1983 alone it resulted in a reduction in home heating costs of close to $500 million. It has been a tremendously successful program.

The other program, COSP, has been encouraging home owners to convert off oil. It is very important as well. Oil was once an extremely expensive fuel. It is still expensive but not as it once was. It has the potential to be every bit as expensive as it was during the dark days of the energy scare or to be much more expensive than it was then. More than 425,000 Canadian families have benefited from grants up to $800 since the program was introduced in 1980. It has resulted in a redirection of oil consumption of 10 million barrels per year. The number of households heated by oil declined from 42 per cent to 31 per cent in the three years before the summer of 1984.

These two programs along with the Residential Rehabilitation Assistance Program, which was cut by 25 per cent on November 8 in the economic and fiscal statement, have formed the backbone of assistance to Canadian families through funding to households. I think the Government is missing the tremendous importance of these programs. This is

extremely unfortunate both for Canadians and for the Government.

Let us look at the $500 which went to each family under COSP. We realize they were tremendous. Each home owner received those amounts under those two programs. It cannot be left there. The benefits of these two programs went well beyond the grants, mainly because the federal Government sponsored the programs. In this case, the Canadian Home Insulation Program and the Canadian Oil Substitution Program do not deal with members of boards of directors of the multinational oil companies. You are not dealing with people who work in the energy industry day in and day out; you are dealing with average Canadians who are concerned with what energy will cost them for their homes and automobiles in particular. This is tremendously important to keep in mind. They want to know how they can reduce their energy costs.

● (1200)

With a growing number of unemployed and a growing percentage of our people over the age of 65 on fixed incomes and the wage settlements in this country falling behind, it is becoming more important how people can redirect these energy costs to other tremendously important costs, such as rent, food and clothing for themselves and their children. That is tremendously important.

Look at this program other than just from the funding aspect. How was this program delivered? It was delivered by the federal Government with a tremendous amount of information. It provided information not only on the expense of oil, but on the cost of competing fuel sources. Most important, it supplied confidence to the Canadian consumer because the federal Government was involved in it. The federal Government provided brochures. It provided information and other sources. Very important, it provided a toll-free telephone inquiry service so that the average Canadian could call the federal Department of Energy, Mines and Resources and get information.

I do not think there are too many Members of this House who have not come in contact with Canadians who have taken advantage of this program. As Members of Parliament and before they became Members, there were a lot of problems that came into play. Most important were people trying to take advantage of this program. The Government required, for example, that furnaces be CSA approved. An awful lot of people came to me who said: "I bought this furnace from so-and-so because he assured me that it was a great furnace, and now I find that I cannot collect the $800". That is a tragic situation. The person literally could not afford to pay that $800.

That person went into the program on the strength of what he or she had read and the fact that the Government provided information. Their attention was drawn to it because they were going to get $800. What kind of attention is the ordinary Canadian going to give to literature that does not have that very important carrot of the $800? This is a devastating opportunity for the average Canadian to be taken advantage of with regard to oil and energy conservation now that the Government has backed out of these two very important programs.

What will happen? The Government says everything will be all right, that people will still be able to convert without these programs. Anybody can convert, if that is all there is to it. They are free to convert, but what will be their financial position? What will be their knowledge of the possibilities about which we have been giving information over the past seven and a half years with regard to the Canadian Home Insulation Program and the Canadian Oil Substitution Program? What will be the situation?

The Government says that the people of Canada are sophisticated and they know the options with regard to conservation. A lot of people do. The reason they know is because they took advantage of both these programs. Those who have not taken advantage of the programs do not have the same information. The people who have taken advantage of the programs have the information, but not those who have yet to take advantage of them. That is a tremendously important factor of which we must be cognizant.

The Minister said that both CHIP and COSP, the Canadian Home Insulation Program and the Canadian Oil Substitution Program, have served their purpose and are no longer needed to encourage people to become energy conscious. I do not agree with that. The facts do not indicate that. If any Ontario Members are interested, they can call Consumers Gas in Ontario and get the facts.

Between October 1, 1983 and February 28, 1984, 4,814 people took advantage of the Canadian Oil Substitution Program. Between October 1, 1984, and February 26, 1985, 17,912 applications have been received by Consumers Gas in Ontario. They have to try to put in these gas systems before March 31, 1985. Within one month they have to put in these systems. Of those 17,912 applications, 8,889 came in January alone. That is the highest number of applications that has ever come to Consumers Gas in Ontario in any one month period.

The Government says that people knew the program would end and that is why there is this rush. That is true to a certain extent. Word got around and that increased the number of applications. But these people are left hanging because of the way the Government is doing things. The Government has not taken into consideration very important factors. It has reduced the amount of the Canadian Home Insulation Program from 60 per cent to one-third as of January 1. That alone is damaging enough to low-income Canadians who cannot afford that difference. Now it is going to take away the whole program if a person did not make his application before November 8, 1984; or, if he made the application after November 8, if the system is in place before the end of March, 1985.

What have we done? Consumers Gas now has 50 to 55 crews working seven days a week trying to service these requests. They are trying to put gas lines in frozen ground covered by snow. If a deadline is going to be set, it should be

set in the summer or fall when gas lines can be installed in unfrozen ground that is not covered by snow.

Not only that, during these months the suppliers of furnaces are not making furnaces. They are making air conditioners for the summer season. How are you going to get the gas furnaces that you need to service these applications? You cannot. A lot of the suppliers of furnaces have tried to retool and manufacture furnaces, but there is complete and utter confusion. They still have to make the air conditioners for the summer season. By putting this deadline at the end of March, it completely frustrates the gas suppliers and Canadian home owners who want to take advantage of these programs. Those who could get systems in the summer cannot get them now because of the difficulty in installing these systems at this time.

I would very seriously and strongly request that the Government extend the deadline for the Canadian Oil Substitution Program by six months. This will give people who now want it a chance to have the system put in. It will give the installers and suppliers of gas and equipment the chance to instal this equipment properly at a time of year when it can best be done. If the Government does not do this, it is just twigging the noses of Canadians. Obviously this matter has not been thought over by the Government. I think this is a tremendously tragic situation. There is going to be a very cruel April Fool's Day joke played on Canadians when they find out that they are not able to benefit from this program.

• (1210)

Letters are already being drafted by Consumers Gas. Consumers Gas has to be able to notify some of these people beforehand that it cannot possibly service these applications. What will the cry be from Canadians who wish to take advantage of this program when they receive a letter telling them they cannot possibly get this system because it cannot be installed by the end of March of this year? That will be a most unfortunate situation. I think the Government will be hearing a lot more about that from Canadian home owners.

The Government does not seem to be giving any consideration to the average Canadian or to the direction in which the country is going regarding energy policy. The Government has completely laid waste the alternate energy program and the concept of renewable fuels. The Government has laid off 540 people at Atomic Energy of Canada in Mississauga and Montreal and this will effectively mean the end of the Candu reactor program other than sales of reactors to possible clients of which the AECL already has knowledge. There will be no meaningful drive to recruit new markets for these Candu reactors because AECL has only 50 per cent of its staff. It lost 600 people in 1982 and now it is losing another 540.

Mr. McDermid: Your Government laid people off too.

Mr. MacLellan: Sure, we know who laid them off. I have a calendar. However, we must think of the industry.

This is an example of where the attention of the Government is directed. Before the layoffs in 1982 there were 177 managers for 2,500 employees at AECL. In 1985 there are 223 managers for 1,800 people. The workforce has declined by 600 people and the number of managers has risen by about 50. The consideration of the Government is not for the ordinary working Canadian at all but for the big brass in the Crown corporations.

I do not think that any aspect of energy funding suffered more than alternative energy. The entire Energy Division of the National Research Council is to be phased out as rapidly as contracts within industry will allow. Within the National Research Council's Energy Division, 61 person-years, of which two-thirds are professional and one-third are support staff, are involved. In about two years' time there will probably be only five people working in that division. Many of these people being laid off are professional people who have been with the National Research Council for 20 or 25 years.

Much of the alternate energy program is in jeopardy because the Government is saying that the private sector can take it on. The private sector cannot take it on because the private sector is comprised of about 500 small to medium-sized companies which do not have the capital to take on this program. What will happen to the program? It will disappear.

Where is the thinking for the future? I am not saying that we are experiencing an energy scare right now but for heaven's sake, we should take advantage of this time to look at the possibilities for the future. We should take the time to study and make sure that Canadians are well served by this Government. We should take the time to look at the other possibilities.

I can mention a few statistics. I think these are important not for the figures themselves but for the trend that they show. With regard to crude oil, Canada supplies about 1.2 per cent of the world's crude oil but it produces 2.6 per cent of the world's crude oil. The ratio of production to supply in terms of years is about 14 years. I admit that that does not take into consideration frontier oil which does not have a supply and delivery system, nor does it take into consideration the oil sands and heavy oils. As well, it does not take into consideration that other oil supplies will be found. At the same time, this should not give the Government the confidence that it can do away with the possibility of finding competing fuels for the future. We need about 50 years to implement an alternate fuel structure. We need about 50 years to do the work, the studying, the research and the testing. That is a long period of time. That is a tremendously important factor which the Government has disregarded.

The 1985-86 cuts at the National Research Council will mean a reduction of $20 million in contracts to the industry. Not only will this affect industry cash flow but it is estimated that it could result in a direct loss of about 1,000 jobs in the country. Small firms only have so much available capital. If they are faced with the need to do R and D at this time when interest rates are rising and if they are faced with choosing between doing R and D and dealing with the long-term financial feasibility of their businesses, what option will they take? They must look after the financial strength of their

businesses. They cannot afford to take on an additional financial burden.

In addition, what about the possibilities of alternate energy systems for underdeveloped nations? Some countries in the world have to start thinking about the problems of underdeveloped nations. With the hunger that is being experienced in these countries, how can they continue to pay the price of oil indefinitely? We should be thinking about them. There are certain alternate energy systems that are adaptable to these countries and those that are not now adaptable will be adaptable within a few years if attention is paid to this program. However, we are completely ignoring this option.

As well, we in this country are going to lose very valuable technology. Without R and D, the experimentation will not be done in Canada but in other countries. We will fall drastically behind in our knowledge of these alternate fuels and the renewable resource aspect of energy.

The economic returns in the solar sector exist in the flat plate solar collection systems. This is an industry in which, prior to 1980, the majority of the small Canadian solar thermal market was served by imported equipment. As a result of the determined effort of the former Liberal Government, not only has a solar industry been created in Canada which supplies close to 100 per cent of its own growing domestic market, but this industry had export sales in 1984 of $6.8 million. That will be completely thrown away.

Mr. McDermid: Why?

Mr. MacLellan: Because the Government just does not care. It says it is trying to create jobs. It will lose more jobs through these cuts and it does not have any kind of programs designed to save jobs in the country. This industry has about 500 small and medium-sized companies, employs 9,000 people, and had sales in 1984 of $530 million; $30 million of which was in the export field.

• (1220)

I would like to return to the Canadian Oil Substitution Program and the Canadian Home Insulation Program. I think it will be tremendously difficult for Canadians to accept the scrapping of these programs. I do not think the Government has given proper consideration to the needs of Canadians. I do not think the Government understand that Canadians had a great deal of confidence in these programs and that that confidence went well beyond the grants which were issued. Once again, it is the low-income, the unemployed and the fixed-income Canadian who will suffer.

What is the reason? It is to reduce the deficit. There is no doubt that the deficit is a serious question, but why are these cuts taking place at the expense of the people? Action was taken almost immediately. It was the easiest thing the Government could do. It is a tremendously unfortunate situation because these are two programs which are delivered directly to the homes and the consumers of Canada.

Again, I would ask the Government to extend the Canadian Oil Substitution Program for a period of six months to allow the people of Canada who want to take advantage of the program to be able to do so. The program should be extended so that Canadians will not be hindered by the difficulties of tyring to instal equipment in the winter when the ground is frozen, and to allow them to buy furnaces at a time when furnaces are being produced in the summer and fall, not at a time when air conditioners are being produced by the suppliers. I think the extension of this program is extremely important.

The Government says that Canadians will be able to conserve without these programs. I believe the Government will create a lot of problems as a result of the scrapping of these programs. In taking away these programs, and in reducing RRAP, the Government will find that there will be a very severe backlash. It is tragic because it did not have to happen. The Government should have given attention to cuts which would not affect the Canadians who are in most need of assistance.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity of being the first speaker on this Bill for the New Democratic Party. At the outset I would like to make our position clear. I regard Bill C-24 as being a short-sighted, ill-advised and unfair piece of legislation. In exploring the Bill and its implications, in considering what these programs have meant to Canadians in the past and what the continuation of these programs could mean for the future, I want to demonstrate why I think it is a mistake for us to consider the passage of Bill C-24.

In a couple of short pages the Bill proposes the early termination of two energy conservation programs. The Canadian Home Insulation Program was established in 1977 and it was expected to run until the end of 1987. However, it will now be ended a year and nine months early, on March 31, 1986.

The Canadian Oil Substitution Program was established in 1980, although the legislation did not pass until 1981, and it was expected to run until the end of the decade. That program will now terminate on March 31, 1985, which will be five years and nine months early. Indeed, for COSP that is a very early termination. The Parliamentary Secretary indicated earlier that that program was of very real importance to Canadians. In my later comments I want to question whether the hopes which have been placed on the continuation of industries that have been encouraged by these programs will be justified.

I would like to examine these programs. First, I would like to talk about CHIP, which was established in 1977. CHIP was to pay 60 per cent of the eligible costs of labour and materials involved in insulating or draught-proofing homes, up to a maximum grant of $500. Of course, the eligible homes were those which were constructed prior to September 1, 1977. Under government policy, the grants which are now available have already been reduced. In the past the reimbursement was up to 60 per cent, but because of a change in regulation which was made by this Government and not debated in the House,

the grant was reduced to a reimbursement of only 33⅓ per cent, although the maximum grant of $500 will remain. Applicants who registered for the program before December 31, and who complete the work by the end of March, will receive 60 per cent, and the lower rate will go into effect for the short period which remains after that date.

The Parliamentary Secretary commented on the positive evaluation which CHIP received from the Department of Energy, Mines and Resources. I would like to comment on that positive evaluation. Originally, the program had very ambitious goals set for it. There was the hope of reducing by a full 30 per cent the consumption of energy used for space heating of existing dwellings in Canada, as well as the goal of upgrading the housing stock of the country by 70 per cent. In fact, the target which was set for CHIP was to improve the insulation of 4.9 million residences in Canada. The evaluation which the Department of Energy, Mines and Resources carried out indicated that the first goal had been unrealistic. Hoping to reduce heat consumption by 30 per cent could not be achieved, although it is significant that energy consumption for these purposes has been reduced by 17 per cent in the homes which were insulated with the help of CHIP. Of course, the result has been a significant saving to those Canadians who participated in the program.

The Parliamentary Secretary has stated that it is a good investment. The key point is whether people will continue to make this investment without encouragement from the Government. I am by no means as certain as the Parliamentary Secretary is on that point. There is a substantial reduction, although the reduction did not meet the targeted reduction for energy consumption.

What about the other target, the goal of reaching 4.9 million residences by 1987? It is significant to note that by the end of 1984—which is over halfway through the tenure of the program—approximately 2.5 million homes had taken advantage of CHIP. Given that the program is being axed at an early date, that particular goal of having 4.9 million Canadian homes better insulated will not be achieved. But the program was moving along not too far below the target which was set.

• (1230)

It is very significant to appreciate, as against the argument which some Hon. Members have made, that it is middle and upper-income Canadians who were the prime beneficiaries of this program. They were persons who could in fact come up with the money to carry it through and to reap the savings in fuel consumption. The evaluation by the Department of Energy, Mines and Resources contradicted that particular assessment of the situation because in fact 24.3 per cent of the CHIP dollars went to 21.1 per cent of eligible home owners who were earning less than $15,000 annually. One could say, therefore, that there was quite appropriately a somewhat more than proportionate use of the program by home owners who had quite limited incomes and were hard pressed in their household budgets from week to week. They were able to take advantage of the program and make good use of it.

Mr. McDermid: That was five years ago.

Mr. Epp (Thunder Bay-Nipigon): Over the length of the program, not just five years ago.

Mr. McDermid: If it was the survey you were talking about, it was done five years ago.

Mr. Epp (Thunder Bay-Nipigon): A further question which faces us on this issue, Mr. Speaker, is whether in fact the private sector will continue with this program once the encouragement of the Department of Energy, Mines and Resources has been removed. The evaluation which was carried out at the time suggested that that was not going to be the case. Over the period from 1977 to 1982, 43 per cent of all the retrofitting of homes which was being done was carried out under the CHIP program. It was stated by those persons surveyed that almost two-thirds of the insulating activities which CHIP encouraged would not in fact have occurred had the program not been in place, which means that only 35 per cent of those Canadians who took advantage of insulating programs for their homes would in fact have done so if there had been no CHIP program.

That particular fact leaves one intensely suspicious and anxious about the assertions made by the Parliamentary Secretary on behalf of the Minister of Energy, Mines and Resources (Miss Carney) about the way in which Canadian home owners and the private sector will carry on without this program. No fewer than 37 per cent of those who took advantage of the CHIP program said that they would not in fact have insulated their homes if the program had not existed. Of course, that meant that 75 per cent of all dollars spent by CHIP users would not have been spent without the program. All of this, of course, relates to an encouragement to industry and to the creation of employment in this country which is of significance to us.

Before I get to those particular consequences of the program, I would like to say something about the Canadian Oil Substitution Program, which is being ended very early in the program, this spring, according to the Government. I should say precisely that it will finish before the end of this winter. The program has been in operation only five years. It had an expected life of a decade but here we have an obviously shortsighted termination of the program.

The program was designed, as has been recognized by others, to provide financial assistance for the conversion of heating systems in residences and commercial and industrial buildings. It was designed to encourage conversion from oil to various types of heating, whether natural gas, electricity, propane, wood, wind, or solar power. Among those possibilities, of course, one can readily select natural gas. On a relatively short time frame it is a sensible choice for many people and certainly in my constituency the conversion to natural gas has been a popular decision. Conversion to electricity is perhaps a good choice in some circumstances, although as we reach the end of our hydro resource possibilities and as we become, particularly in the Province of Ontario,

so dependent on nuclear power, I am much more equivocal about that particular option.

The possibility of moving to solar energy, as far as wood is concerned, there as well one hesitates. If this is scrub wood and not merchandiseable wood we are talking about, I suppose one might not hesitate, although our concern about forests suggests that we should be somewhat hesitant about conversion to wood. The possibility of wind and solar energy is a very important possibility. The lack of encouragement in these areas, combined with the decision of the Government to reduce research at a time when solar power, at least in the United States, is becoming competitive with all the other possibilities, is particularly to be lamented and fits in all too well with the early termination of the Canadian Oil Substitution Program in Bill C-24.

In considering the nature of this program, we have to recognize that its original goal was to reduce the use of oil by residential, commercial and industrial users to 10 per cent of the energy consumption in Canada. In order to do that, when the program was established it was projected that more than two million conversions of heating systems would have to occur. At the time, in fact, the home heating sector was dependent by 37 per cent on oil in Canada.

The COSP program has had a good deal of success in meeting this goal even in the first five years of its operation. According to departmental figures, the target of 1,981,300 residential units for the decade has been covered by about one-half. To date, 925,600 units have been converted and the plan to convert over one million units before the plan ends seems quite possible, particularly given the rush which has happened over the last month. About half of the decade target has been achieved at the midpoint. That is quite in line with the original projections of the plan and significantly reduces the consumption of crude oil for heating purposes in Canada.

Since Canada is a consumer of 1.45 million barrels of oil a day, a reduction of 42,000 barrels—15.3 million barrels per year, thanks to the COSP program—is an energy saving of 2.8 per cent which can be directly attributed to the program. Of course, if the program were to be continued, there would be some substantial reduction in the use of crude oil in residences, and for commercial and industrial heating. That is a significant saving from a program which has enormous significance at a time when not just Canadians but all of us around the globe have the best of reasons to be concerned about energy resources.

It might be noted, of course, that the COSP program was very efficiently administered and certainly does not raise any concerns on that score. Since the program began, $549 million has been distributed in grants. A portion of that, no mean portion, came back in taxes. As a result, the program, over very close to half of its life, has cost the Canadian taxpayer about $420 million. Administrative costs have been about $5 million annually. This means most of the expenditure has gone to home owners and then to industry.

• (1240)

That, of course, is closely related to the question of employment which I think is not to be ignored in considering the significance of these programs. It is particularly because of that that this is shortsighted action. The Parliamentary Secretary's observations about the importance of energy conversion and the value of these programs, together with the pious hopes he expresses that the private sector will pick this up and continue it after the Government has axed these programs, suggests to me that while the Government was desperately looking around for ways to meet its ideological commitment to deficit reduction last October and November and looked to this program as one means of doing so, it was expressing the ideological conviction that the deficit had to be reduced. It quite lost sight of the fact that if we are doing constructive things in the country, if we are making investments which save energy, and the Canadian Government is involved in reducing the cost of imported crude oil, it is perfectly legitimate to do that with borrowed money. But a Government which has this ideological commitment to reducing expenditure by any means will undertake just the kind of shortsighted action we see here.

I want to explore briefly the question of job creation because that is of enormous importance to us. The present Government and its leader campaigned on jobs, jobs, jobs, and then became involved with deficit reduction to create confidence in the pious hope that would lead to employment somewhere down the road. Here we have programs which were effective in creating employment. Between 1977 and 1980 the CHIP program created 44,150 person-years of employment. Every million dollars spent under CHIP produced 53 person-years of employment. However, the expenditure of $1 million in funds under CHIP actually created 108 person-years of employment because of the private expenditures it encouraged. That works out to $9,260 a year of Government expenditures for each year of employment. That is quite comparable with employment costs in other areas and suggests that in the CHIP program we have a perfectly good means of creating employment in the country. Always recognizing, of course, that the point of the program was not first of all employment of Canadians but, rather, energy conservation and cost reduction for consumers and taxpayers.

Under COSP we see very similar things. We find that for every million dollars spent on the Canadian Oil Substitution Program we have 30.5 person-years of employment created. Between 1981 and 1985 some 16,750 person-years of employment were created. If you add the home owner contribution, the total employment creation reaches 50,250 person-years. Again, no mean figure. It is interesting to note that the CHIP program has been stronger for Canadian employment because it was largely based on domestic production of insulation, whereas the COSP program tended to produce a fair measure of imports. As a result, there was no substantial effect on employment in Canada resulting from those public expenditures. If one draws that kind of a distinction, then the CHIP program was clearly preferable.

On the other hand, if you look at the extent to which CHIP and COSP expenditures produced spending by Canadians, for every dollar the Government contributed under CHIP, an additional 80 cents of expenditure by home owners was created, whereas under COSP, $1 of Government expenditure produced $2 of private expenditure. So on that particular score there was an advantage on the side of the COSP program.

What we have seen, then, in CHIP and COSP, is significant activity in energy conservation for Canadians and significant generation of employment all across the country, particularly in areas of slower economic activity. The CHIP program is obviously of very great interest to people in the Atlantic Provinces where heating costs run so very high. In this public encouragement of investment we see dramatically the way in which government can create employment. It is that kind of real investment which needs to be underscored. To axe these programs as the Government has done so early in its mandate, before it has had adequate time to consider the whole matter, suggests quite a false understanding of the program. In fact, I think there is a division in the Conservative Party on these things which one can illustrate quite nicely in terms of an older wisdom and perhaps newer ideology creeping in.

The COSP Bill came before the House in 1981. Speaking for the Conservatives was the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He has a venerable place in the formulation of national development programs for the Conservative Party in years past and for the Government particularly between 1957 and 1963. What did this Member have to say about COSP? Speaking on June 30, 1981, as reported at page 11099 of *Hansard*, he said:

> I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program—
>
> It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil.
>
> It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

At the end of his comments he added:

> I want to conclude by congratulating the minister again for bringing this legislation forward . . . I hope he will consider the suggestion that I have made to improve the legislation and make it available to all Canadians. If so, we could achieve this conversion from oil to other energies more rapidly than this bill can by itself.

That is an example of good sense prevailing, free of the kind of ideological convictions and pious hopes which characterize the economic policies of the present Government.

• (1250)

What do we have in contrast to that? When the House was barely in session back in November and the fiscal and economic statement had not even been presented, the Hon. Member for Mississauga South (Mr. Blenkarn) said the following:

> Mr. Speaker, under the National Energy Program there are in existence two expensive and, in my view, totally redundant programs which represent a serious drain on the treasury and in reality are a transfer from government to the relatively affluent.

I might say that the information on the CHIP program contradicts that kind of judgment. It was not only the relatively affluent but all Canadians who took advantage of the CHIP program. He said that he was speaking about COSP and CHIP. In his concluding observations on November 7 he said:

> All forms of energy in Canada, Mr. Speaker, are now in surplus. World oil prices are falling, and producers are being directed not to produce. Indeed, they are being pro-rated. Why then spill out literally millions of taxpayers' dollars to those well enough off to own their own homes in order to encourage them to do what they ought to have done in the first place, to insulate; or to bribe them to buy new furnaces, heat pumps, and such devices. Surely there can be no justification for these programs.

I submit, Mr. Speaker, that there are good justifications for those programs. The most incredibly shortsighted thing for anyone to assert is that out of this short-term surplus of natural gas and crude oil around the world there is any basis for drawing optimistic conclusions. At the moment, due to a serious world recession from which very few parts of the world have dramatically recovered, consumption is down and OPEC finds itself under pressure to control output in order to keep its prices up. Surely there is no basis there for any kind of optimism about the 1990s and the twenty-first century. It is incredibly shortsighted for anyone to forget the fact that oil and natural gas will disappear one of these days.

As one particular gadfly in the industry suggested before a committee not many days ago, we may in fact face oil and gas rationing within the next decade, particularly with crude oil. The declines in production which are likely to come, even in the Middle East, make it incredibly stupid to end the Canadian Oil Substitution Program in the middle of the 1980s and to not take advantage of every opportunity to reduce our consumption of oil in the country which serves so many purposes other than home heating. We should ensure that we have as much crude oil as possible as a petrochemical feed stock for the driving of vehicles.

I would like to speak about a particular aspect of the early termination of the Canadian Oil Substitution Program which applies to my constituents in Thunder Bay-Nipigon as well as to many people in northern Canada. Winter conditions in Canada present a problem in trying to act on this program by March 31. Gas service cannot be installed in the north during the winter months, primarily because the ground is frozen. Many contracts entered into after the November 8 announcement of the program's termination cannot be completed by the deadline of March 31. This restriction effectively precludes many northerners from taking advantage of the program during the last five months of its effect.

I have written the Minister about that expressing concern and asking for a possible extension. I listened with care to the Parliamentary Secretary when he was responding to my and other communications on this issue. I gathered that the answer was negative. That is simply not satisfactory to my constituents, particularly if the concern is only to avoid an outflow and to somewhat reduce the deficit on the budget. I do not accept that answer. I will continue to exert pressure on this matter.

My main concern, Mr. Speaker, is that the Government's cancellation of COSP is done with openness and forthrightness. I would not like to think that the March cut-off date was

set with knowledge of the restriction it represents for northerners. If such knowledge was present, I would suggest that the Government has been dishonest with Canadians in the north who are especially disadvantaged by high and increasing energy costs. The Minister must respond sensitively and favourably to the needs of people in northern Ontario who cannot act by doing what applicants in southern Ontario and the lower mainland in British Columbia are doing. They have been flooding Consumers Gas and B.C. Hydro with applications on which work can go ahead. There is not any possibility of installation of natural gas lines in northern Ontario until next June. The Parliamentary Secretary may have some information for me which I trust will be favourable. However, in the meantime my constituents have been approaching me with the problem they face. That is part of the unfairness of the early deadline in Bill C-24.

We had two programs which were of very great value in advancing energy conservation in the country. They produced potential reduction in costs for individual Canadians. That may still encourage some Canadians to go ahead with these endeavours aside from the program. The fact that CHIP in particular was taken advantage of by lower income home owners makes very questionable the possibility that these endeavours will continue once the program is ended.

The Minister was desperate to realize savings in her area, as practically all Ministers were expected to do. She settled on programs that were of value for energy conservation, efficiency, strengthening our country, and safeguarding the lives of people around the globe in the twenty-first century.

Mr. McDermid: Check the new Estimates.

Mr. Epp (Thunder Bay-Nipigon): The programs were of enormous value for those purposes. This early termination was a mistake. The Parliamentary Secretary tells me to check the Estimates. That suggests to me some second thoughts about this whole program. I do not want second thoughts of that sort. We want this Bill withdrawn or defeated so that the programs can continue and we can press on with the work of energy conservation to ensure that Canada can be world class in this area as well.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

TWIN-TRACKING IN BRITISH COLUMBIA

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, yesterday the whole afternoon was taken up with an important issue that affects fishermen and the lives of our native people in the Fraser River Valley. We debated the unanimous motion which was passed by the Standing Committee on Fisheries and Forestry recommending to the House of Commons that there be a one-year postponement of the CN twin-tracking project while the social and environmental impact on the 36 Indian bands most affected by this project are assessed, and that the economic justification for the CN twin-tracking be made available to the Alliance of Tribal Councils and others.

During the debate the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of Indian Affairs and Northern Development (Mr. Crombie) expressed sympathy for, if not agreement with, the committee's motion. It was also noted that the final decision rests with the Minister of Transport (Mr. Mazankowski) who has the authority to sign the necessary Order in Council.

Tomorrow, the Minister of Transport (Mr. Mazankowski) is expected to be in British Columbia to meet with the affected Indian communities in light of these developments. As a member of the standing committee, I urge the Minister of Transport to accept the unanimous request by the members of the Fisheries and Forestry Committee that the project be suspended for one year to allow the native people, the fishermen, and all other parties, to have their concern made known and taken into account before the final decision is made.

* * *

[*Translation*]

ADMINISTRATION

PERFORMANCE OF MINISTERIAL MEMBERS OF QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, for days and even weeks, the Liberal Opposition has been baiting Government Members from Quebec about their so-called silence in this House.

Mr. Speaker, Quebec Conservative Members certainly do not have to be told how to behave by the Liberal Members from Quebec in this House. Today I want to ask the Hon. Member for Shefford (Mr. Lapierre), the Hon. Member for Montréal-Sainte-Marie (Mr. Malépart) and the Hon. Member for Bourassa (Mr. Rossi) where they were in 1982, when their Government unilaterally patriated the Constitution without seeking Quebec's agreement, when only the Right Hon. Joe Clark and the Hon. Roch La Salle were truly defending the interests of Quebecers. Where were they when Pétromont's request for $15 million was turned down? Where were they

when their Government wanted to pass Bill S-31, the purpose of which was to abolish the Caisse de dépôt et placement du Québec? They were, as usual, either hiding under the rug or following their shepherd like 74 sheep.

Mr. Speaker, we really do not need the Liberals to tell us how to behave, and I think the performance of our Members in this House is remarkable, compared with that of our predecessors.

* * *

[*English*]

FORESTRY

FEDERAL FUNDING FOR BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, during the election campaign Progressive Conservatives convinced many voters in British Columbia and across Canada that forestry was high on their agenda for federal funds. An amount of $200 million per year was promised for B.C. and, to date, no Conservative has denied that pledge. The Prime Minister (Mr. Mulroney) promised a full Cabinet position and a Ministry of Forests. We have only a Minister of State hidden away in Agriculture Canada, with a budget that is 15 per cent smaller than that given by Pierre Trudeau. Pierre Trudeau even offered $60 million to British Columbia for reforestation last year.

Now we find the Conservatives in collusion with Bill Bennett, offering at most $30 million in federal dollars per year for British Columbia. That soon may be slashed to $15 million. At least $300 million per year must be spent to replant the 600,000 hectares of good and medium backlog in British Columbia. These sites are close to our mills and communities and will return over 10 per cent value of investment per year, according to Canadian Forest Service estimates.

British Columbians are not amused that the promises of last September have been watered down from $200 million to $30 million per year, and perhaps now to $15 million per year. Our forests are our future and the jobs of our children. The public has been sadly misled by many Progressive Conservatives on their promised support for forestry in Canada.

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[*Translation*]

ADMINISTRATION

THE NEW GOVERNMENT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the last survivors, the last 40 Members of an organization that is about to become extinct, have been crying out about the performance of Progressive Conservative Members in this House. This is the ultimate hypocrisy, Mr. Speaker. On September 4, the Canadian people made it very clear what they thought of the performance of the Liberal Members.

S.O. 21

Mr. Speaker, I wish to point out to this House that our 211 Progressive Conservative Members have become very active participants in the business of Parliament, by their speeches and various debates on legislation, through their participation in the various standing committees of the House, and their activities in the national and regional caucuses and the subject caucus where they help evaluate Government programs.

Finally, and this is very important, Mr. Speaker, while 74 wishy-washy Members from Quebec had practically made people forget Canada as a nation by their intellectual absence from Ottawa and their physical absence from their ridings, Progressive Conservative Members are present in their ridings and through them, Canada is again becoming visible to and appreciated by all Canadians. Through that presence, Mr. Speaker, Progressive Conservative Members are going to remove any doubts as to the existence of a Canada *A mari usque ad mare.*

* * *

SOCIAL SECURITY

ELIGIBILITY OF SINGLE PERSONS

Mr. Jean-Claude Malépart (Montréal-Sainte-Marie): Mr. Speaker, I do not intend to answer back—

An Hon. Member: Where were you 20 years ago?

Mr. Malépart: Mr. Speaker, Conservative Members think this is the mutual admiration period.

Mr. Speaker, this House is the forum for expressing our views and defending people.

Speaking on a much more serious note, several months ago, I took it upon myself to inform and convince various groups from all across the country of the need to stop this Conservative Government's continuing discrimination against single persons aged 60 to 64.

Mr. Speaker, may I ask the Hon. Members to please listen—

Mr. Speaker, I would like to mention here some of the groups who supported the suggestion I made to the Prime Minister that he extend the provision to all single persons in need, without discriminating against those who are single, separated or divorced. They are: the Association québécoise pour la défense des droits des retraités et des pré-retraités; FADOQ, the Fédération des clubs de l'Age d'or du Québec; the Fédération des familles monoparentales du Québec; the Fredericton Voice of Women, in New Brunswick; the YMCA of Halifax, Nova Scotia; the Saskatchewan Woman Institute; the Widow Talk Association of Sault Ste. Marie, Ontario; the Business and Professional Women's Club, Summerside, Ontario; the Mature Women's Support Network, Vancouver, British Columbia—

S.O. 21

Mr. Speaker: Order, please! I regret to interrupt the Hon. Member, but his time has expired.

* * *

REGIONAL INDUSTRIAL EXPANSION

DOMTAR RELATED INVESTMENT—QUEBEC

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, encouragement and strong support is needed with respect to the proposed $1.2 billion investment by Domtar in the Eastern Townships, because it is essential to the long-term survival of the mill, essential if it is to be competitive on international markets, and essential to better the company's productivity and competitiveness. It is essential as well to the survival of the town of Windsor, essential to my riding's wood producers who supply the company and to the economy of the Eastern Townships and Quebec as a whole.

Along with my Liberal colleagues in the House today, I am glad to see that the company management, the provincial authorities and our Government are getting together to see what must be done to make sure that this investment becomes reality.

The outcome of the last election shows that this is the way Canadians want their country to be administered. They look askance at irresponsible promises which might spell national bankruptcy and they are unfavourably impressed by the approach taken in recent days by some Liberal Members who bleat openly like lost sheep without a leader. It is through consultation with the various parties and serious consideration of all possible avenues—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*English*]

IMMIGRATION

FAMILY REUNIFICATION—EFFECT OF NEW REGULATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, given the large number of immigrants who have come to Canada in recent years, it is not surprising that there has been an increasing number of applications for permission to bring family members to Canada. Most Canadians favour the principle of family reunification. However, recently the Department of Employment and Immigration increased the income required by landed immigrants to bring relatives to Canada. In some cases the annual income required now ranges between $26,000 and $30,000, an income which many landed immigrants, and indeed most Canadians, have not achieved.

• (1410)

Spokesmen for immigrant groups have expressed their dismay and dissatisfaction with the new income levels established by the Department, and have made it clear that these will have very serious adverse effects on family reunification.

In Winnipeg, in the last three months, 87 of 558 requests to bring family members to Canada were refused because the sponsors did not earn enough money. Similar situations exist in most other cities in Canada, including Montreal, Toronto, and Vancouver. I call upon the Minister of Employment and Immigration (Miss MacDonald) to review personally the income increase imposed by her Department which is causing so much grief to new Canadians.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

GOVERNMENT POSITION

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, the least that can be said for them is that the Hon. Members opposite have not lost their voices.

In my opinion, when a tame member of the Quebec Liberal caucus has the audacity to become indignant about the decision of the Minister of Regional Industrial Expansion (Mr. Stevens), he shows once again how badly he understands Canadian politics.

When the Hon. Member for Bourassa (Mr. Rossi) speaks about weaknesses, inertia and indifference in the Progressive Conservative Party and recalls the initiatives of his own Party, he is maliciously misleading the people of Canada and of Quebec about the sad facts which this Government must face.

If this Progressive Conservative Government cannot meet the request of the Domtar company, it is precisely because of the indifference and the wasteful spending of the previous Liberal Government; we are therefore to deal with a record deficit which leaves us without any freedom of movement.

Mr. Speaker, the Quebec caucus will always support the Prime Minister in promoting a reasonable approach and a dialogue with the main participants—

Mr. Speaker: Order, please! I regret to inform the Hon. Member that his time has expired.

* * *

[*English*]

THE PRIME MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, people from across Canada have been calling my office accusing the Government of being a Government of destruction. This Government has no respect whatsoever for the

Canadian people. Someone from the Tory ranks should advise the Prime Minister (Mr. Mulroney) that he has not been elected President of the United States and that our system is not the American one. It is time for the Prime Minister to stop acting as if he were the President.

This man, who accused the previous Government of every sin under the sun, then turned around and increased the operation budget of his office by 57 percent and increased his staff by 31 per cent. He preaches restraint to the Canadian people, and hands over a ridiculous increase to senior citizens. This is the man who says he is proud of Canadians, and then turns around in *Fortune* magazine and dumps all over the people and businessmen of the country. This is sickening. The Prime Minister should apologize to the workers of Canada, Canadian businesses, and Canadian people for his disgraceful performance.

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AGRICULTURE

LEVEL OF FARM INCOME

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is important for obvious reasons that we do everything possible to maintain a healthy primary agriculture industry. Having said that, I cannot for the life of me understand why anyone stays in farming, or would take up farming for a living. As a former country veterinarian for many years, I know of what I speak. Farming is not only a seven days a week job, but there is very little return or profit to be made.

Last year net farm income was $3.8 billion. The number of farmers in Canada is estimated at 350,000, which averages out to less than $11,000 per farmer, well below the poverty line. Since 1981 the return on assets has been negative due to the cost price squeeze and a decline in the value of farm assets.

While interest rates have dropped they are still too high, and will likely remain high because of our massive debt. Right now farmers collectively have a $20 billion debt burden which is soaking up 17 per cent of farm operating expenses. Many farmers have declared bankruptcy, and thousands more are in dire financial straits.

We can no longer cound on band-aid solutions to the problems of agriculture. Future action has to be carefully planned and executed to have lasting long-term effects. It is my hope that actions taken by the Government so far, as well as future actions, will restore a renewed hope, greater confidence, and viability to agriculture and its producers. It is imperative that we get behind our farmers 100 per cent. If we do not, all of us will be in deep trouble. We can do without a lot of things in this world—

Mr. Speaker: The Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

HAVE-NOT REGIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

First I wish to congratulate him on enhancing Canada's image in the Caribbean, and more recently, in Jamaica. But let us get back to what is happening in Canada.

Recent events, especially in the Domtar affair, have shown that the Government's current policy does not altogether favour regional economic development.

The main estimates tabled by his colleague have shown a substantial reduction of $112 million in aid to less advantaged regions.

My question to the Right Hon. Prime Minister is as follows: Is the Prime Minister telling our less advantaged regions that they can ask for Ottawa's help to set up beaneries but if they have any big projects like Domtar that would create thousands of jobs, they should not count on Ottawa?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my Right Hon. friend was wrong in his reference to beaneries, because like other governments, we have made investments each worth several million dollars and hundreds of thousands of dollars, which have had a very positive impact on regions in Quebec and elsewhere.

As far as Domtar is concerned, the Leader of the Opposition and his fellow Members are asking us, and rightly so, to act with caution in order to bring down the federal deficit. My Hon. friend knows perfectly well how the previous Government's legacy has affected Canada. He has spoken on the subject at length, and he is right.

That being said, it is extremely difficult for the Government to consider requests that would have a federal Treasury that is well nigh bare inject $100 million into a project for a Quebec company that is in very good shape financially and which has a very sound and impressive record.

That is more or less why we have taken the position that in the circumstances, we cannot go ahead and write a cheque for $100 million.

That being said, I may add that we are having talks with Domtar, and I hope to discuss the matter further with the Premier of Quebec next week, and we shall probably be getting some interesting proposals either from the Government or the company about ways in which we could help the Eastern Townships and Quebec realize this important project.

[*English*]

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my problem here is to try to ascertain what is the position of the Government. I have listened to the Prime Minister. He has said that he is reopening a dossier in response to his caucus from Quebec yesterday, but a day earlier his Minister of Regional Industrial Expansion said, and I quote him, "the Government has decided not to provide financial assistance for new plant establishment or expansion of capacity in the forest products industry". That is his release. If that is not bad enough, the Minister of State for Forestry said yesterday that he didn't know what was going on. I use his words: "I'm surprised. I don't understand that". I think the Prime Minister could understand in the circumstances that we would appreciate a statement from him on what the policy of the Government really is.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my right hon. friend asks a legitimate question. What can the policy of a Government be when it has inherited a $35 billion deficit from its predecessors? What can the policy be?

For example, on Monday—and I say this with no malice—we receive requests from the BCNI, from the Canadian Chamber of Commerce, and from the finance critic of the Opposition, with good reason, saying: "Please cut your deficit", and on Tuesday somebody walks in and says: "Write a blank cheque for $100 million". I think my right hon. friend would agree that that would be difficult to accommodate no matter how legitimate the objective.

● (1420)

We have said that we will not grant a $100-million blank cheque out of borrowed money. The Government of Canada would have to borrow that money. We are already borrowing to pay the interest on the debt we were left. The Government of Canada would have to borrow the $100 million to give it to a private company. While the financial posture of the Government is, unfortunately, not such as to enable us to do that, we will be meeting with the company to see if we cannot be helpful in a job-creation project which is of value to the Eastern Townships and the people of Quebec and Canada.

* * *

FORESTRY

NEGOTIATION OF BRITISH COLUMBIA AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question again relates to forestry. I am not getting very far in trying to get any precision from the Prime Minister as it relates to Quebec. I would like to turn to the forestry situation in British Columbia.

There are reports out of Victoria indicating that the federal Government intends to propose to the Government of British Columbia a ten-year rather than a five-year agreement for the $300 million. In my view, this does not meet the approval of the people of British Columbia nor of the Government of British Columbia. Indeed, the Minister of Fisheries and Oceans, while in Vancouver yesterday, expressed dissatisfaction with this arrangement. In light of the contradictory expressions made by members of the Government, will the Prime Minister tell us what his position is with respect to the forestry agreement with the Province of British Columbia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we will try to do in British Columbia is what we attempted to do in Newfoundland, and that is to conclude an agreement, something that apparently escaped the capabilities of the previous Government. We are going to be as fair to the people of British Columbia in regard to the forestry commitment as we were to the people of Newfoundland and Labrador in regard to offshore oil. I know my friend would agree with that.

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MAIN ESTIMATES

PRIME MINISTER'S OFFICE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is also directed to the Prime Minister. The Prime Minister has spoken of the financial posture of the Government and of the issue of fiscal restraint. Everyone in Canada, and certainly most Members of the House, including Tory back-benchers, must be asking themselves why the Prime Minister is writing himself a blank cheque for an additional $2 million to cover expenses in his own office. I know it is a tiny amount in the view of the Prime Minister, but it works out to approximately $8,000 to $10,000 for every working day, or $1,000 per hour as we sit here during Question Period. We have not had an explanation of what these additional 30 people are going to be doing. Yesterday, Mr. Speaker, you will recall—

Some Hon. Members: Question.

Mr. Johnston: The question is this, Mr. Speaker. We know by looking at the Estimates that this expenditure is not because of the disappearance of the central agencies. What in God's name are these 30 political aides going to be doing? Will the Prime Minister at least guarantee that no more aides will be taken on by way of contract and that the limit will be 120?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday I acknowledged in regard to this matter that it was our intention to reduce that number, and in point of fact it has already been reduced from that which it was on the day of the printing of the Estimates. Having said that, I acknowledge that there are 120 people in the Prime Minister's Office. By way of comparison, the Hon. Member for Winnipeg-Fort

Garry, when he was Minister of Transport, had 85 people on his payroll, and he was only pretending to be Prime Minister.

Some Hon. Members: Hear, hear!

ESTIMATES FOR 1986-87

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I do not think that we are really interested in what other people have done.

Some Hon. Members: Oh, oh!

Mr. Johnston: Yesterday it was Mr. Pearson and Mr. Trudeau. It will be R. B. Bennett and Mackenzie King tomorrow. The people of Canada are interested in seeing what kind of an example this Prime Minister will set. He told us that this increase would be temporary. He has already indicated today that there has been some slight reduction. If it is to be temporary, could we please see the spending plans of the Prime Minister's Office for next year? Interestingly enough, those spending plans were not published with these Estimates as they were in our Estimates. Could we have those plans for the year 1986-87 tabled in the House, so that we can all satisfy ourselves that this increase is indeed temporary?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is nice to see that the finance critic, the Hon. Member for Westmount—

Mr. Johnston: Saint-Henri-Westmount.

Mr. Mulroney: The Hon. Member for Saint-Henri-Westmount—have you decided which area you live in yet?

Some Hon. Members: Hear, hear!

Mr. Mulroney: It has to be Westmount because the people of Saint-Henri did not vote for you. We won every poll in Saint-Henri, but we lost the top of the mountain.

An Hon. Member: In the big houses.

Mr. Mulroney: That is right. I was right there next to the family of the Leader of the Opposition.

Mr. Speaker: With great respect, the remarks of the frontbenchers are getting longer and longer today. I wonder if we could all agree to shorten it up.

Mr. Mulroney: I will be happy to provide the information to my hon. friend as best I can. We will provide the information just as quickly as it becomes available.

* * *

BANK OF CANADA

INTEREST RATE INCREASE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. I have just learned that the Bank of Canada announced another major increase in the bank rate of more than one-half of a percentage point. This is the fifth week in a row in which interest rates have risen. It has been estimated that, for each full percentage point increase in the interest rate, we lose 25,000 jobs. That means that in the last five weeks 50,000 jobs have been negatively affected because the Government continues to pursue the same old Liberal high interest rate policy. Why is the Government pursuing this high interest rate policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not following the same policies as the previous Government. Many commentators have indicated that we are not doing so and that they support the approach that we have taken.

Mr. Broadbent: Which commentators? Leave Bouey out of this.

Mr. Wilson (Etobicoke Centre): Let me remind the Hon. Member again that we are in a very, very unusual situation here with the extremely strong performance of the United States dollar. If I could, I would like to read two sentences from a press release that was issued by the Bank of Canada about 20 minutes ago. They read as follows:

> To attempt to avoid any decline in the exchange rate in this period would have required very much higher interest rates. To attempt to suppress any rise in interest rates would have led to an intolerable fall in the Canadian dollar.

What we and the Bank of Canada are trying to do is to follow a balanced policy in order to try to inject a degree of stability and confidence into the market so that we can, in due course, get interest rates down from these levels to the point at which I think both of us agree they should be.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, when the Minister sat on this side of the House, he used to hear Marc Lalonde say the same thing as the Minister said this afternoon. We now have Liberals in blue suits on the other side of the House. That is the only difference.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Since the Minister's boss, the Prime Minister, said during the summer that if he had to choose—

Mr. Dingwall: Is that a Coppertone tan, Ed?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member is entitled to put his question. Order, please. All Members putting questions are entitled to be heard.

Mr. Broadbent: Obviously the Liberals are a little sensitive about these things, Mr. Speaker.

During the summer, in the context of an election, the Prime Minister said that if he had to choose between a dropping dollar and increasing interest rates, he would accept the drop-

ping dollar. I would ask the Minister of Finance, if it made sense to have that policy during the summer, and we believe it did, what is the difference between now and then? Is the only difference the fact that members of the Conservative Party are now on that side of the House? Why does the Government not pursue a consistent policy and keep interest rates down?

● (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member has the appropriate amount of understanding of what is going on in the exchange markets today, or else he would not have asked the question. We have not seen in history the type of exchange markets that we have had in the last three weeks. That is a significantly different point which I think the Hon. Member must take into account. We are trying very hard to develop a balance wherein some of the pressure will be on the exchange rates and some of the pressure will be on interest rates. I think the commentators who are watching this are saying that the balance which we have struck is very appropriate.

EFFECT OF INTEREST RATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, they are the same commentators and the same experts who said the same thing about Marc Lalonde when he was Minister of Finance. He, too, was pursuing their policy.

Since the high interest rate policy is affecting farmers, who are in one of the worst debt crisis situations they have been in for years, and since it negatively affects exporters in forestry products—

Mr. Wilson (Etobicoke Centre): What is that again? The low dollar affects—

Mr. Broadbent: No, we are talking about interest rates.

Mr. Speaker: Order, please. Could the Member please put his question, and could others let the Member put his question?

Mr. Broadbent: The Minister of Finance will understand clearly that since the low dollar positively affects farmers with the export of grain, forestry workers with the export of forest products, automotive workers and steel workers, and since it would positively affect almost everyone who is looking for a job in Canada, why does the Minister not let the dollar seek its own level and keep interest rates down so that we will prosper?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make one point. Marc Lalonde never had to deal with the type of interest rate and exchange rate situation which we are faced with today, as is every other industrialized country.

I have said it in the House before, and I will say it again. We are not happy that interest rates have gone up. I would also say to the Hon. Member that I cannot sit in my office on Parliament Hill, pull big levers, set interest rates, and say that they will be a certain level. Interest rate and exchange rate decisions are made by thousands of investors in Canada and in other countries. We try to moderate the impact of those decisions, but we cannot establish them. The Hon. Member knows that, because he is too smart not to know it.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DOMTAR—QUEBEC—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Yesterday, the Prime Minister let the cat out of the bag when he revealed another reason why his Government was refusing to subsidize the Domtar project. He said that the fact the Caisse de dépôt et placement du Québec and the SGF held 45 per cent of the shares had been a factor in turning down the request for a subsidy of $100 million for the project.

Mr. Speaker, I would like to ask the Prime Minister, first of all, how the presence of Quebecers through their institutions could have affected his Government's analysis of the merits of the Domtar case and second, whether the Government's anwer would have been any different if the Caisse de dépôt et placement du Québec and the SGF had not been involved?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that has no connection with the case. We in the Progressive Conservative Party are the ones who defended the Caisse de dépôt et placement du Québec against an attempt by the Liberal Government to kill this opportunity for Quebecers to participate in the province's economic growth.

The fact is quite simply this: the Government of Quebec is the principal holder of Domtar shares, so it is entirely normal that I should discuss expansion programs with the Government of Quebec. That is all there is to it.

REQUEST FOR DETAILS CONCERNING REFUSAL OF SUBSIDIES

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Prime Minister himself referred to the holdings of the Caisse de dépôt et placement du Québec and the SGF yesterday to justify his Government's refusing to pay a subsidy of $100 million, saying it would be a direct transfer to the Province of Quebec. And if he wants to bring up Bill S-31, our caucus took a stand against that Bill, not like a group of yesmen over there who are afraid to get up and defend Domtar.

Mr. Speaker, I would like to ask the Prime Minister whether he now intends to set new standards for companies whose sharesholders include the SGF, the SDI ou the Caisse de dépôt et placement du Québec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can understand why my hon. friend is trying to deny any responsibility for Bill S-31. You people instigated Bill S-31, which would have killed this attempt by Quebec Francophones to become actively involved in the economic expansion of Quebec and this country. That is what you would have done with Bill S-31, and that is why we fought the Bill, and fortunately for Quebecers we did.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Considering the fact that the Government of Quebec controls the largest block of shares, it is very important that I discuss this matter with the one who owns those shares, in other words, the one who can make the final decisions. That is the only connection with this case.

* * *

[*English*]

THE ECONOMY

INTEREST RATE INCREASES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I would like to direct a question to the Minister of Finance. He will be well aware that last month's unemployment figures realized the largest increase over the last five years. He has explained carefully the continuing softening of the Canadian dollar. Today we find that interest rates have increased again by over half of a percentage point and, of course, further uncertainty has been built in. Is the Minister of Finance prepared to give a signal to the people of Canada that there is a limit to which he will accept the increases, and that we do not have to be afraid of the Liberal 18 per cent and 19 per cent interest rates? Is there a limit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no sign at all that we are going to get back to the extraordinarily high interest rates which we saw under the Liberal Government in 1981-82. The underlying strength of the Canadian economy, the record high surplus in trade, the level of inflation, and productivity improvements all indicate a clear degree of strength and stability in the Canadian economy. We are faced with an extraordinary situation in international money markets, over which we have no control. That is affecting Canadian interest rates, as I am sure the Hon. Member will understand. We are trying to mitigate the impact of the exchange rate movements on interest rates, but we cannot control them. Once we have a degree of stability in the markets in Canada, I am quite confident that interest rates will come down.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister of Finance will know full well that because of his passive position there is a growing sense of uncertainty in the country. No one is prepared to make long-term or even short-term investments with these conditions. Week after week, for five weeks, interest rates have gone up and the Minister has told us to be patient and not to jump to conclusions. For five weeks interest rates have gone up, and there is every indication that they will continue to do so. Will he now say, as Minister of Finance, that he will not be the bankers' batboy? Will he show that he is a strong leader and not a passive Finance Minister? He should stand up and say that there is a limit, and that the limit is what the rates are today.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the rhetoric of the Hon. Member is not going to fool anyone. I want to draw to his attention that the socialist Government of France, in 1981, tried to follow the same policies which he would have us follow today. What happened? Capital flowed out of the country in record amounts, the French franc went down twice in substantial devaluations, interest rates went up, unemployment went up, and France had a disaster on its hands. We do not want that to happen here.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REQUEST TO PRIME MINISTER TO EXAMINE FACTS SURROUNDING THOUSANDS OF LOST JOBS IN QUEBEC

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Right Hon. the Prime Minister.

Keeping in mind that he decided yesterday to take his Minister of Regional Industrial Expansion to task—or so it seemed—and to re-open the Domtar file, and considering that he then took pride in the fact that he had helped other Quebec companies, would he ask his Minister of Regional Industrial Expansion to hand over his files on the Quebec black list, namely those of Wabasso, Melchers, Pêcheries Cartier, Tupperware, Phillips, Carbures, VIA Rail and Dominion Engineering, companies that have closed down over the past three months?

Having told us that he does not want to help Domtar because the company is in a sound financial situation, would he take the time to consider cases where thousands of jobs have been lost in Quebec in recent months?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): If Canadians outside Quebec want to know why the Liberal Party was so soundly trounced by the electors of Quebec, here is the classical example—the arrogance and conceit of the Liberal Party. Quebecers have had their fill of that and they know full well that the outgoing Government left us with a significant number of plant closure files.

That being so, I must say that we have begun the serious task of setting the local and regional economy on an even keel, and to cooperate with the companies and the Quebec Government with a view to restoring a climate of prosperity.

Mr. Chrétien: Mr. Speaker, I did not ask an aggressive question to the Prime Minister. I asked a question.

We have here a very important list of cases where thousands of jobs were lost in ridings whose residents thought . . . I am asking a question.

An Hon. Member: Ah, stop it!

Mr. Chrétien: I asked a question . . .

Mr. Turner (Vancouver Quadra): Calm down!

Mr. Chrétien: I want to understand.

Mr. Turner (Vancouver Quadra): Calm down!

Mr. Chrétien: Thousands of Quebecers have lost their jobs in Trois-Rivières, Berthier, Shawinigan, Cowansville, the Gaspé area and elsewhere. They have made representations to the Department of—

[*English*]

Mr. Speaker: Does the Hon. Member have a question?

[*Translation*]

Mr. Chrétien: I would ask the Prime Minister to tell us whether he will go to the trouble of examining those files and try to re-create the jobs lost in the Province of Quebec since November. And the list I gave him is incomplete to boot.

Mr. La Salle: That was your doing, Jean!

Mr. Mulroney: Naturally, Mr. Speaker, we examine every possibility of creating jobs in Quebec or elsewhere. We will examine such cases in a Canadian context as well, for we firmly believe that the prosperity of any province is linked with national prosperity. That is why we want to be fair with all regions of Canada, not only with one province or one region of a province, as was the case in the Saint-Maurice region under previous Governments, where even some ridings in the centre of Quebec claimed that preferential treatment had been extended. I never shared that opinion, never! But I can tell you that we are going to show honesty in our efforts to promote all regions—

An Hon. Member: Schefferville!

Mr. Mulroney: He mentions Schefferville, and he is right. The electors of Schefferville gave me a strong majority in the riding of Manicouagan, precisely because they were fed up with you people.

[*English*]

STATUS OF WOMEN

APPOINTMENT OF ADVISORY COUNCIL PRESIDENT

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is also directed to the Prime Minister. Yesterday I believe the Prime Minister surprised the Hon. Member for Outremont by replying that he would today be announcing the name of the President of the Advisory Council on the Status of Women. I wonder if the Prime Minister is now in a position to advise the House of the bilingual, energetic, and knowledgeable woman who will head this Council?

Some Hon. Members: Hear, hear!

Hon. Walter McLean (Secretary of State): Mr. Speaker, I am sure the House will be pleased to learn that today the Government has appointed Sylvia Gold to be the President of the Canadian Advisory Council on the Status of Women, effective April 1. May I say in commenting, Mr. Speaker—

Mr. Deans: No, you may not. You have given the answer.

Mr. McLean: —in terms of concerns expressed in the House, and in terms of her capacity and knowledge of women's issues, her language, and her acceptability on women's issues—

Mr. Speaker: With great respect to the Minister, the Minister has the option to make a statement under motions.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

DECLARATION OF MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another question concerning the Domtar Corporation which I direct to the Prime Minister.

The Prime Minister has just told us that the control of the Government of Quebec and the Caisse de dépôt et placement du Québec, over Domtar has nothing to do with the refusal to extend a grant to Domtar.

How does the Prime Minister explain the announcement made in November 1984, by his Minister of Regional Industrial Expansion, to the effect that corporations controlled by provincial governments no longer would qualify for federal grants?

Which is the Government's policy, the Minister's expressed ideology or the Prime Minister's statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would of course have to examine the circumstances of the statement you just quoted. It should be placed into its context.

But I can say, as I told my friend for Granby, that the fact that the Caisse or the Société générale de financement owns shares is important as a matter of fact, strictly because the connection leads us to the Quebec Government. It is important in such a transaction that we should be able to speak with those who take the decisions. That is all.

Mr. Cassidy: Mr. Speaker, would the Prime Minister know whether the ideological biases of Bay Street, as voiced by his Minister of Regional Industrial Expansion, are to set government policy and whether the Government will be concerned about the true economic needs of Quebecers?

Mr. Mulroney: Mr. Speaker, I can tell you that the only Quebecer who is biased in favour of Bay Street interests is the Hon. Member for Shawinigan, who represents them.

* * *

[*English*]

FORESTRY

NEWFOUNDLAND FORESTRY CENTRE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. On July 11, 1984, the Prime Minister, as Leader of the Opposition, sent a telex to the Mayor of Corner Brook indicating that if elected to government he and his Party would not cancel the decision already made to relocate the federal forestry centre from St. John's to Corner Brook. On November 8 his Minister of Finance cancelled that move and announced a savings of $3.5 million for the fiscal year 1985. In light of the fact that I hold in my hand—

Mr. Hnatyshyn: Order.

Mr. Tobin: —a copy of his letter to the Mayor of Corner Brook, will the Prime Minister tell this House, and through this House all the people of Canada, after committing himself to the forestry centre, if his word is worth the paper it is written on?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hold in both hands a pair of glasses through which I would be happy to look at the document to which my hon. friend refers. But the Hon. Member knows full well that, along with other important matters, this one, unfortunately, had to be rolled over and deferred—

Mr. Turner (Vancouver Quadra): Oh, oh!

Mr. Mulroney: —pursuant to November 8.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Roll over, Mulroney.

Mr. Mulroney: My hon. friend knows full well that, while we are unable to accommodate this particular one at this time, we have concluded the Atlantic Accord, which is the most historic and beneficial program for the development of Newfoundland and Labrador since Newfoundland entered Confederation in 1949.

Some Hon. Members: Hear, hear!

CONTENT OF COMMUNICATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I thank the Prime Minister for his melodious nonsense, but the people of my riding want a straight answer. I weigh my words carefully, Mr. Speaker, and he shall see this document, as shall everyone else in this House. Is his word worth the paper it is written on? Or will the Prime Minister tell me and the people of Corner Brook, is he a liar?

Mr. Mazankowski: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Does the Hon. Member wish to rephrase his question?

Mr. Tobin: Yes, Mr. Speaker, I would be delighted to ask the question again. The people of my riding want a straight answer from the Prime Minister. He wrote this document, he signed it, we are simply asking if this document was an honest statement of intention. Did he mean it when he wrote it, or is he a liar?

An Hon. Member: It is a question.

Mr. Clark (Yellowhead): The Leader of the Opposition laughs. Shame!

Mr. Speaker: Let me make it simple for the Hon. Member. Language which is unparliamentary cannot be simply introduced by way of a question. Is that clear? Therefore, does the Hon. Member wish to rephrase his question, for the last time?

Mr. Mazankowski: Withdraw.

Mr. Clark (Yellowhead): Withdraw.

Mr. Tobin: I am trying to rephrase it, Mr. Speaker. The rules of the House—

Mr. Speaker: Does the Hon. Member wish to rephrase his question? Otherwise, I will simply rule the question out of order.

Mr. Tobin: I am trying to.

Mr. Speaker: I rule the question out of order. The Hon. Member for Swift Current-Maple Creek.

Some Hon. Members: Hear, hear!

● (1450)

CANADIAN WHEAT BOARD

USE OF METRIC AND IMPERIAL MEASUREMENT

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister responsible for the Canadian Wheat Board. For the past few years western Canadian grain producers have received their sales information in tonnes only. Can the Minister assure producers that in future Canadian Wheat Board final payment statements will provide information in bushels? Can he also encourage the elevator companies to provide similar information on the grain delivery cash tickets?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. I know this is of concern to a lot of farmers in the country. I have had discussions with the Wheat Board regarding final and interim payments and they have assured me they will be looking for ways to put bushels on final payment stubs.

It is my understanding that grain companies are free to communicate with their customers in whatever measure they choose, imperial or metric. So it is up to the grain companies. Bearing in mind that the grain companies, in western Canada at least, are largely owned by the producers themselves through co-operatives, there should be no problem if the producers wish to see that they have information available to them in bushels as well as tonnes.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—ROLE OF SPECULATORS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. He indicated, in response to my Leader, that speculators were the root cause of some of the problems regarding the level of the dollar and high interest rates. Is he aware that many of those speculators are the chief financial officers of Canadian corporations who are driving down our dollar and benefiting from high interest rates at the same time? Is he prepared to allow those speculators to benefit from their actions here in Canada and in the U.S., over and against protecting the public of Canada who have to foot the bill?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I never used that expression in the answer to his Leader, and he knows that. What he should recognize is that the activity in the exchange market is a result of thousands and thousands of decisions, sure, by people in corporations, but also by individuals, as well as people outside the country. The Minister of Finance cannot control those, and I am not going to try. What we can do is try to moderate the influence of those decisions, to try to lean against the movement in both interest rates and exchange rates, and try to introduce a degree of stability back into the market and get interest rates down.

REQUEST FOR ACTION AGAINST SPECULATORS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister of Finance not aware that the average Canadian does not care and is not in any way immediately affected by a lower Canadian dollar, but he is most definitely affected by higher interest rates? Why will the Minister not move now to say to the speculators: "You cannot benefit both ways here in Canada", and then take steps to protect the average Canadian from high interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are taking steps to protect Canadians from the impact of high interest rates. As the press release of the Governor of the Bank of Canada said earlier today, if things had not been done the way they had been done in the exchange and interest rate markets, interest rates would have been higher today. We cannot control rates, and I am not going to try to control rates like a big lever, which the Hon. Member would like to have us do. This is a free market we live in, and we should appreciate the reason we live in a free market is so we can enjoy the freedoms which have made this country, and other countries like it, great.

* * *

NATIONAL DEFENCE

EXPENDITURE LEVELS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. He will recall that during last summer's election campaign the Progressive Conservative Party produced a pamphlet regarding national defence entitled, ironically enough, *Honour The Commitment*. It promised greatly increased defence spending. Last Tuesday the President of the Treasury Board stated that cuts in the growth of defence spending could be made "while meeting our international commitments". I ask the Minister of National Defence: Where is the honour? Where is your commitment?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Careful what you say now, Erik.

Mr. Nielsen: I always am.

The Hon. Member's very important question deserves an answer in some detail, Mr. Speaker, and I am sure he would be the first to recognize that it is only reasonable to expect me to meet with some of the officials in the Department, and obtain briefings from them, before attempting to answer that sort of question in any detail. I will get back to him just as soon as I can next week, in response.

PREPARATION OF ESTIMATES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I know the Minister will have to meet with his Department, but having been a member of the Planning and Priorities Committee of Cabinet for several months now, how can the Minister sit idly by while his Party's commitment to 6 per cent real growth in defence spending is ignored? He was on that committee when these estimates were talked about. You have simply made defence another sacred trust, and I ask you where is that trust? You were there.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is totally unlike the Hon. Member, who is usually calm and a gentleman in the House, to be so uptight. All I am suggesting to him is that as soon as I have had the opportunity to look into his very important question I will get back to him and give him the answer that this question deserves.

* * *

ENVIRONMENTAL AFFAIRS

DAMAGE CAUSED BY RING-BILLED GULLS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, my question is directed to the Minister of the Environment. The Municipal Council of Downie Township in Perth County, which is my riding, and many others in the farming areas of Ontario, have voiced concern with respect to the massive population of ring-billed gulls and the damage and bother they cause. Would the Minister tell this House how her Ministry will deal with the farmers' problems?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am aware of the problems the ring-billed gulls cause farmers and, with the officials of my Department, I have taken action so that by telephoning our offices, the farmers will immediately learn what to do to chase away these birds which damage their crops.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

TWIN-TRACKING IN BRITISH COLUMBIA

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Right Hon. Prime Minister. He may know that yesterday Conservatives in the House thwarted the unanimous will of two Standing Committees of this House with respect to a recommendation that the twin-tracking being done by CN in the Ashcroft subdivision be stopped. Given the Prime Minister's interest in parliamentary reform, and his desire to increase respect for Parliament and the judgment of committees and Members of Parliament, will he undertake to have the Minister of Transport respect that unanimous decision by two committees of this House, and have the CN stop twin-tracking in that particular area of British Columbia?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to respond to that very important question. I was unable to be in the House yesterday for the debate because I was attending a conference of provincial Transport Ministers, but I have read most of the speeches in the House yesterday. I would like to inform the Hon. Member that the Minister of Fisheries and myself will be meeting with the Allied Tribal Council of British Columbia Indians in Vancouver tomorrow to deal with this issue—I hear some yapping from the Liberal benches—and to straighten out a mess which the former Government created. I hope I have the support and confidence of at least the members of the NDP, to try to resolve this matter in a satisfactory way which will look after the concerns and wishes of the Indian people which were trampled by the Government of that Party.

• (1500)

REQUEST THAT PROJECT BE SUSPENDED

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I certainly agree with the Minister of Transport that this mess was given to us by the former Liberal regime.

Some Hon. Members: Hear, hear!

Mr. Blaikie: That does not prevent him from being able to act, and I hope that he will act. Will the Minister assure the House and the committees that made that decision that he will not allow CN to proceed until such time as he has arrived at an agreement which is satisfactory to all the people concerned with this, the fishermen and the native people in particular?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I wish the Hon. Member had listened to my answer. The reason I am going out there is to meet with the Indian people. We will be meeting with Fisheries, the Department of Indian Affairs, and all interested parties to try to resolve the issue. I note that the New Democratic Party indicated its support for the increase in rail capacity, something that the former Minister of the Environment now faces with some ambivalence. I do not know how he could have stood up in his place yesterday and played such a role of a hypocrite after presiding over this issue before.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Mr. Mazankowski: You ought to be ashamed of yourself.

Mr. Speaker: Order. For some reason it is impossible to get the House to pay attention to anybody today. I must ask the Hon. Minister of Transport to withdraw the word "hypocrite". He knows it is unparliamentary.

Point of Order—Mr. Deans

Mr. Mazankowski: Mr. Speaker, I will withdraw the word, but I still want to say that I really have difficulty accepting the double standard of the former Minister of the Environment.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: You ought to be ashamed of yourself.

Mr. Deans: Mr. Speaker, on a point of order—

Mr. Speaker: I do not know what everybody did this morning.

Mr. Deans: Mr. Speaker, a point of order.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, February 27, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE BY MR. MAZANKOWSKI

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) has a point of order.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, would you consider reading the response by the Minister with regard to your direction to withdraw the word he used? My understanding of the rules is that you must withdraw unequivocally words that are offensive without explanation. It is becoming a habit now that people are replacing the words that they used which were inappropriate with explanations to satisfy their own end.

Mr. Clark (Yellowhead): What do you mean, it is becoming a habit?

Mr. Deans: It is becoming a habit.

Mr. Clark (Yellowhead): Give us some evidence.

Mr. Speaker: The Hon. Member will understand that I am in a moderate quandary because he is right, but to allow comment on the matter would be equally improper. Perhaps Members will read the rules on the matter.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader to give us the program of business for the next several days.

Hon. Ray Hnatyshyn (President of the Queen's Privy Council): Mr. Speaker, I thank the House Leader for the Official Opposition. If the House Leader for the New Democratic Party would only give the same sane advice to his own Leader with respect to parliamentary language, this place would be a lot better off.

Mr. Speaker: Order. May I interrupt the proceedings to ask the President of the Privy Council to stay within the bounds of the question.

Mr. Hnatyshyn: Mr. Speaker, this afternoon the House will continue consideration at second reading of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

Tomorrow the first item of business will be the Bill which is to be introduced later today by the Minister of Indian Affairs and Northern Development, an Act to amend the Indian Act. There have been discussions between the Party representatives and I believe there is an inclination to complete second reading and send the Bill to committee for study tomorrow. Depending upon when debate is concluded on that bill, Mr. Speaker, the second order of business will be Bill C-24.

On Monday, if Bill C-24 has not previously been passed, I will once again be calling it for debate. The back-up Bill will be an Act to amend the Bretton Woods Agreements Act which will be introduced by the Minister of State for Finance later today.

I would like to designate next Tuesday at the fifth allotted day in the current period of supply. On Wednesday next the business will be the same as I have just announced for Monday.

Pursuant to the order of the House passed earlier this week, the House will not sit next Thursday in order that the Secretary General of the United Nations may address a joint session of the House and Senate at three in the afternoon. As always, Mr. Speaker, we will monitor the progress made and announce changes to the business of the House as may be required.

ROUTINE PROCEEDINGS

[*English*]

LABOUR, MANPOWER AND IMMIGRATION

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, today I have the honour to present, in both official languages, the first

report of the Standing Committee on Labour, Manpower and Immigration. The report concerns a change in the name of the committee and I intend to move concurrence in this report later today. I think you will find at that time that there is unanimous consent for that action.

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

Mr. Speaker: I must rise to advise the House of a reservation I have with regard to this report, having heard the content.

Mr. Hawkes: Mr. Speaker, I have a point of order.

Mr. Speaker: Not until I am finished. The report proposes a change of name for the committee, a recommendation procedurally itself innocuous, but one which nevertheless proposes a change in the Standing Orders. For this reason the recommendation may, in my view, be beyond the terms of reference of the committee. I doubt, therefore, that it would be in order to proceed on a motion for concurrence in the report of a committee which has gone beyond its terms of reference. I draw this matter to the attention of the House so that further consideration may be given to it.

I gather that the Member for Calgary West (Mr. Hawkes) would like to rise on a point of order to make comment prior to my making a ruling as to whether a motion for concurrence would be in order. Since he has indicated to me that he wishes to speak on a point of order to the possibility of such a ruling, I therefore reserve the ruling for the moment and hear the Member for Calgary West.

Mr. Hawkes: Mr. Speaker, I would point out that the action taken and the decision to report this matter to the House was taken unanimously in committee. We have searched the precedents, Mr. Speaker. In the preceding Parliament on November 27, 1979 there was a change in the name of one of our committees to its current name of Communications and Culture. The mechanism chosen at that time was Standing Order 43. There was unanimous consent for that action, so the two principles were there.

We now operate under provisional rules. I would first point out that the mechanism of Standing Order 43 is no longer available to us, but that one of the reasons we have provisional orders, and that they are provisional, is that we can begin to explore the possibilities and difficulties which a change in the rules might present. The elimination of Standing Order 43, I suggest to you, Mr. Speaker, presents a slight difficulty to the committee.

I will now proceed to the second precedent I would like to bring to your attention. On July 3, 1980 the special committee of this House presented its first report, asked for unanimous consent and moved concurrence in the decision to change its name to the Committee for Employment Opportunities for the 1980s. I suggest to you, Mr. Speaker, that the precedent of a committee report asking for a change of name existed on July 3, 1980, and was granted by the previous Speaker.

May I further point out, Mr. Speaker, that another aspect of that decision at that time was the fact that the House granted unanimous consent for the action. The granting of unanimous consent is central to this issue because the House is indeed master of its own destiny. I would suggest to you that on this issue, which has been considered by the committee in the previous Parliament and again in this Parliament, we have found it difficult to find an efficient mechanism that would be clearly in accordance with all past precedents and all procedures that lie within our Standing Orders.

● (1510)

I suggest that this is the most acceptable and quickest way to resolve this issue. You may want to set a precedent today by allowing this kind of report and this type of action. However, if not, you could fall back on the principle of unanimous consent for the House to do what it deems advisable. May I suggest that such a ruling would not set a precedent that you would find difficult to live with. We should be allowed to move by unanimous consent, if that is the will of the House.

Mr. Speaker: The Hon. Member is making an interesting argument. First, he argues that if we had Standing Order 43 the Member would have proceeded by way of Standing Order 43. Without Standing Order 43, he argues therefore that this procedure would be in order. That is illogical.

His other argument is that the House can do whatever it wishes by unanimous consent. That may well be true; nevertheless, that does not make a motion to concur in a report which cannot be presented to the House in order. Unanimous consent may allow the House to change something it wishes to change, but it cannot make the report itself in order.

My dilemma is that the Member is proposing a motion to concur in a report which cannot, of itself, be in order. Therefore, I cannot simply admit an inadmissible motion by unanimous consent. That is how I understand the procedure.

Therefore, having heard the argument, I must rule that a motion to concur in the report would itself be inadmissible.

Mr. Crosby: Mr. Speaker, I rise on a point of order. I have more than a passing interest in this matter because, as chairman of that standing committee—

Mr. Speaker: Is the Hon. Member rising on a separate point of order?

Mr. Crosby: Yes. I wanted to take the opportunity to explain that I have more than a passing interest in this because, as chairman of that standing committee in 1979, we made an attempt to change the name and it was believed it would be under Standing Order 43.

Is it permissible for a Member simply to ask for the consent of the House, in the absence of Standing Order 43, to make a motion and with that unanimous consent—

Mr. Speaker: What is the point of order?

Mr. Blenkarn: He is putting a motion.

Mr. Speaker: We are not on motions. I have ruled on the point of order that was brought before me. If the Hon. Member is asking me to give a hypothetical ruling on a matter that has not arisen, I cannot do that.

Mr. Crosby: Mr. Speaker, I rise on a point of order. May I have unanimous consent of the House to move a motion?

Mr. Speaker: With great respect to the Hon. Member, one cannot seek the floor on a point of order and move a motion. It cannot be done procedurally.

Mr. Blenkarn: He is asking for consent of the House.

Mr. Speaker: It cannot be done on a point of order.

I am quite certain that someone will seek the floor when I call for motions.

* * *

PETITIONS

RIGHT TO RECEIVE RELIGIOUS TELEVISION BROADCASTS

Mr. Albert Cooper (Peace River): Mr. Speaker, I rise to present a petition on behalf of many of my constituents in the Peace country, particularly the area of La Crete, relating to their right to obtain religious television broadcasting.

[*Translation*]

BUDGETARY CUT-BACKS IN WILDLIFE SERVICE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present another petition to the House on behalf of the residents of my constituency who wish to express their deep dissatisfaction with the budgetary cut-backs in Wildlife Service.

* * *

[*English*]

NATIONAL HYMN ACT

MEASURE TO ENACT

Mr. Blaine A. Thacker (Lethbridge-Foothills) moved for leave to introduce Bill C-224, an Act respecting the National Hymn of Canada.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Thacker: Mr. Speaker, I have the honour to rise and present this Bill which will provide for a bilingual national hymn for Canada. I look forward to the debate, at which time Members can find the unique authorship by Dr. Ken Hicken of the University of Lethbridge. I will provide cassette copies to each of the House Leaders so Members can listen to the cassette. This Bill clearly fills a void in our national life.

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

* * *

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

INDIAN ACT

MEASURE TO AMEND

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-31, an Act to amend the Indian Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

LABOUR, MANPOWER AND IMMIGRATION

MOTION TO CHANGE NAME OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, with the consent of the House I would like to move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That Standing Order 69(1) be amended by deleting paragraph (j) and substituting the following therefor:

"(J) Labour, Employment and Immigration;".

If you were to put the question, Mr. Speaker, I think there would be unanimous consent to pass the motion quickly.

Mr. Speaker: Does the Hon. Member have unanimous consent to introduce the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the motion. Shall I dispense with the reading of the motion?

Some Hon. Members: Agreed.

Mr. Berger: Mr. Speaker, may I ask the Hon. Member what the French version of the name would be? Does it remain as it is presently—Travail, Main-d'œuvre et Immigration? Or is it changed to Travail, Emploi et Immigration?

[*Translation*]

Mr. Hawkes: Mr. Speaker, there has been a change. I think that it is "Travail, emploi et immigration". This will be the new French name of the Committee.

Ms. Copps: Mr. Speaker, does the tabled document also include the French version?

Is it included in the document and has the Hon. Member introduced a Bill to change the name of the Committee? I would like to know whether this is what is contained in the document tabled in the House. If not, I think that it would be better to postpone it.

• (1520)

[*English*]

Mr. Speaker: I understand what the Hon. Member is trying to get at. The report has been received by the House. It contains the recommended motion. The Hon. Member is now seeking unanimous consent to introduce the motion under his own name and the document contains the change in both languages.

[*Translation*]

Ms. Copps: Is the motion both in French and in English? Is the motion introduced in the House both in French and in English? The motion! I am not referring to the report, but to the motion.

Mr. Hawkes: Yes.

[*English*]

Mr. Speaker: The Hon. Member is presenting a motion referring to the document which is in both languages. His motion does not have to be in both languages. I am missing the Hon. Member's point. The Hon. Member is arguing that the motion is out of order because it is not presented in both languages, is that right?

Ms. Copps: No.

Mr. Speaker: What is the Hon. Member arguing, then? I am missing the point.

[*Translation*]

Ms. Copps: I would like to know whether the motion asking for the unanimous consent of the House to change the name, is in both languages. Are the translation and the report, with the names in French and English, included in the report as tabled in the House?

[*English*]

Mr. Speaker: Yes. The Hon. Member has sought unanimous consent for the introduction of the motion and has received it. Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: All those in favour?

Some Hon. Members: Agreed.

Mr. Speaker: The matter is adopted, I take it unanimously.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 133, 157, 191, 214, 216, 222 and 223.

[*Text*]

RECEPTIONS FOR HER MAJESTY THE QUEEN AND PRIME MINISTER OF FRANCE

Question No. 133—**Mr. Malépart:**

1. Did the Prime Minister host a reception and a farewell dinner for Her Majesty the Queen on October 6, 1984, at the Winnipeg Congress Centre and, if so, what were the guests' names and addresses?

2. Did the Prime Minister host a reception and a dinner for the Prime Minister of France, His Excellency Laurent Fabius on November 7, 1984, at the Westin Hotel in Ottawa and, if so, what were the guests' names and addresses?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1. Yes. The individuals who were invited included Members of Parliament and of Legislatures, Privy Councillors, and persons of various functions, drawn from the Order of Precedence of Canada. The objective was to include citizens whose role in the communities of Canada would reflect the interests of Her Majesty in meeting her people.

2. Yes. The individuals who were invited included Members of Parliament, Privy Councillors, persons of various functions drawn from the Order of Precedence of Canada, members of the French Delegation, and representatives of the community. The objective was to allow the French Prime Minister's delegation to meet people with involvement in that country.

DEPARTMENT OF AGRICULTURE—REDUCTION IN EXPENDITURES

Question No. 157—**Mr. Orlikow:**

Has the Department of Agriculture cut any projects in its science and technology programs in order to absorb the reduction in its expenditures

required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. John Wise (Minister of Agriculture): No. However, reductions will be applied to research conducted for the Department by industry and universities, which has been funded by research contracts and extra mural grants. The savings will be implemented by not accepting any new proposals rather than by cutting currently approved activities.

AID TO NICARAGUA AND CHILE

Question No. 191—**Mr. Stackhouse:**

Is Canada giving aid to (a) Nicaragua (b) Chile and, if so, in each case (i) since what date (ii) in what amounts (iii) for what purposes?

Hon. Monique Vézina (Minister for External Relations): In so far as the Canadian International Development Agency is concerned, the answer is as follows:

(*a*) Canadian aid to Nicaragua: Bilateral aid. In 1975, following the earthquake which destroyed much of Managua, the capital of Nicaragua, Canada loaned the country $1.9 million to purchase heavy equipment to remove the rubble from the centre of the city. The loan has been used and $1,887,600 has been paid out.

In 1982, CIDA financed a technical assistance project worth $655,000, in the form of a grant-in-aid, for the development of a food strategy. The project has been completed.

In January, 1984, Canada extended a line of credit of $13.4 million for the provision of fertilizer, farm equipment and Holstein heifers ($13 million loan and $400,000 grant-in-aid). To date, about 50 per cent of this line of credit has been used.

In September, 1984, Canada extended a line of credit of $7.5 million ($7 million loan and $500,000 grant-in-aid) for the provision of equipment for the drinking water sector. This credit has not been used to date.

Other forms of aid: Canada also provided aid through CIDA's other co-operation mechanisms. During the last four years (1980-81 to 1983-84) Canada has contributed over $24 million to support projects in Nicaragua through the mission administered funds, non-governmental organizations, institutional co-operation and development services, and industrial co-operation programs. In addition, emergency food aid in 1981-82 and 1983-84 was provided for humanitarian reasons.

(*b*) Canadian aid to Chile: Chile has not received any bilateral aid from Canada since 1973. However, Canada provided aid through several of CIDA's other co-operation mechanisms. During the last four fiscal years (1980-81 to 1983-84), Canada contributed $3.7 million to support projects in Chile through the mission administered funds, non-governmental organizations, institutional co-operation and development services, and industrial co-operation programs.

PUBLIC ACCOUNTS, 1983-84

Question No. 214—**Mr. Howie:**

For the fiscal year 1983-84, based on the accounting practices currently used by the Government on each of a public accounts and a national accounts basis, what was the government's (a) spending (b) revenue (c) interest cost and what was its gross debt and net debt?

Hon. Barbara McDougall (Minister of State (Finance)): For the fiscal year 1983-84, the spending, revenue, interest cost, gross debt and net debt of the federal Government were as follows, on a public accounts basis and a national accounts basis:

	Public Accounts Basis (1983-84 Public Accounts of Canada)	National Accounts Basis (Statistics Canada, Catalogue 13-001, 13-002)
	($ Millions)	
(a) Expenditures	88,915	97,254
(b) Revenue	56,326	72,162
(c) Interest and other public debt charges	18,146	18,072
Gross debt as at March 31, 1984	196,861	160,836
Net debt as at March 31, 1984	157,011	108,419

DOT—FEMALE EMPLOYEES

Question No. 216—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Department of Transport were women?

Hon. Don Mazankowski (Minister of Transport): 20.6 per cent.

NATIONAL FARM PRODUCTS MARKETING COUNCIL

Question No. 222—**Mr. Howie:**

As of January 1, 1985, how many persons were employed on the National Farm Products Marketing Council and what was the salary range allocated to each position?

Hon. John Wise (Minister of Agriculture): As of January 1, 1985, National Farm Products Marketing Council employed 25 persons.

Position Title	Salary Range
Chair	$81,890–96,300
Executive Member	54,710–64,390
Director, Economic Advisory Services	48,948–53,885
Business Development Analyst	37,073–42,323
Economic & Statistics Analyst	42,109–48,179
Commodity Officer	43,536–55,768
Commodity Officer	43,536–55,768
Commodity Officer	43,536–55,768
Market Development Officer	35,522–50,323
Chief Administration & Executive Secretary	37,083–41,356
Head, Administrative Services	27,622–30,920
Manager, Marketing/Production Statistics	30,930–33,687
Statistics Officer	28,332–30,903
Information Officer	36,626–41,225
Records Manager	23,019–25,175

Financial Manager	23,019–25,175
Office Manager	20,281–22,177
Agency Review Clerk	20,281–22,177
Records Clerk	18,271–19,966
Receptionist	15,312–16,617
Secretary to the Chair	24,271–26,563
Secretary to the Director, Agency Review	24,271–26,563
Secretary	18,891–20,655
Secretary	18,891–20,655
Word Processing Operator	19,347–21,153

EMPLOYMENT IN CANADA AUGUST, DECEMBER 1984

Question No. 223—**Mr. Howie:**

(1) How many persons in Canada were employed in (a) August, 1984 (b) December, 1984?

2. In each of the months above, how many persons were employed in temporary or term positions?

3. In each of the months above, how many persons did Canada Employment Centres place in (a) permanent full-time jobs (b) temporary or term full-time jobs (c) part-time jobs?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. Total employment (Canada, seasonally adjusted) revised January 28/85:

August, 1984	11,044,000
December, 1984	11,141,000
change	+97,000

2. Statistics Canada's Labour Force Survey does not provide data on temporary employment nor on term positions. The closest proxy measure is part-time employment.

Part-time employment (Canada, seasonally adjusted) revised January 28/85:

August, 1984	1,708,000
December, 1984	1,692,000
change	−16,000

Comment: Between August and December, 1984, while total employment in Canada grew by 97,000; full-time employment grew by 129,000. (Figures do not add up because each is seasonally adjusted separately.)

3. Placements by Canada Employment Centres

	August, 1984	December, 1984
Regular placements	62,397	37,119
Casual placements	10,201	8,173

A regular placement results when the job is expected to last longer than five working days.

A casual placement is expected to be five working days or less.

Note: Part-time work is not separately identified and placements in part-time jobs would be included in the above totals.

[*English*]

Mr. Dick: I ask, Mr. Speaker, that the remaining few questions be allowed to stand.

Oil Substitution Act

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am pleased this afternoon to rise on behalf of the residents of Nepean-Carleton to speak to Bill C-24. The Bill before the House provides for the termination of the Canada Oil Substitution Program, or COSP, on March 31, 1985, and for the phasing out of the Canadian Home Insulation Program or CHIP by March 31, 1986.

The Government's intention to make the changes as noted this morning by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) was announced last November by the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret). Since then we have all had a chance to appraise the termination of these plans. Furthermore, all Canadians have had considerable advance warning and if they were interested in taking advantage of those programs have had ample opportunity to do so.

Speaking specifically at the moment to COSP, the off-oil program introduced in 1980, it has provided taxable contributions of up to $800 toward the cost of converting oil-heating systems to other fuel systems, that is, to natural gas, electricity, propane, solar power and other sources of renewable energy. The existing legislation provided a termination date of December 31, 1990 for the program. The amending Bill changes this date to March 31, 1985. Furthermore, as the Parliamentary Secretary noted this morning, the legislation provides for a limited exception which will allow participants a further three months, that is until June, 1985, to complete their conversions if they have signed contracts prior to the November 8 announcement and if they have faced difficulties in getting the work done by March 31.

COSP, the off-oil program, was introduced in October, 1980. At that time OPEC dominated the world's petroleum supply and pricing mechanism. Through a cartel-like arrange-

ment it was expected that OPEC would push world prices dramatically higher. Equally at that time almost 40 per cent of all Canadian homes were heated by oil and Canada was consuming more petroleum products than it was producing. In other words, we were highly dependent or becoming more highly dependent on imports for our supply of petroleum products. Residential oil substitution was then identified as a priority, and a grant system was introduced as a vehicle to lower our petroleum consumption.

The basic grant was one-half the eligible cost of materials and labour for conversions of oil-fired space heating and water heating systems, to a maximum $800 per individual unit. Over the past four years COSP has paid out more than $530 million in grants for the conversion of some 900,000 housing units across Canada. It is estimated that some $125 million has probably been returned to the federal and provincial Governments in the form of taxes.

Members of the House should be aware that the program did not have good regional balance. Three-quarters of all activity was in Quebec and Ontario. COSP was not needed much in the Prairie Provinces because they were already largely off oil. They had already moved in large part to home heating by natural gas. It was not much help to the Atlantic Provinces because they did not have alternative supplies or alternative opportunities for cheaper fuel consumption other than the availability of wood.

In 1981-82 gas conversions represented 48 per cent of that year's COSP activity, electricity was 36 per cent, while wood represented 14 per cent. In 1983-84 gas conversions had decreased to 25 per cent of all activity and electricity had risen to 55 per cent. This decline in gas conversions is partly accounted for by a decline in conversions in the Province of Ontario. In 1981-82 conversions in Ontario accounted for 43 per cent of all conversions in that year. By 1983-84 Ontario's share declined to 20 per cent. Furthermore, within the province gas conversions accounted for 63 per cent of activity in 1981-82, but it dropped to 43 per cent in 1983-84. From the beginning of the program until the end of December, 1984, Quebec led COSP activity with a total of 400,000 units converted off oil. By comparison, Ontario had 277,000 units converted off oil. COSP has paid $235 million for grants in Quebec, representing 44 per cent of the funds disbursed under the program across the nation. Quebec Hydro, at the same time the national grant system was in place, provided a parallel program of non-taxable grants in the amount of $650 for conversions to dual energy systems using both electricity and oil. The complementary nature of the two programs proved very attractive to consumers in the Province of Quebec.

Electric conversions in Quebec accounted for 73 per cent of all electric conversions in Canada. Collectively, electricity accounted for 41 per cent of all conversions, natural gas for 35 per cent and wood for 20 per cent. The remaining 4 per cent represents propane and a very small number of conversions to other renewable energy sources, such as solar energy and other conservation measures.

• (1530)

COSP grant applications have been slowing down rapidly in the last nine months, except for the period starting in December following the Minister's announcement. Apart from conversions to electricity in Quebec, which have accounted for 50 per cent of all COSP activity in the last nine months, the level of conversions nationally has dropped by 45 per cent from its height in 1982, except for the last three months.

It is extremely difficult to assess the real impact of COSP on energy conservation and petroleum consumption in Canada. Some 900,000 units have been converted from oil. This represents a possible displacement of some 32,000 barrels a day, by itself a significant amount of consumption and a great deal of conservation.

In my own riding of Nepean-Carleton, my impressions are that most of the constituents who took advantage of the program were those in the middle- and upper-income brackets. Very, very few of the lower-income people in my riding were in a position to take advantage of it. In addition to the inequitable distribution across Canada, possibly there has been inequitable distribution of the use of this program across the income groups. However, a trend has been established toward installation of medium- and high-efficiency natural gas furnaces. Some of these furnaces burners now achieve an efficiency as high as 90 or 95 percent, all of which are being made available at declining or at least much more competitive prices. Dual energy systems, such as plenum heaters and heat pumps, are offering savings, comfort to home owners and advantages of load management to utilities. A broad range of combustion wood-burning systems are now available. They are much safer, much more efficient and it has been a boon to many, many hundreds of thousands of rural residents across Canada who have access to reasonable and abundant supplies of wood. Equally, such safer wood-burning space heaters, furnaces and combination furnaces are now available on the markets across the nation.

To preserve a share of the residential market, oil dealers and manufacturers of oil-heating equipment are now marketing much more highly efficient oil burners for retrofit purposes. These efficiencies have moved from the order of 55 to 60 or 65 per cent where some of the burners are now capable of delivering as much as 80 per cent efficiency. In this mature and competitive environment, one would anticipate retrofit for more efficient oil burners to continue and, with that, an ongoing rapid decline of the household consumption of petroleum, regardless of what may happen to COSP.

COSP helped utilities' become permanent customers for gas and electricity. They may be interested in providing conversion grants of their own in this particular market arrangement. Oil substitution is a competitive business in the key central Canada markets. Massive campaigns are being mounted for both utilities and manufacturers to promote conversion. This will probably continue and should be encouraged.

Turning my remarks to the CHIP program, CHIP was provided as taxable contributions of up to $500 of insulation and draught-proofing measures in existing homes. It was

introduced in 1977. The CHIP Act provided for its termination at the end of 1987. The amending Bill provides for a two stage phase-out under which the Government's share of eligible costs is reduced to 33 per cent from 60 per cent, effective January 1, 1985. The program comes to an end on March 31, 1986. One would also like to stress, as the Parliamentary Secretary did this morning, that in the final 15 months of the CHIP program, the maximum contribution shall remain unchanged in the amount of $500.

The end of the program, therefore, has been anticipated by all sectors of Canadian society, by industry and by Government for quite some time. Homes have been admitted to the program on a sequential basis related to the date of their construction. That process has been for some time in its final stage. The last group to become eligible, the 1.3 million homes built between 1971 and 1977, will have had two years to have taken advantage of the program by the time the program is phased out or concludes next year.

Over the past seven and a half years, the period in which CHIP has been in place, more than $855 million in grants for insulation measures in approximately 2.5 million homes or housing units, representing about one-third of the eligible housing stock built before 1977, have had the insulation or draught-proofing capabilities improved. Approximately $200 million has flowed back to the federal and provincial Governments in the form of taxes. The energy savings attributed to work carried out under the program are estimated to be the equivalent of 28,500 barrels of oil per day.

Significant energy savings averaging 17 per cent had been achieved in homes that used CHIP. An evaluation of the program has established that CHIP played an important part in achieving those savings. It is good for this House to understand that CHIP has been used in a very even way all across Canada, equally in Nova Scotia, Manitoba, and British Columbia. At the same time, the other great advantage of CHIP was that it was widely used by all income groups, in particular by the lower-income groups.

As with oil substitution, the benefits of energy conservation and reduced heating bills, and increased home comfort, are now much more fully understood by Canadians than they were seven or eight years ago. Insulation specialists must now as well certify their work. During its period of operation, the program has twice been significantly restructured by changes to the contribution formula. The original formula, which called for grant payments toward the cost of materials only, was amended in April, 1979 to include contributions toward labour. In November, 1982, the contribution towards material costs was reduced to 60 per cent. As part of that decision to phase out CHIP by March 1986, the contribution was further reduced to 33.33 per cent of total eligible costs.

Policy changes to the program reflect the strong concern of the Department of Energy, Mines and Resources about the quality of retrofit in Canada. Prescribed standards of workmanship and materials ensure that the energy savings achieved will last throughout the life of the household unit in which the insulation moves had been taken. Programs of research, standards of development, technology transfer, industry support and education, quality control area all directed by the conservation group within Energy, Mines and Resources toward the total home energy program that exists.

Most CHIP applications, however, only used the grant for installing insulation in attics. While helpful and while probably the easiest and the first step in home insulation, this single conservation measure is not enough to realize the full potential of energy conservation in the typical or average Canadian home. Current home programs in the area of home owner awareness and education are directed towards the encouragement of total home refit and total home energy conservation.

Reducing the use of oil and energy in Canada remains a priority for this Government. Very large potentials for savings exist not only in the present housing stock, but in other sectors as well. In the existing housing stock, the potential for savings for cost-effective conservation measures have been estimated at 30 per cent, still quite a remarkable figure. For millions of Canadian householders, it will be a very attractive investment with a rapid return on dollars spent to insulate, draught-proof and improve or convert their heating units. A balanced role for government is most desirable as is one sensitive to the information needs of home owners and the needs for improving the efficiency of oil burners, gas burners and various other types of utilities.

● (1540)

Since the mid-1970s when we slowly started to realize that we had limited petroleum resources in Canada, there we were consuming more oil than we were producing and that we were probably faced with ever-increasing petroleum costs to OPEC, those realizations, together with the decisions of the Government of Canada and almost every provincial Government, to add additional taxes to the consumer of petroleum products forced all Canadians to enter slowly what I like to call the conserver society. In that period of time, we became aware of the importance of our non-renewable energy resources. At the same time, we became aware of other environmental effects that were related thereto.

In responding to our entry into the conserver society, we built much lighter and more efficient automobiles. We created much more efficient gas-conversion units and efficient oil-conversion burners. As well, we made our homes more energy efficient. Collectively, all of these things have added up.

In the period since the mid-1970s, on a relative basis, we have cut our consumption of petroleum products by about 25 per cent. This is an ongoing activity. It is also an ongoing activity throughout much of the world and most noticeably in western Europe and the United States. As a result of these collective developments, OPEC lost control of the marketing of petroleum products throughout the world to a considerable degree and petroleum prices started to fall.

There is no question that COSP and CHIP contributed to our entry into the conserver society. We became more informed and took advantage of the programs. I am convinced

that Canadians all across Canada will continue to be conservers of energy and will continue to retrofit their homes in order to improve efficiency. Utilities as well will be competing with one another to help us down this path. We no longer need grants to maintain our momentum in the conserver society. The legislation before the House today is, therefore, a necessary step.

Mr. Deputy Speaker: Questions and comments?

Mr. Riis: Mr. Speaker, I have listened to the Hon. Member's very interesting speech. I would like to read to him from the remarks of one of the Conservative caucus members, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who said that he did not think there was any question that the House in general understood and supported the purpose of the Canadian Oil Substitution Program. He congratulated the Minister for bringing this legislation forward and went on to say that he hoped the Minister would consider the suggestion that he had made to improve the legislation and make it available to all Canadians, and that if so, we would achieve the conversion from oil to other energy more rapidly than this Bill could do by itself.

I appreciate that the Hon. Member indicated that it was a good program, but he indicated that it was no longer needed. In other words, he indicated that Canadians would continue to make this change on their own. What evidence would he have to support that position? As encouraging and positive a position as it may seem, does he have evidence to suggest that at a time when our economic recovery is at an all-time low, unemployment levels are at an all-time high and interest rates are skyrocketing again, people would be able to accomplish this without some encouragement from the Government?

Mr. Tupper: Mr. Speaker, the Hon. Member did not provide me with the date of the comments he read.

Mr. Riis: If the date would help, it was 1981.

Mr. Tupper: That is four years ago, but that is immaterial.

Mr. Riis: Has the world changed in four years?

Mr. McDermid: Yes.

Mr. Riis: Yes, it is worse today than it was four years ago. There are 1.5 million unemployed.

Mr. Tupper: I thought I had clearly acknowledged that I believed the off-oil program was a good one and that most Canadians welcomed it at the time. Furthermore, if I was listening carefully enough, I thought the Hon. Member mentioned that the off-oil program was not available to all Canadians. It was my understanding that it was, although perhaps all Canadian home owners were not able to take advantage of it.

Mr. Riis: With help they could.

Mr. Tupper: It is my feeling, and I am repeating myself, that Canadians have entered into the conserver society philosophy. We do not have grants to encourage us not to buy gas-guzzling automobiles. In our purchases, we are naturally flowing toward lighter and more efficient automobiles. Much of our research is directed to that area. I feel that with the current prices of hydrocarbon products and the understanding that petroleum products are not a renewable source of energy, this momentum will carry on without any need for government grants.

Ms. Copps: Mr. Speaker, I am a little confused about the current figures that were used by the Hon. Member for Sarnia-Lambton. I would have thought that being from Ontario, he might be a little more knowledgeable about the petrochemical situation. I understood him to say, and perhaps he can correct me if I am wrong—

Mr. McKenzie: He is from Nepean-Carleton.

Ms. Copps: Nepean-Carleton? That explains it. Perhaps the Hon. Member for Sarnia-Lambton (Mr. James) would be more knowledgeable about the petrochemical situation.

The Hon. Member stated in the House that one of the reasons why the program should be terminated is that the take-up was primarily from the Provinces of Ontario and Quebec while in fact statistics show that in 1983-84, the take-up from the Province of Ontario was 20 per cent. Does the Hon. Member feel that a 20 per cent take-up means that there was too much of a take-up from the Province of Ontario? If not, why did he state that as one of the reasons for supporting the decision to terminate the provisions of the Act?

Mr. Tupper: Mr. Speaker, I am not sure that the Hon. Member was listening to me carefully enough. The point I was making was that since the inception of the program, it was not used equitably all across Canada and that the great bulk of its use was in the Provinces of Quebec and Ontario.

The point is that in western Canada, and I am repeating myself, much of the conversion to off-oil or off-fluid petroleum products had already taken place. They were already in large part using natural gas in the prairie provinces. In eastern Canada, there were no other less expensive fuel sources available other than fluid hydrocarbons and possibly fuel wood. Natural gas was not available to them. In Atlantic Canada, electrical energy is extremely expensive. The point I was trying to make as part of my argument is that the program was not used equally all across Canada.

Ms. Copps: Mr. Speaker, in fact, according to the documents from the Department dealing with the program, the take-up has been highest in the Provinces of Manitoba and Quebec. I would like to ask the Hon. Member if he feels that Manitoba is not part of western Canada.

Mr. Tupper: Mr. Speaker, I clearly regard Manitoba as being a part of western Canada. Her source of information must be much different from mine. I have been chatting with officials from the Department of Energy, Mines and Resources in the last 10 days on that very topic, and I am thoroughly confident that my data is correct.

● (1550)

Mr. Blenkarn: Mr. Speaker, the Hon. Member indicated that the people he felt were taking advantage of the program were not the poor in his community but the relatively affluent, that is, the people who own their homes and can afford to insulate those homes and perhaps spend $1,200 or $1,500 and receive a $500 rebate. For the people who wanted to convert their furnaces and heating systems, which would cost $2,000 or $3,000, the $800 grant was only an extra. He has said that to some extent the assistance program was for the affluent. In other words, it would help perhaps not the greedy, but certainly not the needy. Could he elaborate on that further? The impression which I received was that the program tended to be used by those who could well afford to do it with their own money.

Mr. Tupper: Mr. Speaker, I prefaced my remarks by saying that to my knowledge there have been no in-depth studies done by either the Department of Energy, Mines and Resources or the Canada Mortgage and Housing Corporation. They were the two organizations which were, in large part, responsible for the administration of the program. There was no analysis done by those organizations as to who was using the program and who was benefiting from it.

I think my hon. colleague heard me correctly when I said that my impression in the greater Ottawa community, and particularly in my own riding, was that for the most part those who could afford to make the conversions on their own—energy conscious people who are fairly knowledgeable about the markets—took advantage of the program. Clearly, it was not the low-income people. The supplementary point I would like to make is that I firmly believe those people would have converted from oil anyway, regardless of the grant.

Ms. Copps: Mr. Speaker, is the Member suggesting that low-income people are somehow less energy conscious than high-income people?

Mr. Tupper: No, Mr. Speaker, that is not the point I am making.

Ms. Copps: Mr. Speaker, again my question deals with the issue of the facts which have been laid before us. In the document of the Department of Energy, Mines and Resources, which analyses the three-year program, it states that cost targets in Saskatchewan and Alberta were reflecting oil use in hard to reach rural and remote areas. Could the Member reiterate what he said to the House that hard to reach rural and remote areas which took advantage of the program are, in fact, the high-income users about which he speaks?

Mr. Tupper: Mr. Speaker, I am not sure that I am not speaking at cross purposes with my colleague. We must recognize, when looking at the statistical data on the program, that targets were set across Canada for the use of the program. Of course, the targets were differnt in different parts of the nation. The targets reflected local needs and concerns. Those targets were achieved in varying degrees. Some of them overachieved their targets in certain years and others underachieved. In balance, across Canada, I think most of the targets were achieved. But I would repeat that in my own riding, I have been able to observe what was going on firsthand, and without the knowledge of the thoughtful research work which has been done across the nation, my impression is clearly that it was upper-income groups which, for the most part, took advantage of the off-oil program. That is not taking away from CHIP, in which people from all income groups participated and from which they benefited.

Mr. Deputy Speaker: The period allowed for questions and comments has now expired. On debate, the Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad to be in the position of resuming debate, because if government Members are tabling information upon which they are basing their decisions to terminate these programs, it is unfortunate that they do not have the facts before them.

In fact, the major take-up on the Canadian Oil Substitution Program over the three-year period was not in the Province of Ontario, but in the Provinces of Quebec and Manitoba. The Hon. Member for Nepean-Carleton (Mr. Tupper) made the statement that somehow the take-up was high in Ontario in Quebec. First, I do not agree that that is a reason for eliminating the program. I think the Member should fight for the residents in his riding and not say that because the take-up is high the Government is going to cancel it. Second, the Hon. Member should be aware of all the facts before he supports the termination of a program which he indicated was working.

The Hon. Member will know that the targets were being achieved. He will also know that COSP was expected to run until 1990. As a result of the termination of the program five years early, thousands upon thousands of home owners across the country will not be able to take advantage of the program. For example, we could examine the potential take-up. Had the program not been terminated, in Newfoundland, in 1985, some 4,705 home owners would have taken advantage of the program had it been available. Yet this Tory Government is going to terminate it.

Mr. McDermid: It is available.

Ms. Copps: It is available, but the Bill which is before the House is a Bill designed to terminate its availability. Government Members should be aware of what they are voting on. Every government Member who has spoken today has said what a tremendous program this has been and what a boon it has been in reducing our dependence upon non-renewable resources. At the same time, those Members are agreeing to sound the death-knell for this program.

The Hon. Member for Nepean-Carleton said that the people across the country who would take advantage of the program were primarily from Ontario and Quebec. How many families in Nova Scotia—which is not exactly the richest area of this country—would have taken advantage of the program? There

would have been 4,665 families who would have taken advantage of it, most of whom will no longer have that opportunity.

I visited Halifax recently and I can tell the House that the people in the City of Halifax are in a desperate housing situation. Any assistance that the Government could provide, through COSP and other programs, in upgrading and making available energy efficient housing across the country should be supported rather than negated as is currently the case.

[*Translation*]

In New Brunswick, we see that over 6,000 homeowners would have taken advantage of the program if it had been continued. Mr. Speaker, all Progressive Conservatives agree on this program. They agree like the yesmen from Quebec who all agreed that Domtar should be given subsidies, and agreed as well when the Government cancelled the subsidies. The same applies to the Bill before the House at this moment.

Mr. Speaker, the Hon. Member for Nepean-Carleton (Mr. Tupper) said earlier it was a fantastic program that had reduced our dependence on non-renewable energy sources. If it was such a good program, if a third of Canadian homeowners who need this program today because they are still using non-renewable energy sources to heat their homes . . . But why do we not continue this program since the Government is introducing in the House an over-all program to deal with the energy issue in industry, homes and other areas?

● (1600)

[*English*]

I find it amazing, Mr. Speaker, that hon. members of the Government are lauding the benefits of this program and the effect it has had in encouraging Canadians to get off oil—which was in fact the original intention of the program—and pointing to figures which show that Canadians are becoming more energy efficient, at the same time as they cut the jugular of the very programs which have been at the forefront of this energy consciousness raising which we have seen happening over the last three years. I cannot understand why the first program which is to be cut by this Government is a program to help home owners.

Home owners perform a yeoman's service in this country. They develop the economy and create jobs. In fact, Mr. Speaker, they are the backbone of our economy. But, unfortunately, this Conservative Government, the Government of the small business person and the home owner, in its very first few months in office, has done more than its share to destroy the hope of young Canadians of ever owning their own homes. Government has cut off COSP, cut off CHIP, and has currently doubled the cost of mortgage insurance under CMHC. With one fell swoop of the pen the average home owner in Canada is going to have to pay another $3,000 over the life of his or her mortgage. This has been done by a Government which purports to support home owners.

Mr. McDermid: That is pretty cheap insurance.

Ms. Copps: We have seen the CMHC mortgage insurance increase, the decision to terminate the COSP program, the decision to let CHIP run out—

Mr. McDermid: You let the insurance program operate in the hole.

Ms. Copps: The Deputy House Leader for the Conservatives seems to be prone to blather on from time to time.

Mr. McDermid: I just got a promotion.

Ms. Copps: You got a promotion and I am happy. I just wish, though, for one moment, that the Hon. Member would get up and make a statement or comment about this particular Bill.

Mr. McDermid: If you sit down, I will.

Ms. Copps: If the Hon. Member did, he would echo the statements of his own colleagues. As I said before, Mr. Speaker, it is like the Domtar question. Government Members love to stand up in the House on Standing Orders 21, beating their breasts and saying to the Canadian people—

The Acting Speaker (Mr. Charest): Order, please.

[*Translation*]

Mr. Gérin: Mr. Speaker, this is just to give the Hon. Member a chance to collect herself and get back to the Bill before the House and contribute some fresh ideas instead of talking at random.

Ms. Copps: Mr. Speaker, perhaps the Hon. Member did not understand the analogy I drew between Domtar and the COSP. It is just like what happened when the Prime Minister made his promise in Newfoundland . . . Now we see it did not mean a thing and that the Prime Minister was not as good as his word.

Mr. Speaker, we know the same applies to the Domtar case. We now know that the same Members who rise in the House and tell Canadians that it was a good program and that it worked well and encouraged all Canadians to save energy—those very same Members are deciding to terminate the program.

Mr. Speaker, they have the same attitude towards Domtar. Hon. Members say it is a good plan, Quebec Members are saying they need a subsidy for Domtar and at the very same time the Government decides to cut or rather refuses to give the subsidy. Mr. Speaker, that is why the Domtar case raises the same questions as the oil substitution program, and so, all Canadians should now ask themselves whether they can trust the credibility of this Government. Do they really stand behind everything they say in the House or are they merely using the House to deceive Canadians about their real motives? Mr. Speaker, if all Members who showed tremendous support for these programs still support them, why are they dropping the

program? Why are they dropping a program that in British Columbia, Mr. Speaker—

[*English*]

In British Columbia in 1985, if this program had not been terminated, 11,375 home owners would have been able to take advantage of it. Yet we see those same Hon. Members who said it worked denying to a potential 144,000 home owners across this country in one single fiscal year the chance to develop an energy efficient alternative through the Canadian Oil Substitution Program.

I am sorry if it hurts Government Members when I say that they are not fighting for home owners. I am sorry it hurts the feelings of those Hon. Members on the government side of the House who express frustration when I point out in this House that that single act of Canada Mortgage and Housing Corporation of doubling the cost of mortgage insurance will cost the average new home owner in Canada over $3,000 over the life of his or her mortgage. I am sorry if that hurts the feelings of hon. members of the Government. I am also sorry that this Government in its first few months in office, with an overwhelmingly solid mandate from the Canadian people, has not seen fit to fight for and promote the very issues which it talked about in the election campaign.

I look to the famous government promises book. The Government made 39 promises about energy. It dealt, for example, with setting up a special program to encourage the use of alcohol as a lead substitute for octane boosting. Consider the possibility of providing funds to help with the construction of a tidal power plant or providing funds for provincial utilities to investigate the feasibility of the construction of wind farms. How many of these alternatives, these renewable resources, have in fact seen the light of day since the Government, with its massive majority, took office? What we have seen is no move toward more conservation.

I think the Hon. Member for Nepean-Carleton (Mr. Tupper) was right when he made the freudian slip by saying he enjoyed this move towards "conservatism". I believe what we have seen in this House is not a move toward conservation or the encouragement of conservation but a move toward the true Conservative philosophies which the Prime Minister (Mr. Mulroney) tried to hide from the Canadian people during the time of the election. The Prime Minister pretended to the Canadian people that he was going to respect universality. The Prime Minister pretended that he was going to encourage programs like the Canadian Oil Substitution Program. The Prime Minister pretended to Canadians that he was not going to hit out at the elderly by cutting back on their old age pensions, or the older workers. The Prime Minister and the Government throughout the election campaign told the Canadian people that they could rest assured—the Conservatives were like wolves in sheep's clothing—that programs which have been developed and built by Liberals are going to be safeguarded. The Conservatives said those programs were going to be kept because they believe in medicare, universality and off-oil energy substitution. In fact, the moment they were elected, they showed their true colours. Their true colours were to cut the Canadian energy conservation program. The only place—

Mr. Epp (Provencher): I rise on a point of order. The Hon. Member obviously can enter into debate in whatever way she wishes. However, she cannot use this House to make statements which are not fact. When she said there have been cuts in social policies and that we are going to continue, that simply is not the fact.

• (1610)

Ms. Copps: Mr. Speaker, the fact is that this Government has introduced a document which considers doing just that.

Mr. Epp (Provencher): Mr. Speaker, this is what happened today in Question Period. You cannot change the wording and leave the same impression. The Member is doing the very same thing again. I say to her that we have not cut, there has been no intention to cut, and in fact there has been an increase in the spouses' allowance. They were the ones who objected to it.

Ms. Copps: Mr. Speaker, I am sorry but the facts belie the statement made by the Minister. The facts will show that the Govenent is currently considering abolition of the tax deductions available to people with families. If you do not consider that to be an anti-child and anti-family move, then I do not think you have the pulse of the Canadian people. If you think the Canadian people will stand by and allow this Government to do away with tax exemptions for people who have families, I think you are wrong. I think the Minister will recognize that a single person earning $40,000 a year should pay more in taxes than a family person supporting four or five children. I think that is a basic Canadian right and I think the Minister and his Government must in fact be tricking the Canadian people. On the one hand they issue a document which suggests a reduction or abolition of the child tax credit and at the same time they stand there with straight faces and tell people there is no change.

The Acting Speaker (Mr. Charest): Order, please. May I suggest to the Hon. Member that the issues being discussed for the past few minutes may not specifically concern the Bill we are debating this afternoon.

[*Translation*]

Mr. Rossi: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I think my colleague for Hamilton East (Ms. Copps) is responding to the comments made by the Minister of National Health and Welfare (Mr. Epp).

The Acting Speaker (Mr. Charest): I would suggest to the Hon. Member for Bourassa (Mr. Rossi) that I have no intention of inflaming the debate. The reason I stepped in is precisely to avoid discussions from both sides on a matter that

is not relevant to the legislation as such, and I am doing this quite objectively, as much for this side of the House as for the other. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Thank you, Mr. Speaker. I would simply point out to the House that I was referring to the Canadian Oil Substitution Program, when the Minister rose on a fallacious point of order to interrupt me. Therefore, if you are here to interrupt me on different matters, that is your right, but you are simply chopping up my speech.

[*English*]

I can understand why government Members are a little jittery. At the same time, the Government is moving to cut the COSP and CHIP programs, we look to the Prime Minister's Office to see what kind of an example he is giving to the Canadian people. He is saying, "You cannot benefit from COSP because we are going to terminate it. But I can turn around and increase my own office budget by 57 per cent". He then has the nerve to say that it is a small percentage of the over-all Budget.

Mr. McDermid: Don Johnston said that.

Ms. Copps: I am sorry that the Hon. Member was not in the House when his Leader said it was a small percentage of the Budget. I realize he says so many things in so many places that it is very hard for him to remember what he said to whom, but I will tell you, Mr. Speaker, that the Canadian people feel that the activities of the Prime Minister and his Government are stretching credibility to the utmost. They tell the Canadian people to tighten their belts. They say, "We are chopping, we are cutting back on COSP and the child tax credit". They tell 55-year old Canadian workers, "We are cutting out your opportunity for unemployment insurance".

Mr. Epp (Provencher): On a point of order, Mr. Speaker. I apologize for always intervening, but the Hon. Member just used the words "child tax credit". I do not know if she knows what that credit is, but she will know from the consultation paper that there is an increase, and I wish she would stay with the facts.

The Acting Speaker (Mr. Charest): I regret that a couple of minutes ago I listened perhaps at too great a length to certain points of order. This is obviously a question of debate, and there will be a question and comment period after the speech made by the Hon. Member for Hamilton East (Ms. Copps). The Hon. Minister may participate in the debate at that time.

Mr. Taylor: How about talking about the Bill?

Ms. Copps: Mr. Speaker, I have been talking about the Bill for the last 20 minutes. What I have been saying is that this is another indication of the bad will of this Government. This Government was elected with a massive majority on the basis of promises that it was going to ensure the kind of Liberal programs which, by the admission of government Members here today, have worked. The Canadian Oil Substitution Program has worked. I urge government Members to rethink their decision to terminate this program. In doing so they are stretching the credibility of this Government at the very time when their Prime Minister is raising his own budget by 57 per cent.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that our Treasury bills today sold for 11.7 per cent for a three-month period. Does she also know that the savings to the Government on termination of COSP is $424 million between now and 1988? On the CHIP program, it is $376 million between now and 1988. Is it her view that we should increase the budget deficit and the burden on the children of Canada and their children as well as the home owners of Canada by darn near $1 billion in order to supply insulation and new furnaces for the relatively well off in this country? Is that the Liberal policy?

Ms. Copps: Mr. Speaker, I am really confused. The Hon. Member for Mississauga South (Mr. Blenkarn)—

Some Hon. Members: Hear, hear!

Ms. Copps: —exhibits an incredible ignorance of the intent of the COSP program if he is suggesting that the upfront cost of off-oil conversion is going to contribute to the deficit in the long term. On the contrary, the words of his colleague from Nepean-Carleton, and others who have spoken on this issue in the House, clearly demonstrate that this particular measure is going to save the Canadian taxpayer money in the long run. I am sorry if the Hon. Member can only see as far as the end of his fiscal nose for 1985. In the Liberal Party we are concerned with the long-term future of this country and our determination to live within our own means with our own resources with the kind of help that was given to us through the COSP program. If he cannot understand that, then he does not understand what conservation really is.

Mr. Blenkarn: Mr. Speaker, the Liberal Government spent $1.4 billion of taxpayers' money on these programs to the end of 1984. The return from income tax was about $300 million. The net increase in the deficit and the burden on the taxpayer was over $1 billion. Would she have us continue to borrow and borrow and borrow to assist the relatively affluent to reinsulate their homes and substitute new furnaces for old?

Ms. Copps: First of all, there is absolutely no evidence to suggest that the people who took advantage of this program were the affluent. In fact, the Energy, Mines and Resources documents show just the opposite. The Hon. Member's Government has just tabled the highest Estimates in the history of this country. His Prime Minister can find funds to increase his own office budget by 57 per cent. How can the Hon. Member sit there with a straight face and talk about the track record of previous Liberal Governments when his own Prime Minister is a disgrace to the Canadian people?

Mr. McDermid: Mr. Speaker, I always enjoy listening to the Hon. Member because the more she talks, the more her credibility disappears. I know the Hon. Member would not want to mislead the House deliberately. I know she would not want to do that. I just want to point out some facts to her from what she said today to show that she was really flirting with the truth when saying that the Government is not interested in conservation, renewable energy, or housing.

• (1620)

Let us just take one item from the new Estimates, for example. There will be $4 million in support of super energy efficient housing demonstrations, the R-2000 Program. As shown in the 1984-85 Estimates, the former Government did not even participate in that program. It did not have anything to do with it. With regard to transportation energy conservation, there will be $50,000 for a task force this year. There will be $16 million in support of the development and demonstration of new technologies related to renewable and non-conventional resources of energy conservation and oil substitution by conventional fuels. That was not even in the Liberal Budget. They did not even pay any attention to that. There will be $3.7 million in support of industrial energy research and development programs. That was not even in the Liberal Budget last year.

I can go on. There is $17.4 million in support of Atlantic provinces to assist industrial and commercial establishments and institutions to finance a portion of the capital investment in energy conservation. Do you want more? There is $20 million, double what is was last year, in support of organization to stimulate the use of biomass residue as a fuel in place of conventional fuels and to cogenerate electricity and heat.

So the facts and figures that the Hon. Member has been laying before the House this afternoon are completely inaccurate. The assumptions that she is making that the Government is not interested in conservation and is not doing anything about it are totally wrong. The facts are presented in the Budget Papers, Part III, Expenditure Plans of Energy, Mines and Resources. I would suggest that the Hon. Member should take time from her very busy schedule to read this, absorb it, and understand what is going on in energy conservation in the country today.

Ms. Copps: Mr. Speaker, I am sorry if the Member does not agree with the statistics that are presented by this own Department. Everything that I have read here today—and I would be very happy to table the document in the House—has come from the Government on the basis of its own statistical provisions.

I cannot believe that the Parliamentary Secretary would stand up in the House and brag about $50,000 that he and his Government are spending on a task force. I realize that government Members must have something to do. I understand why a number of them who do not have parliamentary secretaryships are very very frustrated. For the Parliamentary Secretary to stand up in the House and brag about the fact that he is going to blow $50,000 of the taxpayers' money on a task force to look at energy conservation across Canada, when we know the problems and solutions, is absolutely ludicrous.

I can see one way where the Government can make some savings. It has promised certain research into wind conservation energy. I think that by merely shutting up the Parliamentary Secretary, we could probably make a great saving in the area of wind energy conservation.

Mr. McDermid: Mr. Speaker, the only comment I have is that the credibility of the Hon. Member is rapidly going downhill. She might have been able to play those games in Ontario when she sat on the back-bench there in opposition. I think she has been in opposition far too long. She is getting an extremely warped outlook on life. Her whole 20 minutes speech was a negative diatribe of clichés that she has been using for I don't know how many years since she has been an elected official. If she had any positive suggestions on renewable energy, she would not be spreading around the falsehoods that she was today.

Ms. Copps: Mr. Speaker, a point of order.

Mr. McDermid: Well, Mr. Speaker, I make the point that—

Ms. Copps: Mr. Speaker, on a point of order. I do not believe it is parliamentary for him to suggest I am spreading falsehoods, and I would merely ask him to retract that.

Mr. Taylor: That is exactly what you were doing.

The Acting Speaker (Mr. Charest): Would the Parliamentary Secretary for the Minister of Energy, Mines and Resources (Mr. McDermid) consider maybe rephrasing the word used?

Mr. McDermid: Far be it from me to offend the Hon. Member for Hamilton East (Ms. Copps), Mr. Speaker. I will certainly withdraw that remark about spreading falsehoods. She accused the Government of not being interested in housing and conservation. The facts were laid out by myself this afternoon showing that the Government is very interested in that. For her to go around saying that it is not interested is not true. That is the point I am trying to make. The facts were presented this afternoon in the House of Commons very clearly.

I think the Hon. Member will admit that programs which are brought in by governments cannot last forever. There must be a sunset clause in programs. One of the problems within governments in Canada over the last number of years is that programs have been brought in and then forgotten about. They have not been assessed to see if they are doing what they were created to do. The programs that we are debating today in Bill C-24 have accomplished what they set out to do. There is no question about that. They have helped Canada to become more aware. The role of the Government today is to educate the people on how they can save money by converting on their own. Taxpayers of the country do not expect to be bribed with their own money to convert when they know they will make savings.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Ms. Copps: Mr. Speaker, I rise on a point of order. When I asked the Hon. Parliamentary Secretary to withdraw the words about the untruth of my statements, the Member for Duvernay (Mr. Della Noce) made a comment to the effect that the reason I was allowed to make the statements is that I am a woman. I would like the House to know, first and foremost, that I am a Member of the House. It is a question of privilege when a Member suggests that another Member is allowed to say or do certain things because of their gender. I ask that that particular Member withdraw his comment.

Mr. McDermid: They warned me what she would be like. I cannot say it's a total surprise.

The Acting Speaker (Mr. Charest): If the Member for Duvernay said that, I in the Chair did not hear it. If he did say it, it is unparliamentary. I will therefore reserve my decision on this matter. We will now, if you please, resume debate.

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, knowing the Hon. Member for Duvernay (Mr. Della Noce) as I do, if you were to ask him whether he did say that, I think he would withdraw the words like a gentleman.

[*English*]

Mr. Epp (Provencher): That's not the procedure.

The Acting Speaker (Mr. Charest): No, no, no. Order please. We will not debate the decision of the Chair. We will now resume debate. The Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I appreciate this opportunity to speak on Bill C-24. It has been remarked that Members on this side of the House may be jittery. Perhaps that is understandable after the last few minutes. We have been exposed, and I use my words carefully, Mr. Speaker, to a dubious cornucopia of half-truths, irrelevancies, and misrepresentations. I would call that speech a kitchen sink speech. I was intrigued with the Hon. Member's use of figures. It is astonishing that she was able to pause long enough to listen to people about their intentions about COSP. I will say nothing to criticize the Hon. Member's voting record which I admire greatly.

I do wish to say something about her use of words, and I think it is unfortunate that she is not here to absorb this. It is rather unfortunate that on the day on which the name of the new President of the Council on the Status of Women was announced the Hon. Member used the phrase "yeomen" when she described the householders of Canada. I think "yeowomen" would have been a much more appropriate use of the language.

I would like to offer to the House, Mr. Speaker, some actual figures on units converted under COSP so that the record may be set straight.

• (1630)

The provincial totals for units converted are as follows: Newfoundland, 26,500; Nova Scotia, 27,500; New Brunswick, 33,600; Prince Edward Island, 11,000; Quebec, 398,100; Ontario, 277,100; Manitoba, which the Hon. Member suggested was in the lead, was 24,400; Saskatchewan, 12,800; Alberta, 5,200 and British Columbia, 77,400. In the Territories there were 3,100 units converted.

It was suggested that the hard to reach areas of Saskatchewan and Alberta were and remain unserved by this program. I suggest that these areas have long since converted from liquid petroleum to either propane or natural gas, which is available in abundance even in the hard to reach areas of those two provinces.

Those of us who are long in the tooth, and remember the days of stoking a coal furnace are just delighted that natural gas is available in such abundance in this country as an alternative fuel. The original intention of the gas company of Alberta, Northwestern Utilities, which was the first to pipe natural gas to one of Canada's major cities, was that natural gas would be used only as a home heating fuel. There was no intention that it would be used industrially at that time, since it was long before the natural gas derivatives or the processes known to create the many byproducts from natural gas were developed.

I agree with my hon. friend, the Member for Nepean-Carleton (Mr. Tupper), when he remarked that energy conservation has become a matter that is now in vogue. At one time energy conservation was a technicality or a guilt trip as far as the Canadian consciousness is concerned. It has moved to the forefront of awareness, and I suggest that the major benefit of the two programs that are being terminated was to implant conservation in the consciousness of the Canadian public. Now it is time for Canadians to assume their responsibilities and realize their own economies and contribute to their own energy savings. Surely there is a great will among Canadians to do so.

I will return to the question of whether there is such a will and sufficient follow-through among our commercial and industrial users. Bill C-24 represents a substantial part of the Government's effort to reduce the monstrous deficit. Bill C-24 is an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Home Act. The thrust of the Bill is twofold: it provides for the termination of COSP on March 31 of this year and for the termination of CHIP on March 31 of next year by amending the two existing Acts.

In 1981-82, gas conversions represented 48 per cent of that year's COSP activity, electricity represented 36 per cent, while wood represented 14 per cent. In 1983 to 1984, gas conversions had decreased to 25 per cent of all activities and electricity had risen to 55 per cent.

Let me spend a few minutes evaluating the CHIP program. A major evaluation of the CHIP program, completed in August, 1983, showed that the program increased over-all conservation activity by approximately 30 per cent. Other findings were that about 37 per cent of CHIP users would have done nothing without the grant, and that the activity in each house had been cost effective, with an average of 17 per cent decrease in fuel consumption.

Unlike the COSP program, CHIP was used mostly by those who needed it most, that is, the poor, elderly and those heating with oil. The majority of those people have been reached by this program.

This evaluation also identified several operational problems in the computer system, monitoring and the application process for consumers. Those were subsequently corrected.

The volume of CHIP take-up varied sharply over its six and a half years of life. Many of the factors accounting for those changes included sharp fluctuations in international energy prices and public perceptions of both supply and price trends, the Government's deliberate changes in eligibility dates, program funding, the contribution formula and program criteria, as well as related moves by insulation contractors to promote CHIP, extending in some cases to excessively aggressive sales.

CHIP was approved by Cabinet in April of 1977 as an expansion of the earlier Home Insulation Program. The HIP program had been initiated in January of that year in the Provinces of Prince Edward Island and Nova Scotia to encourage home owners to reduce oil consumption for space heating as one means of offsetting the impact of higher electricity prices in those two areas. In October of 1980, the CHIP termination date was extended from 1984 to the end of 1987. Of course, on November 8 of last year, as part of the Government's deficit reduction exercise, CHIP's termination date was changed to March 31 of next year. CHIP and HIP were both delivered by CMHC since their inception. On April 1, 1981, full responsibility for finance, policy, promotion and monitoring was transferred to the Department of Energy, Mines and Resources. CMHC continued to process the applications, issue the cheques, provide inspection services for both quality and compliance control, and provide Energy, Mines and Resources with management information.

The delivery system includes a network of nine regional offices and a central management and application processing centre in Montreal. Energy Mines and Resources has been concerned with ensuring high quality work under CHIP and energy savings that will continue over the life of the dwellings in which conservation measures had been undertaken.

Programs of research, technology transfer, industry support, education and quality assurance were directed by the CHIP program within Energy Mines and Resources.

In 1983 and 1984, CHIP developed and implemented a new quality and program compliance assurance system. That included a new sampling plan in which inspections could be directed toward problem contractors, specific types of work and regions of the country along with new reports that allowed managers to review program performance. All inspectors doing CHIP work have been trained and tested to a recognized standard, and various inter agency management committees were created to oversee the performance of the quality assurance system.

I have mentioned that there were some requirements and needs in the commercial and industrial areas. One of the important vehicles of testing energy efficiency has been the energy bus program which has been performing in many of our provinces. In my Province of Alberta, for example, some 460 companies were surveyed and found to have some kind of insulation and conservation problems. However, the unfortunate gap is that they were not told how to correct these problems. There is a communication problem in this respect because these industries are very aware that their energy costs keep rising. However, they would like to have better information from government agencies precisely with respect to how those savings can be realized.

There is a program called the Consultant Advice Assistance Program. If that program were doing its job fully it would probably give some proper advice on how conservation could be carried out.

● (1640)

The momentum of which I spoke earlier is now behind the private sector to get busy and provide conservation measures in the commercial, industrial and residential areas. Private energy conservation consultant firms with extensive expertise in design, application and marketing of complete retrofit packages could have the proper input to formulate and guide the implementation of such programs after completing a study of the many and varied incentive programs currently producing positive results in other jurisdictions.

There are probably not a great many energy conservation consultants in the country. One argument often heard against the use of such consultants is: "We already know a lot more ways of saving energy at this plant than we have people or money to do something about". That argument is very real to many people—why heap up more money-saving ideas until something gets done about the ones we already know of?

The fact is that this argument really points out a pressing need for assistance. Priorities must be established and a defensible coherent program with clearly defined benefits needs to be sold to management of various private firms. Many plants and facilities need help, lots of help, in formulating energy conservation programs and expediting their implementation. The energy conservation consultant adds his special talents and qualifications to the abilities and skills of the people who have been working with the energy systems, processes and equipment for an extended time on a day to day basis. The energy conservation consultant is a professional and a specialist in the field of practical energy technology. He has participated in many plant energy studies and has developed unique and demanding skills. A good energy conservation consultant is also a good teacher. He will have no trade secrets. He will do his best to impart as much of his skills and

knowledge as he possibly can to the clients with whom he works.

As well, there is the element of objectivity. Being from outside an organization, the energy conservation consultant is free to find and express the best solutions to the energy problem without deference to long established opinions, company politics or ingrained management philosophies. To consultant, to be effective, must be diplomatic and must consider the feelings of other people.

The next element is credibility. If an expert is paid a few to come in, look at a problem and give a solution, his solution will be believed far more readily than an identical solution expressed by a long-time employee.

The next criterion is the question of concentration of effort. With the possible exception of a plant energy manager, no plant employees are free to devote their full, undivided attention and efforts exclusively to energy conservation for an extended period of time. Both the individual consultants and the firm with which they are associated should be dedicated to the concept of true professionalism. Professionals are dedicated to providing a necessary specialized service and will place the proper and effective conduct of their work ahead of all other considerations. Also, there are the elements of reputation and record, understanding of clients' problems, soundness and credibility of proposals.

Some organizations have offered free or very low-cost energy studies. After they gain access to the plant, it is found that they are really sales people promoting the application of an energy related product or service. This type of survey or plant study can be legitimate and be of benefit to the plant or facilities if the firm offering the service clearly states the purpose and limitations of the work to be performed.

It is entirely possible that the momentum provided by CHIP and COSP, but CHIP in particular, will now give a consciousness to the people of Canada, plant managers and owners, as well as householders, to turn to private energy conservation consultants who efficiently, thoroughly and honourably can now tackle the conservation challenge before us. It is a substantial challenge. I submit that this is an area in which a tremendous number of jobs can be generated. I have had a study done as to what a $1 million investment could do over a period of six years. The returns over a six-year period, starting in 1985 and carrying through to 1990, on a $1 million investment would be in excess of $3 million. The value of exporting our products, the value of expenditure avoidance and the tremendous value of all the energy saved or consumption avoidance, translate to more energy and resources for the future. Such a program could remove 48 people from UIC or the welfare rolls, and to train them would cost approximately $1,680,000, plus the cost of finding employment. I submit that this would be a wise investment.

I should like to return for a moment to the question of COSP and whether it in fact achieved its objectives. Results among the provinces vary greatly. Some provinces show an extraordinary success rate due to such factors as aggressive marketing by the utilities. For example, Manitoba achieved 147 per cent of its three-year target. On the other hand, Nova Scotia reached only 59 per cent of its three-year target because the natural gas pipeline expected in the Maritimes had not been built. The Provinces of Newfoundland and Prince Edward Island, as well as Yukon and the Northwest Territories, were allowed special provisions because of the lack of alternatives to oil heating. In those areas, conservation measures such as insulation, draught proofing and the improvement of existing oil systems were eligible for grants under COSP. As a result, Newfoundland achieved 115 per cent of its three-year target, P.E.I. achieved 90 per cent, and the Territories achieved 100 per cent. All together, conservation measures account for approximately 5 per cent of national COSP activity.

The rate of conversion to the various alternative energy sources has changed throughout the program. In 1981-82, gas conversions represented 48 per cent of that year's COSP activity, electricity was 36 per cent, while wood represented 14 per cent. In 1983-84, gas conversions had decreased to 25 per cent of all activity, and electricity had risen to 55 per cent. This decline in gas conversion is partly accounted for by a decline in conversions in the Province of Ontario. In 1981-82, conversions in Ontario accounted for 43 per cent of all conversions done in that year. By 1983-84, Ontario's share had declined to 20 per cent. Furthermore, within the province, gas conversions accounted for 63 per cent of activity in 1981-82, but it dropped to 43 per cent in 1983-84. Interestingly enough, nationally wood has accounted for 22 per cent of all COSP activity. A great majority of those conversions were made in rural areas by householders with access to cheap wood fuel and with a lifestyle that accepted the extra tasks involved in heating with wood.

As has been said earlier in the debate, the key thrust of the amendments in this Bill is to wind up programs which seem to have achieved their initial objectives and which have given momentum to other initiatives that could be done by the private sector in years to come. Beyond that and overriding that consideration, the vital contribution of this Bill is to assist in reducing the greatest burden upon, as my hon. friend said, our children and our children's children, in other words, relieving the deficit which besets our nation.

Mr. Baker: Mr. Speaker, I congratulate the Hon. Member on his speech and I want to ask him a specific question about Alberta, since he took interest in another subject matter before the House concerning Newfoundland and expressed his support for the proposal which the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) and myself were proposing as far as the CBC cuts were concerned.

● (1650)

Being from Alberta, the Hon. Member is obviously very concerned about the future of that province and the number of jobs in that province as they relate to the oil industry. When we look at the total output of refineries in the Province of Alberta, we see a steady decline over the last several years. That decline has led to conversions within those oil refineries

to different types of products. Generally speaking, they are getting away from production of home heating fuels. Due to the policy of the provincial Government, we have also seen a drastic increase in the petrochemical industry in that province. Would the Hon. Member say that the energy conversion program had a considerable amount or a small amount to do with the requirement for heating oil and its incredible decline in Canada over the last several years? Does he think that they are both interrelated?

Mr. Edwards: Mr. Speaker, I appreciate the Hon. Member's comments and his question. As I understand the question, it is whether the conversions of the end products of the Alberta refineries and the emphasis on petrochemical priorities have to do with the reduction in supply of home heating oil and whether that somehow relates to this over-all question.

I believe that the reduction in the production of home heating oil out of Alberta refineries relates more to the decline in demand in the markets readily available to those refineries. If the Hon. Member and I were to check, I believe we would discover that the production of home heating fuel declined rather more rapidly in Alberta than it did in other refineries, for example refineries in the Provinces of Ontario and Quebec. I believe there may indeed be some relationship of decline in demand in accessible markets.

Mr. Baker: Mr. Speaker, I have a supplementary question. The figures really do not lie as far as the output of oil refineries in Canada is concerned and the total consumption in each province of Canada and the products from the oil refineries. Does the Hon. Member see a steady decline in the production of refined oil in the Province of Alberta, as has been the case over the past several years, or does he agree with the recent report of the National Energy Board which stated that demand would reverse itself into a 1 per cent increase over the next several years? Does he think there is any end to the slide of demand for oil-related products out of the Province of Alberta and its refineries?

Mr. Edwards: Mr. Speaker, I appreciate the thrust of that question. I understand from discussions that I have had the privilege of engaging in with representatives of the industry, the federal Department and personnel of the Alberta Government that there is general agreement with the predictions of the National Energy Board that there will be a reversal and that their projections of a gradual increase will, in fact, be borne out.

Mr. Parry: Mr. Speaker, I would like to ask the Hon. Member to give us his assessment of the effect on the country's oil import bill and also his assessment of the effect on equilization payments to those provinces using imported oil that will be caused by the withdrawal of the COSP and CHIP programs.

Mr. Edwards: Mr. Speaker, that information is probably available. I do not have it readily at hand. My belief, as I said in my remarks, is that there will be an increased momentum in off-oil conversion and there will be an increase in home insulation and commercial and industrial insulation because of the real and genuine economies that people are now well aware they can achieve by engaging in those conversions and in those retrofits.

Mr. Parry: Mr. Speaker, I have a supplementary question. Let me assure the Hon. Member that I did not expect him to provide numerical answers to the question about the oil import bill or the equalization payments bill. There is only one thing worse than those who merely spout statistics in this Chamber, that is, to alternate those who alternate between statistics and invective. Can the Hon. Member give me some examples of the effect which he predicts will take place, namely that by the withdrawal of a subsidy or economic stimulus activity will be enhanced? I would like to hear an example of a similar case in which that sort of thing happened.

Mr. Edwards: Mr. Speaker, I promise there will be no invective from this chair in the House. There may be some editorial comment, but no invective.

I rather expect that there will be some effect temporarily upon oil imports. There will be some effect temporarily on the question of equalization payments. However, I would not expect, and I concede this is guesswork, that there would be a lasting effect. Nor do I believe it would be very deep or severe.

Mr. Parry: Mr. Speaker, if I may, I would just like to clarify to the Hon. Member that I certainly did not have him in mind when I made the reference to those whose speeches are composed of equal parts of statistics and invective, but rather the Member who just caught the plane out of here or will be doing so in a couple of minutes. I have a final supplementary for the Hon. Member. What effect does he think the withdrawal of these subsidies will have on employment in this country?

The Acting Speaker (Mr. Charest): I'm sorry, but the period for questions and comments is now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Burnaby (Mr. Robinson)—Canadian Security Intelligence Service (a) Size of budget (b) Service's accountability; the Hon. Member for Gander-Twillingate (Mr. Baker)—Energy (a) Federal Newfoundland agreement (b) Government position.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Stackhouse: Mr. Speaker, I rise on a point of order. Earlier in this session I introduced a Bill, now on the Order Paper as No. 59. I now seek the indulgence of the House to switch that with a motion of which I gave notice two weeks ago. The motion is No. 173. I would greatly appreciate the indulgence of the House.

The Acting Speaker (Mr. Charest): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Is there unanimous consent that the House proceed to Item No. 37?

Some Hon. Members: Agreed.

* * *

● (1700)

RIGHT HON. JOHN G. DIEFENBAKER

SUGGESTED ERECTION OF STATUE ON PARLIAMENT HILL

Mrs. Pauline Browes (Scarborough Centre) moved:

That, in the opinion of this House, the government should consider the advisability of honoring the memory of the Right Honourable John G. Diefenbaker by commissioning a statue of him to be placed on Parliament Hill.

She said: Mr. Speaker, each day in the House of Commons, Members of Parliament address issues which affect the administration of the Government of Canada. The future course of Canada is the business of this Chamber as elected representatives from all three Parties work together to build a better nation. However, it may be necessary from time to time to pause in our deliberations in order to look back and take action on an issue which may not be at the top of our agenda today but which nevertheless has great significance for Canada.

I rise this day to speak on such an issue and in so doing to attempt to correct a certain historial oversight which to some degree does not do justice to the memory of a man who was a giant in his time, a western Canadian with a truly national vision and the thirteenth Prime Minister of Canada, the late Right Hon. John George Diefenbaker.

Some Hon. Members: Hear, hear!

Mrs. Browes: Mr. Speaker, it has been the custom of the Parliament of Canada to commission statues of great Canadian leader and to place the monuments on the grounds of Parliament Hill. As my colleagues here may be aware, no less than 11 monuments are located on Parliament Hill at present. These monuments are dedicated to the memory of great Canadians as well as one dedictated to our reigning monarch at the time of Confederation, Queen Victoria.

Other persons so honoured include Sir Louis Lafontaine and Robert Baldwin who as joint Premiers of United Canada formed the great Ministry of 1848 to 1851 which successfully established into practice the principle of responsible government in Canada. George Brown, publisher and founder of a national newspaper in Canada who was Reform leader in Upper Canada during the 1850s is also so honoured. He went on to play a leading role at the Charlottetown and Quebec conferences on Confederation.

Also honoured is Sir Georges Cartier who played a conspicuous role in the movement toward Confederation. He was joint premier in the Macdonald-Cartier administration of 1858-1862 and conducted the key negotiations by which French Canada accepted the federation proposals. As well, we have Sir John A. Macdonald the first Prime Minister of the Dominion of Canada who worked to complete political unification and economic integration with the remaining territories of British North America during his many years in office.

There are others so honoured including Thomas D'Arcy McGee, a noted poet, journalist, politician and father of Confederation who unfortunately was assassinated at his home on Sparks Street in 1868. As well, Alexander Mackenzie is included. He was Prime Minister from 1873 to 1878 and formed the first Liberal administration of the Dominion of Canada. Also honoured is Sir Wilfrid Laurier, our distinguished Prime Minister from 1896 to 1911, who gave the new Dominion a respected and independent voice in the British Empire. He worked to transcend differences in race and religion as Canada welcomed waves of immigrants to its shores.

Included as well is Sir Robert Borden, Prime Minister from 1911 to 1920. He was a devoted and courageous wartime leader who led Canadians to accept their new-found international responsibilities. Through his efforts, Canadian nationalism flourished as our nation sat as an independent power at peace talks and secured its rightful place in the League of Nations. Finally, Mackenzie King is also honoured. He was Canada's longest serving Prime Minister and led our nation through six long years of the Second World War. In so doing, he lay the foundation for Canada's post-war prosperity.

These distinguished founders and leaders of our nation are justly honoured with a permanent place on the grounds of Parliament Hill, the bronze image of each standing as eloquent testimony to a lifetime of achievement and dedication to Canada. No Canadian would deny these fine Canadians such an honour. Recognition of their achievement transcends partisan considerations. They are quite simply among the best leaders our nation has produced. I submit that to this history should be added the name of a certain contemporary leader of Canada, a man with vision equal to that of those 10 aforemen-

tioned individuals, a man whose life was Parliament and whose Government significantly advanced the cause of freedom and prosperity for all Canadians.

I ask that Members of Parliament join with me on this motion requesting that a statue on Parliament Hill be commissioned forthwith in rightful honour of Canada's thirteenth Prime Minister, the Right Hon. John Diefenbaker.

Some Hon. Members: Hear, hear!

Mrs. Browes: John Diefenbaker was Prime Minister at a time when Canada was on the threshold of emerging greatness. His initiatives were the force which propelled Canada to that greatness. His inspiration was a vision of Canada unique to the times: an understanding that Canada's strength lay in her richness of land and resources.

Among some Diefenbaker initiatives were the construction of the South Saskatchewan dam, the development of hydro-electric power in the maritime provinces, massive sales of wheat to China, and the introduction of the Roads to Resources Program designed to open new regions for the development of mineral and energy resources.

Prime Minister Diefenbaker reached the pinnacle of his career with the introduction and passage of the Canadian Bill of Rights in 1960. For the first time, a written statute set out the fundamental freedoms and rights of individual Canadians which must be respected under federal law. It was a crowning piece of legislation, the quality of which was an indication of the magnitude of the pride and dedication to duty of this late great man.

A mere listing of accomplishments, however distinguished they may be, is not an adequate indication of the significant force John Diefenbaker exerted over the collective character of all Canadians. It was the man's oratory, the power of his words, which captivated the imagination of the people of Canada and earned the respect of parliamentarians in this great Chamber. His words and speeches revealed great pride and strength of spirit.

Mr. Diefenbaker once said that there were three speeches of which he was particularly proud. The first was his denunciation in Parliament of the internment of Canadians of Japanese descent during the Second World War, in which he thundered:

> There are no hyphenated Canadians!

The second of these was his speech made at Dartmouth College, New Hampshire, in 1957, in which he outlined the greater issues of Anglo-Canadian-American relations. The third was his address to the United Nations General Assembly in 1960 in which he demanded freedom for Russian satellite countries in eastern Europe which were subjugated by the Soviets.

• (1710)

It is a telling measure of Mr. Diefenbaker that he claimed these three speeches to be his most memorable. He was a man for whom principle stood ahead of all else. He was a national leader for whom key international issues were the yeardstick of Canada's emergent stature in the world.

Dozens of notable quotations exist which give further evidence of the extraordinary character of this unique Canadian leader. "We have an appointment with destiny", he often declared in speeches during the 1957 election campaign. With this simple phrase, John Diefenbaker expressed his optimistic vision for Canada, as well as his own personal vision, to become Prime Minister and lead Canada to that destiny.

"There are more votes on Main Street than Bay Street!", was his rallying cry during the 1958 general election. It was John Diefenbaker's reminder that the interests of everyday Canadians should be a politician's first consideration.

He said:

> Bilingualism and biculturalism are facts of Canadian life that cannot—and should not—be hidden or avoided.

John Diefenbaker wrote that in 1964 with the sincerity and wisdom of a man who had served as Prime Minister of all Canadians, of all regions and of all provinces.

"I don't campaign, I just visit with the people", John Diefenbaker declared in 1965, reflecting the ease of manner by which he met and spoke with Canadians during his travels.

There are many more quotations, among which the following portray John Diefenbaker at his most basic and revealing self:

> "The secret of freedom is a brave heart." It was true when Pericles uttered those words and it is true today.
>
> Parliament is a place honoured by tradition and hallowed by the greatness of its history.
>
> My basic social philosophy is that governments should not forget the average man and woman.
>
> I stand today as I have always stood, for principle: Freedom and equality for all Canadians, however humble their lot in life, and whatever their racial origin. One Canada, One Nation.

Finally, from a speech in reference to the Bill of Rights, delivered in the House of Commons on July 1, 1960, the Right Hon. John Diefenbaker intoned:

> I am a Canadian, a free Canadian, free to speak without fear, free to workship God in my own way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and mankind.

It is fitting that these particular words should echo once more off the stone walls and high ceilings of this House of Commons. John Diefenbaker lived for this House, and he lived for the principles I have just quoted.

If his benevolent spirit should still occuppy this Chamber, let it bear witness that this Thirty-Third Parliament of Canada did act to immortalize in bronze the living image of our thirteenth Prime Minister, the Late Right Hon. John George Diefenbaker.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, the Hon. Member has proposed a very interesting motion. In fact, there are statues of a number of our Prime Ministers on or near

Parliament Hill. Sir John A. Macdonald, Alexander Mackenzie, Sir Wilfrid Laurier, Sir Robert Borden and Mackenzie King all have statues near the Parliament Buildings. However, Louis St. Laurent, in keeping with his reputation as a great barrister and a great Minister of Justice, keeps watch outside the Supreme Court Building.

The rather compelling statue of Sir John A. Macdonald stands outside the Senate. It is unique in that he is depicted as holding his spectacles. I am told that the Department of Public Works is called upon from time to time to replace those spectacles, the disappearance of which is usually ascribed to over-enthusiasm by young scholars.

Sir Wilfrid Laurier looks down on Confederation Square. With the assistance of a hidden heating pipe tunnel, it is at his feet that Ottawa sees the first crocuses of spring.

The rather impressionistic statue of Mackenzie King is suitably placed near the Cabinet Room, in the Privy Council Chamber of the East Block, over which he presided and ruled as Prime Minister for many, many years.

Other statues on the Hill include George Brown, who was the first Liberal Leader. He would probably be distressed if he could read the present editorial line of the newspaper he founded. He is joined by Thomas D'Arcy McGee, who, like George Brown, was a Father of Confederation. Both of those gentlemen were tragically murdered because of the controversy over the roles they played in the public life of this country.

A number of years ago, a statue of the Conservative Prime Minister R. B. Bennett was commissioned, but it has never seen the light of day. I am told that this is because John Diefenbaker was once given the opportunity to view the work and his reaction was said to have been most unparliamentary. Perhaps one result of the Hon. Member's motion is that we will have a chance to look at the statue of Mr. Bennett and to apply our own judgment and see whether it is consistent with that of Mr. Diefenbaker.

There are a number of Prime Ministers who do not have statues on or near Parliament Hill; Mr. Diefenbaker is not the only one. Sir John Abbott and Sir Mackenzie Bowell were the only two Prime Ministers who served in that capacity as members of the Senate. Strangely enough, in view of the present controversy, both of those gentlemen were Conservatives.

There was also Sir John Thompson from Nova Scotia, who, before he entered Parliament, was the very distinguished Chief Justice of Nova Scotia. His sudden death in 1894 occurred dramatically at Windsor Castle, just after he had been knighted by the Queen.

As I previously said, none of these Prime Ministers are represented by statues on Parliament Hill. Also, there is not a statue of Mr. Diefenbaker's great hero, Arthur Meighen, nor of Mr. Diefenbaker's nemesis, Lester B. Pearson.

John Diefenbaker was unique as Prime Minister in that he remained in Parliament long after he ceased to lead his Party. He was never content merely to play the role of elder statesman. To the end, he was a very active protagonist. Indeed, he was always a great subject for political cartoonists. The last great cartoon when he was living concerned his impatience at the small role which was assigned to him in the 1979 general election.

I do not think he would be upset to hear it said that his career was essentially that of a parliamentarian, and only incidentally, but no less importantly, was it that of Prime Minister. Mr. Diefenbaker survived to live his own legend. Everyone who knew him well and listened to his yarns could almost predict which one would be next. Sometimes one knew that his stories were not always precisely accurate. But no one could ever dispute that they grew better in his telling. For example, when Prime Minister Trudeau asked Mr. Diefenbaker to share his private cabin on a plane to the Queen's Jubilee in 1977, the older man accepted readily, and after the trip when he was queried about how he could travel with a Liberal, he shot back, "Politics make strange bedfellows".

• (1720)

There is no doubt, Mr. Speaker, that Mr. Diefenbaker was a very distinguished Canadian. He deserves a statue on Parliament Hill. I would also call upon the Government to consider the advisability of erecting statues of all our Prime Ministers. Also, if we are to erect statues of Prime Ministers other than in the order in which they served, I think we should consider a statue of Mr. Diefenbaker's contemporary, Mr. Lester B. Pearson.

We do not do enough to perpetuate the memory of our great men and women, especially those who have served in public life. Statues are a tribute to those they depict. They also serve as a reminder to generations of Canadians of their past leaders and their contributions to the building of our country.

I support this motion, Mr. Speaker. I also hope that it will serve as a surrogate, as a reminder to the Government of the value of recognizing with statues on or near Parliament Hill the lives and contributions of all our Prime Ministers.

In supporting this motion, I am certainly pleased to join in its essential appeal, that of a request to recognize a great Prime Minister and a great Canadian, someone whom I had the privilege of coming to know in my earlier years in this House. This is a worthy motion. It deserves support not only for what it says about the need to recognize John Diefenbaker but the way in which it helps us to remember the importance of recognizing all our Prime Ministers, and in fact all the great men and women who have done so much to build our country for ourselves and for future generations.

Some Hon. Members: Hear, hear!

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am very pleased to rise to speak on this motion. This is the first opportunity I have had to address this House at length and I want to say that it is a great honour and a thrill for me to be in this House, as well as to speak on a subject which has always been of interest to me.

I would like to take this opportunity to thank the people of the riding of Niagara Falls. The riding of Niagara Falls consists of the City of Niagara Falls and the Town of Niagara-on-the-Lake. As many Hon. Members of this Chamber are aware, the Town of Niagara-on-the-Lake was the first capital of Upper Canada. Those of us who originate from that part of the country are proud that this is where many of our freedoms began. The late John Diefenbaker told me of my predecessors that Niagara-on-the-Lake was also the northern terminal for the underground railroad, so to black slaves who were escaping from the south, Niagara-on-the-Lake represented the place where their freedom could begin. In addition, Mr. Speaker, I am also very proud to say that I was born in the City of Niagara Falls, the world's most famous address and the number one tourist attraction in this hemisphere.

The Niagara Falls riding, Mr. Speaker, has a broad industrial base and is also the place where most of this country's tender fruit production originates. The late John Diefenbaker recognized the multicultural dimensions of this country. The riding of Niagara Falls is no exception to that dimension. Those who came and settled in the Niagara Peninsula continue to be very proud of their heritage, just as I, too, am proud to say that I am descended from Scottish immigrants who originally settled in Cape Breton Island.

In speaking to this motion, I am reminded of the fact that during most of Mr. Diefenbaker's tenure as Prime Minister and his term as Opposition Leader, Niagara Falls was represented by a distinguished Member of this Chamber, the Hon. Judy LaMarsh. Though she and Mr. Diefenbaker came from different political Parties and differed on many issues, I am sure that their commitments to human rights and equality ensured that they had at least a private admiration for each other.

I am also proud to say, Mr. Speaker, that I succeed two members of my own Party who also represented the constituency of Niagara Falls. I am referring to Mr. Joe Hueglin and Mr. Jake Froese, who served in the Twenty-ninth and Thirty-first Parliaments respectively. Both men have impressed me over the years with their dedication to Canada and I know they continue to be missed by their colleagues who served with them in this House.

My association with and admiration for the late John Diefenbaker goes back to the early 1960s when I was a small boy. My parents, Mr. and Mrs. Robert Nicholson Senior, and my teacher, Mrs. Dorothy Gordon, encouraged me to learn and be aware of the issues that were facing Canada. At that time I was struck by the sincerity of Prime Minister John Diefenbaker and his commitment to the farmers, the fishermen and the minorities of Canada. I was moved to the point that in 1963 at the age of 11, I wrote to Mr. Diefenbaker wishing him well and letting him know that I had started a fan club in his name. He replied with a letter of thanks and a picture, which presently hangs in my office. I am sure he might have been able to guess that at that moment a life-long Tory was born. From those initial impressions I had of Canada's thirteenth Prime Minister, I continued to take interest in his actions, his words, and his career. That man's lifelong commitment to human rights has compelled me to speak out on his behalf this afternoon.

It is appropriate, Mr. Speaker, that our present Government is concerned with the past internment of Japanese Canadians during World War II. It will always be to Mr. Diefenbaker's credit that he stood up to be counted among those who opposed that internment. Mr. Diefenbaker was an individual who from the earliest times of his career as a prairie lawyer opposed discrimination, among other things, on the basis of race or colour. It is little wonder, therefore, that in 1960, as Prime Minister, he concluded that this country could not support the reapplication to the Commonwealth of the Republic of South Africa. Writers at the time and since have credited his action for preserving the Commonwealth and continuing it as the great institution it is in Canadian life. I was very pleased, therefore, to observe in recent days our new Prime Minister's commitment to the Commonwealth through continued aid to our Caribbean partners. I am sure "the Chief" would have approved.

Mr. Diefenbaker's Government should be noted for the new ground it broke in a number of different areas. The appointment of Mrs. Ellen Fairclough in 1957 as Minister of Immigration was the first time a woman had been appointed to the federal Cabinet. Mr. Diefenbaker also appointed the first woman ambassador in this country's history in the person of Margaret Meagher. The appointment of Mr. James Gladstone made him the first native Canadian to be appointed to the Senate. I am also proud that it was John Diefenbaker who initiated the first appointment of a Canadian of French descent as Governor General. The fact that this Chamber became one which included simultaneous translation of French and English under Mr. Diefenbaker's Government is something from which we can all take pride.

Some Hon. Members: Hear, hear!

Mr. Nicholson: In addition, his Government took great strides forward in the area of voting rights. It is hard for me to believe that at one time in Canada natives residing on reservations were denied the right to vote. I would like to quote from Mr. Diefenbaker's comments in the Throne Speech of January 18, 1960:

> The other measure, the provision to give Indians the vote, is one of those steps which will have an effect everywhere in the world—for the reason that wherever I went last year on the occasion of my trip to Commonwealth countries, it was brought to my attention that in Canada the original people within our country, excepting for a qualified class, were denied the right to vote. I say that so far as this long overdue measure is concerned, it will remove everywhere in the world any suggestion that colour or race places any citizen in our country in a lower category than the other citizens of our country.

● (1730)

The measure that finally gave the right to vote to all Canadians without exception was proclaimed into law by amendments to the Indian Act and the Elections Act on Dominion Day, July 1, 1960.

It should be noted as well that Mr. Diefenbaker's commitment to freedom and human rights extended beyond the borders of Canada and the Commonwealth of nations. He had a deep faith in the United Nations and saw its potential for enhancing human rights throughout the world. In his 1960 address to that body, he told the world that freedom and democracy were not and should not be the exclusive property of countries as fortunate as Canada. Freedom, he said, belonged to the people of Eastern Europe as well. In campaigning for this office last summer I found it significant that so many people of Eastern European origin reminded me of Mr. Diefenbaker's commitment to their homelands.

Finally, I would like to discuss the document that I know Mr. Diefenbaker considered his greatest achievement, namely, the Canadian Bill of rights. This document was the expression of his lifelong commitment to freedom from the time of his election as leader of the Saskatchewan Conservative Party in 1936, until its realization in 1960. On introducing that legislation he said:

> The cynics will say it does not go far enough; it is a first step. As the Chinese say, every journey by mankind, even a journey over a thousand years, begins with just one step taken by some individual who sees the possibilities for the future and tries to make it possible to equalize the opportunities for those of his own generation. The Bill will not do everything, but I do think fairminded Canadians will agree that is a major step forward.

Fittingly, he moved second reading of the Bill on Dominion Day, and it became the law of the land on August 10, 1960.

I am reminded of an incident that occurred during my recent election campaign, Mr. Speaker. During an all candidates' debate, I had just completed my remarks when I was told by someone in the audience, in an accusatory fashion, "That's all well and good, but you have to remember, Mr. Nicholson, that you are a part of the same Party as John Diefenbaker". I told the truth then, Mr. Speaker, as I tell this Chamber the truth today: There are very few things in my life of which I am more proud than to say I am a member of the Party of the late John George Diefenbaker.

Some Hon. Members: Hear, hear!

Mr. Nicholson: I believe it has always been appropriate that we in Canada have honoured those Prime Ministers who have served their country well. I know Canadians were pleased when Toronto International Airport was renamed in honour of the late Lester B. Pearson. I known many Canadians can take pride in the fact that a statue to Louis St. Laurent resides at the Supreme Court of Canada. I also know this: there is no stamp that could be issued, no park that could be dedicated, no building that could be renamed, no honour that could be bestowed that would give the late John Diefenbaker more satisfaction than to have his statue erected here on Parliament Hill, outside the institution that he so loved and to which he dedicated his life.

I would ask that this House give unanimous approval to this motion, that we give to Mr. Diefenbaker the recognition and the expression of thanks for all that he has said and done in favour of Canadians.

Some Hon. Members: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, take great pleasure in rising on behalf of my colleagues in the New Democratic Party to support the motion in front of us today. I think all Members of this House, regardless of political Party, will recognize the tremendous contribution that the Right Hon. John George Diefenbaker made to the history and life of this country and this House of Commons.

It is particularly important for me to rise in my seat since it appears that I am the only representative from the Province of Saskatchewan to speak this afternoon on this resolution. John Diefenbaker remains a hero in Saskatchewan. He is of a period of time which saw several political greats coming out of my home Province of Saskatchewan. The Liberal Party had Mr. Jimmy Gardiner, the Conservative Party had John Diefenbaker, and the New Democratic Party, or the CCF at that time, of course, had Tommy Douglas. Mr. Diefenbaker and Mr. Douglas particularly, were great orators and tremendous politicians. I would say that Jimmy Gardiner was also a great politician. It was a type of politics that was unique in its time and place. All three of these outstanding politicians had within them that prairie populism, tremendous oratory and tremendous parliamentary debating skills. They all had a good sense of humour. It was a type of politics which I do not think we see today, and I doubt if ever again we will see people of the calibre of the great men we saw back then.

When I rise in my seat in support of this resolution, I speak not only on behalf of my colleagues in the NDP, but I think I speak on behalf of all the people of the Province of Saskatchewan in urging the House to adopt this motion. We in Saskatchewan consider John Diefenbaker one of our own. His family moved to Saskatchewan in 1903. He must have been around eight or nine years old at that time and he lived in Saskatchewan all his life thereafter, mainly residing in Saskatoon. He attended the University of Saskatchewan, achieving his BA in 1915, his Masters in 1916 and his law degree in 1919. He saw service overseas and in fact became the first Prime Minister to have been on active duty with the Canadian forces overseas. He became an outstanding lawyer in the Province of Saskatchewan. Even today you hear stories from men and women in Saskatchewan who remember him dealing with court cases in our province.

Through that time he must have developed a tremendous sense of the importance of the rule of law and of fair treatment. He generally defended the underdog, and he was quite successful as a lawyer. He defended some 20 murder cases and saved quite a few men from the gallows. It is perhaps as a result of his experience that he became such a strong opponent of capital punishment. As a lawyer in Saskatchewan, he defended schools which were teaching French. At that time there was strong anti-French feeling in and about parts of Saskatchewan and he was a strong defender of those individual rights.

His political experience was at first not all that successful. He tried getting elected for some 15 years, running in federal and provincial elections, and was even defeated by a few votes,

I understand, when running for the office of mayor of Prince Albert. He was first elected in 1940 in the old constituency of Lake Centre. Just to add a personal note, Mr. Speaker, in the election of 1949 he ran in that seat defeating my uncle, Donald Arthur MacRae. My uncle's wife, Marguerite MacRae, was a cousin to my father, and it was that family which sponsored us to come to Canada. Arthur MacRae ran third for the Liberals and Mr. Diefenbaker won the election.

Of course I am sure all Members of this House know that in 1957 he formed the first Conservative Government in 22 years, and then in 1958 led the Conservative Party to a resounding and historic victory.

● (1740)

John Diefenbaker was a prairie populist. Someone even called him a prairie radical. He experienced the depressions and hardships that the prairie people experienced during the Great Depression. He was a great advocate for the little people, the common people. He saw how the vested interests of the country, particularly those on Bay Street, robbed the farmers and workers of their property and dignity. He was a great champion of those ordinary people. He had a deep sense of dignity and human justice and freedom. As such, we see the types of legislation that the Diefenbaker Government introduced. The Charter of Rights and some of the best social legislation in the country came from the Diefenbaker Government.

The Province of Saskatchewan has honoured John Diefenbaker in a variety of ways. The original sod homestead was moved and is now situated on the legislative grounds in Regina. There is a bust of the Hon. John George Diefenbaker in the rotunda of the legislative building. This was done by Saskatchewan NDP and Liberal Governments because we consider John Diefenbaker to be one of our own.

I think it would be fitting to have a statue of Prime Minister John Diefenbaker on the Parliament Hill grounds. I concur with the former speaker from the Liberal Party that we should also have statues of the other Prime Ministers, particularly that of Mike Pearson because he also made a tremendous contribution to Canada. I think a statue of John Diefenbaker on the grounds of Parliament Hill would be a reminder to present and future Members of Parliament and future Governments, whether Conservative, Liberal or New Democratic, that he was a man who stood four-square for certain basic principles of human dignity, human freedom and human justice. His concern for the unfortunate, the weak, and minorities should be a reminder in future years to Members of Parliaments and Governments yet to come.

I support this motion, Mr. Speaker. I think it is fitting for us to have such a statue. One often talks about the ghost of John Diefenbaker and how this man has affected so many people's lives, particularly in the Province of Saskatchewan. You cannot go anywhere in Saskatchewan without hearing a story related to John Diefenbaker. I too have my little stories and experiences of John Diefenbaker. I mentioned one. The person who sponsored my family to Canada was the unsuccessful Liberal candidate running against John Diefenbaker in the riding of Lake Centre in 1949.

I remember as a youngster listening to John Diefenbaker in 1956 and in the 1957 election campaign in the Regina stadium. I listened to his full oratory. Even though I was a committed CCFer at that tender age, I still went to listen to this great orator deliver his thunderous speech and his damnation of those damn Liberals and damn interests on Bay Street. I was impressed then and am still impressed, Mr. Speaker. I hope members of the Conservative Party are still impressed with those damn interests on Bay Street.

The other little item came later in life. I met the good woman whom I had the great sense to marry, Lynda Pallen, through the press officer in charge of the train that carried the body of Mr. Diefenbaker back home to Saskatchewan.

Even though I only shook the man's hand once after that rally in Regina during the 1957 election, his ghost has touched me. I was just an immigrant boy in the Province of Saskatchewan, having moved there in 1951. Yet his influence and personality touched me in different ways, even though indirectly.

It is an honour for me to rise on behalf of my Party and of the people of Saskatchewan to urge that this Parliament accept this motion and urge the Government to act on this motion so that in the very near future we will have a fitting statue in memory of a great Canadian Prime Minister, John George Diefenbaker.

Some Hon. Members: Hear, hear!

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I rise today with great pride and pleasure to speak for the first time in support of the motion before the House. I want to tell the House how proud and honoured I am to represent all the people in Saskatoon East. I chose to speak on this particular motion in support of my hon. colleague from Scarborough Centre (Mrs. Browes) because it is a subject of deep significance to me, both as a Saskatchewan native and as a Canadian.

In light of the late Right Hon. John Diefenbaker's great contribution to Canada and Canadians, a statue in his honour is long overdue on Parliament Hill. I hope this will not be the last tribute we pay to this man because the country owes him a great deal. As the Member of Parliament for Saskatoon East, I have a strong affinity with Mr. Diefenbaker, as do the majority of my constituents. He was the only Prime Minister from my province, having been raised and educated there. As you know, he came from eastern Canada and settled in Saskatchewan in his early youth. He obtained his education at the University of Saskatchewan, as did I, which is the focal point of my constituency of Saskatoon East. He dedicated his whole life to representing the people of the Prairies in his legal and political career because he was, as is so often pointed out, one of us.

The people of Saskatoon East typify the multicultural makeup of the Prairies. These are people of many cultural

heritages with a close affinity to the land and its diverse riches and with great pride in their ability to earn their living as they choose. They make their living in the agricultural sector, the potash mining sector, the small business sector and in major academic and research institutions which are located in Saskatoon. Also important in my riding are the aged who contributed so much to our history and the youth who represent the hope for our future.

Saskatchewan residents are not alone in their admiration and love for Mr. Diefenbaker. The things that he stood for and, even more significantly, that he accomplished on behalf of Canadians transcend regional loyalties to a native son. That was pointed out by the speaker who spoke prior to me. This great man holds a special place in the hearts of all Canadians. John Diefenbaker was passionately committed to human liberty. His great achievements in that realm have become fundamental to our Canadian way of life.

Mr. Diefenbaker instituted the Canadian Bill of Rights, as was mentioned earlier, so that every Canadian's right to fair and equal treatment and to individual freedom would be forever entrenched in the Constitution. Among other significant achievements, he brought Indian people the too long denied right to vote. He introduced the baby bonus. He took the first step on the road to universally available medicare with his federal hospital insurance program, and he increased the old age security pension. He also appointed the first Indian to the Senate, the first woman to Cabinet, and the first Ukranian Canadian as Minister of Labour.

One may ask why John Diefenbaker fought so hard for human rights in this country. I believe it was because he could not tolerate discrimination and he was determined to guarantee that Canadians, particularly new Canadians, would live free and equal in their country.

● (1750)

Today, we recognize that our cultural identity as Canadians is enriched, because we all have diverse backgrounds. We have Mr. Diefenbaker to thank for our recognition of and pride in that multicultural identity. He was the first Prime Minister of what he himself referred to as "mixed racial origin", being neither of pure British or pure French descent. That made him, in his own words, "a Canadian first and foremost". In recognition of this, he changed the Canadian census regulations so that we could say proudly "Canadian" in response to the question on racial origin.

In his maiden speech to the House on June 30, 1940, John Diefenbaker challenged his colleagues to "build up in this country an unhyphenated Canadianism that is dominant, proud and strong". These words were both prophetic and descriptive. As Prime Minister of Canada and through all of his nearly 50 years as a Member of Parliament, John Diefenbaker was dedicated to achieving his goal of Canadianism.

When we honour "Dief" by erecting a statue on the Hill, we must create a statue that epitomizes a dominant, proud and strong Canadian whose legacy to future Canadians demands permanent recognition. A statue to such a man is an absolute necessity and, as I said earlier, it is long overdue. I am in complete support of my hon. colleague's motion to pay tribute to the accomplishments of John Diefenbaker by placing his statue on Parliament Hill along with those statues that have already been erected.

A statue commemorates a man for his accomplishments. But what kind of monument can one build to commemorate a man's spirit? I like to think that Mr. Diefenbaker's spirit, embodied by his lifelong commitment to and profound belief in a multicultural Canadian society, lives on today. I am proud to say that the seeds for a monument in that spirit have already been planted in my constituency of Saskatoon East.

I must provide some history in order to explain. When the Right Hon. John Diefenbaker became Chancellor of the University of Saskatchewan in 1969, he announced his intention to bequeath to his alma mater his papers, memorabilia and personal library and his Sir John A. Macdonald collection of original manuscripts, books, artifacts and historic furniture. This intention was formalized in Mr. Diefenbaker's last will and testament.

The University felt that such a generous and important gift should be housed in an appropriate setting that would allow public access to the materials and would preserve them for the future. Thus the idea of the Right Hon. John Diefenbaker Centre was born. It contains a working archives where the countless original documents and other papers accumulated by Mr. Diefenbaker during a lifetime in politics are available for research to students and professors from across this great country.

It is also a public museum displaying Mr. Diefenbaker's personal memorabilia as well as the many gifts presented to him when he was Prime Minister. These gifts are now the possession of all Canadians, through the Diefenbaker Centre.

In addition, the museum contains exact replicas of Mr. Diefenbaker's office in the East Block and of the Privy Council Chamber as it looked when he was Prime Minister in the late 1950s and early 1960s. The presence of these two rooms in the Diefenbaker Centre in Saskatchewan makes our federal system of government more relevant to western Canadians, because there are many Canadians who live thousands of miles away from Ottawa who never come here to visit and see the Chamber in which I am speaking today.

John Diefenbaker turned the sod at the site of the Diefenbaker Centre on the banks of the South Saskatchewan River on September 20, 1975. Construction of the Centre began in the spring of 1978, with money for the $3 million building coming from across Canada. Six provinces, one Territory and the federal Government made substantial contributions to the Centre's capital costs. Generous donations were also made by many individual Canadians as well as by organizations and clubs. The Diefenbaker Centre is a legacy to and from Canadians of every part of the country.

The Right Hon. John G. Diefenbaker Centre opened to the public on June 12, 1980. Since then, Canadians from every

province and territory as well as visitors from countries around the world have come to the Centre.

The Diefenbaker Centre at the University of Saskatchewan is an important monument to Mr. Diefenbaker's memory. However, it does not, at present, have a formal mandate to promote actively and to protect the ideas that Mr. Diefenbaker represented.

I have a vision of the Diefenbaker Centre as an institute dedicated to all Canadians. It should be a centre for Canadians to learn about their past and develop goals for the future. It should be a place for foreign visitors to learn about Canada and to enrich our lives and theirs through interraction. It should also teach the social as well as the economic importance of our multicultural heritage—a key to the future social and economic well-being in a changing and highly competitive world.

I urge Hon. Members in the House to support the motion placed before them this afternoon by my hon. colleague. A statue of John Diefenbaker on Parliament Hill will serve as a constant reminder to those of us who work here as well as to visitors of a great man who taught us the meaning of being Canadians. That is a fine beginning and I hope that this Government will recognize it as such, a beginning that can lead to other tributes so that we Canadians can actively share with our fellow citizens and world neighbours the legacy and spirit of this great man.

In view of the positive comments I have heard here this afternoon from members of all Parties, I would ask that we put the question to the House now.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mrs. Browes, seconded by Mr. McDermid, moves:

That, in the opinion of this House, the government should consider the advisability of honouring the memory of the Right Honourable John G. Diefenbaker by commissioning a statue of him to be placed on Parliament Hill.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Charest): Shall we call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): It being six o'clock, the hour provided for the consideration of Private Members' Business has now expired.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CANADIAN SECURITY INTELLIGENCE SERVICE—SIZE OF BUDGET. (B) SERVICE'S ACCOUNTABILITY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise this afternoon to pursue a question I asked the Prime Minister (Mr. Mulroney) yesterday concerning the Canadian Security Intelligence Service. It concerned the fact that the proposed budget of this new Civilian Security Service was $116 million, despite the fact that the estimates of the RCMP were reduced by only $45 million. I asked the Prime Minister what it was that constituted a major new threat to the security of Canada sufficient to justify this apparently massive increase in the expenditures on a new Civilian Security Service. There was no response from the Prime Minister to that question.

In my supplementary question, I pointed out that the Prime Minister and his Party, when in opposition, were very strongly opposed to a number of the provisions of this proposed security legislation. They joined with the NDP and many other groups and individuals, including the Canadian Civil Liberties Association, the Canadian Jewish Congress, La Lègue des Droits et Liberté from the Province of Quebec, in condemning this legislation, including the dangerously wide powers, vague mandate and the lack of parliamentary accountability of the Security Service.

In view of the bitter opposition by his Party when they were the Official Opposition last year, and in view of the fact that they proposed a number of amendments which would have improved the legislation, I asked the Prime Minister what action he was prepared to take to amend this Bill, to ensure particularly that there was full parliamentary oversight of the operations of the new Security Service. I would note that the concept of parliamentary oversight is one which was supported by the Conservative Party when in opposition.

• (1800)

[*Translation*]

And I might add, Mr. Speaker, that when the Prime Minister (Mr. Mulroney) was Leader of the Opposition, he wrote a letter to Mr. Gaétan Nadeau of the Ligue des droits et libertés concerning Bill C-9 whose purpose was to create the new security service. He then stated that the Progressive Conservative Party was bitterly opposed to the adoption of that measure by the House of Commons. He went on to commend the arguments of the Ligue and the support of well-known Canadians, and he said that the list of the numerous groups would be added to the file and be of great help in the fight against this Bill which was considered dangerous.

[*English*]

When the Conservative Party was in opposition, according to the then Leader of the Opposition, now the Prime Minister, this was a dangerous piece of legislation and the Conservative Party was opposed to it. Now that the Conservative Party is in government, what action is it taking to oppose this very dangerous legislation?

I questioned the Solicitor General (Mr. MacKay) in the justice committee on this and he said, "Well, we are going to give it a chance to work". In fact he said that the Conservative Party was not prepared to make any changes whatsoever to this legislation which constitutes such a threat to the civil liberties of Canadians.

I do not have the time to enumerate the many defects in the legislation, the extent to which it does in fact constitute a threat to civil liberties, but I would note, for example, that in speaking on the Bill a Conservative Member of Parliament, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), said at third reading:

> Let me repeat the point made by others. My Party wants an overview committee consisting of Members of Parliament.

His Party is now the Government of Canada. It has a massive majority. It has the opportunity to implement effective parliamentary oversight. It has the opportunity to bring forward amendments which would significantly narrow the scope and the mandate of the new security service to ensure that Canadians, who break no law whatsoever but merely support liberation movements in Central America or South Africa, do not have their mail opened, their medical files read, their homes broken into or their telephones tapped. That was the position of the Conservative Party when it was in opposition, yet it has completely reversed itself now that it is in Government, and it is doing nothing whatsoever to implement changes to this important legislation.

[*Translation*]

Mr. Speaker, I should also point out that so far, I believe, the Prime Minister has refused to meet with the Ligue des droits et libertés. It has been seeking an appointment with the Prime Minister, and I hope that the Parliamentary Secretary will give us the assurance this afternoon that the Prime Minister will meet with the Ligue des droits et libertés.

The Ligue has stated that it considers this service as abusive and undemocratic, and that it shows no respect for the Canadian Charter of Rights and Freedoms or the Universal Declaration of Human Rights.

Well, Mr. Speaker, now we know that the new security service spends the unbelievable amount of $116 million a year without any accountability to Parliament. That was unacceptable to us in the New Democratic Party when we were in Opposition in the last Parliament but, more important still, it is unacceptable to the Conservatives. They now have the opportunity and even the obligation to amend this legislation, but they refuse.

[*English*]

They are taking a position which is identical to the position taken by the Liberal Party when it was in government. That position was a threat to the civil liberties of all Canadians.

[*Translation*]

—a threat to the civil liberties of Canadians and Quebecers.

• (1805)

[*English*]

That position remains a threat to civil liberties today. I call upon the Government to bring forward amendments to this legislation and, in particular, to allow for full and effective parliamentary oversight.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have the pleasure of replying to the Hon. Member for Burnaby (Mr. Robinson) this evening who questioned the Prime Minister (Mr. Mulroney) as to whether to size of the CSIS expenditure signalled "major new threats to the security of Canada".

In responding to the Hon. Member, let me advise him that no inference should be drawn on the basis of a comparison between the RCMP budget and that of CSIS. Rather, the net additional amount of money required for the Canadian Security Intelligence Service relates to the standard capital and operating expenses most people in this House would reasonably expect would have to be incurred as start-up costs by any new agency of Government with a national mandate. There are additional expenses other than the actual surveillance and whatever else goes on in CSIS. As I said before, I cannot and will not discuss in public any specific expenditures relating to the Canadian Security Intelligence Service.

The other subject which the Hon. Member questioned the Prime Minister about was the accountability of the service. Given the Prime Minister's response, which related to the appointment of Members to the Security Intelligence Review Committee, I would like to provide the following supplementary information.

In addition to appointing an overview committee composed of five distinguished members, including a very distinguished member of the New Democratic Party, the Hon. Sol Cherniak, the Act provides for the appointment of an Inspector General, responsible to the Deputy Solicitor General, whose function it is to ensure that CSIS operations conform to approved policy. I am pleased to report to this House that Mr. Richard Gosse, a highly respected lawyer, who until recently was the Deputy Attorney General of the Province of Saskatchewan, has accepted an appointment to this position. Additionally, the Act requires that all warrants to intercept communications of whatever kind, be authorized by a Judge of the Federal Court of Canada.

Finally, pursuant to Section 69 of the CSIS Act, a Committee of the House of Commons or of both Houses of Parliament will be required five years hence to conduct a comprehensive review of the provisions and operation of this Act and to submit a report on the review to Parliament, including a

statement of any changes the committee recommends. The Member will thus appreciate that in addition to a very comprehensive system of oversight, there exists an opportunity to review the Act and to remedy any shortcomings it may have.

ENERGY—FEDERAL NEWFOUNDLAND AGREEMENT. (B) GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am very pleased to see a spokesman from the Government here this evening who, I am sure, will give an answer on behalf of the Government regarding its position as it relates to the very important question which I directed yesterday to the Prime Minister (Mr. Mulroney).

I asked the Prime Minister about Section 54 of the Atlantic Accord signed between the federal Government and the Government of Newfoundland. That section of the Accord says that they will supply oil as existing feedstock to industrial enterprises in Newfoundland. The point is there is no industry in existence in the Province of Newfoundland today that takes oil as feedstock. We do have two closed-down oil refineries.

The second part of the section is the one that I dispute. It states that no new industry can be opened in Newfoundland to take that oil from the offshore unless it is in excess of the feedstock requirements of existing industrial capacity in eastern Canada. In other words, a legal interpretation of eastern Canada as far as the oil industry is concerned is, first and foremost, the Province of Quebec, then the Province of New Brunswick and then the Province of Nova Scotia, when looking at total capacity.

• (1810)

The Prime Minister responded by saying that he would perhaps look at that Section to see if there is anything wrong with it. To the second part of my question, he then gave me a rather political answer. He responded by saying that even the Liberals in Newfoundland were turning over to the Conservative side and that the Government of Newfoundland was overjoyed with the agreement. The point is that I am not overjoyed with that Section of the agreement. In fact, all in all, I believe it is a very poor agreement.

I am glad to see that the Parliamentary Secretary is here to give the Government's answer to this question. The point is that when we examine the existing industrial needs of eastern Canada as far as offshore oil is concerned, we discover that they are one-third of the total capacity of all of Canada. When we look at what is used, with the offshore operating at about 50 per cent capacity, and we consider the needs of all of Canada, on the basis of a billion barrels of oil in the offshore of Newfoundland it would take two and a half years to use up the oil that has presently been identified in the offshore. If we look only at the needs of eastern Canada, it would take some six years to use up the oil if it was all taken out of the ground at the same time. Knowing that the Government of Newfoundland will have a 20-year plan, we come to the stark realization that there will be no excess capacity in eastern Canada.

When I mentioned that one-third of the total Canadian capacity, production and usage was in eastern Canada, I was not referring to the mothballed refineries in Montreal and the Province of Nova Scotia. As well, I was not taking into account the 16 petrochemical industries in the Province of Quebec.

The way the Section is worded means that for all time, any resources taken from the Continental Shelf off Newfoundland must go to existing industrial needs in eastern Canada. In other words, we would receive monetary benefits in the short term from the offshore with a gradual reduction in equalization payments. However, once we are into year 9 or 10 of production, if it ever comes on-stream, there would be no benefits at all as far as equalization goes. It would balance out over a 20-year period and we would be back relying on equalization, although not as heavily as we do at the present time given the fact that the present figures as announced yesterday are $605 million per year to Newfoundland.

The other point I wanted to mention is that there is a way out for the Government of Newfoundland, and there is a way out for the Government of Canada. They could save a little bit of face and at least do something to give a smidgen of industrial benefit from oil to Newfoundland. This could happen if they were, for example, to reopen the Come-By-Chance oil refinery or to work with Ultra Mar on reopening the partially dismantled Holyrood refinery.

It is alarming to me to realize that Petro-Canada, the company that owns the refinery at Come-By-Chance, has been carrying out extensive renovations, expansions and improvements to its refinery in Montreal. It is also alarming for me to realize that Ultra Mar, the company that closed down the Holyrood refinery in June, 1983, was carrying out the same type of extension and expansion in a place called St. Romuald, Quebec, a plant which has a capacity of up to 19,000 cubic metres or about 140,000 barrels per day. Those same two companies that closed down oil refineries in Newfoundland were spending millions and millions of dollars to upgrade their refineries in the Province of Quebec.

The point is that this Section of the agreement has to go, because 15 years down the road when we have no monetary benefits from the offshore, a businessman will not be allowed to establish an industry in Newfoundland that will take advantage of offshore oil. That is important to future generations. I would not want in 15 years' time to have a song in Newfoundland which says, as far as the oil is concerned, "Poor old Newfoundland. They got the oil and we got the shaft." I am anxious to hear the official response of the Government, by the very able Parliamentary Secretary to the Minister of Energy, Mines and Resources Mr. McDermid to this very very important question.

• (1815)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I always enjoy listening to my hon. friend from Gander-Twillingate. He has got a way with words. I will set his mind at ease as well as

those in the Province of Newfoundland who may be concerned about Clause 54.

First, I should say that everyone in the House is very proud of the manner in which the Minister of Energy, Mines and Resources (Miss Carney) and the Government of Canada handled the formalization of the Atlantic Accord. It is a fine example of consultative federalism. We believe that the Accord establishes Newfoundlanders as economic equals within confederation, while at the same time it works toward other national goals. The agreement will generate tens of thousands of person-years of employment in the Province and it will transfer Newfoundland's status from a have-not province to a have province. That is very important.

I must say—not denigrating any other parts of this great country—that I always look forward with great expectation when I go to "The Rock", because of the hospitality, warmth, generosity and the genuine feeling of friendship I receive from the people who live there.

The Accord is intended to achieve a number of objectives. It will ensure that development optimizes the social and economic benefits to Canada, particularly Newfoundland. It provides for revenue-sharing between Governments on the same basis as if the resources were on provincial land. I think the Hon. Member would agree with that. It will constitute a stable and fair regime for industry to get on with the job, and it establishes a sound and enduring management regime which recognizes the equality of both Governments as managers and stewards of the resource. That is something the former administration was not prepared to do.

The federal Government has no desire to enforce any measure that would minimize economic benefits flowing from the Accord. The Hon. Member has voiced his concern over Clause 54, which he perceives as being discriminatory. He claims that the Clause would prevent an industrial refiner in Newfoundland from receiving Hibernia oil because the Province's feedstock requirements for new facilities must be "excess to feedstock required to meet the demand of presently existing industrial capacity in eastern Canada". He regards this to be a limitation and, therefore, a sell-out. I respectfully say to the Hon. Member that this is a misrepresentation of Clause 54.

As with the entire Atlantic Accord, this provision places Newfoundland on at least an equal footing with other provinces of this nation which are blessed with a rich supply of natural resources. Newfoundland will have full access to Hibernia output on commercial terms under any circumstances. In fact, the language of Clause 54 goes further to ensure Newfoundland this access, thereby providing a right of first refusal to the Province for the off-shore supplies. Surely, Members opposite would not advocate that the central Government should allocate crude supplies among regions. This agreement makes it clear that buyers, regardless of location, will bid on commercial terms for existing supplies.

Let me reiterate that Clause 54 does not place a limit on Newfoundland's present or future access to off-shore production. The Newfoundland Minister of Energy supports his view and recently stated that Clause 54 does not rule out the development—

The Acting Speaker (Mr. Charest): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Friday, March 1, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POLITICAL PARTIES

FUND RAISING BY PROGRESSIVE CONSERVATIVE PARTY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, as part of the Conservative Party's fund raising efforts of last year, my constituents received appeals from the Prime Minister (Mr. Mulroney), the then Leader of the Opposition, to contribute sums of $50, $100, $150, or $350 to his campaign. In this appeal he criticized the Liberal Government for high unemployment, lack of foreign investment, and poor economic conditions in Canada. In November, 1983, he said:

> The purchasing power of the Canadian dollar has been diminished both domestically and in the world market . . . I believe your support for the Progressive Conservative Party today will be the base on which a strong and revitalized Canada can grow.

However, this revitalized Canada is not a reality. The very dollar he promised to save from its diminished state, has plunged even lower during his administration. As a matter of fact, it is the lowest it has ever been in the history of Canada.

The Prime Minister and his Party have not fulfilled the promises made in these fund raising letters. Therefore, on behalf of my constituents I am asking that the Conservative Party return the money.

* * *

ADMINISTRATION OF JUSTICE

VERDICT IN HOLOCAUST BOOKLET CASE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, Mr. Zundel was found guilty yesterday of wilfully causing harm to racial and social harmony by distributing a booklet that claimed that the holocaust was a Jewish hoax. I wish to applaud the decision reached by the jury.

While we in this country pride ourselves on our basic freedoms, including the freedom of speech, thank God we have ways to deal with the vicious, outrageous, and harmful views of this man whose heroes are Hitler and Hess. While I was in Israel a few weeks ago, I visited the holocaust museum, Yad Vashem. I simply cannot imagine anyone doubting that the holocaust did indeed happen.

* * *

IMMIGRATION

INTERROGATION OF DETAINED IRANIANS

Mr. Dan Heap (Spadina): Mr. Speaker, today *The Globe and Mail* reported that the Iranians who were detained near Pearson Airport were interrogated by unidentified police. We were not told on what authority they were detained nor who authorized the detention. We are given to understand that no lawyer representing the people being interrogated was present at the interrogation. This sort of thing could happen to any of us. It could even happen to Canadian citizens on Canadian soil. It may be the work of the secret police force that was established last June under Prime Minister Trudeau.

I call upon the Minister of Employment and Immigration (Miss MacDonald) to broaden the inquiry she has undertaken so that it will examine all places at which those arriving in Canada may be detained, who orders such detentions, and under what criteria, and what provision is made for acquainting detainees with their rights under our Charter of Rights and Freedoms. With particular regard to *The Globe and Mail* story, the inquiry should find out who carried out the interrogation and who authorized the entry of the police into the detention centre. As well, it should determine whether or not those who were interrogated were informed of their rights under our Charter of Rights and Freedoms, and whether or not they were given an effective opportunity to exercise their rights by retaining a lawyer to act in their interests.

According to *The Globe and Mail*, what is reported was based on affidavits, and constitutes a very serious danger to our rights and freedoms from this newly-minted secret service. It is important to—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

THE ADMINISTRATION

ECONOMIC SITUATION IN BEAUCE REGION

Mr. Gilles Bernier (Beauce): Mr. Speaker, in politics and in business, we cannot afford to be negative and pessimistic. With the advent of the Conservative Government, the situation has

improved and attitudes are changing as a result of new perceptions of government. Federal-provincial relations are improving across the country. When optimism reigns, Canadians are happier, more productive and more inclined to invest.

In Beauce, the employment situation is improving and the number of jobless workers has dropped. According to the Director of the Canada Employment Centre in Beauce, in 1985 the employment situation will improve, mainly as a result of an increase in the number of jobs. I think it is important to emphasize the positive aspects of success, and consequently, I would like to give a few examples of what is happening in our riding and show what we are doing.

I would like to mention the remarkable performance by the CANAM MANAC group in Saint-Georges et Saint-Gédéon, whose production figures have increased dramatically to $130 million. There has also been a considerable expansion at the Systèmes Archimèdes construction company in Saint-Frédéric, which has been very successful on the export market thanks to a new concept in housing design. I may add that Culinar intends to invest $15 million in its two plants in Sainte-Marie.

As far as small businesses are concerned, my riding is in very good shape.

I agree with my industrial commissioners that there is a general feeling of confidence and optimism in Beauce, a riding that has often been considered as a barometer for the entire province of Quebec.

To the pessimists opposite, I—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

[*English*]

AGRICULTURE

NET FARM INCOME

Mr. Maurice Foster (Algoma): Mr. Speaker, Canadian farmers are angry at the Minister of Finance (Mr. Wilson). In fact they are furious at the White Paper he tabled in this House entitled *Tax Issues in Agriculture*, a document which alleges that farmers earn twice as much as the average taxpayer and only pay one-quarter as much in taxes. This ridiculous statement by the Minister of Finance comes at a time when tens of thousands of our youngest, most productive farmers are facing the worst debt crisis since the 1930s, and at a time when total farm income today is almost identical to what it was 10 years ago, while purchasing power has been cut in half by inflation.

The Minister of Finance thinks it is fair to compare the income of a farmer with the income of the average wage earner. I would point out to him that a farmer works 12 to 15 hours a day, throws in the labour of his family members to boot, and has a massive capital investment compared to that of the average wage earner.

The farmers of the country are getting fed up with the attitude of the Minister of Agriculture (Mr. Wise) who says that he will not help them out of their debt crisis. However, they are totally frustrated by the Minister of Finance who wrote this misleading document on farm incomes, a document which totally distorts and misrepresents the really difficult situation faced by farmers in Canada today. With a Minister of Finance like this, it is little wonder that our country reached two of the worst economic records in Canadian history this week—the lowest dollar ever of 71 cents U.S., and the highest government spending estimates ever of $105 billion.

* * *

[*Translation*]

EXTERNAL AID

EXPRESSION OF GRATITUDE FROM BOLIVIA

Mr. William C. Winegard (Guelph): Mr. Speaker, today I would like to say a few words about agriculture and the International Development Research Centre.

[*English*]

As Chairman of the Standing Committee on External Affairs and National Defence, I often hear of how Canada has helped other nations, particularly in the area of agriculture. Naturally this pleases me as one of the great agricultural institutions of the world is in my riding.

My point today concerns the International Development Research Centre and its splendid work with Bolivia in the field of genetic and agricultural improvements of the Quinoa plant, a most important source of energy and nutrition in the Andean region. I have been asked to extend the thanks of the Bolivian Government to the Parliament of Canada for the support which was given with good will and without self-interest. Accordingly, I do so, Sir.

* * *

● (1110)

STATUS OF WOMEN

CONGRATULATIONS TO NEW ADVISORY COUNCIL PRESIDENT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on behalf of the New Democratic Party I would like to extend my congratulations to Sylvia Gold, the new President of the Canadian Advisory Council on the Status of Women. We are pleased to see the appointment of a progressive woman with excellent experience, a good understanding of women's issues, extensive labour experience, and outstanding leadership qualities. She has the support of women across the country.

However, one good appointment does not make a council. There are 13 vacancies. Competent women from across the country representing all regions, cultural groups, native people,

the disabled, business and labour, must be appointed to this Council, and the appointments must be from all political parties. The effectiveness of the Council also depends on access to the Minister responsible for the Status of Women (Mr. McLean) and the political will of the Government to act on the recommendations made by the Council.

Too often in the past the Council's excellent research and recommendations were allowed to gather dust. Accordingly, we recommend that reports made by the Council not only be reported to the House, but also be referred to the appropriate committees for study and action. In order to accomplish that goal I repeat the recommendation which was made by my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), who is the NDP critic for the status of women, that there be a standing committee on women's issues. That would be a means whereby we could advance equality for women as we approach the date for equality, April 17, and the implementation of the Charter of Rights.

Once again, our sincere congratulations to Ms. Gold.

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

* * *

CURRENCY

COMPOSITION OF PROPOSED DOLLAR COIN

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, Members are no doubt aware that Canada should have a readily marketable and acceptable dollar coinage. Inco Limited, a company which is vital to the economy not only of my own riding but, indeed, of the entire Province of Ontario, has developed a gold-on-nickel material called nigold. The proposed coin would be multisided, slightly larger than a 25-cent piece, and would weigh less than half the weight of our existing silver dollar, which is not really silver.

The nigold dollar coin would have a three-micron thick plate of gold on a nickel base, which would result in a beautiful golden product possessing great durability. It is understood—and this has been shown by testing—that it will keep its original pleasing appearance for the life of the coin, which is estimated at 40 years.

I understand the issue of the dollar coin will be brought before the Standing Committee on Miscellaneous Estimates. I hope this Committee will give serious consideration to the Inco dollar coin. The existence of such a coin would make it easier for vendors who currently have to deal with massive quantities of coins of smaller denominations, and it would provide many jobs for workers at Inco who are currently laid off.

[*Translation*]

THE ADMINISTRATION

RATE OF UNEMPLOYMENT IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland-Kent): Last September, Mr. Speaker, New Brunswick's ship of state was carried off on a huge blue wave and passengers were in a mood of euphoria. Early in November, however, on a black Thursday evening, the horizon disappeared behind a deep mist which, rather than lift as we had been promised, gradually turned into thick fog.

True enough, Mr. Speaker, the Party opposite had told us that the proposed restraints and many cut-backs would have very little negative impact—if any at all—on the Canadian economy.

It so happens that the number of unemployed is still at an unacceptable level. Unemployment in a riding like mine is a never-ending scourge. We simply cannot afford to have more people out of work—there are too many as it is—yet the unemployment rate has been inching up lately.

Mr. Speaker, that blue wave has carried us far off the coast and we are experiencing increasing difficulty to get back on the right course. I am wondering whether this Government is waiting for a distress signal before reacting.

Talking about challenging new policies, consultation and economic growth is well and good, but the words must have some meaning. To this day, however, all that rhetoric leads us to conclude that the words simply do not reflect daily realities.

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member, but his time has expired.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

ESTABLISHMENT OF NEW FIRMS IN SOUTHWESTERN ONTARIO

Mr. Elliott Hardey (Kent): Mr. Speaker, according to Canadian Press, FIRA has given the go-ahead to five foreign-owned firms to establish auto parts manufacturing plants in southwestern Ontario, and to two other foreign firms wishing to refurbish and lease various types of vehicles in the same area.

The five firms are owned by West German companies; the other two are owned by companies in the States of Michigan and Indiana, in the United States.

• (1115)

This announcement is significant not only to the economy of my riding and southwestern Ontario but to Canada as a whole, because it appears to demonstrate the beneficial effects of the Government's policy of openness to foreign investment, and

the restructuring of FIRA and the Act under which it operates.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

IMPACT OF INTEREST RATES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my first question will be directed to the Minister of Finance. The dollar is down and interest rates are up. The Minister of Finance told us yesterday that this was unusual in the history of our country. It may be unusual and unprecedented, but we certainly have not seen any unprecedented or creative action taken to address this situation. In the words of Don McGillivray, the Government is "making a virtue out of indecision". Our weak and wavering dollar, I suggest, is simply a reflection of a weak and wavering Government which refuses to give a firm sense of economic direction to the country.

With respect to the obvious victims of increased interest rates, and I think particularly of home owners whose mortgages are coming up for renewal, and those people who are trying to get into the housing market, with respect to these victims of his policies, will the Minister undertake to introduce fiscal measures to address that situation in order to provide Canadians with a measure of relief and protect them against these increasing interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot let the Hon. Member's preamble go by without commenting on the fact that a wide number of editorial comments are supportive of the policy we followed in response to the unprecedented strength of the U.S. dollar. It is the first time in history that we have had this sort of strength. I set out very clearly the economic policy of this Government in my statement of November 8. That is the policy we will be following through on in the Budget coming this spring. I would hope that the Hon. Member would refer to that on a regular basis before he asks these questions, because I think he will find that the direction is there to create the jobs, the confidence, and that sense of certainty which was missing over the past 10 or 15 years.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, the Minister of Finance is beginning to rival the Prime Minister as the undisputed master of the sanctimonious cliche, which is all we are getting.

Mr. Hnatyshyn: Question.

REQUEST FOR INTRODUCTION OF BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): My question is directed to the Prime Minister. The last budget target date was set at April. I hope it is not receding into history. Will the Prime Minister get behind his Minister of Finance and ensure that a Budget is brought down in this House before the end of April so that the victims of higher interest rates will know what kind of protection they can expect?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to tell my friend what I think he already knows. The Minister of Finance will be bringing in a budget which will be helpful and consistent with his financial statement of November 8, which was designed to restore confidence and create jobs.

On the question of consistency, given the intervention of the Hon. Member for Saint-Henri-Westmount, I believe he should take cognizance of the fact that, having asked for a $100 million contribution to Domtar, it now turns out that the Leader of the Opposition is opposed to the $100 million contribution. Today in *La Presse* he is announcing that he is in favour of the statement of policy as set out by the Minister of Regional Industrial Expansion. There is the duplicity of the Liberal Party. That's why you were driven from office, and you deserve to have been.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Johnston: Mr. Speaker, it seems the Prime Minister cannot answer the question because I asked on what date the Budget will be brought down. I asked for a commitment that the Budget will be tabled here in the House before the end of April.

I would like to add that I object to the fact that the Prime Minister still does not know the name of my riding which is Saint-Henri-Westmount. I realize he lives in the Westmount part, but it is Saint-Henri-Westmount, Mr. Speaker.

[*English*]

I would predict—talking about without precedents—that we are going to have the first Minister of Finance who will retire without ever having produced a Budget in this House.

* * *

MAIN ESTIMATES

GOVERNMENT SPENDING PLANS

Hon. Donald J. Johnston (Saint-Henri-Westmount): My supplementary question is directed perhaps to the Minister's colleague, the President of the Treasury Board. I was shocked to find that the Government has abandoned the reform recommended by the Lambert Commission of giving us spending plans beyond the current year. Are they telling us, Mr. Speaker, that they do not know what the spending plans are beyond

the current year, or are they scared to tell us what those spending plans are?

• (1120)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have not abandoned the practice of giving spending plans for more than the current or coming year. In due course we will be very happy to give Hon. Members of this House an indication of the course of government spending over the years to come.

* * *

[*Translation*]

FINANCE

SMALL BUSINESSES AND HOME OWNERS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. As the House is aware, the Bank of Canada rate has gone up from 10.95 to 11.52 per cent, so that we now have one of those rare times in history when the Bank of Canada rate is higher than the prime lending rate charged by chartered banks, Caisses populaires and credit unions on their corporate loans. The rate for one-year Treasury bills has now reached 12.5 per cent—13 per cent when issued—while the rate for private one-year mortgages is now around 11.5 per cent.

Now that the Government has decided to let interest rates rise, we must expect some changes in the market, and my question is as follows: What does the Minister of Finance intend to do to help small- and medium-sized businesses that are going to see the cost of money rise to about 13 per cent, and homeowners whose mortgage rates will rise between ½ and ¾ of 1 percent? What does the Minister intend to do to help these two sectors of our economy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated to the House on many occasions in recent weeks that what we are faced with here is an unprecedented international situation which is causing upward pressure on interest rates. I have indicated to the House that I am not happy with that upward pressure but it is something that is not totally within our control. The Hon. Member should be aware of the fact that there is a tremendous press of international capital going around, but it is not going to be a long-term situation. There is going to be some relief, I would expect, in the next little while. With that relief I expect we would see some decline in interest rates.

[*Translation*]

MAIN ESTIMATES FOR 1985-86

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, today again the dollar weakened compared with yesterday's level, but confidence does not seem to be recovering very quickly. In the Main Estimates, the average rate for the debt service charge was calculated on the basis of 10.7 per cent, while today, the Bank of Canada rate is at 11.52 per cent. This would have the effect—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but does he have a question?

Mr. Garneau: I certainly do. This increase in the interest rate will mean an extra $1.7 billion in Government spending. Does the Minister intend to correct the Estimates that were tabled last Tuesday?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no, I do not intend to correct the Estimates as tabled by my colleague. We are still in fiscal year 1984-85. The next fiscal year starts on April 1, 1985. I have indicated in my previous answer that I expect by that time we should have some decline in interest rates from the levels we have today. That projection for the balance of the year stands.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Yesterday he said that the federal Government can help Domtar but, outside the House, a department official said the opposite. According to him, the federal Government cannot help a company in which a Government has an interest, or which is even controlled by a Government. What is the policy of the federal Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government policy is the one I announced yesterday: notwithstanding the fact that the Quebec Government may be a majority shareholder through some of its own agencies, we still have every intention of trying to help the company launch a major project. As my colleague knows, I am saying today what I said on Monday and Tuesday, unlike the Leader of the Liberal Party and his supporters who led the fight in the House during four days. Yesterday, the people of Quebec were flabbergasted to learn that the Liberal Party spent the whole week arguing against any kind of assistance to Domtar, yet they kept making a fuss about it. Now we can see how hypocritical the Liberal Party has been with respect to this matter.

• (1125)

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Liberals certainly have problems with policies. Still, I might suggest

that the policies of the Progressive Conservative Government are contradictory as well.

[*English*]

In the Estimates that were tabled earlier this week there is a clear declaration that since November Crown corporations or government agencies are no longer eligible for financial assistance from the Government. How can the Prime Minister now leave the impression with Members of the House, and more particularly with the people who are involved in the Domtar enterprise, that the Government may indeed provide some kind of financial assistance? Surely the Government cannot have it both ways. It cannot have a policy statement in the Estimates which excludes financial assistance, and then come into the House and say that they may indeed get such assistance.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): I have already said so in the House, Mr. Speaker, and I fail to see where the contradiction is. Faced with an outright request for a capital injection of $100 million in favour of Domtar, I had said that we were not in a position to meet that request, regardless of its merits, because of the heavy $35 billion deficit left us by the Liberal Party.

Be that as it may, we do admit to some responsibility in regional development. The Quebec Government may very well intervene in a case through its agencies, but that does not deny the company involved the right to make representations to the federal Government so as to find a formula which would enable us to offer some kind of assistance.

[*English*]

EXCLUSION OF CROWN CORPORATIONS FROM FINANCIAL ASSISTANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the general phrases are not helping to clarify a very serious situation. In the financial operations of the Province of Quebec, la Caisse de dépôt et placement du Québec plays a fundamental role and is a public enterprise. Will the Prime Minister explain how the Government could adopt a policy, which the Estimates state has been in existence since last November, that will exclude Crown corporations or other government agencies, even if they have simply effective control, from financial assistance from the federal Government? Does this policy not blatantly discriminate against Crown corporations all across Canada in favour of private sector activity only? Given the thrust of economic development in the Province of Quebec, does this policy not particularly discriminate against the Province of Quebec?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I fail to see the contradiction mentioned by my colleague, for he is right to refer to the fact that, last November in the House, the Liberal Government was on the verge of sneaking Bill S-31 through, which would have had the dire consequences you mention for all francophones in Quebec. The NDP and our Party closed ranks against the Liberal Government which was trying to massacre the francophones of Quebec through the Caisse de dépôt et placement. We fought together in this war against the Quebec Liberal machine which fraudulently attempted to harm Quebecers.

In any event, I do not think there is any contradiction between the policy you refer to and the legitimate desire of the federal Government to meet with its interlocutor, the Premier of Quebec, and try to find a formula under which Domtar might carry out its development project. Unfortunately, we simply cannot meet the original request, and that is that.

* * *

• (1130)

EXTERNAL AID

CIDA—ELIMINATION OF $25 MILLION PROJECT FOR AFRICA

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of External Relations. The Government's co-ordinator for aid to Ethiopia, Mr. David MacDonald, stated recently that Canada must do more than feed the starving. According to Mr. MacDonald, our aid policy will be useless unless the desert's constant advance can be stopped. However, CIDA is planning to cancel indefinitely a $25 million project that would have used advanced Canadian solar technology to bring water to the surface and stop the desertification process.

My question to the Minister is as follows: Does the cancellation of this project represent Government policy?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, we intend to maintain the programs that have been committed. We are now engaged in program review, and our main objective is to help development in developing countries.

Mr. Berger: Mr. Speaker, if that is the case, then how are we to understand a paper prepared by CIDA and dated February 5, which says the Agency intends to postpone indefinitely the regional program for new and renewable energy sources, partly because of budgetary cutbacks at the National Research Council? Is the Minister aware of the existence of this memo? If so, what were her instructions to her Department, and finally is the Minister prepared to promise before the House that the $25 million program will not be cancelled?

Mrs. Vézina: Mr. Speaker, as the Minister responsible for CIDA, my responsibility consists in planning programs and announcing them, and I do not think I have any obligation to announce them here in the House.

REGIONAL INDUSTRIAL EXPANSION

SUBSIDIZATION OF DOMTAR—PRIME MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, I also have a question for the Prime Minister which concerns Domtar and the principle defined by the Minister of Regional Industrial Expansion, whose department, according to the Estimates tabled this week, will no longer provide federal subsidies for Crown corporations and corporations controlled by provincial governments. The Prime Minister has been saying that Domtar may get something, but departmental officials have clearly indicated that, according to their interpretation, Domtar would not be entitled to these subsidies. Is this Government policy or is the Prime Minister now saying that Domtar could get a subsidy, thus contradicting the Minister's statement?

Right Hon. Brian Mulroney (Prime Minister): You are probably correct in saying that is the interpretation given by the officials, but it is not my interpretation and it is not the interpretation of my colleagues. I would like to point out to my hon. friend that when his interpretation of the policy in question . . . perhaps I may quote from this morning's edition of *La Presse*:

> When reporters asked him whether he supported Mr. Stevens' new policy on regional development, the Liberal leader was even more evasive and even tried to put an end to the interview. Literally surrounded by four or five journalists who wanted an answer, he finally said: "I am not against it!"

The Liberal leader approuves the policy as stated. Personally, I would say that we in Cabinet have a more "liberal" interpretation.

SUBSIDIES—CROWN CORPORATIONS—PRIME MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, does the Prime Minister realize that the policy of the Leader of the Liberal Party and the policy of the party to which the Minister of Regional Industrial Expansion belongs are not the policy of the New Democratic Party? We believe that Crown corporations should be entitled to accept subsidies. Is the Prime Minister prepared to change the Department's policy since, otherwise, the officials will continue to interpret that particular policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is well aware that the fact I already announced . . . I have been consistent since the beginning of this week. I have not turned my coat like the leader of the Liberal Party and the Member for Westmount, I beg your pardon, Westmount-Saint-Henri . . . Saint-Henri-Westmount. We have been consistent all this week, but when I returned to the House on Wednesday, I announced that I intended to meet with the Premier of Quebec to discuss the case further. This implied a desire on our part to be of some use and to try and make a valid contribution to the development of the region.

* * *

[*English*]

AGRICULTURE

REQUEST FOR BAN ON ALACHLOR HERBICIDE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of Agriculture. It follows a question that I asked last week of the Minister of National Health and Welfare. If it is brought to his attention that Alachlor, a herbicide that is used in crop spraying, has the potential to cause cancer in humans, and that this herbicide has been found in shallow, rural wells in Ontario in concentrations which could significantly increase the risk of cancer in children and adults, would the Minister demonstrate that he is concerned for the health of Canadians and the quality of ground water by immediately implementing an outright ban on the use of alachlor?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly share the concern of the Hon. Member. I want to assure him that my colleague, the Minister of National Health and Welfare, and I, have and will continue to have ongoing consultations. At the moment, though, I have not made that final decision.

PEST MANAGEMENT ADVISORY BOARD

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, when will the Minister announce the establishment of the Pest Management Advisory Board, which was announced by his predecessor in May of last year and confirmed by the present Minister as recently as October, 1984? When will he announce this board?

Hon. John Wise (Minister of Agriculture): The answer is very, very soon, Mr. Speaker.

* * *

[*Translation*]

FINANCE

MAIN ESTIMATES FOR 1985-86

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. Given the promises he made to Quebecers in an address to the Empire Club and the Canadian Club—$75 million for shipyards and $100 million to finance farm mortgages—why do the main estimates indicate $40 million less for shipyard building and $60 million less for the Farm Credit Corporation?

[*English*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to take that question as notice, speak to my colleagues, and return to the House with the appropriate explanation for both of those reductions.

[*Translation*]

FINANCING PROMISED TO QUEBEC VITAL INDUSTRIES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. What with all the protests in Quebec concerning Domtar, how can the Prime Minister justify what appears to be an outright withdrawal of financing promised to vital Quebec industries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this must be the NDP's Quebec day. We do get those days every other month. I encourage you and I congratulate you. Now then, I have been trying for three or four days to indicate to my colleagues that we were forced to turn down a direct request for a $100 million grant to Domtar, which is a very prosperous undertaking, a company which has posted huge profits in recent years and which is structurally sound. The huge deficit we have inherited did force us to reject a direct $100 million grant, but it does not rule out the possibility of co-operating in other fields with a view to helping Domtar and its shareholders carry out a major job-creating project in Quebec. I am sure my colleague will understand that we are considering the file and the requests—that one and others—with some sympathy.

* * *

REGIONAL ECONOMIC EXPANSION

DOMTAR—DATE OF MEETING BETWEEN PRIME MINISTER AND PREMIER LÉVESQUE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Right Hon. Prime Minister, but first of all, I want to say how surprised I am to see that he has decided, in an effort to hide his lack of involvement in the Domtar affair, to quote an inaccurate report to the effect that the Leader of the Opposition is now opposed to the Government granting the subsidy. Let us be honest about it. The Prime Minister knows that he has received a letter requesting Government assistance. The Leader of the Opposition asked him about it this week in the House. Members of the Liberal Party and his own Party are pressuring him to grant the subsidy—

Some Hon. Members: Question!

Mr. Guilbault (Saint-Jacques): The question is quite simple. When does the Prime Minister intend to meet the Quebec Premier so that this matter can be resolved? That is the key issue.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in view of this appalling attack on the integrity of the members of the Parliamentary Press Gallery, I would like to quote from the article published yesterday in the newspaper *La Presse* and written by an experienced reporter, Mr. Lavoie, who says the following: "This ambiguous position of the Liberal Leader removes a trump card from the hands of the Quebec Members of Parliament, who had unexpectedly found a new hobby-horse in the Domtar affair. Now that their own leader had sided with the decision made by Mr. Stevens, they will find it difficult to continue their fight on this issue."

You are obviously embarrassed because of the hypocrisy of the Liberal position and the fact that you have reversed your stand before the people of Quebec. The answer to the other question asked by the Hon. Member is that I am meeting Mr. Lévesque on March 8.

• (1140)

INQUIRY WHEN DOMTAR SITUATION WILL BE RESOLVED

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker.

I simply want to point out that I spoke to my Leader this morning and that this article is inaccurate. I can also add that the Government can gain nothing by trying to play politics on the back of the Liberal Party with this issue. When will the Government resolve the Domtar situation? This is what the people in Windsor want to know. It is not by casting aspersions on the Liberal Party that the Government can solve the problem of the people who fear for their jobs in that region.

Right Hon. Brian Mulroney (Prime Minister): You are not being as logical in this affair as your Leader was in relation to the Senate issue when he said in this House that he approved the role of the federal Parliament and would oppose any obstruction by the Senate. He is now approving the action of the Liberal senators, which is costing millions of dollars to Canadian taxpayers. This is what is happening because of the flip-flop of the Liberal Party.

We shall work loyally and without hypocricy. As noted in the press, we shall co-operate loyally with the Quebec Government, the Domtar company, its employees and the social groups involved in this affair. Our co-operation will be sincere and not—

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

RELEASE OF TASK FORCE REPORT

Mr. Jack Scowen (Mackenzie): Mr. Speaker, in the absence of the Minister of Communications, I will address my question to his Parliamentary Secretary. I understand the Government pays the bills for the CRTC and not the press. Would the Parliamentary Secretary to the Minister of Communications explain to this House why a CRTC task force report was released last Monday to the press, and the report to the Members of this House was delivered yesterday afternoon?

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): I thank the Hon. Member for his question, on behalf of the Minister of Communications, Mr. Speaker. The Hon. Member should know that when the policy concerning remote areas was announced last December 20, the Minister of Communications asked for the collaboration of the CRTC, which reacted immediately by setting up its own task force. That task force, under the chairmanship of Mr. Paul Klingle, has reported to the CRTC. We are awaiting the reaction of the Commission to the recommendations, and once the Government has assessed recommendations of the task force the Minister will be getting back to the Hon. Member and to the House.

* * *

SOCIAL SECURITY

TREATMENT OF SENIOR CITIZENS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Yesterday two Members on the government side suggested that the private homes of senior citizens which have been bought and paid for should be taken into account when determining pension income, and that the imputed rental savings should be calculated when determining GIS payments. Would the Minister of National Health and Welfare advise the House whether in fact these two Members were reflecting government policy, or whether they were just reflecting the right-wing views in the Conservative caucus?

Mr. Broadbent: Or both.

Mr. Blackburn (Brant): Whichever comes first.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know that the Standing Committee on Health, Welfare and Social Affairs has been meeting on the consultation paper. We had another meeting this morning, and I have indicated to the Committee, as we have done before, that we are interested in the broad views not only of committee members but of Canadians generally.

I think it is important for all of us in this House to recognize that individual Members of Parliament can have views and they can express them. That has always been part of parliamentary form. As to the position of the Government and the position it will take on the consultation, that is quite another matter.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Will the Minister repudiate the views of these two Members expressed yesterday, and assure this House and the seniors in our country that it is not the intention of the Government to implement any kind of despicable policy such as was enunciated by them yesterday?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Hon. Member that that is not our policy. The Hon. Member used that word, and it should be clearly established that it is not government policy. He should remember, and I am sure he does, that in previous times when the Liberals were musing about that kind of imputed rent, it was our Party that opposed it. We oppose it. If the Hon. Member had been in committee this morning, the Hon. Member would also know—

Mr. Rodriguez: That has changed.

Mr. Epp (Provencher): —that I gave to the committee examples of costs, for instance, for Canadians over the age of 65, of rent and home ownership. We had a good exchange on that matter. If the Hon. Member goes back to the record of the committee today, many of his questions might be answered.

* * *

GOVERNMENT BONDS

MARKETING SYSTEM

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a question for the Minister of Finance. Commission fees for marketable Government of Canada bonds were recently lowered creating an annual saving, I understand, of about $10 million. Would the Minister comment on the merits of the system used in the United States whereby the U.S. Treasury sells all its debt through the auction technique, and thereby eliminates commissions altogether?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to confirm that, about a month or six weeks ago, the Government did reduce the commission rates for government bond issues. It will amount to a savings in the order of $10 million, or about 15 per cent of the total cost of commissions on government bond financing.

With regard to the Hon. Member's question on moving totally to an auction format or a non-commission format, I can tell him that we have taken steps to move toward an auction format. There will be an auction this month, the month of

March. We are experimenting with these opportunities, but we are not ready to go fully to the U.S. format at this point.

* * *

GOVERNMENT ADVERTISING

ESTIMATED EXPENDITURES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Prime Minister. It concerns government advertising. Given the past criticism by the Tories of government advertising, and given that the Minister of Supply and Services, in a debate with me on CBC's The Journal in January, stated that the Conservative Government would reduce government advertising substantially, can the Prime Minister explain to this House why the Estimates for 1985-86 show an increase of $23 million for the information budget, and an increase of $5 million in the Estimates for the Minister of Supply and Services particularly?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, without for a moment accepting the premise of the Hon. Member's question, I will take it as notice and make sure an answer is given to him to assure him that the intention of this Government is to cut back on government advertising costs.

* * *

[*Translation*]

PRIVY COUNCIL

MAIN ESTIMATES FOR 1985-86

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is directed to the President of the Privy Council. Could he tell us why, in his own department, the information budget has been increased by 300 per cent?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the answer to the previous question applies to this one.

[*English*]

Mr. de Jong: Mr. Speaker, it has been some time since we heard some Diefenbaker French in the House.

Some Hon. Members: Oh, oh!

* * *

NATIONAL REVENUE

TAX AVOIDANCE—USE OF ADVANCE RULINGS

Mr. Simon de Jong (Regina East): My question is for the Minister of National Revenue. According to the Estimates tabled in the House on Tuesday, the Minister will be allocating 20 person years to assist large corporations in methods by which to avoid taxes. Is the Minister aware that a study by his own Department on tax avoidance stated: "It is the opinion of senior management that the focus of tax avoidance has switched from implementing objectionable schemes to obtaining departmental approval through the advance ruling process"?

• (1150)

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I will give my answer in Fergus English to the Hon. Member. The Department never has and never will countenance tax avoidance. Tax avoidance is improper. Under no circumstances will we assist in it. What we have said, and what is a key part of the *Declaration of Taxpayer Rights*, which we unveiled yesterday, is that taxpayers, in dealing with five pounds of the most incomprehensible legislation known to modern man, the Income Tax Act, have the right to know how the Department interprets the legislation. That includes corporate and individual taxpayers alike. What we are determined to do is to tell taxpayers how we interpret that legislation.

Some Hon. Members: Hear, hear!

DEPARTMENT'S INFORMATION SERVICES

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a supplementary question for the same Minister. Of course it is especially incomprehensible to small individual taxpayers. Is it fair for the Department of National Revenue to offer these increased services to the big corporate sector and not offer the same level of services to the small, individual, non-corporate taxpayers, who are surely the vast majority of taxpayers?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I am pleased to tell the Hon. Member that we are stepping up our information services. One of the commitments that I make to him, and to all Canadians, is to ensure that my Department goes out of its way to provide factual information to all taxpayers, particularly to taxpayers in the low income scale, to ensure that they have the information that is necessary to comply fully with the laws. It is a commitment that we make. It is guaranteed in our *Declaration of Taxpayer Rights*.

* * *

NATIONAL DEFENCE

EXPENDITURE LEVELS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, yesterday I asked the Minister of National Defence a very straightforward question about the Conservative Party's election pamphlet entitled *Honour the Commitment*, which promised greatly increased spending in the Department of National Defence. The Minister had the unmitigated gall to say that he would have to consult with the officials of the Department. It was not the officials of his Department who

made that election promise. It was the Conservative Party which made that election promise.

Mr. Speaker: With great respect, does the Hon. Member have a question?

Mr. Hopkins: I would simply ask the Minister where is the honour and commitment on the Treasury benches of this Tory Government, when the Minister himself has been sitting on the Planning and Priorities Committee of Cabinet since last September and obviously had a part in making the cuts in real growth in defence expenditures. He was on the scene.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, one commitment that I can give to the Hon. Member, and to all Members of this House, is that, unlike the last 16 years during which time the Armed Forces underwent erosion of a substantial nature, we will, under the leadership of the Prime Minister and the Conservative Government, ensure that we live up to our commitments to our allies and to NATO, to make Canadian men and women who serve in our Armed Forces proud once again to serve their country.

Some Hon. Members: Hear, hear!

ELECTION CAMPAIGN PROMISE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, that is an interesting statement, in view of the fact that the Estimates tabled on Tuesday are $150 million less than the previous Liberal Government proposal. The Minister is chairing the Government's task force examining ways of cutting spending. Is he suggesting that his Party never had any serious intention of keeping its promise of 6 per cent real growth in defence spending, but rather intended to lower it to the bare minimum of 3 per cent or less, as tabled Tuesday, or is it that his Party made promises in the last election simply based on lousy research?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously the Hon. Member is confused. That is probably the result of the departure from his usual calm, controlled actions in the House of Commons. The Estimates of the Department will be before the Standing Committee as soon as the steering committee decides how to deal with the agenda. I anticipate that will be within a week or two. He will have the opportunity of going into that detail at that time. I can assure him, with respect to the Estimates, that they will provide sufficient to enable us, unlike the previous Government, to live up to those commitments to our allies in NATO.

INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I understand that it is St. David's Day today. I have a question for the Minister of Indian Affairs and Northern Development. Last month the Minister appointed the Hon. E. Davie Fulton as his personal emissary to the Lubicon Lake Indian Band. The Lubicon people have been trying for 46 years to have a reserve set aside, and now they are fighting to try to prevent complete destruction of their lands by the oil companies. When the Minister appointed Mr. Fulton, why did he not at least notify the Lubicon people of his action? Can he inform the House of the terms of reference for Mr. Fulton's work, how much power he will have to negotiate a real settlement, and when his work is expected to be finished?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member agrees with me that it was a good opportunity to have the appointment of the Hon. Davie Fulton to such a task, because the matter which he outlined with respect to Lubicon Lake and some of the other communities is such a complicated one. As a consequence of that complication, after I had advised the band that I intended to pick an envoy, I advised that what I would do was work out terms of reference for the Hon. Davie Fulton. We are in the process of doing that. Mr. Fulton indicated that he would not be able to start until mid-March, and we are just on target.

POWERS OF MINISTER'S REPRESENTATIVE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, will Mr. Fulton have any power to bring justice to the Lubicon people, or is he simply going to be given a mandate to do a further study, which will result in further delays, while the Lubicon Lake area is being further destroyed?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member realizes that after all these years, after waiting for Government after Government to do something, the Lubicon people are delighted to have Mr. Fulton do the job.

Mr. Manly: Will he have power?

Mr. Crombie: If the Hon. Member would listen, I would say to him that, wherever Mr. Fulton does the job, he does it with a sense of justice, and he will have the power to do so.

* * *

CROWN CORPORATIONS

PROPOSED SALE OF CANADAIR AND DE HAVILLAND

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister confirm that the Canada Development Investment Corpora-

tion is discussing selling Canadair and de Havilland to Messerschmitt of Germany? If that is correct, why is the Canada Development Investment Corporation chairman, according to a report in *The Globe and Mail*, not looking for a commitment for "a specific level of jobs"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot confirm any ongoing negotiations. As my hon. friend would know, having served in high government office, questions of this magnitude are negotiated and dealt with, with various proposals on the table. I do not think he would really expect me to confirm or deny whether there are any ongoing negotiations.

GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a supplementary question for the Prime Minister. If the reports are correct, and they are apparently based on a visit paid recently by the Minister of Regional Industrial Expansion to the Premier of Bavaria, Mr. Strauss, the chairman of Airbus Industrie, I would like the Prime Minister to explain why the Government is not willing to keep Canadair and de Havilland, the technology they developed, and the jobs they provide under Canadian public ownership, but instead is willing to sell them to Messerschmitt of Germany, a company that has a substantial degree of state ownership, or to Airbus Industrie, a consortium of European companies, most or all of which are also publicly owned?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why my hon. friend would jump to the conclusion that he has, and assert that as a matter of fact when it is no such thing. In his first question he referred to it as an allegation in *The Globe and Mail*. In his second question, it is a statement of fact that the Government is confirming its intention to do so. There have been no such transactions concluded. Negotiations continue with a number of interested parties, Canadian, North American, and European. At an appropriate time, when the Minister returns and a proper evaluation has been made and submitted to Cabinet, we will be delighted to inform the Hon. Member and the House.

Mr. Gray (Windsor West): CDIC has confirmed these discussions are under way—his own Crown corporation.

Mr. Mulroney: Not our own Crown corporation; your Crown corporation.

Mr. Speaker: Order, please.

• (1200)

RIGHT HON. JOHN G. DIEFENBAKER

PROPOSED STATUE ON PARLIAMENT HILL

Mr. Don Ravis (Saskatoon East): Mr. Speaker, in the absence of the Minister of Public Works I would like to direct my question to the Prime Minister. Last night I had the pleasure of speaking to a Private Member's Motion which was initiated by my colleague, the Hon. Member for Scarborough Centre (Mrs. Browes). I am very pleased to say that that motion was passed unanimously. The motion was for the raising of a statue of the Right Hon. John Diefenbaker placed on Parliament Hill.

I would like to ask the Prime Minister when we might expect to see some initiatives taken on that motion. I would also like to ask that consideration be given to inviting a Saskatchewan artist to design that statue.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was delighted to hear of the unanimous passing of the motion proposing the establishment of that kind of a memorial to the Right Hon. John George Diefenbaker, who served this House and country with such outstanding distinction.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I know that all Members of the House would want an appropriate memorial raised. Given Mr. Diefenbaker's background, a Saskatchewan artist would be appropriate. We will be happy to look into the suggestion and report back to the House.

* * *

CLERK OF PETITIONS' REPORTS

BUDGETARY CUT-BACKS IN WILDLIFE SERVICE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Westmorland-Kent (Mr. Robichaud) on Thursday, February 28, 1985 meets the requirements of the Standing Orders as to form.

RIGHT TO RECEIVE RELIGIOUS TELEVISION BROADCASTS

Mr. Speaker: The petition presented by the Hon. Member for Peace River (Mr. Cooper) on Thursday, February 28, 1985, does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the following questions will be answered today: Nos. 205, 211 and 230.

[*Text*]

MOVE OF CONSERVATION AND RENEWABLE ENERGY OFFICE

Question No. 205—**Mr. Henderson:**

Did Treasury Board approve the move of the Conservation and Renewable Energy Office from Summerside, P.E.I. to Charlottetown, P.E.I. on July 26, 1984 and, if not, on what date was it approved?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Treasury Board approval was not required for the above-mentioned relocation and consequently none was given. The Department involved, Energy, Mines and Resources did however advise Treasury Board of the move, and as required under the government's Relocation and Decentralization Policy, the Board advised the appropriate bargaining agents of the department's intentions.

The move, which involved relocating 12 employees from Summerside, P.E.I. to Charlottetown, P.E.I., 65 kilometres away, was not expected to create any special hardships since most of the employees already lived in Charlottetown. In addition, those employees requiring a change in domicile were to be reimbursed for their relocation expenses. Most of the dealings of this energy office were carried out in Charlottetown, and this was the basic reason for the move.

On November 28, 1984, a communiqué was issued by the Department indicating that the move was being deferred to March 31, 1985 pending a review of the new location. By this time, three or four employees had already moved to the new location and services have since been maintained in both locations.

CALIBRATION OF RADIATION METERS

Question No. 211—**Mr. Hovdebo:**

1. In each year since the service was initiated, how many radiation meters have been calibrated by the Ottawa Radiation Lab?

2. How many Lab employees were involved in the calibration process and what was the total cost of the operation to the Lab?

Hon. Thomas Siddon (Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows:

NRC has calibrated radiation instruments and sources for over 50 years; detailed records for the earlier years are no longer available. During this period, the types of calibrations have been changing dramatically. For example, 60 Co teletherapy sources are no longer calibrated routinely but about 1,500 were calibrated between 1954 and 1973. Similarly, in earlier times NRC calibrated over 28,000 radium needles for use in cancer therapy but the demand for these calibrations has almost disappeared.

The following table shows for several classes of instruments the number calibrated in each of the last 10 years. Even within a class, instruments are calibrated in, and so require the maintenance of, a variety of different radiation fields.

Frequently a calibration represents the first step in a long chain. For example, Ontario Hydro uses one NRC-calibrated high quality instrument to calibrate hundreds of their own instruments. Health and Welfare calibrates over 100,000 personnel radiation monitoring badges based on one or two NRC calibrations per year. A cancer clinic will calibrate many units and instruments based on one NRC calibration per year.

Year	Exposure and Survey Instruments for X-rays and 60 Co	Neutron Survey Meters	Irradiation of Personnel Monitoring Badges	Survey[1] Meters in a 7 MeV Field	Chemical[2] Dosimetry Service
1984	23	2	140	7	2
1983	28	4	100	—	1
1982	23	3	several hundred	6	1
1981	22	6	several hundred	6	—
1980	27	2	several hundred	20	—
1979	36	1	several hundred	—	—
1978	37	1	355	—	—
1977	9[3]	1	544	—	—
1976	31	1	254	—	—
1975	17	—	—	—	—
1974	16	1	—	—	—

(1) Developed in 1980.
(2) Developed in 1981.
(3) New X-ray Generator Commissioned.

2. The Dosimetry and Radiation Calibration Group at NRC involves 12 people and an annual budget of $1 million a year. The activities of this group include the maintenance of standards, research for standards and the calibration service.

PERSONS AGED 65-70 WORKING FULL TIME

Question No. 230—**Mr. Howie:**

From January 1, 1984 to January 1, 1985, how many persons in the age group between 65 and 70 inclusive, were working full-time?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Statistics Canada reports: It is not possible to derive estimates of the number of persons in the age group between 65 and 70 inclusive who were working full time. However, annual averages drawn from the monthly Labour Force Survey for 1984 show the following:

Age	Employed full-time both sexes Annual Average, 1984
65-69 years	77,000
70 years and over	45,000

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Bradley: I would ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved that Bill C-31, an Act to amend the Indian Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, today I am asking Hon. Members to consider legislation which will eliminate two historic wrongs in Canada's legislation regarding Indian people. These wrongs are discriminatory treatment based on sex and the control by Government of membership in Indian communities.

In the early days of Confederation, Canada consisted only of the Maritime Provinces, parts of Ontario and parts of Quebec. The balance of the great land was the territory of the aboriginal people. At that time, the Parliament of Canada took upon itself to define through the Indian Act who it would recognize as having Indian status. As Canada took over those Indian lands, hundreds of thousands of people and their descendants fell unknowingly into a category of people whose lives would become dominated almost totally by the federal Government.

The legal definition of who was an Indian reflected the nature of Canadian society at the time. A woman followed her husband's status. He alone had civil and political rights and he alone could pass them to his children. This 19th century view was reflected throughout the Indian Act. An Indian woman would, parliamentarians of the day reasoned, be taken care of by her white man and therefore would no longer need to be an Indian. She was enfranchised, to use the terminology of the Act. For her, the price of marriage was her status as an Indian.

It is sad to say that these legal definitions continue to the present day. The result is a lengthy list of hotly debated issues. These include questions like who is an Indian, who determines who belongs to a band, who should be registered as having Indian status, what should be done with people who lost status unfairly and with their children, and what is enfranchisement and why do we still have it. All of these issues mean little to most Canadians but they are critical, urgent and important questions to Indian people. That is why the federal Government has been under pressure from many fronts for many years, both in and out of Parliament, to remove sexual discrimination from the Indian Act.

In the legislation which I am tabling today, that removal is being effected. If this was all that had to be done, it would be done simply. However, removing discrimination raises two other questions: what about those who have lost their rights as a result of discriminatory legislation, and who really should control the membership in the bands? To discuss these questions, I need to step back a moment and explain certain facts.

I might say parenthetically, Mr. Speaker, that you would find as I did, if you were to travel throughout Indian communities and deal with organizations that deal with matters related to Indian people, that the amount of ignorance which exists about certain facts with respect to these definitions is striking. That is why I wish to spend a short time dealing with them.

The Indian Act deals with three basic things: who is considered to be an Indian within the meaning of the Act; who can be a member of a particular Indian nation; and who can live on reserves. Status defines those individuals whom the federal Government wishes to include within the meaning of the Indian Act. It is the right of the federal Government to make that decision. As a result of certain government policies, these individuals who have status are eligible as individuals for certain programs, most particularly those in the fields of education and health.

Band membership is a qualitatively different matter. Band membership is a collective right because it gives access to the common assets and the decision-making process of the band. Residency on the reserve goes to the heart of the participation in the daily life of Indian people in Indian communities. That is why flowing to those resident people is access to housing and other community services. That is also why it has been clear to me for some time that the intimate decisions regarding membership and residency must be made by the people most concerned and most affected.

I know that some people have felt that the resistance of some Indian people to having discrimination removed from the Indian Act was nothing more than male chauvinism. I wish to take this opportunity to explain that in all of my hours and days of meeting with Indian people on this and other subjects, I have not found that to be true. Many First Nations have long preceded Canada in the creation of egalitarian, non-discriminatory societies, and the recognition of the rights of women. Many Indian women had strong political rights in their nations long before non-Indian Canadian women had the right to vote. Indian people have long been on record as being in support of the principle of sexual equality and have joined with others in condemning discriminatory federal actions which have deprived persons of their rights without their consent or without the consent of their communities.

• (1210)

Indian people have consistently objected to the federal Government intruding into the governing of their communities and nations. What greater intrusion can there be than the arrogance of assuming the right to tell another people of another culture and tradition who is and who is not a member of their

community and who can and who cannot live on their own lands?

The Prime Minister (Mr. Mulroney) has said that as a Conservative—indeed, I think this matter reflects the feelings of all Members of the House—there has been too much intrusion by the federal Government into the daily lives of Canadians. Indians have been a special target and victim of that heavy hand for over a century.

In removing the discrimination from the Indian Act we are starting a new relationship with the people of Indian First Nations. Walter Currie, an Indian educator, has commented on the old relationship upon which federal policy until now has been based. He said:

> Unhappily, for both the white man and the Indian especially, it is not working. I wonder what would happen if Canada would accept us, would be aware of us as Indians, would accept us as a people, would share with us pride in our heritage—for it is Canada's heritage also . . . If we cannot cure the ills of today, heaven help us tomorrow.

I have tried to cure the ills of today in this Bill. I have tried to do so in a way which accepts Indian people as people with a right to determine who they are. All of this is a part of a new awakening, both on the part of Indian people, and I think increasingly on the part of non-Indian Canadians as well. Times have changed. We have all come a long way in our thinking. I know my own thinking has changed from the time when I thought we could simply eliminate discrimination from the Indian Act by putting a bold black line through Section 12(1)(b).

When the Leader of the Opposition (Mr. Turner) was Attorney General of Canada over a decade ago, he had the responsibility to defend the legal situation of the day in the Supreme Court case of Jeannette Corbière Lavell, who sought relief from the discriminatory provisions of Section 12(1)(b). Yet I am sure that he would join with me today in supporting the principles upon which this bill rests.

It has only been recently that many in my own Party Have fully understood the need to respect the demand of Indian communities to determine their own membership. However, interestingly, John Diefenbaker foresaw today's legislation. In commenting the Lavell decision, he characterized the decision as unjust and retrograde. He said:

> I agree with the dissenting judges. In the years ahead, the dissent of today will be the cornerstone of the future.

In 1977, Harold Cardinal, a Cree political leader in Alberta, published an essay in his book entitled *The Rebirth of Canada's Indians*. In that book he said:

> Trimmed to the bare bone (our rebirth) means we must regain control over the basic decisions affecting our everday lives, our communities, our children, our futures.
>
> Parents must regain the right to make decisions about the lives of our children, their education, the values they grow up with, their preparation for life. We are talking about the right to make the decisions that will allow our communities to flourish—

He was making a declaration which most Canadians would regard as a given right. Surely, one of the ways in which Indian people can do that is to control the membership of their own First Nations and to be unburdened from the sexually discriminatory provisions of the Act.

In November, 1983 the Parliamentary Task Force on Indian Self-Government, made up of members of all Parties, made a unanimously accepted recommendation which stated:

> The Committee asserts as a principle that it is the rightful jurisdiction of each Indian First Nation to determine its membership according to its own particular criteria.

In the legislation I have tabled today, that has been done.

The legislation is based on certain principles, which are the cornestones that John Diefenbaker identified. The first principle is that discrimination based on sex should be removed from the Indian Act.

The second principle is that status under the Indian Act and band membership will be restored to those whose status and band membership were lost as a result of discrimination in the Indian Act.

The third principle is that no one should gain or lose their status as a result of marriage.

The fourth principle is that persons who have acquired rights should not lose those rights.

The fifth principle is that Indian First Nations which desire to do so will be able to determine their own membership. Those are the principles of the Bill.

It is clear that there is little disagreement on the first principle. Sexually discriminatory sections should be removed from the Indian Act. Where there is disagreement, it is on the question of reinstatement of those persons who have been affected in the past by the discriminatory provisions. Some say there should be no reinstatement in any way, shape or form. On the other hand, there are others who want reinstatement to revert to Confederation, giving Indian status and band membership to anyone with any degree of Indian ancestry.

This legislation achieves balance and rests comfortably and fairly on the principle that those persons who lost status and membership should have their status and membership restored. While there are some who would draw the line there, in my view fairness also demands that the first-generation descendants of those who were wronged by discriminatory legislation should have status under the Indian Act so that they will be eligible for individual benefits provided by the federal Government. However, their relationship with respect to membership and residency should be determined by the relationship with the Indian communities to which they belong.

This legislation also wipes out forever the concept of enfranchisement, which forced many Indian people to give up their status and band membership against their will. Incredibly, in the past some people lost their Indian status simply as a result of the fact that they enlisted in the Armed Forces, received a university education, or became a member of the clergy. When I told that to my neighbours in Toronto, they could hardly believe that this was the law of the land.

There is another very important matter which I should raise. That is the matter of determining resources which communities will need as a result of these legislative changes. No one knows how many people will apply for restoration of their rights or how many of those who do have their rights restored will decide to return to live in their communities. It is certain that the impact will be different from one Indian community to another from coast to coast to coast. The legislation does not contain a provision regarding resources simply because the entire question of resources is not addressed in the Indian Act.

● (1220)

I would like to say that currently, and speaking generally, existing levels of service and resources in Indian communities are already appallingly inferior to those received by Canadians in general. That is why I have been taking some vigorous, and I think even creative measures recently to achieve efficiencies within the spending of my own Department to try to free up funds in the next fiscal year from administration expenditures in order to move them to programs for Indian communities.

Some Hon. Members: Hear, hear!

Mr. Crombie: I have also begun, Mr. Speaker, to implement policy changes which will allow Indian communities to have a much greater control over expenditures according to their own priorities or what they themselves refer to as "block" or "global" funding. The question of resources and lands will be part of a larger review within Indian First Nations to determine actions which should be taken by the federal Government in order to ensure there is sufficient land and fiscal resources to meet federal responsibilities and obligations for all the people residing there, including those who have been restored to membership in each community by this legislation. I am sure this House would not want me to proceed on a well intentioned attempt to redress injustices of the past which would end up inflicting an even greater injustice and irreparable damage upon the resources and people of the existing Indian communities.

Following the policy of my Government to consult fully, I have received advice and guidance on this legislation from individuals, from written submissions, women's organizations, Indian groups, bands and chiefs, non-status Indian groups, national organizations, from my Department and from my colleagues in this House. Following the policy of my Government to seek consensus, I have encouraged parties to talk to each other, to attempt to reconcile their differences and to accommodate each other's concerns. I have spent many hours trying to understand and develop a course of wisdom. I invite, indeed I encourage, those who may see better approaches to present them to the Standing Committee on Indian Affairs and Northern Development for its consideration.

While there may be other ways to reach these objectives, I have to reassert what is unshakeable for this Government with respect to this Bill. First, it must include removal of discriminatory provisions in the Indian Act; second, it must include the restoration of status and membership to those who lost status and membership as a result of those discriminatory provisions; and third, it must ensure that Indian First Nations who wish to do so can control their own membership. Those are the three principles which allow us to find balance and fairness and to proceed confidently in the face of any disappointment which may be expressed by persons or groups who were not able to accomplish 100 per cent of their own particular goals.

This is a difficult issue. It has been for many years. The challenge is striking. The fairest possible balance must be struck and I believe it has been struck in this Bill. I believe we have fulfilled the promise made by the Prime Minister in the Throne Speech that discrimination in the Indian Act would be ended.

In conclusion, I would like to make one or two points of a general nature and which I believe are important. Decolonizing is not a painless process. No one comes out a 100 per cent winner. We can never go back to square one and start over. We have to begin with the realities we confront today. While we can celebrate the ending of a long-standing injustice, we can grieve that the injustice ever existed at all. Some persons have expressed to me surprise that the Government's approach has not been to claim partisan credit for this Bill. I have seen cases in the past where solutions to injustice died because of an effort to exploit them for political advantage. We in this House should refrain from doing so because no one should claim pride in doing something which common decency says should have been done years ago.

Some Hon. Members: Hear, hear!

Mr. Crombie: We should refrain from doing so because the task of creating a new relationship with the aboriginal peoples of Canada is far from complete and because this legislation should be supported by all the peoples of Canada, male and female, Indian and non-Indian, and all political Parties.

I call upon all of those political Parties to support this legislation. In doing so, Canada can bring to an end sexist discrimination in the Indian Act and at the same time begin to bring to an end colonial intrusion into the affairs of the people of the First Nations.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, it was Doctor Samuel Johnson, the great literary figure of the 18th century England, who once said: "Of all the ills that human hearts endure, how small the part that laws may cause or cure". It is arrogant of me, I know, and I do hesitate to disagree with such an eminent English literary figure, but when one considers the misery which has been caused in this country by the various provisions of the Indian Act, it is very difficult indeed to accept the wisdom even of such a notable man as Doctor Samuel Johnson. The effects of the Indian Act have been alarming and disturbing in the extreme.

For thousands of years before there was European immigration to this country, there existed in North America many

self-governing Indian nations. They had their various languages, their economies and their political systems. The Royal Proclamation of 1763, which is now referred to in the Canadian Constitution, formalized British colonial policy in North America. It affirmed this reality that Indian nations existed, interrelated, and this proclamation recognized Indian title and rights to land and placed very severe limits on the way that the colonial government could secure land for development. It was the source of the treaty-making process which, by the 1920s, had covered all of Canada with the exception of British Columbia and north of 60.

• (1230)

This original relationship was one to which the Minister has referred in his remarks; it was a government-to-government relationship. We should not idealize it too much; it had all sorts of faults. It was a colonial relationship but it was government-to-government at least. That was the way in which the Crown proceeded to deal with Indian nations.

However, that pattern was not sustained. Early Canadian policy attempted to assimilate and terminate Indian people. For example, the Indian people had no part to play at all in negotiating the Canadian Confederation. They were excluded. They did not have the smallest voice in the terms of the British North America Act of 1867. Yet that same Act, in Section 91(24), assumed legislative authority with respect to Indians and lands reserved for Indians to the federal Government. The federal Government used that section of the Constitution to erode Indian governments. Well, in fact to do away with them. In its place the Government imposed upon Indian nations a colonial regime, and then through the Indian Act of 1876 the Government consolidated its legislative control over the Indian people. Under the Indian Act traditional Indian governments were done away with and replaced with something known as band councils. This was not an invention of Indian people at all. It was not indigenous government but an imposed form of government.

What did these band councils do? They simply functioned as agents of the federal Government. They exercised a very limited range of delegated power, always under federal supervision. The chiefs and councils were given very little real power. All of the important decisions were made by the Department of Indian Affairs here in Ottawa and by the local Indian agent out in the field.

The situation today is not all that much different, Mr. Speaker. Many Canadians, as the Minister has pointed out, are not aware of that. The Indian Act, Sir, is not only paternalistic, not only colonialist in its nature and intent; it regulates fully and in precise detail virtually every aspect of the lives of Indian people living on reserves. The Indian Act is in fact totalitarian. Therefore, Mr. Speaker, with that very brief background in history, it should surprise no Hon. Member in this House that the Indian Act is discriminatory in many respects.

The Minister's Bill before us today deals with sex discrimination in the Indian Act. Parliament, through the Indian Act, took from Indian nations the right to determine their identity and membership. The Act took away Indian status from Indian women who had decided they were going to marry non-Indian men. That was done through the infamous Section 12(1)(b). Although surprisingly, Mr. Speaker, it permitted Indian men to transmit status to their non-Indian wives. Now, that is a federal statute; hard to believe but it is. The Act also took away Indian status from Indian people, as the Minister has already mentioned; from Indian people who joined the Armed Forces to serve their country, from those who wanted to improve themselves by attending a university and from those who became professional people, be they doctors, lawyers or members of the clergy. The Indian Act, no more and no less, played the role of God in the lives of these people and it was not a benevolent deity either. Not at all. It was an evil, whimsical demon creating Indians out of non-Indians and making non-Indians out of Indian women who married non-Indian men.

I would like to say to my hon. friends that it is not just Section 12(1)(b) which should cause us shame in this House, although sex discrimination wherever we find it is odious, offensive, totally distasteful and unacceptable. However, Section 12(1)(b) and the enfranchisement provisions of the Indian Act were all designed to assimilate or terminate Indians. It is the whole Act which is a disgrace, not just one section.

Members may wonder why, then, has the entire Act not been repealed. Well, there have been attempts in the past to improve it. I have often described it as a leaky, rusty old ship full of barnacles, ready to sink. You try to patch it up but it just does not work. All efforts by very dedicated Indian leaders working with senior Government officials and the most senior members of Cabinet have failed. I do not think you can ever work with the Indian Act and produce something which would be fair and just, no matter what we do to it.

Since the time of the coming of Europeans to this country, Indian people have attempted to obtain the proper recognition of their rights and their place in this country. They have tried to do it, for example, by way of the treaties they concluded with colonial powers. They are trying to do it today in the modern claims negotiations, but so far not very successfully. But I want to commend the Minister for undertaking a wholesale review of the way in which we proceed with the settlement of claims, both comprehensive and specific.

So all of these attempts to recognize the special place of Indian people within the Canadian mosaic have failed. All we have at the present time is this miserable statute called the Indian Act. The Indian people do not want it repealed because, as bad as it is, as little as it is, it is the only thing they have that gives them special recognition within Canada. When you cut off a person's legs at the knees it is not very helpful, Mr. Speaker, to say to that person: "We are now going to go a little further and amputate at the hips". That is in fact what we are doing when we say to Indian people that we should think about repealing all of the Indian Act without according them constitutional recognition of their right to self-government. That is the key.

Mr. Heap: You could have done it last year.

Mr. Penner: I wish we had. I want to talk about that in a moment and about why we did not succeed, because that is the key.

It is not further amputation that is called for, Mr. Speaker, but the giving back to Indian people of all of their legs and feet. It is we who have made them dependent wards, a situation which Indian people are demanding be changed and changed now. How will we do it? We will do it by recognizing in our Constitution, the new Constitution of Canada, their aboriginal right to govern themselves. When we do that, then the entire Indian Act, not just Section 12(1)(b) or the enfranchisement provisions but the entire Indian Act, then becomes unconstitutional.

Our good friend, the Minister of Indian Affairs and Northern Development (Mr. Crombie), is certainly not in charge of the constitutional process. We all recognize that and we are not going to blame him for failures or for discouragement over the future process. We must work as best we can with the Bill which is before us. The Minister has been called upon to work in a very confined space rather than in the large constitutional process. In that very confined space is this dirty nest called the Indian Act. The Indian Act, among other sins, discriminates on the basis of sex.

● (1240)

Let us reflect on the actions taken by the Minister within the narrow parameters imposed upon him and ask how he has done. There are some pluses, to be sure. There are some negative features as well. To the Minister's credit, within the very severe and strict limits of the Indian Act he has quite remarkably recognized the right of Indian bands or Indian nations to determine their own membership, at least in a limited way. Bands must have a non-discriminatory membership code. They must have a mechanism to review decisions they make regarding membership. Those recommendations were contained in the report of the special committee. We are grateful that the Minister is aware of them and responded to them.

We should be aware that full control over membership does not come immediately. The Bill says that we parliamentarians are first going to clean up our own act as best we can. Clause 12(1)(b) is our creation. The Indian people did not seek a statutory provision to impose sex discrimination on their own people. The Minister was quite right in pointing out that in many ways the Indian people of the country have led the rest of us in dealing with sexual discrimination.

As I have said before, I encourage Hon. Members to attend an assembly of the Assembly of First Nations. That is the Indian Parliament of Canada. In many ways it is superior to our own institution, if you will forgive me for saying so and not call me to order, Mr. Speaker. In many ways they conduct their business in a better fashion than we do. There are far more women actively involved in the deliberations of the Assembly of First Nations than there are in the House of Commons.

Band control of membership in this Bill is for the future. The Government is saying that it will impose its will on the Indian people only one more time. It asks to be forgiven and understood because it will not happen again. The Government must clean up those droppings in its dirty little nest but is going to let those droppings fall on the heads of the Indian people.

Every political Party in the House is opposed to sex discrimination. Clause 12(1)(b) must be repealed. But I find the way in which we are forced to proceed distressing. Partly through necessity, we have chosen to be pilgrims in the slough of despond rather than to follow the more noble route of constitutional reform. So it has always been, Mr. Speaker: the high soul takes the high road and the low soul takes the low, and in between on the misty flats the rest drift to and fro. The Minister deserves no condemnation at all for that fact of life. He has done his best within the confines of an almost impossible task. He is seeking to repeal Section 12(1)(b) and the loss of status by unfair enfranchisement. The right to band control of membership is partially recognized. The by-law provisions of the Indian Act are strengthened.

I think the credit for that goes to the standing committee which worked with the previous Bill in the last Parliament. Working with the Minister's officials and the Justice officials we did our best to improve a Bill which was not very good to start with. Given more time, I think we could have improved it. However, time ran out on us, the guillotine fell with severity, and we brought into the House a Bill about which the Hon. Member sitting next to the Minister said: "We'll have to hold our noses and vote for it".

Discrimination remains within the Indian Act. The Bill still categorizes Indians as status and non-status. It still indicates those who are band members by action of this Parliament, and those who are not band members and must seek that status or will in some way be ineligible for it. As an example of how discrimination will continue to exist I will describe two different types of marriage unions. In one marriage union an Indian man marries a non-Indian. If they were married before the Act, both will have Indian status. Their children and their children's children will have status transmitted even if they marry non-Indians. However, if an Indian woman married a non-Indian man their child will have status, but that status will not be transmitted if that child marries a non-Indian. Therefore, we have not solved all our problems. We still have discrimination. That is the tragedy of trying to clean up an Act which really cannot be cleaned up. It is also reminiscent of a very mad play in which all the characters have become disconnected from reality.

What should we be doing? What could we have done? Where have we failed? I think we have failed in the constitutional direction. It is true that we must work this Bill now. We must make it as good as possible. On behalf of my Party I give my commitment to the Minister that we will do that. In the standing committee we will work with other members to make

the Bill as good as it can possibly be. It is essential, however, for all of us in the House and for the Canadian people to recognize that what we are doing today is not all that progressive or noble at all. We have created heartbreak and misery through our intolerable meddling and tinkering. With this Bill we continue down that same wretched path. We want to feel good. I understand that. We intend to do our best. We want to remove the sex discrimination, but in so doing there are shortfalls and ill side effects.

We will console ourselves by saying that we consulted widely and did our best. There can be no argument there. However, Mr. Speaker, let all Members, the people of Canada, especially the women, and the provincial Governments know that we continue to fail the Indian people of this country. We will continue to do so until we recognize the right of Indian people to manage, direct and control their own affairs within the Canadian Confederation.

• (1250)

In drafting this Bill, the Minister has tried to do his best and he deserves all the credit for that effort. However, the answer to the dilemma lies elsewhere, which he knows full well. I say to him and to his Government and to all the Premiers of the provinces of Canada: let there be no more failure at the constitutional table because that is where these problems can ultimately be solved in a lasting way.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak to this Bill. First, I would like to extend my thanks to the Minister for his courtesy in ensuring that I, as critic for the NDP, received a copy of the Bill at least as early as the press. I would also like to say that I believe that Bill C-31 represents a major improvement over Bill C-47 that was before the last Parliament. Our committee was able to outline some of the failures in the previous Bill and I am pleased to see that improvements have been included.

Let me stress the importance of this Bill to a wide range of people. This Bill is important to those Indian women and men who lost status and membership in their band and now will have the opportunity to regain it. These people include women who lost status through Section 12(1)(b) of the Indian Act, their children who lost status through Section 109(2) of the Indian Act, people who were unfairly enfranchised when they were in the army or had to be enfranchised in order to seek employment. The Bill is important for those who were affected by the provisions that went back to the 1920s which enfranchised anyone who had a university education or a profession.

The Bill is very important to those who now have an opportunity to regain status. It is also very important to the children of these people who will have the opportunity to regain Indian status and the possibility of being accepted into band membership for the first time. The Bill is important to Indian bands because it recognizes their right to make basic decisions about their own membership. Finally, the Bill is very important to the Canadian people as a whole. Canadians have been embarrassed by the international attention that has been drawn to us because of the sexual discrimination that has been written into the Indian Act.

It is important that this Bill is drafted properly in view of the poor legislation that was drafted last spring. It is also important for us to be realistic about what we can and cannot do as legislators when dealing with this Bill. Let me use the Lubicon people in northern Alberta as an example. During the last four or five years a great deal of oil activity has been intruding into their trapping and hunting areas. What used to be a wilderness is now criss-crossed and honeycombed with roads, seismic lines, pumping stations and other activities. No matter what Parliament does to try to bring justice to the Lubicon people, there is no way that we can restore the pristine nature of their homeland. Similarly, we can look at Meares Island which is the home of the Ahousat and Clayoquot peoples. They are faced with the possibility that that area might be logged and we must realize that once the trees are gone no Act of Parliament can bring them back.

How much more is this the situation when we are dealing not just with land and the environment but with the history of a people? The discrimination against Indian people, particularly against Indian women, has a long and shameful history. All Canadians share in that collective shame. Section 12(1)(b) is the legal embodiment of a romantic myth which has some very real economic overtones. In North America that romantic myth goes back at least as far as Captain John Smith and his rescue by Pocahontas when he was about to be executed. It is said that Pocahontas laid her head upon his and saved him.

Many people are not quite so familiar with some of the other accounts of Captain John Smith's rather fanciful history of Virginia in which he tells the story of how Indian people brought food and saved the entire colony from starving to death. We tend to gloss over later accounts of how the colonists seized the land. John Smith actually proposed to make Indian people slaves.

The point I am emphasizing is that among many European males, a romantic attachment to an Indian woman also had a very real economic attachment to Indian land. This commercial attachment is something that Indian people were aware of as well. Indian people had their own view of what was happening and they wanted some means to protect themselves and their lands.

In connection with the Lavall and Bedard case before the Supreme Court, Harold Cardinal explained some of the concerns of the Indian Association of Alberta in his book entitled *The Rebirth of Canada's Indians*. I noted that the Minister also quoted from this book. On page 109 Mr. Cardinal wrote:

> We were terribly concerned over what effect such a decision would have on reserves as the collective home of Indian people. We did not follow nor did we want, a system of private ownership, because we felt that this would rip apart our reserve communities in short order.
>
> Another valid concern was that if the women were successful in their suits, our reserves would be opened for settlement by white men, allowing them, through marriage to Indians, to gain ownership of Indian lands. A number of other questions were raised:

1) Would individual Indians then be free to sell portions of Indian land? This could mean destruction of Indian reserves and the end of Indian land-holding.

2) Would communal band ownership of reserve land cease to exist, and be supplanted by individual ownership—subject to seizure? Would that entitle non-Indians, related through marriage to Indians, to inherit portions of Indian lands?

3) Would Indians be subject to some of the provincial laws which do not now apply?

He goes on to say:

Our alarm, which led to our decision to oppose the two women, was based on our belief that if the Bill of Rights knocked out the legal basis for the Indian Act, it would at the same time knock out all legal basis for the special status of Indians.

In committee we will have to examine how far the present Bill deals with these legitimate concerns that were raised by Harold Cardinal and the Indian Association of Alberta. However, whether or not Section 12(1)(b) ever provided any real protection for Indian people, we all know that it exacted a very heavy price from Indian women. By removing status and band memberships from Indian women who married a non-Indian, that section of the Indian Act robbed these women of their birthright. It robbed them of their right to belong to their own people and the right to live in the community where they had grown up, to inherit property left to them by their parents and even to be buried in ancestral graveyards. As has been pointed out by the two previous speakers, all of us know that there is no easy way out of this situation. There is no easy way to decolonize. There is no clean way in which we can get out of this mess. May I call it one o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Paproski): Order. It being one o'clock, I do now leave the chair until two p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) had the floor.

Mr. Manly: Mr. Speaker, when we adjourned for lunch I was simply pointing out that there was no clean way for us as parliamentarians to get out of this situation which we have inherited from our fathers and our grandfathers. Our mothers and our grandmothers really had very little chance to be involved.

The Bible refers to an old proverb which says:

The fathers have eaten sour grapes and the children's teeth are set on edge.

This certainly applies to this situation where we are trying to shuck off this tradition of colonialism, sexism and racism. In spite of the fact that there is no perfect solution for the situation in which we find ourselves, we do have the obligation in our time to try and act in a responsible and just manner. It is in that context that the Minister had to bring forth his Bill and that we as parliamentarians have the obligation to look at it.

How adequate is the present Bill in dealing with the situation in 1985? The Minister has outlined three principles which he says are unshakeable and which he used as the basis for drafting this legislation. First, sections of the Indian Act which discriminate on the base of sex must be removed. Second, Indian bands must have the right to determine their own membership. Incidentally, Mr. Speaker, this is an essential of Indian self-government, one that was underlined in the report of the Task Force on Indian Self-Government and, as the Hon. Member for Cochrane-Superior (Mr. Penner) said, should be entrenched in the Constitution. Third, persons who lose Indian status through sexual discrimination or through unfair disenfranchisement must have the right to be reinstated to band membership.

These three principles do not always sit easily with one another, but I endorse them and so does my Party. But when the New Democratic Party passed a policy resolution on this subject at its 1983 Regina convention, it included not only these three principles but also a fourth. It said that the federal government must provide adequate funding and lands to meet the needs of increased populations. Unfortunately, that fourth principle has no place in this Bill. Perhaps that is why the Minister calls himself a Progressive Conservative. He enunciates some very progressive principles, but when it comes time to put money behind those principles he becomes very conservative.

In his speech the Minister acknowledged the problem but then he sloughed it off by saying there is no provision in the Indian Act for including financial resources. This is not an academic question, Mr. Speaker. The problems Indian people face we all know cannot be solved simply by making money available, but they cannot be solved without money.

There are three situations where the provisions of this Bill require that the Indian people should be given guarantees that money will be available. First, the Bill provides for the reinstatement of band members who once had status and lost it unfairly. A significant number of these people will want to return to their original homes and live once more on the reserve. But the fact is, as the Minister has acknowledged, that many of these reserves are already crowded and are also impoverished. Time after time over the past few years chief councillors have come before the standing committee. They have lobbied individual members of the committee and have told about the desperate state of housing on their reserves. For several years now we have had a backlog of some 10,000 homes that need to be built in Indian communities just to keep up with the present population. Neither the previous Government nor the present Government has made a serious attempt to meet this acknowledged need.

The Government must make a clear commitment to deal with that backlog and to make funding available for the homes

of those Indians who will be reinstated by this Bill. There will be social chaos on many reserves if people who are reinstated come back to their home reserves and get housing in advance of present band members who have been on waiting lists sometimes for years.

If, on the other hand, people who are reinstated cannot come back to the reserve and have decent housing, then the entire reinstatement program is a cruel hoax. It is not just a matter of housing, Mr. Speaker, there will also be the need for additional water, sewage and road systems, to say nothing of the need for adequate land base and funding for economic development.

● (1410)

The Minister was aware of some of these concerns when he drafted the Cabinet document that was leaked this last week. It states in Section 40:

> On many reserves all available lands are allocated.... Some Indian groups have argued for a land "dowry" of up to 128 acres to be allocated for each such individual. This option would be extremely expensive and really goes beyond the scope of dealing with the effects of discrimination. The Minimum action required on this issue would be to allocate funds to provide additional land to meet the essential housing and infrastructure needs of persons restored as band members. This could be done in accordance with existing federal policy on additions to reserves. Funds for this purpose could be provided on a phased basis depending on their availability. No legislative amendments would be required to implement this system.

Whether or not this is an authentic Cabinet document, I cannot say, but it certainly accords with the way in which this Bill comes forward. What we have is the minimum action. In other words, there is no action being taken on the question of finances. All the Minister says is that funds could be provided on a phased basis depending on their availability. That does not begin to meet the needs of Indian communities, if there is going to be reinstatement of band membership.

In that connection, I would like to ask why is funding for economic development down by some $23 million in the 1985-86 Estimates when there will be more need of it than ever? The Special Committee on Indian Self-Government, in recommendation No. 22, stated:

> The Committee recommends the establishment of a specialized tribunal to decide disputes in relation to agreements between Indian First Nations and other governments. Its structures, powers and procedures should be jointly decided by the federal Government and designated representatives of Indian First Nations.

Given the financial needs of Indian bands and the increased pressures that are going to be placed upon them by reinstatement, there is a great need for some such tribunal where people can come together and reach some kind of agreement as to what will be available to them.

The second area where the Bill requires some funding guarantees is with respect to the estimated 52,000 people who for the first time will be eligible for Indian status. Through band control of membership, some of these people will acquire full membership in Indian bands, but others will not. Theoretically, they will be entitled to health and education services which are presently available to off-reserve Indians. The problem is that these services have been drastically cut back in the past few years.

It will be cold comfort for a non-status Indian in Regina or Winnipeg to acquire Indian status and then find that it does not mean a thing in terms of real benefit. In the past few years allowances for off-reserve high school students have been cut and it has become more difficult to get funding for post-secondary education. Where is the off-reserve housing program that used to exist a few years ago? What is there in the way of economic development funding for off-reserve Indians? Without some guarantee of federal dollars and some commitment to programs, this whole business of Indian status will be a cruel joke on first-generation children.

Third, there is finally the possibility of creating new bands. Considering the intransigence of present bands toward receiving reinstated members, this possibility needs to be actively provided for with some funding. This means funding for land acquisition from the provinces as well as funding for housing, infrastructure and economic development.

Perhaps some Members get nervous with all this talk about the need for money, but they should remember two things. First, we owe a long-standing debt of justice. Indian people have suffered from our imposition of unjust laws and our denial of a decent economic base in the past. We have a great deal of catching up to do. Second, nothing could be more uneconomical than the present waste of our human resources. Many Indian people, status and non-status, are trapped in the downward spiral of welfare-based poverty, yet we continue to pour millions of dollars into that system every year. If we recognized the legitimate needs of Indian people, it would turn to our long-term economic advantage.

I want to raise one question about a detail in the Bill because it involves an important principle. I refer to those clauses dealing with band control of membership. We agree with that principle, but I am concerned that the Bill does not specifically require that band membership provisions should conform to the Charter of Rights and Freedoms. Some people might claim that this conformity can be taken for granted, but everything that happens in Canada has to be in accordance with the Charter of Rights and Freedoms. We cannot take this for granted. There is some legal opinion that would hold that the Charter of Rights and Freedoms would not be applicable in this area. I would like to see that issue nailed down in this legislation.

We in our Party take a very positive view of the role of government. We believe that government can and should be on the side of people, but we believe that every level of government, whether it is federal, provincial or Indian government, should be acting in accordance with the Charter of Rights and Freedoms. I would like to see that tied down in this legislation. In the same way, there has to be some guarantee that the recognized rights of bands to determine residency will be done in accordance with the Charter of Rights and Freedoms.

I have a couple of final comments about the time schedule. On April 17 the Charter of Rights and Freedoms comes into effect. I am not completely sure what the legal effect of April 17 will be on the Indian Act; I understand that some Justice Department lawyers are not completely sure of all the implica-

tions. We have heard that it could result in chaos if the Charter comes into effect and we have not dealt with this provision. At any rate, April 17 is a very important psychological date that all Members of Parliament have to work toward in order to have the discrimination removed by that time.

At the same time, we do not want to rush the job and botch it as we were forced to do the last time. I want to stress the importance of full committee meetings, the importance of the committee being able to hear all sides of this issue so that we can do a good job. I and other members of the committee will be giving a great deal of time in the next few weeks to hearing from different segments of the Indian community, hearing their views on this very important legislation. For that reason, we want to get it out of the House today and into the committee as soon as possible.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I wish to begin by complimenting both the tone and the content of the speakers who preceded me, the Minister of Indian Affairs and Northern Development (Mr. Crombie), the Hon. Member for Cochrane-Superior (Mr. Penner) and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). That tone indicates not only their own interest but is also an indication of the seriousness with which this historic matter is taken by all Members of the House. Indeed, this is one of the few pieces of legislation to come before this House which can genuinely be described as being historic. It does not solve all the problems, as the Hon. Member for Cochrane-Superior made clear, but it is nonetheless an historic and important Bill.

The Bill ends a discrimination against certain women, a discrimination that all of us now find unacceptable. It marks a large step away from a colonial mentality that has scarred the relations between Indian and other Canadians and marks a step—just a step, but an important one—toward greater autonomy for Indian bands. It proceeds in a way that is simultaneously reasonable, tolerant and principled to resolve dilemmas that have been divisive at home and have been embarrassing abroad.

As the Minister of Indian Affairs and Northern Development noted, this is not a Party matter. It is a uniquely profound Canadian question, rooted in the traditions and the rights of our original people, raising the principle of equal treatment, which is at the core of our free society, and resolved by reason, consultation and compromise.

● (1420)

I address these questions in several capacities, including my capacity as Secretary of State for External Affairs. In this 40th anniversary year of the United Nations, I celebrate and commend legislation that brings the laws of Canada into harmony with the international covenant on civil and political rights.

In addition, as the House will know, I have had other incarnations in this Chamber. In October, 1979 I had the honour to include in the Throne Speech of that year a commitment to remove Section 12(1)(b) of the Indian Act. Then later, on November 20, 1981, I had the honour to move the adoption of the paramountcy clause, Section 28, of the Charter of Rights and Freedoms.

In another capacity, my most important capacity as an individual Member of the House of Commons, more than a decade ago in the company of the present Minister of National Defence (Mr. Nielsen), the present Minister of Employment and Immigration (Miss MacDonald) and the former Member for Skeena and others, I was part of a parliamentary committee that for the first time in the life of Parliament achieved agreement between Members of the House of a definition and acceptance of aboriginal title.

The real reason I rise now to offer counsel to my colleagues here and my friends across the country is that those of us who know the emotions this question can arouse have a special obligation to bring balance and understanding to this debate, as all of the participants so far have done. This Bill is about more than an end to discrimination. It is also about a practical beginning to local band control of local band affairs and the challenge has been to respect the principles of equality and autonomy at the same time. It would be relatively simple to embrace one principle and abandon the other. It would be simple, dangerous and a betrayal of our elemental duty to bring Canadians together and to help all of our people understand the complexities of our country.

Questions concerning the equality of women are better understood today than they were a decade ago but there is not yet as wide an understanding of the special sense of community of our Indian people and the importance they place upon defining and controlling their own identity. In addition to suffering more than their share of disease, indignity and early death, they have for a century had their destiny controlled by others.

The children of the Eden Valley Reserve west of my home town were as free as I was to run, to ride and to be children. However, when we stopped being children, the youngsters of Eden Valley were not as free to be themselves as the youngsters of High River because to be Indian in the land which the Stoneys, the Blackfoot and the Cree discovered was to have your life run by someone else. There is somewhat more freedom now for the Stoneys, the Cree and the Blackfoot, but their memory and our legacy was of Ottawa running Indian lives, Ottawa setting Indian standards.

Against that background, Members of the House can understand why local Bands were worried about proposals to have Ottawa again change their traditions and define their members. To many Canadian Indians, the principle at stake was not the equality of Indian women but the autonomy of Indian bands. Our challenge in this Parliament is to respect both principles together, to end the discrimination that everyone agrees should end and to reinforce the autonomy and identity of communities that were treated like colonies for a century.

This Bill is the result of careful and sensitive consultation across the country. The Minister has invited Members to come to committee with proposals they might think better. On this

question more than on most, Members who might find fault with the Bill should accept the responsibility of proposing practical remedies.

[*Translation*]

Section 12(1)(b) of the Indian Act, in its present form, contravenes international obligations that Canada has freely assumed. Some of these obligations were contracted in 1976, when Canada ratified the International Covenant on Civil land Political Rights, one of the UN's fundamental documents concerning the rights of the individual. Canada also agreed to be bound by the provisions of the Optional Protocol to the Pact which stipulates that the Human Rights Commission may examine claims filed by individuals who maintain that their rights have been violated by their own government.

The House will recall that in 1977, Mrs. Sandra Lovelace filed a complaint with the Committee that because of the existence of Section 12(1)(b) of the Indian Act, she had lost her Indian status in May 1970... French is occasionally a problem for the boys from High River and Eden Valley, especially figures. That is why I am the Secretary of State for External Affairs and not Minister of Finance... As I was saying, Mrs. Lovelace had lost her status when she married a non-Indian. She alleged at the time that she was the victim of a violation of certain rights laid down in the covenant.

Hon. Members may recall as well that, in July 1981, the Commission on Human Rights concluded that Canada had violated Article 27 of the covenant because Indian Act Section 12(1)(b) had prevented Sandra Lovelace from living on a reserve. Here is Article 27:

> In states where there are ethnic, religious or linguistic minorities, people belonging to those minorities shall not be deprived of the right to have, along with other members of their group, their own cultural life, to practice their own religion, or to use their own language.

In the summer of 1983, Canada advised the Commission concerning the steps it was taking to correct that violation. Specifically, our representative gave the assurance that Canada was committed to delete from the Indian Act any discriminatory provision related to sex. The Government is now about to honour that commitment.

It would seem that, on the occasion of the United Nations Decade for Women, we are finally going to do away with a provision which discriminates against women. One of the happier results of that decade is undoubtedly the Convention on the Elimination of all Forms of Discrimination Against Women which was ratified by Canada. Section 12(1)(b) contravenes a certain number of the convention provisions, particularly Article 10 which reads as follows:

> State parties shall take all appropriate measures to eliminate discrimination against women in all matters relating to marriage and family relations—

By having the House adopt this Bill, Canada will meet its obligations and eliminate that discrimination.

[*English*]

With this measure we have confronted one injustice, an injustice to Indian women and one that over the course of the last decade and a little longer has become well known nationally and internationally. However, as others in this debate have emphasized, there are fundamental injustices which we must still face and resolve. Indeed, while discrimination against women is an unhappy characteristic of many societies, the colonial treatment of the Indian people is a particular Canadian injustice. It is a scar on our society and on our conscience. We have talked about it for a long time.

In recent years we have begun to act more seriously to establish the self-respect and status of the people who were here before any of the rest of us. The work of the standing committee in the last Parliament was courageous, creative and constructive. I think it would not be improper to mention the particular contributions of the Hon. Members for Cochrane-Superior, Cowichan-Malahat-The Islands, Wetaskiwin (Mr. Schellenberger) and Brampton-Georgetown (Mr. McDermid). The tone of this debate has demonstrated that this commitment to change, and to self-respect, reaches throughout this Parliament. If I may compliment a colleague, I think the fact that this Bill has been introduced so early in the life of this Parliament demonstrates the determination and the influence of the Minister of Indian Affairs and Northern Development and the priority of this Government.

• (1430)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): My colleague from Cowichan-Malahat-The Islands quite properly raised the question of cost. That is a matter which will be dealt with by the Government, and of course by the parliamentary committee. It cannot be dealt with in legislative form in this Bill, as the House understands, because of the nature of the Indian Act. But the Government accepts and understands that the rules cannot be changed without helping the capacity of the Indian people of the country in responding to the changing rules. We accept that we must help to meet the implications of the changes which are under way. But we know also that the question of determining the cost, and determining the method of dealing with the cost, is one which will take some time and, by its very nature, can neither be anticipated nor applied as though there were no differences from reserve to reserve or from band to band. The Minister, his officials and the committee will be looking very closely at the question as to just exactly what must be done. I can say to the Hon. Member, on behalf of my colleague and the Government, that this Government will address this issue in a reasonable and sympathetic way to be as much help as we can to the Indian people in responding to this reality, which is sought not only by all of us, but sought and accepted—because they oppose the idea of discrimination—by most Indian people of the country.

I have been involved for a number of years in issues concerning equality for women. More Canadians have been involved in that issue than have been involved in the question of concern

for Indian bands and Indian status. Indeed, sometimes in the development of this debate there has been the risk of an apparent conflict between those who were concerned about the equality of women and those who were concerned about the problems and the nature of Indian communities across the country. In fact, the issue at the base is the same. The issue is a determination to have identity respected and advanced. I think we have made a step forward in the House today, not simply with the tabling of this legislation, but also with the tone of the response by Members on all sides of the House.

If I may speak to one aspect, in concluding, of the challenge yet ahead of us, it has to do not simply with our colleagues in this House; it has to do with those millions of Canadians who over the last several years have become concerned about the question of equality for women. I hope that they too will recognize that there are other inequalities. I know they do, but I hope that in their recognition of the other inequalities that exist in Canada they will join with the Minister, the Hon. Member for Cochrane-Superior, the Hon. Member for Cowichan-Malahat-The Islands and others in the House to ensure that progress is made much more quickly than in the past in improving the status, the self-respect and the capacity to contribute to the future of Canada and the Indian people of our country.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech of the Right Hon. Member? If not, I will recognize the Hon. Member for Mount Royal (Mrs. Finestone) on debate.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I do welcome this opportunity to rise in such an important debate. I would first like to commend the Minister for his worthwhile efforts trying to reach unanimity on his redressing action. This is truly a complex situation, and I know he has travelled all around the country listening and learning. Sensibly, he has been listening to those groups that will be affected by the amendments.

In order to help us understand the reasons why these changes have to be made, I intend to make a brief historical review of the Indian Act as it has evolved since the 1860s. It is important that we should understand why it is not a well written piece of legislation. This discriminatory piece of legislation is but an attempt at assimilating our Indians into the "white" society.

Previously, there were many ways in which an Indian could forsake his rights as a band member and his status: by obtaining a university degree or by joining the Armed Forces or the Church, to name but a few. This loss of status or enfranchisement had nothing to do with the Indian culture and did not reflect Indian tradition.

The loss of status for Indian women who married non-Indians was one of the worst aspects of enfranchisement. Section 12(1)(b) discriminated against Indian women only. They would forsake their rights as band members and their cultural identity by marrying a non-Indian. There is no equivalent provision where men are concerned.

In my view, this new legislation will have three major consequences: enfranchisement will be abolished forever, sexual discrimination will cease to exist, and the status and the entitlement to membership in a band will be given back to any individual who may have lost them.

I therefore commend the Minister.

[*English*]

I listened most intently to the Minister of Indian Affairs and Northern Development (Mr. Crombie), to the Secretary of State for External Affairs (Mr. Clark) who gave an interesting exposé of the historical background with respect to international law, to other Members of the House, and in particular to my colleague from Cochrane-Superior (Mr. Penner) whose deep commitment and knowledge of the issues was most apparent. I learned even from him, from an historical perspective, of the complexity of the issue and the grave difficulties which were posed in confronting the realities of the impact of this very complex and nefarious Indian Act. The Hon. Member for Cochrane-Superior and I have had many exchanges and I appreciate his taking the time to explain the issues to me.

I must say that Section 12(1)(b), and the removal of sexual discrimination with respect to women, was my first and primary goal when I came here, and I did learn to understand and respect it in the total context of a most complicated, historical error on the part of we, the settlers of this country. The role of the Hon. Member for Cochrane-Superior was very much appreciated and acknowledged. I noted that the Minister talked about that in his introductory remarks.

After listening to the historical perspective of how the white man has imposed upon the Indian, my conclusion is that the old saying that the "law is an ass" is amply demonstrated in this particular instance.

Notions of humanism, and individual and collective rights followed in the wake of the Second World War when the condition of Canada's Indians began to cause concern. In 1946 a special joint commitee of the House of Commons and the Senate, which sat until 1948, canvassed opinions on all issues with respect to the Indian Act. Originally, the joint committee had not contemplated accepting representations from Indians, which goes along with the history of how we had handled the issue from the very beginning. However, under pressure, the committee relented and during the course of the following two years representations were heard from Indian bands and associations from across Canada.

Only one woman was represented on the committee, Senator Iva Fallis, who at the very beginning of the proceedings brought up the question of Indian women losing their status. She questioned Robert Hoey, the Director of Indian Affairs,

with respect to the inequities created by the enfranchisement of Indian women. From Hoey's evidence, it would seem that he saw the Indian Act as an Act which deprived the people of their human rights. I think he was perfectly right. Nevertheless, he believed that, given the existence of such discrimination, it should be based on blood quantum since, as he pointed out, an Indian could have a white mother and a white grandmother and still be legally an Indian. I believe it was called the double mother clause. This question has disturbed him, he said, and he questioned the moral authority of Parliament to deprive persons of 50 per cent or more white blood of their full rights of Canadian citizenship. He believed that a fairer definition would be "An Indian is a person with 50 per cent or more native or Indian blood".

• (1440)

With respect to an Indian woman who loses her status through marrying a non-Indian pursuant to the statute, Mr. Robert Hoey stated that a problem occurred when she returned to the reserve having been deserted by her husband or immediately following her husband's death. She is no longer an Indian in the statutory sense, nor is she the responsibility of the Indian Affairs branch. Indeed, it can be said that the money voted for by Parliament is voted on the distinct understanding that it is for the welfare of Indians and cannot be spent for the relief of white citizens. Senator Fallis, who sounds to me like an intelligent woman—I see we have a few of her followers in the gallery—said, and I quote:

> Am I correct in understanding from what you said a moment ago that if an Indian woman marries a white man, she ceases to be an Indian, yet she is not a white woman? If her husband deserts her, or dies, she is left destitute and there is no one to look after her? That does not apply in the case where an Indian marries a white woman. It seems unjust to the Indian woman who marries a white man because neither the white people nor the Indians want her.

Mr. Hoey described this as an "awkward problem" and went on to other matters. We were still going on to other matters until the Minister's Bill was tabled today.

With respect to the Indian testimony and representations made before the committee, almost without exception the Indian bands and associations called for the abolition of involuntary enfranchisement. Representation of such sentiment comes from the submission of the Indian Association of Alberta to the joint committee, and I quote:

> When the treaties were signed, the white man was content to leave it entirely to the discretion of the Indian chiefs and their councillors to determine who was to enjoy the treaty rights. It is necessary that those matters be determined by Indians themselves according to the customs and traditions of Indian bands.

The Native Brotherhood of British Columbia stated that a woman who lost her status through marriage, or was deserted or widowed, should be allowed to rejoin her band with her children. This Bill reverses a very serious blot on Canada's international human rights record—which was alluded to earlier—brought by the Sandra Lovelace case to the United Nations, and takes the necessary steps in restoring status to the Indian women who lost them as a result of Section 12(1)(b). It wipes out the concept of enfranchisement forever. It ends sexist discrimination, for the most part. But no legislative action, Mr. Speaker, can replace the emotional hardship and the loss of dignity and identity which resulted from enfranchisement.

I received representations from many Indian groups, both men and women. I listened to what they had to say and was deeply moved by much of the hardship and heartache which they have lived through over the past many years. My memory goes back to the early 1970s, to the key role played in bringing this issue, which was a non-issue, for the most part, to the fore by the late Senator Therese Casgrain—and I pay her due homage today—and by Mary Two-Axe Early, who should be named a senator, in my view. I only regret that Madam Casgrain did not live to see one of her major causes on flagrant discrimination against women wiped off the statute book. I rejoice with all of those Indian women leaders who must consider today a victory, even though imperfect.

I applaud the Minister's action in repealing Section 12(1)(b) but I cannot support his restoration of status to the women but not to their children. His effort to restore Indian identity is somewhat negated by his potential division of the family.

Let us look for a moment at the 1981 statistics on native women. According to the census there are 248,815 native women in Canada, of which 70 per cent are under 30 years of age. That is compared to 50 per cent for the non-native female population. I am sure that the Minister is aware of those figures. Perhaps the most important observation is the high proportion of single parent families headed by native women. Specifically, 17 per cent of native families fall into this category as opposed to just over 9 per cent of non-native families. It is this group which is most likely to wish to return to the reserve where they could get support from other family members and the community as a whole. The right of those children to return has been removed, leaving that decision in the hands of the band, as I understand it. If I am incorrect, I hope I will be corrected because I consider that matter to be very serious.

The Minister has not really permitted, as I understand it, the reintegration into the Indian culture and identity for this particular group of children except upon request by those children to the band and upon the band's decision to accept their request. No woman could really consider going back to her reserve without her children. This group is most likely to wish to return to the reserve. If I have not explained my concern in the fullest sense of the word, I would like to know about it.

I notice the Minister's concern about the existing levels of social services on the reserves which he described as "appalling and inferior". I am hopeful that the vigorous and effective measures which the Minister enunciated to free up funds will result in the situation being cleared up and we will see serious improvement of a substantive nature.

The Minister's proposals do go a long way to removing the discriminatory sections of the Indian Act. However, I wanted to ask the Minister if he has not now created three categories of Indians; those who live on the reserve, those who choose to live off the reserve and those who have status but may want to live on the reserve. In the past this has been a relatively small

group, consisting of those Indians who were on the waiting list for access to band housing. This group is now going to swell to include the 22,000-plus women who lost their status and the 50,000-odd first-generation children of those women who have to make application. I am not saying that all these people are going to want to return but the problem of how to integrate them, even if it is only 10 per cent or 20 per cent, will have to be addressed by the Minister in a very concrete way.

The Minister has indicated that band membership will now be controlled by the bands themselves. While I support this basic principle, I do have some concerns that the women who wish to return to their bands will not be able to participate in the democratic process of establishing band codes. How can they participate in the decision-making if they are not residents on the reserves, which is one of the main criteria in being a band decision-maker? In certain instances that is not the case, but in other instances it is.

I am very positively predisposed to this Act. I am just highlighting some of the areas where I can see that the Minister faced a conundrum in how to resolve this problem. Decisions affecting women and children without their input could cause various concerns.

I understand with respect to the transmittal of status that women who lost their status will now have it back but their children will be treated differently from the children of an Indian man who married a non-Indian woman. Therefore, if I understand it correctly, one can be in a situation where first cousins who are of Indian ancestry will not have the right to claim that ancestry, which could put them into conflict. I hope that that problem will be resolved.

I want to add my voice, Mr. Speaker, to that of the women of the Indian lands and express appreciation for the fine effort which was undertaken by the Minister. He has made a bold move in introducing this Bill. I support the removal of discrimination in the Indian Act and the measures to abolish enfranchisement, and to restore status and band membership to those who lost it unfairly.

● (1450)

He also has made a significant move toward Indian control over their own affairs through the band membership provisions. Colonialism, sexism and racism have certainly been addressed and I congratulate him for the effort. I look forward to hearing in committee from the many interested groups and I certainly hope the Minister's wish that any improvement that can be realized will be realized and shall become a reality.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, I recognize the Hon. Member for Nunatsiaq (Mr. Suluk).

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I am pleased to have this opportunity to take part in the discussion of changes to the Indian Act. I would first of all like to congratulate the Minister on his excellent and rewarding speech, as well as all other Hon. Members who discussed the need to rectify many of the wrongs relating to native people in general. Although I have never been quite sure whether Inuit do in fact fall under the Indian Act, I will attempt to illustrate to Members of the House that there are still opportunities to avoid many of the things that are wrong with the Indian Act. Specifically, I would like to make some initial comments about what is happening with the same kind of issues that northern people are dealing with at the present time, or at this moment in history.

Although the Indian Act, Mr. Speaker, was created many, many years ago, and perhaps many of its contents may not have foreseen the problems that might develop such as the ones we are now dealing with, we are also dealing with many of the same kinds of difficult issues in the north through the land claims forum, the modern treaties as it were, which are being conducted between the Governments and other native peoples of Canada. I would just like to give some brief examples.

First of all, a few years ago the Inuit were discussing the problems that might be coming up as a result of any land claim settlement, and we were discussing at one time at what stage we would stop calling Inuit the Inuit in terms of their blood relationships. For example, would we stop calling someone an Inuit when it gets to the 25 per cent stage? That is where the child has only 10 per cent, 15 per cent or 25 per cent of native blood or Inuit blood. Many of these things were very technical and very disconcerting to many of the Inuit in my riding, especially in the Northwest Territories. I would hope that before agreements of this type are reached again with other native people in Canada, specifically those in the Western Arctic areas and in the Eastern Arctic areas, both the Government and the people negotiating on behalf of the respective Indian or Inuit side would foresee many of these problems that governments in the future might have to deal with.

I would just like to relate a brief story about how discrimination against Inuit women was dealt with by one community. It is not dealt with across the Territories but we have a very classic example in my own town of Eskimo Point, Northwest Territories. It concerns the Inuit ladies who are married to Kabloonat, as we call them. In much the same way as we are known as Eskimos to some southerners, we also refer to non-Inuit in the south as Kabloonat. It is not a derogatory term by any means, just a reference that we do have in the north. Inuit women who are married to Kabloonat, that is, not Inuit or, I think the term is, Caucasian or something, did not have the rights and were starting to complain because they could not hunt polar bears. Traditionally, only Inuit men hunt polar bears. However, the polar bear skin has quite a lot of value. In the north, where the economy is not all that great, you can get $1,000 or $2,000 for a polar bear skin, and then naturally it becomes a desirable thing to have. To go back to the story about the Inuit women who felt discriminated against, they raised a big issue out of it in the local press—well, there is no press, just the radio and public meetings and all that—and said that because their husbands are not Inuit

and therefore could not hunt, they are being discriminated against.

It turned out that after a lot of discussions and a lot of talking back and forth and a few harsh words here and there, the situation was resolved to the point where the Inuit ladies ended up being allowed to hunt polar bear. Now, people did not raise eyebrows when those ladies went out hunting and perhaps their husbands, who may be non-Inuit, pulled the trigger, but at least for the sake of peace the issue was resolved. I think there is an opportunity nowadays to rectify a lot of things and avoid a lot of problems that are inherent in the Indian Act, especially Section 12(1)(b).

I understand that the amendments are going to remove the discrimination against Indian women and would also give the Indian bands the abilitty to determine who would be eligible, and I think that would satisfy both sides. It would not necessarily be to everyone's satisfaction, but in relation to what is happening in the Northwest Territories, at least they have something which they could sink their teeth into.

I would now like to discuss briefly what I heard many Members making reference to, and that is colonial governments and the need to avoid the same situation. There is in fact this opportunity in the Northwest Territories. For example, many of you may have read certain items in the newspapers since the Minister of Indian Affairs and Northern Development (Mr. Crombie) announced that the Government would agree to the creation of two territories out of the existing territory if the boundaries could be resolved by the northerners themselves. The discussions about self government and the division of the Northwest Territories has been going on for the last eight years. However, charges of discrimination against non-Inuit, or specifically charges that northerners wish to create ethnic governments, have been advanced by people who generally oppose the majority of the Inuit population. In the proposed Estern Arctic territory people of Inuit origin, such as myself, would be in the majority by about 80 per cent.

• (1500)

I would like to raise a question here. One of the obstacles to the agreement by the federal Government to allow northerners to create two territories was that the Inuit were trying to create an ethnic government. In fact, we are willing to be assimilated. We are willing to take a colonial style territorial government such as now exists in our area, and mould it into our own. We will accept that. Earlier this week in one of the Canadian Press reports there was a reference once again to ethnicity. In earlier reports it was mentioned that the Inuit and Indians used to fight a long time ago. Mr. Speaker, we do not need to go through all these stories which do not apply any more. We are now in a modern situation. An opportunity exists in the Northwest Territories with another aboriginal group to exercise the modern ways of right and wrong.

I wanted to explain from the perspective of a native person that it is very encouraging to hear parliamentarians talking about the need to allow native people to make a contribution to the systems of government in Canada. I believe that we do have a lot of things to contribute to the Canadian system if we could only avoid the pitfalls which have dogged many of the discussions relating to aboriginal rights, such as the constitutional discussions, the land claims discussions and other discussions relating either to Indian or to native self-government. I would like to encourage Members here, especially the Minister of Indian Affairs and Northern Development, to keep the dialogue going, because there are answers to the problems.

I would like to conclude my remarks by saying that I have had representations from Indian bands both for and against changes to Clause 12(1)(b). I have heard and can identify with many of the remarks made about problems that may develop as a result of these changes. I have also heard representations from women who are very concerned about the discriminatory clauses of the Indian Act. I think that the amendments which are now being proposed could satisfy both sides of the camp. We should accept the changes as they are being proposed, knowing that there will be other opportunities in the future to discuss these in a very gentlemanly fashion if we discover more things that do not work out.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise address Bill C-31 with as full a sense of responsibility for our work and deliberations in the House of Commons as I have had heretofore, and certainly with as full full a sense of that responsibility as I ever hope to have. As the Hon. Minister for External Affairs (Mr. Clark) observed, this is indeed a historic occasion in the life of this House. We are working today, and will be working in committee and at third reading, to attempt to correct a historic sequence of injustices, the perpetration of which began many years ago and has multiplied over the intervening centuries and decades.

We are here, unfortunately, to make decisions which determine the very fabric of the lives of a people and of nations which are not represented directly in this Chamber. I say that with no disrespect to the Hon. Member for Nunatsiaq (Mr. Suluk) whom we just heard, but knowing that the Indian Act does specifically exclude the Inuit people and knowing that there are no Members of this present Parliament who claim Indian status. That places a great degree of responsibility on us because the decisions that we take, at least at the level of the House, will be without the benefit of the direct representation of Indian people. We will be determining their lives. We must remember that when we talk of Indian people we use a convenient, crisp, inaccurate term that comprises a people whose diversity and variety of cultures and heritages fully matches, if not actually surpasses, those of the heritages and cultures that we as Canadians of largely European Caucasian origin represent.

It is a pity in a way, and I doubt that I will ever feel it to be more of a disadvantage, that our rules do not allow us to hear from substitutes, but only from Members of Parliament within this Chamber. I know from my experience with native leaders in my riding that there are many men and women who could far better express the feelings of native people, be it in their language or in English, on the legislation that is before us. In my capacity as Member for Kenora-Rainy River, I have the privilege of representing more bands than any other Member

of this honourable Chamber, and I dare say that, on a percentage basis or as a total population figure, I represent as many Indian people as any other Member of this Chamber.

• (1510)

At various times I have been a resident of an Indian reserve and have worked for Indian people. I have formed friendships with Indian people that endure and I know will grow stronger as the years go by. I have also worked for the Department of Indian Affairs and Northern Development, but I will not say too much about that because it will play little part in the further regulation of membership and status.

I say those things and draw upon that experience, not in any way to suggest that my opinions are of greater merit than those of any other Member, but simply to say that having been able to experience firsthand some of the effects of the Indian Act as at present constituted, that still does not give me the uniquely valuable perspective of seeing the Act, the instruments it has formed and the divisions it has created, through the eyes of an Indian person.

Let me say that I and others on the committee plan to seek native representation on the standing committee for the period during which Bill C-31 is under consideration; because only at the committee level will we be able to derive the benefit of the unique historic, cultural and personal perspective that the Indian people can bring to the discussion of Bill C-31.

We have already heard the history of the Act presented in a, thorough, erudite and detailed manner. I will not attempt to compete with my colleagues in that regard. However, I will say that the effect of division, exclusion and the effect of federal government control, often exercised arbitrarily by those who had very little real interest in those whom they were controlling, has indeed had the impact of racism, sexism and colonialism that have been alleged.

My friend and colleague, the Hon. Member for Cochrane-Superior (Mr. Penner) mentioned in his address that he felt that in many ways Indian political forums were better regulated and functioned more responsibly than this Chamber. I would also add that in many ways the politics of Indian people are much more interesting than our daily fare in this Chamber. I say that not in derogation of my colleagues or of the Government's legislative agenda, but simply to point out the effects of the Indian renaissance in the last decades in the forums in which Indian peoples have organized themselves to speak at the national level, albeit not with a single voice because there are divisions and differences of opinion that are held strongly. Being able to see from the periphery that process of renaissance, not in the sense of rebirth but of rekindling of the Indian peoples' belief in the strength, responsibility and the relevance of their own Governments and their own interband and intergovernmental processes, has been an exciting time indeed.

I believe that the Indian Act is comparable to the ancient legend of the Gordian knot that was so ravelled and tangled that it could not be undone. The Minister has attempted to emulate the act of Alexander in severing that Gordian knot in a single stroke. I believe that the legislation, even in its unamended form, does indeed go a long way to severing that knot and undoing the decades and centuries of discrimination, inequality and division that the Act perpetuated.

The amendments address the equality of men and women. They restore status and membership in bands, and the distinction between those two is crucial to an understanding of the Act and the amendments. They restore status and membership in the bands to those who themselves have been directly excluded from that status and membership by virtue of the operation of a discriminatory clause. They restore status to the first generation of descendants on application.

Perhaps what is most important to myself, representing as I do some 50 Indian Governments, is that the amendments recognize that in the future the membership in an Indian band must be under the control of that band. The odious process of enfranchisement, redolent as it was with overtones of colonial Anglo-Saxon superiority, which has no place in this century, is finally abolished. However, we can ask why indeed there should be any continuing provision for the relinquishment of Indian status unless that be at the request of those who have been consulted.

Finally, children will be treated as children and not as classes of children. We will see the provisions regarding adoption and illegitimacy eliminated, and thus those rights harmonized with those rights which exist in the wider society.

We will see the access to off-reserve programs restored. While that is good, I must reiterate my colleague's criticism of the paucity and irrelevance of most of those programs.

I have one major caveat of caution which I would like Members to consider. By the consideration of Bill C-31, we are indeed addressing a major issue for the Indian people of Canada. But we are are as far as ever from solving all of the problems of Canada's native people. The passage of Bill C-31 will indeed smash several major injustices. We must ensure that in the committee process as far as possible those major injustices are not replaced by fragmentary minor injustices, as so often is the case.

The time frame under which we will work is not the time frame that I would have sought, had I been in the Minister's place. While we recognize its compelling nature, the time frame is arbitrary, just as the time frame for the proposed proposed passage of Bill C-47 in the last Parliament was an arbitrary and unnecessarily restrictive time frame. I would offer a caution to the Minister in this regard. The Minister speaks of the consultation process which he has undertaken. I know it has been extensive in terms of the miles travelled, the hours worked and the numnber of bands that have been consulted. We must recognize, however, that there are groups that do not feel the consultation process has been fully extended to them.

• (1520)

One of the first lessons I learned as a district manager with the Department of Indian Affairs and Northern Development was that it was not good enough to talk to people and then say

that a consultation process had occurred. It was necessary to specify, to arrange in advance, and to agree mutually that a certain discussion would be seen as a consultation. There will be the requirement for intensive discussion at the committee level, intensive examination of the ramifications and effects of this Bill. There will be the need for native representation on the committee to ensure that the final legislative product is something that will be fair to the Indian people of Canada.

As I sat in the House today listening to the Hon. Minister, I was more than pleased to see that among his audience was the nation's most famous expectant father. Then I thought of the prospects that his child might face compared to the prospects of an Indian child born at the same time. I do that in no way to single out the Prime Minister's (Mr. Mulroney) children. Were my wife expecting, I would use the example of my own child.

First, there is the difference in life expectancy, estimated now at a decade or more, between the two children. Second, there is access to the services which are required to raise and bring up a healthy infant. Third, there is the education, for one in his or her native tongue, for the other in a foreign tongue. Fourth, there is access to the services that you and I take for granted, Mr. Speaker. I am thinking of clean running water, sanitary sewage disposal, paved roads, a light switch that produces electricity when it is turned from the off to the on position, and, finally, housing of acceptable standards.

For many Indian children today, those amenities and those opportunities are not a reality. For many, none of those services are accessible.

The Bill which we consider today will accomplish much that is good, but much will remain to be done for the Indian people of this country. Some discrimination will be removed, and I hope that at the end of the legislative process we will be able to take pride in what we have done. Many problems will remain and some will be created as people seek to be repatriated to reserves where the land or financial resource base is really not adequate to support them. I am hopeful that the interest that is generated on this crucial matter of membership, the matter of necessary reforms to the Indian Act, will eventually impel us to reform not only that Act in its entirety but also to reform and to bring the condition of Canada's Indian people to a state of which we can all be proud.

Some Hon. Members: Hear, hear!

Mr. Robichaud: Mr. Speaker, I rise on a point of order. Would it be in order to ask a question of the former speaker, the Hon. Member for Nunatsiaq (Mr. Suluk)?

The Acting Speaker (Mr. Paproski): We need unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Robichaud: I thank you, Mr. Speaker, and I thank Hon. Members for their courtesy. In listening to the Hon. Member for Nunatsiaq I heard him say, in the question of the division of the Northwest Territories, that the native people had some concerns. I would like to hear his comments on this question of division.

Mr. Suluk: Mr. Speaker, in relation to the native people, specifically the Inuit who would reside in the eastern half of the proposed new territory in the Northwest Territories, the Inuit were concerned that many reporters and many of the non-Inuit were concerned that many reporters and many of the non-Inuit in the western part keep making references to ethnicity, in particular that the Inuit would like to form an ethnic government even though it is a public government. These kinds of things tend to create some misconceptions about what is happening in the Territories.

Perhaps I will take this opportunity to add that there is a feeling of rejection by the East in the western part of the Territory. Perhaps it could be solved by suggesting that since the residents of the Yukon Territory and the residents of the would-be leftover territory in the west are predominantly of the same culture, that is Indian and others, they should join together and create the eleventh province.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have been here today thoughout the debate and must say that I have enjoyed it immensely. One of the great privileges I have had as a parliamentarian was to be spokesman for the Progressive Conservative Party when we were in opposition in the portfolio of Indian Affairs and Northern Development. In the past year leading up to the election, I have spent a considerable amount of time with the Indian people of our country, many of whom I am proud to say are friends.

I enjoyed my work with the Hon. Member for Cochrane-Superior (Mr. Penner), the Chairman of the standing committee, and with the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). Although I do not serve on that committee now, but wish I did, there was a feeling on that committee, I believe there still is, to work together in as non-partisan a manner as was possible. There were times when partisan politics did come into play, but we tried not to allow that to happen. We in the committee last spring were faced with Bill C-47, amendments to the Indian Act. It was probably one of the most hectic six days that I have spent. I think that the Chairman and the Hon. Member for Cowichan-Malahat-The Islands will agree that it was quite an experience.

• (1530)

I do not want this to be interpreted as being critical of the former Government, because my remarks are not intended to be that, but we were not given a sufficient amount of time to listen to the representations, to absorb the representations or to amend the Act in the way we would have liked. There were some last minute amendments brought in and some great negotiations going on with the Minister. As we all know, the House was going down for the summer. If I can put in an aside, it was going down, period. It was going down for the summer and so we were rushed. If my memory serves me

correctly, I believe the timing was something like six days or so.

The argument was that this discrimination had been around a long time and that it was time to get rid of it. I do not think there was a soul in the community that could disagree with that. However, there was still some conflict and some concerns were expressed by various groups, including the Native Women's Council of Canada, the AFN and other very interested groups.

There was at that time a compromise arranged through the Native Women's Association of Canada and the Assembly of First Nations which I think was very significant. It was very important for us as parliamentarians to see that type of agreement reached between two groups which in some instances had been at odds.

Needless to say, the Bill went through. The Hon. Member for Cochrane-Superior quoted me accurately today when he said that I stated in the debate that we must hold our nose and pass this Bill. None of us were happy. We all felt very uncomfortable about it. We felt that this might be the last opportunity to have this Bill passed, so it was passed. History will show that the Senate did not pass it and that it died on the Order Paper.

I want to say a couple of things about the present Minister. He assumed his new responsibilities shortly after the election of September 4. I do not think there is another Minister who is working harder—I know there are some working as hard—on their portfolio than the Minister of Indian Affairs and Northern Development (Mr. Crombie). He has devoted a tremendous amount of time in trying to meet the various groups, organizations, associations and individuals who play a very important part within that Ministry and who, in the jargon of this place, are client groups. I do not like that terminology, but that is the way they are referred to, no matter what the Ministry is.

He has been doing an excellent job. Bringing in this Bill—although not perfect and there will be debate and representations in committee—he has gone a tremendous way to meet many of the objections that we heard last June on Bill C-47. That has been acknowledged today and that is fair enough. I congratulate the Minister for that work.

I want to encourage the members of the standing committee to study this Bill and to give fair hearing to those who want to make representation, but not to hold this Bill up for political purposes. This is such an important Bill that we cannot get into playing politics with it. That is very important. I know my hon. friend in the New Democratic Party, whom I enjoyed working with last year, my colleague from Cochrane-Superior and others who served very well on that committee feel the same way. If they do not, I guess I am not as great a judge of character as I thought I was.

I encourage all those who are associated with the Bill, including those who will be making representations, to treat this Bill in a very fair and open-minded way. It may not satisfy every individual's desire. Very few pieces of legislation that pass through this place do satisfy every special interest group connected with it. Neither does it probably satisfy at all times Members of Parliament who are on the government side. Politics is the art of compromise, and I am sure that when this Bill is brought back to the House for third reading, if there are amendments to it, it will be absolutely the best Bill that we can bring in to do with the removal of discrimination in the Indian Act.

The year leading up to the election was a rewarding one. I listened today to the Hon. Member for Mount Royal (Mrs. Finestone) with great interest when she suggested that our good friend Mary Two-Axe Early be appointed to the Senate. I would like to say to my hon. friend from Mount-Royal that I would not want to inflict that on such a wonderful, warm, genuine person as Mary Two-Axe Early. There are far better fates for Mary Two-Axe Early. We can reward her much more significantly than by putting her in the Senate. She has been a wonderful friend to all parliamentarians. I know she was a great help to me when I was spokesman for the Party. She is the kind of person you cannot help but feel very comfortable and warm with. I too want to pay tribute to her, but I do not suggest that she be appointed to the Senate.

I wish to talk for a moment about some of the concerns that have been expressed in previous Bills and what is happening in this Bill. Some areas have been covered very effectively by Hon. Members today. Some bands, however, were very concerned about enfranchisements where individuals who were enfranchised received a fair-sized pay-out from an Indian band once they left the band. Some bands, although very few, have done extremely well with exploiting the resources found on their band properties. When individuals were enfranchised, they were very well taken care of. Some bands in Alberta, for example, were very concerned about this. They were greatly concerned about someone who had received a pay-out and was automatically brought back into the band without having paid back his or her share or given any accounting for the share he or she had taken out already when they were enfranchised.

● (1540)

The Minister has obviously taken that into consideration in these amendments and I congratulate him for that because now, according to this Bill, persons regaining band membership who previously had received the per capita pay-outs from the band capital and revenue accounts will not be able to benefit from current distributions of band funds until the amount forgone equals the amount they received earlier plus interest. As Hon. Members may know, in some instances that amounts to many thousands of dollars. The Minister has included that concern in the legislation. I think that is a very, very important part of this Bill.

There are other important parts of this Bill. A woman who marries a member of another band no longer automatically becomes a member of her husband's band. Transfers between bands will still be possible if the receiving band agrees. The band has control over its membership, and I think that is very important.

As the Secretary of State for External Affairs (Mr. Clark) mentioned earlier, one of the great debates we had in the past dealt with whether this was a women's issue or an Indian issue. I believe the Minister covered the matter very, very well and indicated that it is really both. I do not think there is any question about that. The attitude of the previous Government depended, I suppose, on who was appearing before the committee. The former Minister of State for Mines, the Hon. Judy Erola, insisted that it was entirely a women's issue and not an Indian issue.

Mr. Rodriguez: We know what happened to her.

Mr. McDermid: I know what happened to her. The Hon. Member who defeated her keeps reminding me of what happened to her. I thank him for that, although my memory is not that short.

That was one of the problems with which we were faced the last time we dealt with this issue. That understanding did not exist at that time. It was very difficult for those of us who had spent a considerable amount of time on the issue to try to educate those who were pulling the strings as to exactly what the issues were. In all fairness, I think that the former Minister of Indian Affairs and Northern Development understood the problems but did not have the necessary clout or power within Cabinet to make the amendments to the Bill that the present Minister has been able to make. I think we must also commend the Minister for his work at that end.

I wish to congratulate the Minister. I would also like to congratulate the Government for bringing this Bill before the House. In conversations we had earlier today, the Minister assured me that there will be a fair hearing given to this issue at committee and that the committee will delve into the Bill to a great extent. The committee is looking forward to getting its work done. If I am not mistaken, I believe that there is an agreement that as of today, the Bill will be referred to the standing committee so that the committee can get under way with its very, very important and necessary work on Bill C-31.

May I close, Mr. Speaker, by once again appealing to all those associated with this Bill to come before the committee with open minds and a clear feeling of consensus in their hearts so that together, in a non-political way, we can remove this very distasteful part of our history and rectify it as best we can. Although the remedy will not be perfect, we can at least make a very, very honest and good attempt.

The Acting Speaker (Mr. Paproski): Are there questions or comments? Since there are no questions or comments, I recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I appreciate having this opportunity to rise to say a few words regarding Bill C-31. I recognize that my colleague and other Hon. Members would like to say a few words. Therefore, I will keep my comments brief.

Having listened to the debate today and having heard from all parts of the House some very positive, powerful, thoughtful, compassionate and co-operative statements, I feel that this has been one of the days when I have been really proud to be a Member of this House. I listened to the spokespersons from all three political Parties indicate that this was indeed a very historic day for bringing justice to native people and for removing from our books a discriminatory clause in the Indian Act. The very thoughtful and constructive comments that individuals have made have put this particular Bill into a very appropriate context.

I am sure all of us are looking forward to examining the Bill clause by clause when it gets to committee. We are looking forward to scrutinizing every aspect of this Bill and to ensuring that the various groups will have an opportunity to have their concerns registered and, wherever reasonable and possible, to have their recommendations incorporated through amendments to this Bill.

I am very happy to say a few words today on this Bill. When I first became a Member of Parliament, within a matter of hours every Indian band in my constituency arranged a visit with me. As well as the major issue of self-government, they reminded me of the concerns that they had with Section 12(1)(b). Over time, 12(1)(b) has become a phrase with which I am very comfortable. I suppose it has almost come to symbolize this incredible Act called the Indian Act.

One of the previous speakers referred to the Indian Act as being a leaky ship with all kinds of rust and holes, a ship that is literally falling apart. It is almost impossible to save that ship. The only way to save it is to introduce self-government for Indian people. Today we are simply trying to plug one more hole in anticipation of the Act being thrown out as soon as possible to be replaced with Indian self-government.

This Bill deletes membership sections of the Indian Act which discriminate on the basis of sex. It reinstates people who lost status through marriage to a non-Indian or through the double-mother clause which took away status from Indians whose mother and whose father's mother were not status Indians. It reinstates people who lost status through enfranchisement of the husband or father, through the dispute of the status of the father in cases of illegitimate children, through enlistment in Canada's Armed Forces, through obtaining or maintaining employment, through attendance at a university or through the attainment of a professional degree. It also provides that first-generation children be granted status as Indians under federal law and that they would then be eligible for band membership according to rules developed by the band. It sets out a method by which the band can design and control membership criteria. It sets out a system of protest for people disputing a decision regarding the addition or deletion from the band list and gives band councils the power to decide residency rights.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) indicated very clearly that one of the concerns we must address is the funding provisions for reinstated band members. We must address the incredible pressure this change may place on certain bands in terms of expanded membership, available land and the additional cost that will obviously have

to be borne by that particular band. This must be recognized and dealt with as part of this legislation. I know that the Hon. Member for Cowichan-Malahat-The Islands has discussed many times over the past number of months the need for some type of review board which would assist the bands in obtaining proper funding and land settlements when there is extreme pressure brought to bear upon a particular band as a result of increased membership.

● (1550)

In addition, the fact that the appeal process does not cover residency rights is something which must be dealt with when the Bill goes to committee. Of course, the fact that there is no guarantee of services to off-reserve Indians is also something which ought to be addressed at that time.

I am pleased to play a small part in the debate this afternoon on this very historic day. I look forward to the Bill going to committee, and certainly I look forward to the third and final reading when discrimination on the basis of sex is removed from the Indian act once and for all.

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, it gives me a great deal of pleasure to address this Bill today. First, I would like to say that the Minister of Indian Affairs and Northern Development (Mr. Crombie) has set a course, possibly unprecedented, and in six months has taken on an activity to return some fundamental feelings and activities which were lost during the many years of former administrations. I am extremely proud of the Minister and I have indicated to him that I will do everything I can to bring about the change which reflects the attitude of this Government. I am sure most Members of the House will do the same to give the Indians in the reserves the pride which in many cases they have lost.

I would like to address a few of the comments which were made today by opposition Members on the committee, whom I would also like to commend. It is the committee which will address the most important concern—the cost. No doubt when this Bill goes through the proper channels and into committee, people will ask what it will cost the Government. There have been some estimates from time to time which suggest that it might cost $30 million, $40 million, or that it might be in excess of $200 million. However, no one has asked what the cost was to those people who have lost their status over the years. What has been the cost in suffering? Can we put a dollar value on those who could no longer be classified as status Indians, as opposed to their neighbours, and were not recipients of the benefits of that status? What was the cost to families who broke up or lost their status because the moved, or to those who married someone who was not a status Indan? Who could put a dollar value on that? I do not think it can be done. I do not think there is enough money to replace that.

I recognize that the Bill will not please everyone, because all of the wrongs cannot be undone. However, I think the Bill goes far in helping to make a previous wrong as right as possible. When this Bill is brought to committee, I know my colleagues and members of the Opposition who are on the committee will suggest every possible way in which to ensure that we will go as far as we can in making it fair and that we will listen to as many people as possible who are affected.

Again, I would like to refer to the Minister in this regard. As my hon. colleague previously stated, the Minister has travelled and has worked as hard, if not harder, than any other Minister in this area. I am sure that if the Minister missed someone, it was not due to his attempt to accommodate everyone. However, my colleagues and I are helping the Minister in this regard. I think that is the bottom line. When this Bill is passed, we will know that we have done everything we could to consult with and listen to the people who are affected. I am very happy to be part of that process.

As a new Member of Parliament I find it exciting to be involved in such an important activity. I look forward in the next four years of this administration to many other dynamic changes which will be required, because the Bill will not restore economic needs and requirements, improve lower education or improve housing, which these people may need. The Bill does not address all of the issues, but it is a start.

Once again, I take my hat off to the Minister and commend all the speakers on this Bill who have given their support and advice. I look forward to debating this legislation further in committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Crombie, seconded by Mr. Hnatyshyn, moves that Bill C-31, an Act to amend the Indian Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

The Acting Speaker (Mr. Paproski): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 40?

Some Hon. Members: Agreed.

TRUST COMPANIES

ADVISABILITY OF INSTITUTING PUBLIC INQUIRIES

Mr. Simon de Jong (Regina East) moved:

That, in the opinion of this House, the Government should order a public inquiry into the collapse of the Pioneer Trust Company of Regina, Saskatchewan and other trust companies, and should adopt a permanent policy of ordering such inquiries for any future collapses; and

That the Government should consider the advisibility of introducing legislation amending the Trust Companies Act to make such inquiries automatic.

He said: Mr. Speaker, the events in the last two weeks concerning Pioneer Trust Company has prompted me on numerous occasions to urge the Minister of State for Finance (Mrs. McDougall) to initiate a public inquiry into the collapse of the Pioneer Trust Company. Upon further investigation into the collapse of other trust companies, Mr. Speaker, I am more firmly conviced that a broad public inquiry, not only with respect to Pioneer, but to other trust companies, is needed. The millions and millions of dollars which have been lost because of trust companies going under, should surely give us a strong indication of the need for public inquiry and a new set of regulations governing trust companies.

● (1600)

The Canadian Deposit Insurance Corporation was formed in 1967, following the collapse of the Atlantic Acceptance Corporation. The CDIC has been catapulted into a number of new functions with the collapse of several other trust companies. Originally an insurer, it is increasingly becoming a regulator in conjunction with other federal agencies. Yet, Mr. Speaker, it has a staff of only 12, a five-man board of civil servants and a part-time chairman. Over the last number of years, CDIC has lost some $1 billion because it had to bail out some ten different trust companies. I quote from the report of the Auditor General of March 31, 1984 as follows:

—sufficient information was not available at the time of our audit to determine whether the provision was adequate.

Meaning, Mr. Speaker, that there was not enough information for them to determine whether there was at that time some $650 million which was lost because of CDIC and whether something could have been done to have prevented those losses. Again, I quote from the Auditor General's report as follows:

As of December 31, 1983, the corporation had made loans to the eight troubled companies amounting to $942.5 million in order to fund payment of liabilities and operations. At March 31, 1984, the amount of loans outstanding was $1 billion.

Again I quote the following from the Auditor General's report:

However, the corporation anticipates heavy losses and has recorded a general provision for loss of $650 million at December 31, 1983.

The report continues:

Because of these circumstances, sufficient information was not available at the date of our audit to allow us to determine whether the general provision was adequate. Accordingly, in our audit report to the Minister of Finance, we stated that we were unable to express an opinion on the financial statements of the corporation for the year ended December 31, 1983.

Government policy regarding trust companies—and I say this with the support of the statement of the Auditor General—has really been *ad hoc* decision-making. We see, with the collapse of Pioneer, another policy decision being made by the Government on an *ad hoc* basis. The past government practice has been to assist in the arrangement of agency agreements, for example, with Greymac, Seaway, Crown and Fidelity trust companies. The agency's agreements virtually guaranteed all depositors and shareholders of those trust companies. But apparently the Government has now changed its policy. Two smaller western based trust companies, Pioneer and Northguard in Manitoba, were just cut loose, their assets sold off, and everyone has taken a beating.

The Government has changed its policies without announcing them publicly, without a public process of hearings or a public committee, and this change in policy might have misled investors and depositors with Pioneer. Certainly the investors and depositors in Pioneer did not know that the Government had changed its policy. So we feel, Mr. Speaker, that there is a need for a public forum to discuss these changes.

I would like very quickly, Mr. Speaker, to move to my major concerns. Those are the concerns I have with Pioneer Trust. On February 7 of this year, the biggest financial failure in Saskatchewan's history occurred. Pioneer Trust, a company which has been a constant money loser in its 11 years of operation, was forced to close its doors. There were many small investors, mainly from across Saskatchewan, who supported the company because they wanted to see a viable Saskatchewan financial institution. There are also some 1,800 uninsured depositors. Many of them were hospitals, municipal Governments, theatre groups, provincial government Departments, as well as many retired farmers and business people who will lose substantial sums of money. They kept their deposits with Pioneer because they wanted to support a Saskatchewan financial institution.

The collapse of Pioneer raises many questions: first, could it have been avoided? Since a special report of May, 1984 to the Minister of State for Finance warned of Pioneer's problems, there seems to have been sufficient time at least to reach an agency agreement. We want to know if any efforts were made to contact, for example, Co-Op Trust in Saskatchewan to take over Pioneer? We are concerned that both the provincial and the federal Governments did not do everything possible to protect the depositors and, in fact, aggravated an already serious problem.

The behaviour of the provincial Government is something which can hardly be believed. On November 21, Mr. Bob Andrew, the Minister of Finance for Saskatchewan, wrote to Pioneer Trust, and I quote from that letter:

Dear Mr. Klein:

Please be advised that the Government of Saskatchewan will guarantee the 27.5 million dollar preferred share offering of Canadian Pioneer Management Ltd. Details of the guarantee are now being reviewed by officials. You may expect the guarantee to be ready in time to allow your new equity to be placed prior to December 31, 1984.

That is a very firm commitment, Mr. Speaker, by the Minister of Finance of Saskatchewan to Pioneer Trust. We

also have the Premier of Saskatchewan backing up his Minister of Finance on numerous occasions. I quote from an article in the *Regina Leader-Post* on January 11, 1985. If reads:

> But Devine said the Government has no intention of running the company, although it is prepared to support it with financial guarantees. "If I have to back it up I am prepared to say if it does go all the way to the wall, then obviously I'm going to have all that is necessary to make sure that Saskatchewan taxpayers are protected," he said.

The Premier of Saskatchewan and the Minister of Finance for Saskatchewan make this public and private commitment to Pioneer Trust, yet, Mr. Speaker, on February 7 the Minister of Finance publicly announces that the province will not proceed with the guarantee. His stated reason was that the province was not aware of how serious Pioneer's problem was. They made a bad situation even worse. In effect, they had offered a false sense of assurance to the depositors and shareholders of Pioneer Trust. Did the province not examine Pioneer's books before it made its commitment? It sounds incredible but it appears that the province made a $30 million commitment without even verifying the books of Pioneer. Indeed, its action bears out what former Ontario Premier Bill Davis is reputed to have said about the Devine Government, "Amateur night on the Prairies".

The Saskatchewan Tory Government, which prides itself on its business approach and expertise, is now being sued by Pioneer Trust. So much for those great free enterprisers, Mr. Speaker.

We are also concerned with the federal Government. On August 1 the federal Government had allowed the company to continue to operate under restrictions on the understanding that it would have to increase its liquidity by December 1, 1984, before its licence would be renewed. On December 31, the company's licence was renewed although it had not succeeded in raising more money to increase its liquidity. We want some answers, Mr. Speaker. Did the provincial Government give the federal Government a written guarantee? If not, why was the licence renewed? Obviously, Mr. Speaker, Pioneer Trust did not get its $30 million, yet its licence was renewed by this Government. This Government has to be held accountable for that action. What we are really seeing is mismanagement by both the federal Government and the provincial Government.

It is interesting, in pursuing the court documents which were filed in the Court of Queen's Bench, to note the total lack of evidence showing federal-provincial government communications. We want to know what consultation occurred before the company closed its doors. Did the federal Government make the provincial Government aware of the seriousness of Pioneer's situation before the province committee itself to the guarantee? Was there any discussion between the two Governments concerning alternatives such as an agency agreement, before Pioneer's collapse? It strikes me that both Governments acted incompetently. So much for this new era of federal-provincial consultation, especially between Tory Governments.

• (1610)

There are other questions that should be answered. For example, according to the preliminary audit filed with the court, there was some $36 million in uninsured deposits as of December 31, 1984. On February 7, when Pioneer closed its doors, there was only $24 million in uninsured deposits. What happened to the $12 million? Were there companies and individuals who had privileged information and used that information to make some timely withdrawals? We want to know. We also want to know if there was any unusual selling of shares by a few individuals before Pioneer's collapse. There are some very serious discrepancies, especially concerning the uninsured deposits in the amount of some $12 million that disappeared in a little under two months.

As well, there are rumours and reports that a Conservative Saskatchewan Cabinet Minister obtained a substantial undersecured loan from Pioneer last December without even declaring his conflict of interest when Pioneer was discussed at Cabinet meetings. Again I think this deserves a full public inquiry.

The events surrounding Pioneer and its demise raise many, many questions, Mr. Speaker. The concern we have is that politics indeed played an important part in the failure of this company. We have asked the Minister of State for Finance to institute a public inquiry. We believe the public has a right to know. We believe that before we see more trust companies going down the drain—and there are reports that several other trust companies are in an unstable situation—before the people of Canada pay out hundreds of millions of dollars more, it is time we reviewed the regulations concerning trust companies. It is time that we had an open inquiry.

It surprises me, Mr. Speaker, that despite the mismanagement by the Saskatchewan Government and particularly that Government's Minister of Finance, that same Minister of Finance calls for less regulation of the trust companies. In fact, he feels that part of the reason why Pioneer went under was that there were too many regulations. Can you imagine the gall? After the experience we have had in this country of so many trust companies going under, we know that in fact the problem is not enough controls, not enough regulations. Yet the Saskatchewan Minister of Finance calls for even less. I suppose what he wants is a return to the days of private financial buccaneers and pirates. Well, there are many of us who wonder whether indeed we will see an honest and open public inquiry set up by either the provincial or the federal Government. It seems as though there are too many things to hide. For example, I note with interest that very recently in the *Globe and Mail*, specifically on February 27, a statement was made by the head of Canada Trustco, Mr. M. L. Lahn. He said that he doubts if this present Government will indeed effect any changes in the regulations as to the ownership of trust companies. I quote him:

> Several of the trust company owners fall into the category of influential Conservative Party backers and fund raisers. It would thus be naive to expect an ownership restriction to be forthcoming.

I hope the Government and government Members will not talk out this Private Member's motion, Mr. Speaker, that indeed they will recognize that a serious problem exists concerning trust companies, not only with Pioneer but with many others. I hope they will recognize it is high time that a pubic inquiry system were instituted.

I have written to the Minister of State for Finance, and it is unfortunate that she is not in the House today to participate in this debate. We have all known since early last week that we would be debating my motion this Friday afternoon. But I have written to the Minister suggesting that a public inquiry be held. I have raised with her in my correspondence many questions similar to these and I hope she will answer some of them and that other answers will come in a public inquiry.

Again, for the sake of Canadian taxpayers, Canadian investors and Canadian depositors, I hope this Government will act and that we will have a full and public inquiry not only into Pioneer but into all of the regulations governing trust companies in this country.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sorry to hear that the Hon. Member for Regina East (Mr. de Jong) regrets the absence of my Minister of State for Finance (Mrs. McDougall), but I will try to stand in for the Minister to the best of my ability, and I welcome this opportunity to speak to the motion moved by the Member for Regina East. I am aware that the Hon. Member has already raised other aspects of the matter during this session, and we want to congratulate him on this thoroughness in seeking to have the issues raised by the closing of Pioneer Trust Company fully taken into consideration.

However, we must point out from the outset that we do not agree with the desired impact of this motion. We must make a distinction between the two proposals made in the motion as it stands. The motion proposes that a public inquiry should be conducted in all cases where trust companies go bankrupt. The second proposal is very specific, namely that an inquiry be ordered into the particular case of Pioneer Trust. In both cases, however, I think the approach proposed by the Hon. Member is not suitable in the present circumstances.

As far as this particular case is concerned, I assume the Minister of State for Finance has sent the Opposition Member a number of replies to questions he has already raised. Neither the Minister of State for Finance nor the other parties concerned have been reluctant to publish or disclose any relevant information. We must therefore conclude that the public's need to know has been amply satisfied. It is a fact that the media have fully and extensively covered the matter, and in articles published before and after this very debatable motion was put on the *Order Paper* they described clearly and in great detail the entire sequence of events.

In the circumstances, however, it would be preferable to take the time to recapitulate briefly what happened in this case. It will then be abundantly clear that the Government has been entirely open about the matter and that the other parties certainly did not cover anything up. Obviously, I am not in a position to obtain information that is not available to the general public, so that there will be nothing new in what I will have to say here in the House.

In May 1984, a report was sent to then Minister of Finance.

[*English*]

Officials of the federal department of insurance have undertaken a thorough study of the situation of Pioneer Trust and reported at that time that there was cause for certain concern as to the company's financial situation. In accordance with the law and the provisions for trust companies, this company was invited to respond and effectively did so at a hearing in June. After due consideration, the company's license was renewed in August, but subject to a number of specific conditions and a properly calibrated reduction in its authorized borrowing ratio. In accordance with the said legislation, the company was given up to December 31 of last year to comply with this reduction in its newly authorized borrowing ratio. In the meantime, between May and December, the department of insurance continued its investigations, and by November it became apparent that the company would not be able to comply with the directives without a substantial injection of capital.

• (1620)

When pressed for additional capital, officials of this company informed federal officials of their intention to arrange for that issue of cumulative redeemable and retractable preferred shares which would be guaranteed by the Government of Saskatchewan. When it became clear that the Government of Saskatchewan had decided not to proceed with this guarantee, the managers of Pioneer Trust themselves realized that the conditions for continuing its operations had not been met and they closed down the company's operations.

As soon as she was instructed of such a situation, the Minister of State for Finance (Mrs. McDougall) and the Superintendent of Insurance moved at once to protect the interests of all concerned by taking absolute and immediate control of the assets of this company. Subsequent proper legal proceedings have left matters in the hands of a court appointed receiver. Canada Deposit Insurance Corporation has taken action duly to pay off insured depositors within the deposit insurance legal limit of $60,000.

Questions have been raised as to why the Canada Deposit Insurance Corporation has not made arrangements to pay off all deposits of all depositors, irrespective of the $60,000 insurance coverage, as was done in connection with the Crown Trust and Fidelity Trust affairs. The provisions of the Canada Deposit Insurance Corporation Act are such that this government agency has the authority to enter into the type of global arrangements that applied in similar situations only if it is convinced that allowing a troubled company to run its business in such orderly manner, with sufficient support from this agency to enable all depositors to be paid in full, would be

effectively less costly than bluntly putting the troubled company into liquidation and partially paying off all depositors immediately only to the extent of the $60,000 coverage.

In the case of Pioneer, the particular circumstances were such that the Canada Deposit Insurance Corporation came to the conclusion that it would be less costly if Pioneer were put into liquidation and the depositors were paid off immediately up to the insurance coverage. In the face of this conclusion, Canada Deposit Insurance Corporation had no option but to proceed in this justifiable manner.

I have only highlighted the most important facts, Mr. Speaker, all of which are public knowledge now. These related facts appeared in the press all over Canada. I am led to believe that these articles are based on the affidavit filed in court during the court proceedings and that these facts, which are now available, demonstrate that the Government acted in the best interests of all Canadians and has not tried to conceal anything.

The Minister of State for Finance said in the House on February 12, which citations can be found on pages 2290 and 2291 of *Hansard*, that she was strongly convinced that a public inquiry was not essential at that time. No additional information has been brought foward to this date by the Hon. Member for Regina East (Mr. de Jong), or any others, to indicate that the situation has changed in any substantial way. More information may have been made public since that time, but none of it implies that a public inquiry is required.

We have noticed, with regrettable concern, certain tendencies in discussions pertaining to Pioneer Trust to intimate that the West would not be compensated as fairly as eastern depositors were in previous allegedly similar cases. As an MP from the east—and I am sure you do not doubt it from my accent—I want to emphasize in the strongest possible terms my deep concern for the affairs of the West as for those of any other part of Canada.

Here it is instructive to note that in the case of Fidelity Trust, for example, a company with its head office in Edmonton and with only two offices east of the Manitoba-Ontario border, the then western depositors detained two-thirds of the total outstanding deposits. We would also remind all Hon. Members that in Ontario in the Astra-Remor case, a situation similar to this, there was no federal investment in the payment to the uninsured depositors.

The Canada Deposit Insurance Corporation's decision to guarantee deposits in excess of the insurance coverage in the failure of Fidelity Trust, as well as the Crown, Seaway and Greymac companies was made because the corporation believed it would be less costly to guarantee all deposits and let the company run its business in an orderly manner, than to force the companies into liquidation and hastily pay off all depositors to the insured limit.

In the case of Pioneer Trust Company, as I have already mentioned, on February 7, 1985 the Minister of Finance for the Province of Saskatchewan announced that the Government of Saskatchewan had decided not to proceed with the guarantee of a preferred share offering. This provincial decision was communicated to the company and, as a result, senior management at Pioneer Trust took the further step of ordering that the trust company's offices be closed as of 4 p.m. They deliberately closed their own door.

[*Translation*]

As Members of the House, we ought to know that other measures can be taken to respond to public concern, and it is up to us as Members to take the most important of those measures. On similar occasions in the past, we were able to discuss issues with the Superintendent of Insurance when the standing committee considered his estimates. I am sure that the federal Superintendent of Insurance would gladly accept any invitation to address the committee members. It would be the best way to deal with the case mentioned in the motion. Naturally, there being no new and obvious facts indicating that the measures taken are not in the public interest, there is no point in blowing the situation out of all proportion, as would undoubtedly be the case as a result of an inquiry now deemed unnecessary in light of the facts uncovered at this time.

Now I would like to deal with the wider aspect of the motion under study. As a general policy, we are being asked to endorse the principle of a public inquiry in each and every case of trust company collapse. In his motion, the Hon. Member advocates that such an inquiry first be made through an administrative decision, then by means of an amendment to the Trust Companies Act. In my humble opinion, this suggestion does not take into consideration the normal evolution of financial institutions. For instance, I am wondering whether Members of the Opposition realize that, even if Parliament were to pass such legislation, it would not necessarily cover the operations of all similar companies. It is definitely obvious that this vague motion does not seem to take that factor into account.

The Hon. Member for Regina East (Mr. de Jong) is no doubt aware that jurisdiction over trust companies is broadly shared. While nearly two-thirds of corporate assets are held by companies under federal jurisdiction, close to a third are not. For this reason the legislation would not apply in a number of cases and would therefore be useless. Besides, even though the motion now before us deals mainly with trust companies, numerous other types of financial institutions are just as exposed to the negative impact of economic conditions. We therefore do not believe it would be appropriate or fair to impose that extra degree of control on only one type of institution.

In fact, in our approach we must recognize that it is not proper to deal selectively with certain types of institutions in that financial area. There must be consultation with the industry involved and the provinces. We must wait for the results of studies now being made concerning various aspects of the legislation as it applies to financial institutions. By that I mean all financial institutions, rather than one specific group.

The mandate of the Wyman Committee comes immediately to my mind when I think of the work that has to be done before we can decide how we should deal with the closing down of the operation of a trust company.

The role of the Canada Deposit Insurance Corporation in the case of Pioneer Trust, as in other cases that have come up, is important for depositors. We should not legislate without knowing about the findings of the important Wyman Committee. Under the circumstances, I really wonder if it is in order to discuss the motion tabled in this House this afternoon. This motion provides for a partial approach which, in my view, is not advisable in principle. We know there will be other opportunities to look at the over-all problem, but it is not obvious nor is it substantiated that the amendment proposed is absolutely vital. The odds are very slight indeed that the chances to look at the over-all situation will be postponed indefinitely. We are therefore not as receptive to this proposal as we might be under different circumstances. We honestly do not expect a large number of such companies to go down. Having said this, we do not see why an examination of the details of this proposal by the House should be a matter of such urgency.

In closing, Mr. Speaker, I want to point out that we sympathize greatly with those who may have suffered financial losses because of this unfortunate situation. I hope that when all assets have been realized, those who have deposits or parts of deposits not yet insured will be able to recover most of their money. We also hope that there is no doubt in the minds of investors about the absolute honesty of our trust companies and other financial institutions.

It might be true that we have witnessed the disappearance of a number of trust companies in rather suspicious circumstances these last few years. However, we are certain that most Canadian financial institutions are quite healthy. The evidence available to us suggests that the Federal Superintendent of Insurance and our officials will do their best to guarantee that present regulations are strictly observed, certainly in the interests of the financial sector, but also in the interests of all Canadians involved. We are therefore convinced that it is preferable to try to improve the regulatory system applicable to these institutions so that there will be no need to determine what action should be taken in any future regrettable situation like that of Pioneer. We therefore believe that, without adding to the already heavy regulatory burden imposed on our financial institutions, it will be possible to eliminate any remaining uncertainties and to state that depositors will continue to be well-served by existing mechanisms designed to protect their interests.

• (1630)

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I did not intend to speak to the motion this afternoon but after listening to the debate, I had a certain feeling of *déjà vu*, having sat in the Ontario Legislature at the time of the demise of Crown, Greymac and Seaway trust companies. I was listening more particularly to the last words of the Parliamentary Secretary—

[*Translation*]

—when he said: "We do not foresee that many trust companies will go down." I found these comments quite interesting, Mr. Speaker, because I used to sit opposite people who made similar comments in Ontario.

[*English*]

We can all recall, after the Astra and Re-Mor companies folded in the Province of Ontario, that the government Members stood proudly in their places in the Ontario House and said that never again shall such a thing happen in the Province of Ontario. Some three or four years later, the greatest financial collapse in the history of our country took place with the fall of Crown Trust, Greymac and Seaway trust companies.

We still do not know how much the fall of these three trust companies in Ontario will cost the Canadian Deposit Insurance Corporation. That cost will ultimately go to the taxpayers of this country. The fact is that the premiums for the CDIC are a tax because most people use banking facilities of some sort. When people use banking facilities, they pay the CDIC premiums, and when a trust company or financial institution collapses, those funds are required in order to either bail out the company or pay a certain amount to the depositors in those trust companies. Of course, the premiums will have to be raised in order to replenish that pool of funds and, as far as I am concerned, it has the same effect as a tax. Because I view this as a tax measure, I believe that a public inquiry certainly would be in order.

Let me return to the fall of the Ontario companies. I recall meeting with some of the preferred shareholders of the trust companies. I recognize that depositors and preferred shareholders are not the same, but it is not always apparent to people who are depositing their money in a financial institution.

For example, if a farmer who wants to put away his funds after selling his farm walks into a financial institution which has a CDIC logo on the door, he would assume that the money would be safe. One of the Crown Trust preferred shareholders who was at Queen's Park was a gentleman who had sold his farm a number of years ago. He had deposited his money in another institution which had collapsed. I believe it was Astra Trust. He had managed to salvage approximately $100,000 from his investment of some $500,000.

Of course, this gentleman had vowed that he would never again make the mistake of putting his money into something that was unsure. Therefore, he went to Crown Trust Company, which had the reputation of being a stable trust company, and put his money into preferred shares of Crown Trust Company. It seemed there was no better investment than that and no way a person could go wrong by putting his money into Crown Trust. This gentleman had purchased preferred shares because it was more advantageous than simply depositing the money into an account. In view of the stability of the company and the fact that it was one of the largest companies in the

country, he assumed that his investment would be safe. Although he had lost a considerable amount in the previous collapse, he would have been able to retire on what he had left.

When I met that gentleman, he was wearing a pair of old boots that were tied with strings. He admitted that he had no money left at all when, not many years before, he had been financially well prepared for the rest of his life, having worked hard on his farm and sold his assets in order to retire.

I do not know what happened to that gentleman. Needless to say, if he were standing in the House today he would want on every occasion to have an inquiry into the fall of any financial institution which could result in those things happening to the people of this country.

● (1640)

We are told by the Parliamentary Secretary that we do not need to burden our financial institutions with more regulations. I beg to differ with the Parliamentary Secretary in that regard. We have long had a reputation in this country of stable financial institutions. Because they have a certain stability, one assumes nothing can go wrong. Because one assumes nothing can go wrong, you retract many deposits in the manner to which I referred a few moments ago, such as buying preferred shares or even putting funds in excess of the limit, which was $20,000 until recently. That limit has now been changed to $60,000. Nevertheless, being as good as the bank, an expression we like to use, means you do not lose funds when you put them in a financial institution. On the other hand, if we fail to supervise properly, to audit properly, and view publicly situations where things go wrong, the changes are that our mistakes will happen again.

I commend the Hon. Member for Regina East for proposing this motion today and I would like to give it my own personal support.

Mr. Gary Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to be able to continue discussion on the motion brought forward by the Hon. Member for Regina East (Mr. de Jong). At the outset, I would like to reiterate several things that have been brought forward thus far, particularly by the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

I was attracted to one of the comments made by the previous speaker. I wish to note that I am not necessarily drawn to him but, rather, to some of the comments he made. This had to do with his analogy to farmers. First, the farmer he was talking about and the succession of difficulties that he faced by investing in different companies, both of which had trouble, is, in one way a funny kind of comparison and in another a very serious comparison, but it establishes the background to this whole debate. In 1979 and 1978 there were farmers in my area and right across the country, who kept on farming who have ended up the same way. What this motion really speaks to in part is the fact that this company about which we are talking, in looking for a very specific inquiry to deal with its problem, has a generic background. This should be looked at more broadly. This company is in trouble because of financial distress as a result of many of the decisions the company itself got involved in. Its equity fell away as land prices deteriorated. These severe economic pressures were being faced not just by the company but by the country as a whole, and the domino effect is felt throughout the whole economy.

We have seen a company fail. Pioneer Trust is a company representative of a financial institution in difficulty. One of the points the Parliamentary Secretary to the Minister of Finance brought out very clearly and which I think needs to be emphasized is that the Government at the present time is not just looking at a band-aid solution through an inquiry into this company and the difficulties it may have had, and obviously had because it closed its own doors. The Government is looking at the entire range of financial intitutions and the problems they face. The Government is prepared to deal with them. The Government is doing it in an open and consultative way, and is trying to deal with the broad problems, just as we are approaching the economic and the other problems that we face. I will leave it to the Hon. Member in his own mind to describe and explain how we got into this spot. It is very clear to almost every Canadian that we are not in a very good financial position. We have a litany of things; high unemployment, high deficit, and so on that we have to accommodate.

Mr. Boudria: The falling dollar and the rest of it.

Mr. Gurbin: The dollar is levelling out right now. It is being managed very well by the Minister of Finance (Mr. Wilson), extremely well compared to the historic management we have had of our economy and our dollar—

Mr. Boudria: That is why it has dropped 10 per cent since you have been in office.

Mr. Gurbin: —and particularly in the period of time that we have had to come to grips with the structural and fundamental changes that need to occur. The only comment we can have on the Minister's performance is one of recommendation and commendation for the excellent job he has done.

Let me come back to the fundamental differences, Mr. Speaker. What we have in the proposed motion is a sort of band-aid. We could go on putting inquiry on top of inquiry on top of inquiry, but we will not solve the problems. We have a situation where this company closed its own doors. The CDIC did what seems to me an amazingly open and reasonable job of looking at the situation. The provincial Government, as far as I understand it, and I stand to be corrected but I have done as much homework as I can on it, withdrew its support after giving initial support.

Mr. de Jong: They fumbled it.

Mr. Gurbin: Comments can be made why the provincial Government chose to do that. I am not in a position to comment. My understanding is that the provincial Government withdrew its support. On that fundamental point I think I am accurate. The company itself closed its doors. There has

been no effort on the part of the company, this Government, or the CDIC, as far as I can determine, to hide anything in terms of the sequence of events or the situation as it exists. There is no denial of the fact that there are investors who have been significantly affected by what has happened. No one on htis side of the House has indicated any pleasure in the results or in the situation we are in today.

What we see very clearly, and what the Parliamentary Secretary to the Minister has indicated, is that we are trying to deal with this problem not in a piecemeal fashion, not as one problem, one solution, but by reviewing all of our financial institutions, and coming up with measures that will affect them all. To do otherwise can create almost as many problems as it can try to help solve, even though the intentions might be good. If there is uncertainty, we can influence things even by way of dollars, but the question of people and what they are prepared to do with their money in terms of an investment will go on and on.

It is important not to raise the spectre of insecurity, not to promote lack of confidence, but to try to do things in a manner and style that will engender confidence and in the end make the changes that are constructive that we will all admit are necessary. There is no argument or debate about the fact that the legislation should be changed. There are many parts, but those parts are not independent one of another. An individual change in one part may have a negative result on another aspect.

I am not here to explain nor do I have the capacity to explain all these things or even to understand them, but I know that in principle that is true.

The other major point, at least in preamble, that I would like to make is in terms of the East-West question. I do not want to impute any terrible motives on the part of the Member who provided the motion. I am sure there was no political intention in his comment. If the Member would care to look back in history at the different times that the Government has become involved in individual cases and really looked at the investors who have been involved in those cases, while he may not be perfectly satisfied, he would see that there are investors from all across the country who are affected in any of these individual cases. In fact, there were investors from the west who were involved in the eastern situation and investors in the east who were involved in the western situation. My understanding is that the ratio in this instance works out to something like one-third East and two-thirds West. I do not know all the figures. I do not know how that will work out exactly, but that is roughly the number.

● (1650)

I can understand the Hon. Member's point of view. I do not deny that in a similar circumstance I would want very much to try to protect the interests of people in my constituency or in my province to whom I am close. Those are not motives that I want to try to detract from. As far as I can understand, in this situation I would hate to see us try to promote some kind of aura about the activities of the Government.

The Government sat down for the first time in my recollection, I do not know whether it is the first time in history, at a First Ministers' conference in the west to try to promote solutions to the kinds of things that this country has suffered from for so long, those things that cost us so much in so many ways. I am sure that Members on this side do not want to leave the aura that a decision has been reached for reasons which I am very sure were other reasons.

The policy has not changed. The CDIC determination in this instance as compared to other instances left it with the impression that instead of letting the company go out of business in the fashion in which it has done in other circumstances, in fact the general interests of the CDIC were better protected in this fashion or better reflected by allowing the company to do what it chose to do in contrast to taking other measures. That is debatable. I am not denying it is. However, the policy has not changed.

If there was any change in policy, it is a question of saying honestly that there are legislative changes that are probably needed. We are looking at them in a broad and open way. We intend to continue to do that. I am not sure of all the formats, but I believe the Hon. Member will have the opportunity to make his representations so that in the future these kinds of things can be included in a proper way. That is there, and it is a policy change. Apart from that, and although it is debatable, there has been no conscious decision by this Government that it is going to do things this way or that way in contrast to what was there before.

A comment was made by another Member on this side of this House. I will not give it attribution because he may not appreciate it fully. It is a little in the context of the comments I have been bringing forward so far. He talked about this being a post mortem. There is an interesting analogy there. A post mortem examination is valuable probably to all of society in looking at a particular situation. Again, the analogy is most important if we are talking about post mortems and looking at what really has happened. If we had an epidemic, for example, we could be doing thousands of post mortems. That is all we would be doing. It would give us some information, but we would end up in a situation where we would be using all our energies on post mortems. We would not be using our energy to dedicating our resources to preventing these things or making the necessary changes. That goes all the way back to the basic economic things. They are not unrelated.

Mr. de Jong: It is an inquest I am asking for.

Mr. Gurbin: The Hon. Member who wants an inquest will have to take that up with the Hon. Member on this side who suggested there should be a post mortem. I do not think we will develop that theme any further.

In the United States, there are between 30 and 40 financial institutions which have failed in the recent past. The point we can look at in this country compared to theirs is the relative health. There are some strengths and weaknesses. This is another area where I do not have the expertise to expand fully, but the figure does indicate something. We have had some

failures of financial institutions in this country, but compared to what is occurring at the present time in the United States, particularly in view of other things happening in their economy, we are probably relatively well off. It is not that we should not change or that this is an excuse, but we do have some comparative strengths if we look at the situation in other countries. One thing that is incongruous about that whole scene is the fact that their economy is performing spectacularly well at the present time. That is another level of debate for another time. Those things do not always seem to flow one with the other.

The bottom line of this debate is that the Government respects the motion that the Member has brought forward and his noble intention in doing so on behalf of his constituents and his province. It is a genuine concern on his part to prevent serious injury to people who have invested in that company. While respecting that and being fully motivated addressing the financial institutions and trying to prevent these things from happening, we need to do it in a comprehensive way that will involve the federal and provincial levels. The Hon. Member will know there is a shared responsibility in a way that will consider the whole range of financial institutions that will become involved once we start making these changes. In a way, it will benefit the whole Canadian scene and, as far as possible, will prevent this kind of thing from happening in the future. I thank the House for its attention. I would now like to call it five o'clock.

The Acting Speaker (Mr. Paproski): I believe we still have a couple of minutes. I will recognize the Hon. Member for Oxford.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I know the time is short.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I am not sure if the Hon. Member realizes that by talking now, he will talk this matter out and prevent it from coming to a vote.

The Acting Speaker (Mr. Paproski): The Hon. Member for Oxford has the floor.

Mr. Halliday: Mr. Speaker, I have been interested in this debate this afternoon. As the Hon. Member for Bruce-Grey (Mr. Gurbin) said, the Hon. Member for Regina East (Mr. de Jong) is very sincere in presenting this motion before the House. As I read the motion, I have a little concern about passing it as it is. While it refers specifically to the Pioneer Trust Company, it also mentions other trust companies. That is a very vague term.

I would hate to see this House pass a motion that vaguely refers to a whole number of trust companies without identifying which ones we are trying to investigate. That is one of the difficulties in this whole problem. Second, I appreciate the sincerity—

The Acting Speaker (Mr. Paproski): Me too.

[*Translation*]

Order, please. The hour allotted for consideration of Private Members' Business has expired.

It being five o'clock, this House stands adjourned until 11 a.m. on Monday, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, March 4, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Thursday, February 28, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is a pleasure to speak today on Bill C-24. However, it is a pleasure which I would rather forgo, because in a sense I am an alumnus of the energy conservation programs which were established in 1981. I lived in a house which had been reinsulated under CHIP by the previous owner. I also took advantage of the program to upgrade a second house. I have a warm feeling for the program which dissipates when I look at the proposal to eliminate these programs.

CHIP provided for the upgrading of insulation in homes. It was an effort to conserve the precious resources of oil and petroleum products which have done so much to contribute to the economic development of Canada, and to our comfort, both in the home and in the workplace. Of course, those resources have finite limits and must be conserved if our children and our children's children are to benefit from those resources.

The Canadian Oil Substitution Program is one of which I have not been able to take advantage. At one point my wife and I thought about taking advantage of the program, but we realized that an election would be held in a matter of months and, therefore, conserved our financial resources. Nevertheless, I feel in a sense that I am an alumnus of the program, the termination of which we are now debating.

What were the benefits of the Canadian Oil Substitution Program and the Canadian Home Insulation Program? According to the Department of Energy, Mines and Resources, Canada is saving approximately 42,000 barrels of oil per day, or 15.3 million barrels per year, as a result of COSP. That is enough oil to heat 650,000 homes a year. It represents an energy saving of approximately 2.8 per cent of the country's total oil consumption.

Under COSP, a household which converts from oil can expect a return on the investment in a period of two to three years. However, the benefits of COSP were not limited to the saving of oil. Naturally, there was a reduction in the oil bill, but there was a stimulative effect on the awareness, consciousness and understanding of people in the country with respect to energy conservation.

I must take issue with the Hon. Member for Nepean-Carleton (Mr. Tupper) who seemed to believe that this particular egg preceded the chicken. I know from my own experience that until the federal Government established these programs and the financial incentives and information which were included with the application packages, I was not aware of the potential for energy saving which they have promoted and realized. Of course, it is all very well for those who were professionally engaged in that field to say that the knowledge always existed. However, the communication of the knowledge to the people who were making the decisions—in this case, the home owners of Canada—was crucial. That knowledge was given a real impetus with the introduction of COSP and CHIP.

The effects of the elimination of COSP and CHIP will be considerable. I was surprised to hear some Members of the House addressing this matter without raising the effects that the elimination of the programs will have on employment in Canada. In terms of 1979 dollars, for every $1 million spent on the Canadian Oil Substitution Program, 30.5 person-years of employment were created. As a result of the grants alone, 16,750 person-years of employment were created between 1981 and 1985. If that figure is combined with the expenditures by householders and home owners, the figure comes to over 50,000 person-years of employment for the same period. Officials at the Department of Energy, Mines and Resources, have stated that if COSP had lasted for its planned duration through 1990, $650 million would have been spent on the program and a rough estimate of the employment lost in that period by the elimination of the program would be 59,000 person-years.

• (1110)

These figures, Mr. Speaker, are serious. They are serious in good times but they are doubly serious in times of rising unemployment when it is extremely difficult for youth to get their first job and the necessary training. One of the advantages of this program which I saw at first hand was that it enabled young people to work as assistants to retrofitters and

upgraders and to learn some of the skills which were involved. By comparison with expenditures on oil exploration, the investment in the Canada Oil Substitution Program and the Canadian Home Insulation Program were vastly more productive in terms of the creation of jobs.

I am sure Hon. Members on the government side will say that I am suggesting that oil exploration should cease in Canada; far from it. We have to recognize that through such loopholes as superdepletion, the PetroCan presence in frontier areas and the subsidization and financing assistance given to some of the high rollers in that industry—which have now come a cropper—the federal Government was indeed heavily engaged in that area and certainly not to as good an effect as in the conservation programs which we debate today.

One of the things that concerns me most, and I believe should concern all Hon. Members of this House, is that the energy conservation and substitution industries in this country are being hit with a double-whammy by this Government. On the one hand, we have the elimination of the CHIP and COSP programs; on the other hand, what do we have in terms of the innovative alternative energy programs which were introduced during the last Government? We have the same picture, Mr. Speaker. We have the elimination of those programs so that those who are looking at this sector for their main means of employment and livelihood are going to find that the upgrading and retrofitting is being shrunk back and that it is far more difficult to get work in terms of alternate energy programs which were financed through the National Research Council.

I remember watching on television, I suppose, slightly over five years ago now, a former Minister of Finance of Canada saying that there was a necessity to inflict, or, shall we say, subject oneself to, short-term pain for long-term gain. By the elimination of the COSP and CHIP programs, we are indeed going to find ourselves in a position of accepting short-term gain for long-term pain. In my opinion, that is indicative of a reversal of policy by the Progressive Conservative Party over the years.

We must remember, after all, that oil is a finite resource; it isn't going to be there forever. We are taking it out of the ground and the more we take out the less there is left, no matter how fast we find it. We may indeed, Mr. Speaker, be reaching the end of what was known as the "elastic horizon". The observation was made as early as the 1930s in the U.S. Congress that every 10 years there was a cycle whereby the oil companies came to Congress and said that the reserves were running out and three years later the proven reserves had doubled. We have to recognize that, like the frog on the lily pad which doubles in area every second day, the lily pad will eventually cover the whole pond and the pool of Canadian oil reserves will eventually be depleted no matter how much is found through new exploration efforts. The National Energy Board, after all, predicts that production of conventional oil 20 years from now will have declined to 28 per cent of the current level.

• (1115)

Let us look at what that means. Does it mean, for example, that each of us is only going to do one quarter as much driving? Does it mean that we are going to heat our homes to an average of 45 degrees Fahrenheit instead of the average 68 degrees we heat them to today? Certainly there will be new oil discovered in the frontier areas and certainly we are going to see further technological advances in the upgrading of oil sands and heavy oil deposits, but in many cases the production costs of those resources are prohibitively high and they are located in highly environmentally-sensitive areas.

The Canadian Oil Substitution Program and the Canadian Home Insulation Program represented common sense investments by the Government in Canada's future energy security, and I think it would be a great shame if they were entirely eliminated. I would also like to mention a few of the effects of the deadlines set in the elimination of those programs. My belief is that those deadlines were set simply by a reference to a calendar and with very little consideration of what was going to happen to Canadians as a result. The deadline of March 31, 1985, for large parts of this country—not, of course, the most intensively inhabited parts but the large geographical areas of this country where many Canadians live—means it would be impossible for a person to do in-ground installation and get in the program under the deadline. If that was a calculation on the part of the Government, and I hope it was not, then it was a cynical move.

I wonder, in looking at the elimination of this program, how much of it is owned to the pressure and influence of Canada's oil-producing provinces. I wonder if indeed we are seeing the effects of powerful interests in the Progressive Conservative Party which view conservation as a competitor for the resources which fill their slush—I am sorry, heritage—funds, and which give them the funds to make their governments go the way they want them to. We should look at evaluating the effect of the elimination of these programs on the world energy supply situation. The beauty, of course, of refined petroleum products as an energy source is their portability, their extreme flexibility. They cannot indefinitely or infinitely be substituted for by hydro-electric resources which this country is better endowed with. Thus the need to conserve them, because, after all, the countries which can supply the shortfall which Canada will inevitably have can also supply the shortfalls that other countries are experiencing, and which they may be better able to finance than Canada as we begin the 21st century.

• (1120)

There was no evaluation done on the Canadian Oil Substitution Program. There have been suggestions that middle and upper middle-income Canadians benefited disproportionately from this program. The figures indeed suggest that that is not the case. The total CHIP grant money given to low-income households was higher than that given to middle and high-income groups; 24.3 per cent of CHIP dollars were given to the 21.1 per cent of eligible home owners earning less than $15,000 annually. Of course, when we consider the tax effects,

we find that an even higher proportion went to eligible home owners in the low-income range. Therefore, it was certainly not a discriminatory program in the sense of favouring the wealthy rather than the less well off.

From 1977 to 1982 insulation activities under CHIP constituted 43 per cent of all retrofitting work done. It is said that 65 per cent of the work done would not have been done if it were not for CHIP and that 75 per cent of all dollars would not have been spent without the CHIP Program.

What will the effect on our country be if these programs are simply eliminated as the Government proposes? I think a large part of the effect will be what is known as the shuffle down, of which we have seen far too much in Canadian society over the past few years. This is where a program is instituted at one level of government, is abandoned, and the levels of government below the level which instituted it find that program to be so necessary that they decide to carry on a replica of the program at their own level of government.

I can see, for example, that with the elimination of this program many provinces, municipalities and utilities will bring in similar programs to encourage conservation. In the sense that the torch of conservation will not be dropped and extinguished, which this legislation envisages, that is good. In the sense that Canadians will end up paying, because of the fragmentation of the program, a higher price for the very laudable, legitimate and essential objectives of these two programs, that will be a loss to Canada.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to be back in the House on a Monday morning and to start off our debate with the Member for Kenora-Rainy River (Mr. Parry). I must deal with one of his comments about powerful influences in the Conservative Party and its impact on conservation. The Member may be new to the House, but I suspect he is not new to some understanding of the world-wide situation over the past decade as it affects oil and gas. The Member really should be aware of the fact that conservation, as it affects the use of oil, is clearly a function of price. World-wide patterns in terms of the consumption of oil show a very steady and clear decline in the world. That decline exists in Canada, the United States of America and around the world.

The clearest-cut indication of a reduction in the use of oil comes from Europe. In Europe, OPEC raised the price of oil. Furthermore, governments implemented punitive taxation so that the consumption of oil included not only the price of the product but the taxation. The effects were predictable: the consumption of that commodity dropped.

• (1125)

What did the Liberals and the New Democrats do in this country? When faced with that reality they regulated the price of that commodity so that it was less than the market value. The Hon. Member for Kenora-Rainy River says that he and his Party are concerned about conservation, yet his Party supported the abolition of a basic principle that would have led to conservation.

The most important principle related to the conservation of oil is the price, because if it is raised the use of oil goes down and the commodity is preserved. However, we sat in this Chamber during the last five and one-half years and watched the implementation of the National Energy Program, the basic principle of which was to regulate the price of oil at less than 75 per cent of the market price. If that is not a principle to encourage use, I don't know what is. Surely one would expect greater use of that product when it is subsidized to the tune of 25 per cent of its value. Moreover, Canada did not even produce enough of that commodity for our use at that time, which meant that its greater use encouraged the importation of oil from other countries. Of course, the importation of oil from other countries means the export of Canadian jobs. That is the substance of the program that was put in place.

At the same time that Canadian jobs were being exported, inflation was being caused.

Mr. Hovdebo: You voted for it.

Mr. Hawkes: The Hon. Member says that we voted for it. It will be a very frosty day when any Member of Parliament from the Province of Alberta, Saskatchewan, British Columbia or Quebec votes for a program like that. It will never happen in his lifetime or mine.

Once the former Government set in place its national energy policy which exported Canadian jobs, increased inflation and the indebtedness of the nation, it then established the CHIP and COSP Programs. These were programs which gave grants to home owners who wished to convert from oil to another kind of energy. However, there was no money to finance these programs and the Government had to borrow money which ultimately must be paid back by our children and our children's children.

Were these programs made available to all Canadians? No. Studies conducted by the Department of Energy, Mines and Resources show that only 29 per cent of the expenditures for the CHIP Program encouraged people to insulate their homes. What does that say, Mr. Speaker? It says that 71 per cent of the money spent did not even do that. The Liberals as a government must have said, because they had no money and had to go to the market-place to borrow to give to someone, that this was a priority, that we have made oil 25 per cent cheaper than it should have been to encourage its use, and then borrowed the money to give to people to insulate their homes so they would use less. It was a transfer from oil to some other kind of fuel so people might use less fuel.

• (1130)

Can I suggest to this House, Mr. Speaker, that at that time it was an insane package. It was absolutely insane. If Canada at that particular point in its history had been less interfering, had let the true value of a commodity rise to its true value, the differential cost for someone to heat his home with oil or transfer to some other energy commodity, of which there is an

abundance in Canada, would have been so massive, the saving so enormous, that home owners could have quite easily gone to the bank, borrowed money, put in the insulation, made the transfer and had more money in their pockets. That was the potential reality of encouraging Canadians to transfer from this commodity called oil to something else called wood, electricity, coal, or whatever. That would have happened. It would inevitably have happened if one had simply left the market-place alone.

Mr. Boudria: How can you possibly prove that?

Mr. Hawkes: If a person were paying $500 to heat his home in the cold winter months, and that person found out he could heat it for $200 or $250, he would have an enormous monthly saving. It is certainly an adequate amount of money to enable a person to go to the bank, borrow and do the sensible economic thing. But no, Mr. Speaker, we had a government that did not believe Canadians were sensible people. Instead we capped the price of oil, exported the jobs out of the country to Mexico, Saudi Arabia or wherever, and borrowed money which our kids will have to pay back. And this was done to give to whom?

The Hon. Member for Kenora-Rainy River, by educational and economic background, is someone we would call a middle-income Canadian. He is probably on the upper edge in terms of income and on the upper edge in terms of educational level, yet he stands in this House today and says: "I like this program. I took two houses. I got two grants". That, I suggest, Mr. Speaker, is an anecdotal piece of proof positive of who benefited. That is the New Democratic Party. It was not one grant but two grants that he had. That makes the program twice as valuable.

Mr. Parry: No way. Read the blues.

Mr. Hawkes: He insulated two houses. Where does that money come from, Mr. Speaker? It comes from your children, and your children's children way into the future. That is borrowed money that was used to insulate the Member's two houses.

Mr. Parry: I have a point of order, Mr. Speaker. My reputation for the ability to absorb provocation must have spread to the Government benches. If the Hon. Member cares to check the record, he will find that I purchased one house that had already been insulated under a grant and I insulated the second one myself.

Mr. Hawkes: I thank the Hon. Member for the correction, Mr. Speaker. He lived in two houses that were supported by federal grant money. He took advantage of it with lower fuel bills in two situations because of a federal Government program. It is incredible.

Mr. Keeper: I have a point of order, Mr. Speaker. The Member seems to be indicating that my colleague is the only person in this country who lives in a house that is supported by federal grant money. Does he not know that housing in this country—

Mr. Deputy Speaker: The Hon. Member will have a chance to reply after the Member's speech.

Mr. Hawkes: We heard statistics from the Hon. Member. They boggled my mind. Canadian home owners were eligible for this program and I thought, from sitting in this House for five and a half years, that the New Democratic Party cared a lot about renters. We have a large number of renters. Were they eligible for COSP? Were they eligible for CHIP? No, Mr. Speaker. Were all the senior citizens who live in lodges and public housing of one kind or another eligible for CHIP or COSP?

Would the federal Government, if it went into the market-place to borrow funds, have given the funds to the Hon. Member for Kenora-Rainy River or to the senior citizens in my riding, some of whom live very near starvation without funds to buy sufficient food? That is the business of governing, Mr. Speaker. That is really what governing is all about. There is not enough in the way of resources for us to do everything that we think we would like to do. We must make the hard choices. I suggest to the House that the only problem with this piece of legislation before us today from my perspective is that the deadline dates we are putting in are too far into the future. I would like to see them shortened. I would like to see today as the day the programs are ended. I have a sense of certitude today that in the month of March, 1985, federal taxpayers are paying 36 cents out of every dollar on interest on the public debt. When I came here almost six years ago that amount was 17 cents. We had 83 cents to spend on useful programs for senior citizens, children, family and health care. Six years later we have 64 cents, because 36 cents goes to pay interest on the public debt.

I think it is close to a crime that we have borrowed that kind of money—

Mrs. Sparrow: It is a crime.

Mr. Hawkes: —to put into programs like this to enable middle-income, upper-income and the better educated Canadians to get a grant to do something that most if not all of them would have done out of their own resources and would have done faster. They might have even done it better if we had not interfered with the market price of energy. The basic principle of letting the different sources of energy compete is what brings about the adaptation for the individual and the adaptation for the nation that is required. The minute we get into the business of regulating the price of those commodities, to making artificial the determination of what those commodities should cost, we begin to distort the natural ebb and flow. Then we begin to make mistakes, and those mistakes pile upon mistakes. This one is particularly graphic because it is current and has caused so much anguish in the country. It has hurt us so much in terms of economic development.

• (1140)

I have spoken in the House before about the social costs of increased unemployment and the reality that a 1 per cent increase in unemployment will bring about an approximate 5 per cent increase in stress-related diseases, including suicide, alcoholism, spousal battery and child battery. These things come as the natural consequence of bad economic policy in a country. When we make a mistake in this Chamber, the ripple effects and the consequences of that mistake can be enormous for individual Canadians. We have made nothing but mistakes in the last five or six years in terms of energy policy, nothing but mistakes. I feel proud and comfortable just to belong to a political Party which is moving as quickly as it can to rectify those mistakes and to turn the situation around.

I look forward to an energy agreement in the next few weeks which will say clearly to Canadians that we are returning to market-based pricing. We must have market-based pricing for the commodity called oil. We must move as quickly as we can to that market-based mechanism for the commodity called natural gas and for all other commodities within the energy field. In different parts of the country it will make sense to heat homes with one kind of fuel and in other parts of the country with different kinds of fuel. However, if we move artificiality into that system, we distort the market, our productivity and the long-term potential efficiency of the nation.

I spent the weekend in the Town of Oyen near the Saskatchewan border. It happened to be the fiftieth wedding anniversary of my aunt and uncle. On such an occasion there is time for reflection. When one tries to celebrate an event of that kind which spans a 50-year period of time, one looks back. We were sitting out there on the Prairies, on the Saskatchewan border, in the heart of wheat country. We noticed the snow. People were happy about the snow because they have been close to a drought situation for a couple of years and the presence of a great deal of snow augurs well for the potential of a good crop. When one looks back over that period of time, one realizes that this couple was married in an era when they travelled by horseback and transported grain in horse-drawn wagons. Now, 50 years later, we have jet airplanes, cars and highways. It provides one with a chance to reflect on how far the country has come, how far that particular region has come, in a period of 50 years.

Then one stops for a minute and says that one thing which was different 50 years ago is that government did not think it knew best. We did not have so many experts. We let people make their own decisions. We did not raise taxation to the point where we were taking money, great amounts of money, out of the pockets of people and letting bureaucrats and politicians decide how to spend it. We let people decide in their own wisdom how best to spend it. When it comes to the elimination of these two programs, all we are really saying to the Canadian people and to the House is: let the people decide; do not bribe them to make a decision which is not really in their best interests.

Some Hon. Members: Hear, hear!

Oil Substitution Act

Mr. Parry: Mr. Speaker, I welcome the opportunity to correct some of the fallacies and allegations inherent in the Hon. Member's speech, but with only 10 minutes to do it I will be put under some pressure. The Hon. Member used the term "insanity"—and indeed, if we listened to some of the comments this morning we must admit that he had some justification—to describe the legislation which the Government now plans to repeal.

In view of the fact that the Act implementing the Canadian Oil Substitution Program was passed in 1981, with second reading in one hour, referred to Committee of the Whole by unanimous consent and inside an hour read a third time and passed, does the Hon. Member think that that insanity was endemic in his Party at the time or that it was simply an aberration? Is he using the term "insanity" in a clinical or colloquial fashion?

Finally, I should like him to comment upon the observation of the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who said at the time: "I want to conclude by congratulating the Minister again for bringing this legislation forward". Let us hear what the Hon. Member considers insanity to be.

Mr. Hawkes: The insanity continues, Mr. Speaker. I hope the Hon. Member for Kenora-Rainy River will listen carefully. Some of his colleagues have heard this before. If we repeat it often enough they will begin to understand.

The minute the decision was made to implement the National Energy Program, to hold the true market value of oil at a minimum of 25 per cent below its value, it encouraged consumption of a scarce commodity which we could not produce in the country. The next thing the Government did was take away the cash which would have produced more oil in the country and chased out investment capital to the tune of $18 billion, which was destroying jobs and increasing the need to import oil. They increased consumption and had the need to import more because there was not enough; that was the basic insanity.

This program at that point was the only thing the majority Liberal Government was willing to bring into place which was partly in the direction of sanity. If we do all these other bad things, then we have to have something which will stimulate the economy as quickly as possible. That happened in the insulation industry and the energy substitution industry. They were chasing out a lot more than they were bringing in, but at least that created a few jobs and hopefully it would reduce to some extent the need to import oil.

In the midst of all that total insanity, this was the sanest piece of legislation to attempt to mitigate that massive insanity represented in the totality of the program. That is the context. I see from the nods across the way that maybe they are beginning to understand, hopefully.

Mr. Boudria: Mr. Speaker, I have listened with great interest to how the Hon. Member tried to weasel his way out of his previous statement, unsuccessfully I must say. Could he indicate to us what was the real policy of the Conservative Party

at that time? Of course, we know that through some fit of insanity they seem to have voted for the original Bill. The Hon. Member has now said that the reason they voted for it was that it was slightly less insane than other insanities, or something like that. Could the Hon. Member indicate whether he would have been in favour of going to full world prices at that particular time, recognizing the fact that it would have probably bankrupted all the Maritime Provinces of Canada, perhaps the Province of Quebec and part of eastern Ontario? Is it the policy of the Conservative Party to bankrupt eastern Canada? Yes or no?

• (1150)

Mr. Hawkes: Mr. Speaker, the policy of the Conservative Party as it relates to Atlantic Canada is to give it a fair shake on Confederation after all these years to help it develop its own sense of industry and resourcefulness and to help it reach economic health rather than providing the subsidies which made it dependent on the centre of the country. I am proud to belong to a Party that signed an agreement with the Province of Newfoundland and will sign an agreement with the Province of Nova Scotia that will give those provinces control over the pace of development in their regions rather than telling them that people in Ottawa know best what is good for the people in Newfoundland and Nova Scotia. That is the philosophy.

Mr. Boudria: What does that have to do with what happened then?

Mr. Hawkes: The Hon. Member asked what that had to do with what happened then. The Hon. Member is new to the House of Commons. In 1979 he would have seen that when it became necessary to convert the Atlantic region from oil to other heating sources, there was to be special assistance for the entire region.

Mr. Boudria: Oh no, you said it was insane. You said that was insanity.

Mr. Hawkes: I am talking about 1979 when we formed the Government. The Hon. Member is talking about 1980 when the National Energy Program destroyed the economy of the country. In 1979 we were moving toward assistance for electrical power generation in the Atlantic region. We were going to provide help in getting off oil for renters as well as home owners. This has nothing to do with COSP and CHIP and giving little grants of money to people in return for votes. That is an entirely different mentality from the mentality of using federal public policy to assist in infrastructure development in all regions of the country.

Mr. McKnight: Somebody voted against it.

Mr. Hawkes: Ultimately people got tired of these band-aids and indicated that it was time to change the major policies of the country so we could restore it to economic health. That is what we were elected to do. Like it or lump it, that is what we are going to do.

Mr. Keeper: Mr. Speaker, I would like to ask the Hon. Member about a few things. First, he made a case for market value of oil in order to encourage conservation and he indicated that he was opposed to the regulation of oil prices. Does he think that the oil prices that were determined by OPEC, an international cartel, were free market prices? Does he not understand that when regulation of oil prices was brought into the country, it was brought in as a response to the skyrocketing costs of oil, a response to prices that were rising as a result of an international cartel? Is that what he means by a free market? Perhaps the Hon. Member could explain to us what he means by a free market.

Mr. Hawkes: Mr. Speaker, I would encourage the Hon. Member to get into his car next weekend and drive across the border to a town in which the free market is in operation. While there, I would advise him to fill up his gas tank. The regulated price of gas in Canada is 75 per cent of world price, or of cartel price if the Hon. Member wants to call it that. It will cost him more to fill up his gas tank right here than it would across the border where the world price is in operation. I believe that that was the basic mistake that was made. By regulating prices, by holding them down, we indeed increased taxes at all levels and made the price higher for the consumers.

Was the Hon. Member here in 1979? I think he was. He might realize that back in those days the policy that was then forthcoming would have protected senior citizens. The 1979 Budget that his Party used to bring down the then Government was judged by the Canadian Welfare Council as being the fairest Budget to poor people in the 1970s. It was judged as being the fairest Budget to poor people in the entire decade. His Party brought down the Government on that Budget. Since that moment that Party has had no credibility when it comes to financial matters in the country.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall resume debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am extremely pleased to participate in this debate on Bill C-24. We must remember why Bill C-24 was introduced. It was introduced as part of the expenditure and program review cut-back. Of course, the program review cut-back, or the first attack on the Canadian people by "Mike the Knife", as he should more properly be called, advocated a reduction of $95 million in one program and a reduction of $84 million in another program. That is the real reason why the Bill is before us today.

If we were to have a free vote on this Bill, we all know that the majority of Members would support the Bill. However, when threatened by "Erik the Dreaded" and "Mike the Knife", Conservative members do not always do what they wish to do. They are sometimes forced to vote for the kind of reprehensible legislation that is before us today. There is nothing they can do about that. They must toe the line and clap at the proper time when cued to do so. You will know, Mr. Speaker, being the truly objective and non-partisan person that you are, that that is exactly what happens.

The COSP and CHIP programs were indeed excellent programs brought in by the Liberal Government of the past.

An Hon. Member: That's right, the past.

Mr. Boudria: Should I describe it as the Liberal Government of the past and the Liberal Government of the future? That is what we will be after the next election.

Some Hon. Members: Oh, oh!

Mr. Boudria: Let us look at some of the benefits of these programs. Over one-third of the housing stock of the country built prior to 1977 had benefited from these programs. The programs were indeed very successful ones. CHIP grants were provided to many homes across the country and, contrary to the popular belief of some Conservative members, it is not only rich people who own their own homes. As a matter of fact, I represent a constituency in which almost everyone owns his own home. Over 85 per cent of the population of my riding is comprised of people who live in their own homes. The average income of the people of my riding is considerably less than the national average. To me, that would mean that owning one's own home in my constituency does not mean that one is rich; it means that there are no apartments so a home is the only place in which one can live. That means that if one's salary is lower than the national average, one needs assistance in order to heat one's home.

In order to heat their homes in the past, my constituents were required to use oil. The majority of homes in my riding are heated by oil. There are one or two communities which happen to have natural gas. As natural gas was being installed in other communities, many people wanted to convert their heating systems and again, through financial constraints, were unable to do so. Through the COSP Program of the Government, for example, some people were able to convert their oil furnaces to natural gas or electricity in order to free themselves from being prisoners of a system which was ever causing prices of oil to increase and become less and less affordable.

In the national interest the Government recognized that if it was to keep a large portion of the population from being held prisoner by the need to purchase imported oil, it could do so by converting consumption to other forms of energy and by reducing consumption through energy conservation. These two programs achieved both of those objectives and indeed were excellent programs.

● (1200)

A chart which was produced in the last edition of *The Financial Post* indicates that in 1984 there was a net reduction of 8 per cent in fuel oil consumption in Canada. I think that is significant. We have an increase of 8 per cent in natural gas consumption. Inevitably, the programs which have assisted the people of Canada in converting their heating systems and conserving energy have been successful. I do not know why the Government wants to disband two programs which have been very successful. Perhaps it is for purely partisan reasons that the Conservatives want to abolish these successful Liberal programs. But Liberal programs were not only designed for Liberals, they were designed for the benefit of all Canadians. If the Liberal programs have been successful, maybe Conservative members should start to become more objective and less partisan.

The Hon. Member for Calgary West (Mr. Hawkes) told us that conversion and conservation only happened in concert with prices. In other words, if a product is priced out of existence, of course, people will convert to another product. Perhaps that is the policy of the Conservative Party, to increase energy prices so much that people will not be able to afford it and therefore, those people will have to convert to another product. But that was not the policy of the Liberal Party. The Liberal Party tried to keep those products affordable for Canadians. The Liberals did not want to bankrupt the Maritimes, Quebec, or threaten eastern Canada. Indeed, the program was very successful.

I see a Conservative member in the House who said the other day that the only people who were benefiting from the program were the rich people who were buying heat pumps with a government subsidy. Well, perhaps his constituents belong to that financial bracket, but mine do not. The people of my constituency have larger than average households compared with the rest of the country. The census document for my riding indicates that 89.6 per cent of all housing stock is single family dwellings. The people of my constituency, whether they are well off or poor, have their own homes. The poor people may have larger mortgages, but nevertheless they do not have a choice when it comes to paying their heating bills. That bill is there whether they like it or not.

My constituency also has very high unemployment. The people of my riding do not have money to pay exorbitant oil prices. According to the census, the average income of the people in my riding is close to $1,000 less per person than the national average. With this evidence, it is quite obvious that the people of Glengarry-Prescott-Russell do not want the program to terminate. It was a good program from which the people benefited.

The Hon. Member for Calgary West said that the legislation was insane. He and his colleagues in the Conservative Party unanimously supported a Bill which they now claim is insane. Perhaps he should verify his voting record in the House before making such a claim.

As part of the famous "Mike the Knife" Tory cut-back book, Canadians will realize a fuel price increase of 1.8 cents per litre. The people will have no assistance to free themselves from the price of heating oil. There will be no programs of assistance—again according to the wishes of the Government—for Canadians to conserve energy and add insulation to their homes. The Government says that is all right. It says that if Canadians do not have bread to eat, then they can eat cake. The Government says that conservation will still take place. Well, if conservation will take place, why did that not happen before this program was enacted? Obviously, incentive was required in order to achieve that conservation. The incentive which is required should be manifested in the leadership of the

Government. But this Government has washed its hands of that responsibility. It tells us that the free market and the cartels widll take care of the situation.

For Conservative members who believe it is wrong for the Government to be involved in regulating oil prices, when faced with the alternative of letting the cartels and industry regulate those prices, one has to ask, "Who speaks for Canadians?" Is it the multinationals or is it the Government of Canada? Surely, the Government should recognize that it is its job to govern. The Government should not wash its hands of that responsibility and give it to multinational companies. The Government says that it does not want to be involved and that the multinationals should regulate oil prices. That is the Conservative policy. It is wrong. That is not why the Government was elected six months ago today.

The Government was elected to fulfil a long series of promises. I am sure, Mr. Speaker, that you will remember those promises because, like us, you suffered by listening to the litany of 338 promises which the Tories made. However, I do not remember a promise which indicated that the Government would abolish assistance for the poor, or assistance for people who could not afford to change their furnaces. In my riding the Conservative opponent did not say that. I am sure that gentleman did not stand on the stage in Alexandria, Hawkesbury or Rockland, and say to the good people of those communities: "Vote for me and I will cut off your grant". I did not hear my Conservative opponent saying that. That is not one of the promises which was made. The Conservative promises were to give everything to everyone all the time.

Mrs. Sparrow: We promised to cut the deficit.

Mr. Boudria: I am glad to hear a Conservative member saying that the Conservatives promised to cut the deficit. It is interesting to hear that, especially in view of the fact that 113 promises would have increased the deficit, and five of the promises would have reduced the deficit. In terms of revenue generation, two promises would have increased the funds coming in and 26 promises would have reduced those funds. I am glad the Conservative member has indicated that that was the policy of the Conservative Party during the election campaign. Obviously, those were not the policies of the Conservative Party.

The Government has asked the House to support legislation which will reduce benefits for the people of my riding who can least afford it. I say that we should not abolish these programs. We need this kind of legislation. All Hon. Members recognize that it was a good Bill and it was supported unanimously in 1981. It was supported by the Hon. Member for Mississauga South (Mr. Blenkarn) who is now shaking his head. He knew at the time that it was a good Bill and I would venture to say that he still thinks today that it is a good Bill, but someone is directing him with cue cards, and all of those other props the Conservatives use, to tell him to vote against this Bill.

• (1210)

Mr. Lewis: Cue cards?

Some Hon. Members: Oh, oh!

Mr. Boudria: If he was a free-thinking Member as he sits in this House right now, he would not put up with that. I challenge him to stand and speak on behalf of his constituents.

Mr. Blenkarn: I will.

Mr. Boudria: I challenge him to speak for the people with low incomes who own their own homes and who need to free themselves from high oil prices, those who need to convert their heating systems. I challenge the Hon. Member to stand and speak for those people, Mr. Speaker; not just for the bagmen of the Conservative Party, not just for multinationals and the very large companies, but for average Canadians, because they are the ones who elected Hon. Members to this House. They are the ones who want fair and honest representation from all of us. They don't want that grant cut off. They don't want to see these very good Liberal initiatives abolished. I am sure that deep down inside all Hon. Members across from me and the book-ends on this side, Mr. Speaker, really want to see this kind of measure retained.

The Tories have always been able to use double-speak very effectively. They tell us that they can be all things to all people. But the true side of the Tories is shown up when they introduce these kinds of "let them eat cake" measures. I am sure that the Minister of Employment and Immigration (Miss MacDonald), who is very concerned about the well-being of the people of this country—

Miss MacDonald: That's right.

Mr. Boudria: —would stand in her place, if she could—but she can't—and speak on behalf of the people of Kingston and the Islands. She would speak on behalf of those voters because she knows that abolishing this kind of measure is a very sick joke indeed on the part of the Conservative Party. More particularly, it is a vicious attack by the Minister of Finance (Mr. Wilson). "Mike the Knife" is sticking it into the backs of all the poor people of this country when he introduces this kind of measure. I urge all Hon. Members to vote against it.

Mr. Blenkarn: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has indicated that this program is meant to assist the poor. I was wondering if he could describe in what way this program deliberately helps the poor over the relatively rich? It seems to me only those people who own homes are entitled to these programs. Any cultural study which is carried out across the country would indicate that the people who own homes are usually better off in the community than those people who do not own homes; for example, those people who rent. Could the Hon. Member enlighten us as to how this is a program to help the poor, the under privileged and the downtrodden? Or is it perhaps just a regular Liberal program which is designed to ensure the national debt gets larger, that our children have greater burdens on their shoulders and that the people are bought with their own money?

If it was such a good program, I wonder why, in terms of purchase of votes, the Liberal Party did not do as well this

time in the election as it did the last time. Indeed, in 1979 the Liberals tried amending the program right in the middle of the election period in order to see if they could grab a few more votes. The Hon. Member will know that at that time the then Liberal Minister, the Hon. Alastair Gillespie, was running in Etobicoke Centre and that the now Minister of Finance (Mr. Wilson) represents the riding of Etobicoke Centre.

Mr. Boudria: I am very pleased to answer that question, Mr. Speaker. Obviously, if the Hon. Member had listened carefully to my speech he would know that 89 per cent of the people of my riding own their own homes, but not 89 per cent of the people in my riding are rich. As a matter of fact, I also described where the average annual income of the people in my riding, according to Statistics Canada is less than that of the people in the rest of the country. The average annual income in my constituency is $1,000 less than the income of the average Canadian and 89 per cent of the people own their own homes. So yes, a majority of poor people in my riding own their own homes. That is a fact.

Why is it that this program will benefit the poor rather than the rich? it is simply because the poor don't have any money. Perhaps that has not gotten across to the Hon. Member opposite. Rich people can convert their heating system to something which will be cheaper. They can do it without assistance. But the poor people cannot. That is why they are poor, Mr. Speaker. They need that kind of assistance. That is the basis of social programs. We help out the people who need it, not just the rich, which is something the Conservatives want to do.

Mr. Henderson: Mr. Speaker, I very much enjoyed the speech given by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). The Hon. Member for Calgary West (Mr. Hawkes) is not here but it certainly does alarm me to find out how little Hon. Members opposite, and certainly the Hon. Member for Calgary West, understand Canada. That is really horrifying to me. The Hon. Member for Calgary West used half of his speech to talk about job creation in the country within the oil industry. Little does he know, Mr. Speaker, that—

Mr. Blenkarn: I rise on a point of order, Mr. Speaker. The Hon. Member's question and comment should be made with respect—

Mr. Deputy Speaker: Does the Hon. Member wish to speak on a point of order?

Mr. Blenkarn: I think this time is for questions and comments on the speech of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), not on what was said or was not said by the Hon. Member for Calgary West (Mr. Hawkes). Surely that is not the question before us and the Hon. Member is misusing the time, I submit.

Mr. Henderson: Mr. Speaker, I will certainly rephrase my comment and say that Hon. Members opposite obviously don't understand what Canada is all about. My province of Prince Edward Island has the highest energy costs in Canada, the highest electricity, oil and gasoline costs.

Mr. Foster: And a Tory Government.

Mr. Henderson: Does the Hon. Member believe for one minute that people who are burning wood for fuel, a renewable resource, are not creating employment in this country? They may not be creating employment in downtown Calgary but they are certainly creating it in my part of the country. Poor people have obviously benefited greatly from the off-oil program; there's no question about that. Not only the poor people are benefiting, those who convert to wood, but also the suppliers of furnaces, chain saws, and skidoos, which most small woodlot owners use to take the wood out to sell. There is a tremendous spin-off and benefit, especially in an area which is depressed. We have a silviculture program which also is a follow up because there is good woodlot management in my area and, hopefully, also in New Brunswick and the other Atlantic Provinces. Sure, we may lose a few jobs in downtown Calgary if the oil industry fluctuates a bit, but we are creating jobs elsewhere. We are creating jobs with renewable energy resources which are just as important as, and probably more important than, oil. Oil is a non-renewable resource. The more that is used, the scarcer it gets and the higher the price.

I am delighted with the speech my colleague gave on this very important subject. I think Hon. Members of the House of Commons have certainly forgotten that they are looking after their own special interests when they deal with just one sector of the energy question. I believe in the ridings of all Hon. Members which are not fortunate enough to be situated in the heart of an industrialized city or province there is a great spin-off, a job-creation effect. Many of our poor people cannot afford to pay $2.20 a gallon for home heating fuel, the price in Prince Edward Island. The Hon. Member probably does not realize it, but for a 250-gallon tank of fuel you are talking about a price of over $500 in Prince Edward Island. Who can afford it?

• (1220)

Mr. Boudria: Mr. Speaker, I want to respond to the excellent comment made by my colleague here. I would just point out that in Prince Edward Island some 312 residential units participated in the CHIP Program with an average grant value of $10,048. In that same province, under the HIP program, some 29,643 residential units received grants of an average value of $9,903 each. So we can see the great benefit this program had in Prince Edward Island.

If I can turn very briefly to the COSP Program in Prince Edward Island, there were $4.4 million in grants. So again, both programs were very effective in Atlantic Canada, indeed everywhere else in the country, including my own riding of Glengarry-Prescott-Russell, and in Ontario generally where over one million homes were reinsulated under the CHIP Program.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I do not think there is any question that every program government

has is of some benefit to someone to some extent. That is the case with these two programs we are dealing with here today. There is no question that somewhere along the line people receive something from government. The Hon. Member for Egmont (Mr. Henderson) said that people bought a skidoo and went off in the bush and hauled in wood. I suppose that was good for their health. It certainly gave me the thought that perhaps I could expense a skidoo as part of the cost of my heating. Perhaps I should go into the wood business as a means of writing off my skidoo. Perhaps that is what we can get from these debates as to how government expenditure can be used as a justification for all sorts of fun and games. But rather than fun and games I think we ought to talk seriously about where we should be going in this country.

One of the problems which has bedevilled us, Mr. Speaker, is the Bill which comes before this House all too frequently, the Borrowing Authority Bill. You will recall the impassioned speeches we heard on the Borrowing Authority Bill when it was before this House just a very short time ago. I have not looked up the record but when the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) spoke eloquently about the burden of debt, how we were running up the national debt and what we should be doing, I am sure he did not speak in favour of more borrowing. Indeed, his Party negotiated vigorously and insisted the Bill be cut back. They said we were spending far beyond all reason. He did not say we should not spend it because, of course, he wants money spent in his own riding. He thinks it is important we spend the money there, but he thought the borrowing was beyond all reason.

Well, Sir, the borrowing is beyond all reason. We must come to grips with government programs. Therefore, I am very delighted that we have finally decided to come to grips with these programs. If these programs could be justified at all, they have now well outlived their usefulness.

When these programs were first initiated, Mr. Speaker, world oil prices were spiralling upwards. There was considerable concern that we would be looking at oil at $60 or $65 U.S. a barrel in 1985. It was absolutely necessary that people be assisted in converting their furnaces to burn something other than oil. In was absoltely essential that people be encouraged to do whatever they could to cut down their consumption of fuels. Hence the CHIP Program.

But, Sir, this is 1985 and Texas light crude is selling in world markets at something between $25.60 and $25.80 U.S. a barrel. That is a bench-mark price for top quality petroleum, but this country pays in excess of $29 U.S. a barrel for top quality petroleum. Indeed, I am told that certain Canadian oil companies with oil production in western Canada have decided that it is profitable for them not to sell in the Chicago market but to ship their crude to Vancouver, load it on a boat, send it around the Panama Canal, and sell it in Montreal at $29 and change a barrel.

Mr. McKnight: Same as we pay the Mexicans.

Mr. Blenkarn: They make a lot more money that way. Same as we pay the Mexicans, says the Minister.

Sir, the whole system has got out of hand. Indeed, we must revise the National Energy Program completely. The first stage is getting rid of these subsidized programs which are no longer valid. The price of oil is decreasing. Indeed, if we were to get rid of the subsidized programs today we would lower the price of gasoline and home heating fuels dramatically in this country. I do hope that the Minister, in her next effort, will be introducing Bills to terminate the programs whereby we pay those who import crude oil into this country more than world prices as part of some sort of national oil policy.

The situation is that we can no longer afford a program which subsidizes people, no matter their wealth, status, quality and kind of living accommodation, to convert their homes to something other than oil heating. For example, they buy a heat pump for $3,000 to $5,000 which enables them not only to save oil but has the added benefit of giving them air conditioning. That is the kind of thing which has taken place time after time in grants under the COSP Program. It was a fine program, but when we wind up with a program which is used to help the relatively affluent to enjoy a better quality of life which air conditioning might provide, or to save them a few dollars on their oil bill which means they might do the conversion anyway because it would save them money, we are in a sense misusing the borrowing, taxing and spending capacity of the country. We transfer money to the relatively affluent in the country, money which they have no call to receive.

It has been suggested by the Hon. Member for Glengarry-Prescott-Russell that his constitutents were relatively poor. Even his poorer constituents lived in homes and they needed some assistance in acquiring new heating equipment. Well, that perhaps is so. There is every indication that the cost of the heating units that were promoted in some instances as a result of this program were bonused up to include part of the grant. We should all question to what extent improved heating units have been available because of the grant and to what extent contractors and producers have taken advantage of the grant for promotion purposes. I submit that if the grant had not been available, the number of conversions from oil to other forms of heating would have been very much the same. There is no evidence produced by the Ministry , or any other source, that indicates that some, a good part, or all of this work might not have been done without the expenditure of public funds.

• (1230)

When the program was brought forth there was an implicit worry that things must be accomplished in a hurry because of the worry of rapidly increasing petroleum prices. That has not turned out to be the case. Consequently, we do not have to continue with programs just because they were put in place at one time. Times have changed.

I will deal for a moment with the CHIP Program. That program has been in existence since 1977. It originally started off with relatively old homes. It was extended dramatically during the 1979 election campaign as the then Minister of Energy, Mines and Resources tried to ensure for himself his own seat. He unfortunately could not do that; he is no longer

with us. He got involved in other forms of energy in the east after the election. However, that is another matter. In any event, he decided to change the program during the course of that election. He was not successful in garnering many votes, but he changed the program.

At one point the program involved a grant of up to $500 and 100 per cent of the cost of materials. That became subject to astronomical amounts of fraud. I brought one case to the former Minister of Energy, Mines and Resources, now the External Affairs critic in the Official Opposition, the Member for Saint-Maurice (Mr. Chrétien). One of my constituents was taken in by an operator under the CHIP program. He had a mobile home and the operator decided that he would insulate the mobile home for $350. He came around one day with three tubes of caulking cement and proceeded to insulate the mobile home. The bill was $350. He had the invoice all prepared and wanted my constituent to approve it. My constituent decided he would not approve it. Eventually the cheque came from the Ministry for $350. I still have the cheque in my constituency office. My constituent would not pay the bill and the insulating company has yet to take my constituent to court. However, the former Minister, the present Member for Saint-Maurice, could not see anything wrong with the case. He did not think it was a case of fraud. We wanted the courts to decide it, but unfortunately no one wants to take that matter to court. There is no question that the CHIP Program created all sorts of activity in the insulation field whereby insulation contractors managed to skew their invoices in such a way that almost all of the work was billed as material, little was billed as labour, and the CHIP Program was abused and misused.

We all ought to consider realistically what services government should supply to citizens in the normal course. There are some things that people can do for themselves. Indeed, everything should be done by people for themselves as far as possible. It is the job of government to look after the sick, those incapable of looking after themselves, and the old. It is not the job of government to look after those in society who are well and capable of looking after themselves.

That is one of the principal objections to this type of program. This program is an attempt by government to tell people how to spend their money. On that philosophical basis this is a bad program because it does not ask people to look after themselves. It attempts, in the big brother fashion, to direct how people look after themselves, how they live, and how they handle their own affairs. That cannot be the purpose of government. Government has become too large in our society. The function of government must be cut back. This is a prime example of how government function can be cut back.

I commend the Minister for introducing this Bill because it is a first step in cutting back the size, purpose, and direction of government. Ours is not a government of big brother as expressed by the Liberal and New Democratic Parties. The job of this Government is not to tell people how to insulate their homes, what kind of furnace they should have, or how to spend their money. This Government expects people to look after themselves, to be prudent in their affairs, to earn their own money, and to spend their own money as they see fit. It should not be our job to do that for them.

This program, like a number of other government programs, must be eliminated. Even a government which is prepared to say that it has an obligation to look after people from the cradle to the grave would get rid of this program because the price of energy is falling dramatically. As the price of energy falls, the spending of money on energy conservation should fall as well. After all, why spend money trying to conserve something, the price of which is getting lower all the time? Even if a government believed in directing people how to live, why would it spend money on this program?

If a government had huge surpluses it might conceivably spend money on this kind of a program in a transfer back to home owners. That would be something similar to a state dividend. However, the December and January figures which have been circulated by the Minister of Finance (Mr. Wilson) indicate that for this current fiscal year the Government is borrowing 38 cents for every dollar spent. This means that only 62 cents of every dollar we are spending is from the taxpayer while the rest represents borrowing.

● (1240)

These figures require us to look at every government program, not just the ones under discussion today. I include programs like the Federal Business Development Bank and others with respect to exports with which we are not being very efficient. It includes programs such as the Canadian Broadcasting Corporation. We must priorize our objectives in this country.

This particular subsidy program must be eliminated because it is no longer needed and causes undue interference in the way people live. It is a subsidy for relatively affluent Canadians. It is a waste of government funding that increases our deficit. For those reasons, I commend this Bill to the House.

Mr. Boudria: Mr. Speaker, I have a brief comment and a question. Why did the Conservative Party not raise its objection to these series of government programs during the election campaign if it is such an important issue to them? To my knowledge, all of their promises concerned offering more programs to Canadians, with relatively few cuts. If they are in favour of cutting programs, why was this not advocated during the election campaign?

The Hon. Member for Mississauga South (Mr. Blenkarn) said that I neglected to talk about the deficit during my speech. So as not to disappoint the Hon. Member, let me remind him of some deficit-causing promises made by his Party during the campaign. Hon. Members should recall that 139 Conservative promises would have increased the deficit while seven promises would have reduced it. I thank the Hon. Member for raising that point because it is important for all Members to know where the Tories stood on the deficit during the campaign.

The Hon. Member is of the view that the CHIP Program and COSP Program artificially boosted the prices of such

commodities as furnaces. I suggest it is rather ironic that the same Member who says that the free market system does not work in terms of buying furnaces claims that it works well in terms of buying oil. I see that as a very curious contradiction. I find it puzzling that the Hon. Member, who is a right-wing Conservative, would advocate regulating the price of furnaces but not regulating the price of oil.

The Hon. Member for Mississauga South told us the sad story of a particular business operator who attempted to defraud a client. Need I remind him that the consumer protection legislation of the Conservative Government of Ontario is absolutely preposterous. It is no wonder that consumers are being gouped as a result of the lack of proper consumer protection in the Province of Ontario. I am glad that he brought that issue up as well and I hope he raises it with the Minister of Consumer and Commercial Relations of Ontario.

Mr. Blenkarn: Mr. Speaker, I am indeed disappointed at the poorly organized objection to my remarks made by the Hon. Member for Glengarry-Prescott-Russell. I thought he would have paid better attention to the question of whether these programs did in fact abuse the market-place. He ought to realize that subsidies can lead to price increases that are beyond what is fair in the market-place. However, I understand that he is a critic and his job is not to add too much to the validity of the debate.

Does the Hon. Member sincerely believe that we should continue to have a deficit anywhere from $35 billion to $40 billion? Would he have us continue with these programs because it is the Liberals' attitude that no existing programs should be changed or eliminated no matter what the cost? If that is his Party's position, then there certainly will be some interesting debates in the House.

Mr. Keeper: Mr. Speaker, the Hon. Member for Mississauga South (Mr. Blenkarn) was critical of the CHIP Program and the COSP Program because of their influence on how people will spend their money, that they interfere with the market-place and allow too much government involvement. Would he apply the same criteria for tax write-offs to corporations as he would to home owners with regard to grants for insulation?

Mr. Blenkarn: Mr. Speaker, I very much agree with the Hon. Member that the use of the tax system to influence the attitude of business people is subject to some serious criticism. Indeed, I have written to the Minister of Finance, as I hope the Hon. Member has, setting out a number of propositions whereby changes might be made to the tax system that would bring more fairness to it and perhaps eliminate a number of propositions that are exceedingly unfair. I hope the Minister will pay attention to some of those suggestions.

I hope the Hon. Member's Party will make some suggestions with respect to particular tax expenditures that might be eliminated. Obviously there is something wrong with the tax expenditure program when it enables some people to use tax expenditures as a means to reduce their income totally. While people may use an expenditure program, I believe it is important to make sure that tax expenditures are not abused. The CHIP and COSP Programs are a direct grant expenditure and should be eliminated as well.

Mr. Foster: Mr. Speaker, I had difficulty understanding the logic of the Hon. Member for Mississauga South (Mr. Blenkarn). He seemed to suggest that saving a barrel of oil is not as beneficial as exploring and developing that resource, that only a few barrels of oil are saved. With respect to the COSP Program, 32,000 barrels of oil per day were saved; with respect to CHIP, it was 28,500 barrels of oil per day. These savings continue indefinitely.

I did not read anywhere in the Conservatives' campaign literature that they would either eliminate or reduce the life of the CHIP and COSP Programs. However, the Conservatives indicated that they would eliminate the PIP Program. According to the Estimates, there is $1.6 billion provided for the PIP Program—the program which the Conservatives promised to eliminate. The Conservatives did not say anything about eliminating the COSP or CHIP Programs but are doing so. It seems they are not doing what they said they would and doing what they said they would not do. I know the Hon. Member said that he is very concerned about big government and big spending. I was wondering whether he could identify closely with the article published yesterday in *The Toronto Sun* by Derek Hodgson which reads:

● (1250)

> Brian Mulroney seems to have an office structure built along the lines of a court of the Russian czars—
>
> Some malcontents say the only guy working on the third floor of the Parliament buildings is the jut-jawed chappie in the corner office. Everybody else is trying to line up a trip or hire an assistant.

In the operative clause relating to the Hon. Member it reads:

> With a burgeoning budget that has suddenly been bumped by a "tiny" $2.3 million and seen the staff numbers jump from 90 to 120, there has been a growth industry in renaming job titles. Mulroney staffers who short months ago were somebody's assistant are now getting their own office help.

I know the Hon. Member has been very active on the Public Accounts and the Finance, Trade and Economic Affairs Committees, but does he agree with that increase of $2.3 million a year and an increase in the Prime Minister's office staff of 33 per cent, which was so ably described by Mr. Hodgson in yesterday's *Toronto Sun*?

Mr. Deputy Speaker: The second part of the Hon. Member's comments are not relevant to the speech made by the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: Mr. Speaker, all I can say is that I think we have to reduce government expenditures. If the Hon. Member will come to the committee and go after the Prime Minister's expenditures as they come to the committee, I am sure he will have ample opportunity to speak and perhaps we can get from his Party some advice as to what items in the Estimates should be cut back.

On the question of the oil programs, Mr. Speaker, I say to the Hon. Member that we have an enormous deficit. We have programs that are running away from us. What we have to do is have the co-operation of the House in order to reduce those programs. It seems to me that the Petroleum Incentive Program will be up for some pretty serious cutting back. Obviously that program is in place and a Bill has not been introduced to remove it yet. I suggest to the Hon. Member, as I am sure he will discover when he asks the Minister of Energy, Mines and Resources (Miss Carney) or the Minister of Finance (Mr. Wilson), that the Petroleum Incentives Program will probably be more seriously cut back than the Estimates would even begin to suggest when the legislation changing the National Energy Program is brought in in final form. The Hon. Member knows that there are negotiations going on with the provinces. He also knows those Bills are very, very complicated. I am sure he will find that before this year is out the promises with respect to that type of expenditure will be gone.

Mr. Deputy Speaker: We will now resume debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this Bill presents more than any other Bill the strange sense of priorities of this Government. We were promised during the election campaign two things. First was jobs, jobs, jobs. Second was the cutting of the deficit. The two might not always be compatible but we should look at them in the sense of promises made by this Government when it sought election last summer. The Government made the announcement two months after the election that it would cut these programs. This was immediately against promises the Government made that it would establish jobs.

One of the basic effects of programs such as the Canadian Oil Substitution Program, the Canadian Home Insulation Program, RRAP and others is that they are programs which are in a sense partly job-creation programs. There has not been any government program other than these three I have mentioned—and I include RRAP because it deals also with homes, as do the other two—that the Government has put before the people that has had a greater direct effect and indirect effect on job creation. If a person uses this grant program, $800 comes from the Government, and the individual in most cases making use of the program has to put in considerably more than that, perhaps as much as $2,000 or $3,000.

A good portion of the money was spent directly on jobs and the rest was spent on the purchase of materials, an indirect creation of jobs. The furnaces and the lines that were put in were in most cases made in Canada. It has been suggested that three times as much money was spent in these programs than was actually made in the form of a grant.

The announcement two months after the election that the Government was going to eliminate these programs indicates that the Government has no intention of making use of government funds for job creation. It is almost incredible that the Government would not recognize that this program is a better job-creation program than any of the money the Government has put forward in its so-called billion dollar programs that have been announced in the last few weeks. The Government could very easily have transferred these three programs to job-creation programs and made better use of the money it is spending than it is doing in its present job-creation programs. In fact, the Government could fulfil one of the main requirements which the Minister has been saying about job creation. We need to use the private sector in these programs. With the $800 grant for oil substitution, the total bill was more like $3,000. The private sector put in the extra money for job creation; job creation directly for the fellow who put in the furnace and job creation indirectly for the materials purchased in order to instal the furnace.

This applies even more so with the Canadian Home Insulation Program. As most Members will know, the Canadian Home Insulation Program paid for 60 per cent of the labour. There was already a requirement from the private sector of 40 per cent to be put into labour, plus all of the materials that were required, of which you could also claim a certain portion in a grant.

In the few minutes I have, I want to put before this House the proposition that the Government, instead of cutting off these programs, would do far more for the country if it extended them. The Government could move them to another department if necessary, but we should keep them and expand them.

Mr. Deputy Speaker: I must inform the Hon. Member that he has 14 minutes remaining this afternoon.

It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE ADMINISTRATION

SIX MONTHS' ANNIVERSARY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, six months ago today, the Canadian people gave the Conservatives an overwhelming mandate to govern the country. Let us take a moment to analyse what the Government has accomplished, or not accomplished, so far.

One of its first acts, on November 8 when it tabled its economic statement, was intended to put the axe to just about every good program the Liberals had established. Thanks to the Liberal Opposition, the universality programs remained

untouched. The previously cancelled 1986 census was reinstated following pressures by Liberals, thus creating 40,000 jobs.

One Minister resigned. Another one or two should have resigned following their involvement in the Hatfield affair. Porkbarrelling has taken a new, undreamed of dimension, competence not being a criterion for appointment.

The Prime Minister (Mr. Mulroney) has adopted a dictatorship approach in running the country, increasing the operation budget of his office by 57 per cent, continuously overriding his Ministers whose role is now more or less that of puppets, and spending millions of dollars to change the uniforms of our Armed Forces, money that could have gone to the needy people of the country. We could go on and on speaking of the unkept promises of the Government. It would seem that the biggest accomplishment of the Prime Minister over the last six months has been his daily comedy session during Question Period. He laughs at his own jokes, spends his hard-earned money in Florida to boost the U.S. economy, and then ridicules Canadian industry in *Fortune* magazine.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT AID TO DOMTAR—LIBERAL PARTY'S POSITION

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, last week we were treated to a new Liberal version of the about-face the Liberals were so fond of when they were in power and were governing by opinion poll.

Mr. Speaker, last week, we heard the worthy Liberal Members from Quebec, the silent and consenting majority on Bill S-31, protest the Conservative Government's realistic and wise decision to deny direct subsidies to a company as sound and profitable as Domtar. However, despite the indignant cries of the Quebec Liberal caucus, the Leader of the Opposition (Mr. Turner), when asked about the matter, did not support his worthy Members led by the bellwether politician from the riding of Bourassa (Mr. Rossi). What a marvelous example of Liberal logic and solidarity we were treated to last week!

This is all the more reason for us to celebrate our first six months of sound government.

* * *

STATUS OF WOMEN

FIGHT FOR EQUALITY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, today is the first day of International Women's Week. It is a time to celebrate women's solidarity in our long struggle for equality.

[*English*]

As we approach the end of the United Nations International Decade for Women, can we say that progress has been made? When the wage gap between Canadian men and women is virtually unchanged, when the federal Government still refuses to enforce its own equal pay guidelines and when men continue to outnumber women on government boards and commissions, can we say that progress has been made?

When women are still fighting for control over their own bodies in the raging battle over freedom of choice on abortion, when 62 per cent of single, elderly women, and 42 per cent of families headed by women still live below the poverty line, when the Conservative Government has still not addressed the issue of technological change, when millions of women's jobs in the clerical and service sectors are expected to disappear by 1990, can we say that progress has been made?

When the women of the world who represent one-third of the official labour force, account for nearly two-thirds of all working hours, receive only one-tenth of world income, and own less than 1 per cent of world property, can we say that progress has been made?

Women everywhere are still second-class citizens. This week the New Democratic Party will be meeting women's groups across Canada to hear their priorities for action. We urge the Conservative Government—

Mr. Speaker: I advise the Hon. Member that her time has expired.

* * *

[*Translation*]

THE ADMINISTRATION

REAL ACHIEVEMENTS OF THE GOVERNMENT

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, today our Government is celebrating the fact it has been in power for six months, and I want to take this opportunity to tell my constituents in Argenteuil-Papineau how proud and honoured I am to represent them in the House of Commons.

Mr. Speaker, I was absolutely astonished to hear Liberal Members say in the House that this Government has done nothing of any consequence since it came to power. Allow me to recall the sad story of the Mirabel expropriations. The previous Government had wittingly and unnecessarily proceeded with the expropriation of 80,000 acres of the best arable land in Quebec, which led to one of the most violent protest actions Canada has known for many years. Unwilling to admit that their unrealistic project to make Mirabel one of the busiest airports in the world had failed because of poor planning, the Liberals maintained this confrontation with expropriated land owners so as not to lose face before the Canadian public.

An article published recently in the press pointed out how remarkable it was for a Government that had been in power for only four months to have been able to find a solution to a problem that the previous administration had been unable to resolve in 15 years. Now, Mr. Speaker, residents and expropriated land owners can start to live again.

I shall conclude by saying that the people of the riding of Argenteuil-Papineau are very pleased with the performance of this Government, and I might add, with respect, that I prefer my constituents' views to those of Hon. Members opposite whose speeches have reflected the general frustration of the Liberals since their crushing defeat last September 4.

* * *

[*English*]

CITIZENSHIP

THE CASE OF ERNST ZUNDEL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak this afternoon about Ernst Zundel, who was convicted last week in Toronto in connection with the publication of defamatory material denying the holocaust. In doing so, I am taking account of the rule of *sub judice*. I have looked at the precedents this morning and have satisfied myself that, because a judgment has been rendered and because as yet no appeal has been launched, it is appropriate to comment in the House about the case.

I should like to remind Hon. Members that my Party has stood for the concept of fighting hate literature through the use of the Criminal Code. We introduced provisions to make it a crime to propagate hate literature. I know those provisions were not used in this case. I regret that and, as Members will recall, before the election we had amendments on the Order Paper to change the hate literature laws, to make them more open, and to make convictions more possible.

Having said that, I want to note also from what I have read that Ernst Zundel is not a Canadian citizen. If matters continue, as it appears they will, I want to indicate for my Party that we consider this a case in which recourse should be had to deportation.

* * *

[*Translation*]

NATIONAL REVENUE

TAXPAYERS' RIGHTS

Mr. William C. Winegard (Guelph): Mr. Speaker, I would like to talk about the Department of National Revenue. During the weekend, a number of my constituents spoke to me about the declaration of taxpayers' rights.

[*English*]

today is the six-month anniversary of our election victory, and this action by a Minister is an example of the Government's intention to follow through with the spirit of our election campaign. The Minister responsible for the statement is a neighbour of mine. I knew about his determination to return to the people of Canada their natural rights in the taxation area. I applaud and thank my friend, the Minister of National Revenue (Mr. Beatty). This was done in less than six months.

Perhaps I could explain why I am wearing a surgical collar at this time. When one sits in such a draft for five months, one is bound occasionally to get a pain in the neck.

* * *

THE PRIME MINISTER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, Canadians are asking themselves whether it can really be six months since the Liberal Party of Canada was sent into the political twilight zone. On September 4 last the people of Canada voted for change, and the Tories promised a new beginning and eternal bliss. After six months Canadians are still at the altar, still waiting.

Certainly there has been a change of a sort. The Minister of Finance (Mr. Wilson) has given us change—it began as a dollar bill and now it is just spare change.

The Prime Minister (Mr. Mulroney) has shown some change as well. He has changed his mind about universality; in fact he has changed his mind a couple of times about universality. He has changed his mind about the rights of the Auditor General to have access to government documents and about parliamentary review of political appointments. He has changed his mind about the use of higher interest rates to prop up the dollar. He has changed his mind about openness in Government, by gagging civil servants. Yes, Mr. Speaker, he has changed Defence Ministers.

• (1410)

The Prime Minister has become known as a changeling. It was not long ago that our neighbours to the South were asking their politicians a simple question: where's the beef? After six months of the Tories, we have found the bull.

* * *

THE ADMINISTRATION

SIX MONTHS' ANNIVERSARY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, today marks the six-month anniversary of the Government's election to office with the largest majority ever given a political Party in Canada. All Canadians from coast to coast are now being represented in Government as well as having representation at the Cabinet level where we in Saskatchewan had no elected representation for almost a decade.

Much has been achieved in this short space of time. I point to the long awaited changes to the Western Grain Stabiliza-

tion Act, voluntary metric so farmers will be able to have dual labelling on agricultural chemicals, the establishment of a drought assistance program with the prairie provinces, the signing of the Atlantic Accord with the Province of Newfoundland as an equal partner, the signing of the offshore development fund agreement with Nova Scotia, and the reforestation agreement with Alberta. Legislation has been passed to simplify tax procedures for small businesses. The concept of universality in our social programs has again been confirmed.

At the First Ministers' conference recently held in Regina, the change was most evident. There is a positive atmosphere of co-operation and consultation between the provinces and the federal Government as a result of the new direction taken by the Prime Minister (Mr. Mulroney). My constituents join with me in applauding the Prime Minister for initiating this new direction.

* * *

[*Translation*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the Prime Minister said repeatedly, when he was on this side of the House and throughout the election campaign last summer, that the value of the Canadian dollar was directly related to Canada's image abroad, and that the value of our dollar is directly proportionate to the confidence of foreign investors in Canada.

Considering the dramatic and historic drop of the Canadian dollar *vis-à-vis* the American dollar, I wish to inform the House and the Canadian people that for once I share the views of the Prime Minister. He is right. The dramatic drop in our dollar does indeed demonstrate the lack of confidence of investors in his party and his Conservative Government. Mr. Speaker, what is even worse is the attitude and behaviour of a Prime Minister who prefers to vacation abroad instead of dealing with a situation that is getting steadily worse, because while our dollar is dropping, interest rates are rising.

* * *

[*English*]

THE ADMINISTRATION

SIX MONTHS' ANNIVERSARY

Mrs. Mary Collins (Capilano): Mr. Speaker, anniversaries are a special time, a time to pause, to celebrate the achievements of the past, to gain strength from those accomplishments, and to look forward with optimism to the future. That is why it is a special privilege today for me to acknowledge and celebrate the six-month anniversary of the election of a new Government for our great country.

Some Hon. Members: Hear, hear!

Mrs. Collins: It would take many minutes to put on record the accomplishments of these first six months, so in the 90 seconds allotted to me I will only point out my pride in our Government's commitment to consultation and co-operation. There has been consultation and co-operation with the provinces, as evidenced by the Regina conference and the Atlantic Accord, and there has been consultation and co-operation with all Canadians, as evidenced by the consultation papers on economic renewal, trade, housing, child and elderly benefits, tourism, and small business. Ministers and private Members have been meeting with groups and individuals from all parts of the country on these topics, listening and responding to their input and views.

This past weekend the British Columbia caucus spent two days in Burnaby, British Columbia, hearing from over 20 groups and individuals on a wide range of issues. They expressed their appreciation of the Government, a Government which listens and cares. It is in this spirit of co-operation and consultation that we shall continue to develop policies which reflect not only the knowledge of the experts but the views and feelings of Canadians across the land. We shall continue to fulfil our pledge: "Together, we can do it better."

* * *

ATOMIC ENERGY CONTROL BOARD

CALL FOR OPEN HEARING

Mr. Rod Murphy (Churchill): Mr. Speaker, there has been a recent series of articles about how the Atomic Energy Control Board has failed to regulate the nuclear industry. It has allowed dangerous levels of operation for nuclear plants. It has allowed workers to be exposed to radioactive materials and to inhale radioactive dust. It has allowed radioactive material to be left in communities like Port Hope, and it has allowed the storage of nuclear waste where there are no safe facilities.

Last year in the House I asked the then Minister of Energy, the Hon. Member for Saint-Maurice (Mr. Chrétien), a number of questions about why AECB was increasing the allowable level of exposure for workers, and particularly for pregnant women. Hearings on the matter were held behind closed doors. It is obvious that AECB is ineffective in controlling the atomic energy field in Canada. It is obvious that we need open hearings at which we can discuss the role of the Atomic Energy Control Board, and that these hearings must take place now.

ORAL QUESTION PERIOD

[*English*]

AUTOMOBILE INDUSTRY

IMPORT QUOTAS ON JAPANESE MANUFACTURED VEHICLES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I had hoped to ask a question of the Prime Minister, the Secretary of State for External Affairs, the Minister of Regional Industrial Expansion, or the Minister for International Trade. However, the Minister of Finance will have to do.

Last week Statistics Canada reported that we had a very strong period of growth during 1984, with the exception of the period of time from the beginning of September until December. We know that that growth was driven in large part by major investments and sales in the automobile industry. That progress has now been put in jeopardy by the actions of the President of the United States who has removed any form of quotas on Japanese automobiles, thereby affecting the entire North American market.

I see that the Minister for International Trade is now in his seat. He may wish to answer the question. With that very important development made by the United States President, can we now have the Government present its position? Will the Government follow the Americans? Will it negotiate for new investments? Will it maintain the quotas? In other words, does the Government have a position, and will it put that position before Parliament before it is too late?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that we are certainly aware of the President's decision. I had an opportunity to discuss it more fully with Mr. Brock this past weekend, while in Germany. Now that I have returned, I will be discussing the matter with my Cabinet colleagues, and particularly with the Minister of Finance and the Minister of Regional Industrial Expansion. We hope to arrive at a decision, certainly before the end of March, and we will advise the Hon. Member at that time.

REMOVAL OF UNITED STATES' QUOTAS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my supplementary question is directed to the same Minister. We have heard a great deal about the alleged special relationship between the United States and Canada that has been developed over the past several months. Can the Minister tell us if President Reagan did in fact consult directly with the Prime Minister before this announcement was made? If so, did we make our concerns known at that time? What was the nature of those consultations? In other words, were we treated properly as partners under the Auto Pact before the United States went ahead and made its decision last Friday?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I cannot say specifically whether or not the President of the United States advised the Prime Minister of his decision prior to making it public. However, I can tell the Hon. Member that Mr. Brock certainly kept us involved as to their ongoing discussions, and we were fully cognizant of all the options they were considering. As well, I can tell the Hon. Member that, when Canada makes a decision, it will be a decision that will be in the best interests of Canada.

NEGOTIATIONS WITH JAPAN

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, that is the best news we have heard in the House for a long time. If the Minister was in fact in consultation with his American counterpart, and therefore knew that such a decision was forthcoming, why then has he not begun direct negotiations with the Japanese to procure the kind of agreements and trade concessions that the Americans have apparently gained in the area of wood items, and other areas as well, so that we would also be in a position to make sure that the best interests of this country were protected, both by increased Japanese investment in the automobile industry and by further trade concessions and arrangements with Japan?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I do not wish to and I hope I did not mislead the hon. gentleman in any way. Mr. Brock certainly did not tell us in advance what would be the decision of the President. The Americans informed us that they were attempting to arrive at a decision and that there were a number of options.

● (1420)

I can also tell the Hon. Member that, when I was in Japan several weeks ago, I brought it to their attention that, if they wished to receive consideration from us, they should consider further investment in Canada.

EXPIRY OF QUOTA ARRANGEMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to direct a question to the Minister for International Trade. There are approximately three and a half weeks left before the present Japanese quota arrangements expire. Why will the Minister not say right now that he and the Government will not allow Japanese automobile imports to swamp the Canadian market, which will wipe out tens of thousands of Canadian jobs and all the economic growth which happened last year, growth which, according to Statistics Canada, was mainly due to the progress in the Canadian automobile industry? Why will the Minister not give that clear signal right now to the Japanese, to show that he really wants to protect Canadian workers?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I can advise the Hon. Member that we are well aware of the concerns of the workers and the industries in Canada. My colleague, the Minister of Regional Industrial Expansion, prior to his departure for the Far East, held a number of meetings with Mr. White, the auto manufacturers,

and the parts manufacturers. We are well briefed on their concerns, and we will make a decision in due course, prior to the expiration of the voluntary restraints.

REQUEST FOR EXTENSION OF QUOTAS

Hon. Herb Gray (Windsor West): Mr. Speaker, I understand that the first time all the major players in the Canadian automobile industry met with the Minister was two weeks ago. I do not think that is enough in the interest of this major Canadian industry. It is not a very good signal about consultation.

Will the Minister tell the Japanese right now that the quotas will have to be extended unless the Japanese enter into arrangements which are equivalent to those required of North American automobile manufacturers under the Auto Pact, for investment, purchasing, production and jobs in Canada, as recommended by the automotive task force which was set up by the previous Government, which represented a unanimous consensus of the workers, automobile manufacturers, and car parts manufacturers? Why will the Minister not speak up right now and make that commitment in the interests of the Canadian people and Canadian workers?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would not want the Hon. Member to think that we have waited until the last several weeks to discuss problems of this nature with the auto industry. Late last fall I personally met with Mr. Lavelle and the major auto manufacturers. In any event, it is the strategy and purpose of this Government, before making decisions, to discuss things properly, and to investigate all of the issues.

JAPANESE INVESTMENT IN CANADIAN INDUSTRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister for International Trade. Does the Minister recognize that among almost all of the industrialized nations in the world Canada stands alone as being the only nation in which the Japanese auto industry has not moved to make substantial investment? Does the Minister not recognize that if we do give up the quotas we will not have a lever to use to extract from them the kind of investment in Canada which we need in order to balance investment in the North American continent? Why is it that the Minister is unable to tell us what the Government's policy is, given that he has known for six months that the issue was before him, that he has known the circumstances for the last six months, and that now, with three weeks left to go, he is still talking to his fellow Ministers about a solution?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only tell the Hon. Member that we are well aware of the problem and the implications. We have been holding discussions. When those discussions are concluded and we have arrived at a decision, I will be more than pleased to advise him.

REQUEST FOR JAPANESE INVESTMENT GUARANTEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, that sounds so much like the answers I received when I asked Liberal Ministers questions about the same problem two years ago. Will the Minister—

Mr. Hnatyshyn: Well, the NDP has not progressed far either.

Mr. Deans: We are closer to you.

Some Hon. Members: Oh, oh!

Mr. Deans: Geographically.

Mr. Speaker: Order, please.

Mr. Deans: In the interest of allaying the fears of those who are involved in the Canadian automobile industry, will the Minister state today that there will be no lifting of the quotas until there are substantial guarantees of Japanese auto investment in Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I can only reiterate what I have already said. We are discussing the problem, and an answer will be forthcoming. When the decision is made it will be a solution that is in the best interests of Canada and not some other country.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

GOVERNMENT'S OFFICIAL LETTER TO DOMTAR—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, according to the media this morning, the Prime Minister personally met the President of Domtar, Mr. James Smith, in the middle of February to inform him that Ottawa had turned down the requested regional development subsidy. It will of course not be easy to obtain confirmation of this meeting, but meanwhile, I would like to ask the Deputy Prime Minister whether he would be willing to table in the House the Government's official letter to Domtar turning down the subsidy, so that we can see whether it alludes to other forms of government aid that might help Domtar renovate its facilities at its Windsor mill in Quebec.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, although the Hon. Member seems to think we could not confirm such a meeting, I can give him the assurance there was a meeting between the Prime Minister and the President of Domtar, but since I was not present, I cannot disclose what transpired. However, the meeting did take place, and I imagine that both parties explained their positions.

DOMTAR—NEED FOR QUEBEC TO BE REPRESENTED BY ANOTHER MINISTER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, after an answer as vague as this one, I think I can ask the Deputy Prime Minister the following question: In light of the clumsy manner in which the Domtar case has been dealt with to date, does the Deputy Prime Minister not think it is high time there were some changes made in the Department so that a more responsible, stronger and more competent Minister can represent Quebecers on economic issues in this Government?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, all information submitted to the Government on the Domtar case has been examined. Looking at the sequence of events, the first issue was the subsidy itself. The Prime Minister, following the decision announced by the Government, made it very clear to this House that he was going to meet with the Premier of Quebec and that this subject would be on the agenda.

I would therefore ask my hon. friends opposite to wait until talks between the two first Ministers have taken place instead of jumping to conclusions the nature of which, for the time being, is not factual but political and as such, to no one's advantage.

* * *

[*English*]

INCOME TAX

TAXATION OF UPPER-INCOME GROUP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct a question to the Minister of Finance, who is no doubt aware that this is the six-month anniversary of the election of the Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I did my best to set up the Government House Leader, as he needs all the assistance he can get.

Considering that the Government promised not merely new rhetoric but fairness, and considering that the Minister of Finance said on the weekend, according to the reports—and I know he corrects them from time to time—that there would be no increase in taxes, and that at the same time a report from Statistics Canada indicated that upper-income Canadians are still reaping immense tax advantages, will the Government at least re-establish the tax level of upper-income Canadians to what it was before the Liberals reduced their tax burden a couple of years ago to give them an immense advantage over the rest of Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am glad the Leader of the New Democratic Party has drawn to the House's attention that this is the six-month anniversary of our election to power. I just want to advise the Hon. Member and his colleagues that there have been quite a lot of things achieved during this period; the spousal allowance—

• (1430)

Mr. Speaker: Order, please. This is question and answer period. Statements come later.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I do have an awful lot of things here, Mr. Speaker, that I would like to get on the record.

Mr. Nielsen: He had time to put the question.

Mr. Wilson (Etobicoke Centre): It will only take me about 15 minutes, but out of deference to your wishes, Mr. Speaker, I will forgo that long list and respond to the Hon. Member's question this way. The whole matter of tax reform is going to be dealt with in the Budget this spring, and I would hope that a number of the questions which the Hon. Member has raised over the past few months will be addressed. We have very much of a like mind about some of those things. You would be surprised.

Mr. Broadbent: It's not a question of having a like mind. It's a question of getting action. That is what the people of Canada want on this issue.

Mr. Hnatyshyn: That is why they rejected your Party so wholeheartedly.

* * *

EMPLOYMENT

FUNDING OF JOBS FOR WOMEN

Hon. Edward Broadbent (Oshawa): Another important aspect of fairness which the Government promised during the course of the election campaign was directed to the fate of Canadian women, particularly those in the workplace. My question concerns the reality that 42 per cent of the labour market is made up of women but they are receiving a much smaller percentage of the jobs which are directly funded by the federal Government. If the federal Government wants to deliver in a concrete way on a specific promise, will the Minister ensure that 42 per cent of the federally funded jobs go to Canadian women, who want nothing more, but nothing less than their share of employment opportunities?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to hear the question put forward by the Hon. Member. I would say to him that the Prime Minister announced in Regina that the Government of Canada had accepted in principle the principle of employment equity as outlined in Judge Abella's report. I will be giving the details of the Government's response later this week.

I might also remind the Hon. Member that, since the Government came to office, a number of other steps have been

taken which have been of tremendous benefit to women. For instance, we have introduced—

Some Hon. Members: Order.

Miss MacDonald: —the amendments to the spouse's allowance which will affect—

Mr. Speaker: With great respect—

Miss MacDonald: I can tell him a good many things which have been done in this regard.

Mr. Broadbent: Mr. Speaker, I say to the Minister, with all due respect, as one says in this place, that it is not the principles of the Prime Minister which concern me, it is his practice.

RATIO OF WOMEN IN LABOUR FORCE

Hon. Edward Broadbent (Oshawa): I go back to my question specifically. The Minister well knows that, of the part-time labour force, for example, who are given a bad deal in terms of over-all benefits, 72 per cent are women. Most of the people affected by technological change are women. In short, more needs to be done if we believe in equality. Since women make up 42 per cent of the labour force, will the Government ensure that 42 per cent of the jobs directly funded by the federal Government go to women?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member of the New Democratic Party said that more needs to be done. I completely agree with him. It is for that reason today that I announced that there is an increase in dependent care allowance for children—

Mr. Deans: What has that got to do with 42 per cent of the money?

Miss MacDonald: —of parents—that is, single mothers—who are in training programs. For instance, a woman with two children who received $80 a week now will receive $150 a week—almost double—because we are concerned that women who are in the labour force, or who hope to get into the labour force, will get the breaks which they need. I would ask the Hon. Member to wait until later this week to hear the total response to the Abella report.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. PHIL GILLIES, MINISTER FOR YOUTH, PROVINCE OF ONTARIO

Mr. Speaker: May I interrupt the proceedings to advise Hon. Members of the presence in our gallery today of the Honourable Phil Gillies, Minister for Youth, of the Province of Ontario.

Some Hon. Members: Hear, hear!

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MULTICULTURALISM

ESTIMATES FOR DEPARTMENT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Minister of Finance said he could speak for 15 minutes about what his Government has done. We on this side of the House can spend two days telling him what it has not done.

Mr. Hnatyshyn: We noticed, Mr. Speaker.

Mr. Marchi: Last June, in Toronto, the Prime Minister boasted that his Government would increase federal funding to the multiculturalism directorate. Last week's Estimates, however, revealed the real priority which his Government attaches to multiculturalism. That Ministry was cut by $2.2 million, which represents almost 9 per cent of its total budget. How can the Minister's Government justify promising ethno-cultural communities that it would increase the presence of multiculturalism within the federal Government, and then move to reduce seriously the financial life blood of multiculturalism? How can the Deputy Prime Minister explain this regressive flip-flop to the ethnic communities of the country?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Minister responsible for multiculturalism is absent today, and in view of the importance of the Hon. Member's question and the length of the response which would be necessary, I would be happy to take the question as notice and inform the Minister upon his return to the House.

Mr. Marchi: I would think that the Deputy Prime Minister would be important enough to answer, Mr. Speaker. The Estimates are there for everyone to see. They have been confirmed by the Government.

SIZE OF BUDGET

Mr. Sergio Marchi (York West): With respect to my initial question, given the fact that the Government has made a multitude of promises and commitments to the multicultural part of Canada, how can it now justify reducing the budget for multiculturalism to a substantial degree? How will Government approach these same communities now? How can it have that credibility?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there are many areas in which we have made progress during the last six months. The multicultural area is one of them. With respect to the details asked for today by the Hon. Member, I am sure that, in all

reason, he would not expect me to be familiar with the Estimates of each and every single Department of Government. I would suggest that the reasonable course for the Hon. Member would be to wait until the Minister responsible returns to the House for the answer to the very important question he raises.

* * *

SMALL BUSINESS

WOMEN'S ACCESS TO CREDIT

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Finance, in the absence of the Minister of State for Small Businesses. It deals with the excellent record of women entrepreneurs in our society. During the election debate on women's issues the Prime Minister stated: "The problem for women is that they don't have equal access to credit with the lending institutions" and, second: "There must be very strong action by the federal Government as the regulator to ensure that those women involved in small business have fair and equal access to credit". Does the Minister agree with these statements? If so, where is the concrete action to ensure that women are given equal access to credit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister of State for Small Businesses is absent today because, as I am sure the Hon. Member would be interested in knowing, he is on a tour across Canada and meeting with various groups to discuss—

Mr. Tobin: He was here this morning. He is here.

Mr. Wilson (Etobicoke Centre): —a number of questions, some of which have been raised by the Hon. Member today. I am sure that the Minister of State for Small Businesses, when he returns to the House, would be very happy to respond specifically to that question.

CONTENT OF DISCUSSION PAPER

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, will the Minister agree that, if women entrepreneurs were given the opportunity to participate on an equal footing, they would be able to do even better at providing jobs in our country? If he does agree, would he tell us why the Government did not include in the Small Businesses Loans Act, and in the discussion paper on small business, a concentration on women?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, unlike the Hon. Member's Party, we have great faith in the ability of women to get credit.

Ms. Jewett: Where have you been?

Mr. Wilson (Etobicoke Centre): One of the things which I have found out, in the many meetings which I have had with different groups across the country, is that there is a growing realization and understanding of the success of businesses which are run by women, and the success which they have had in creating employment over the last little while. This is recognized by people in the financial community, and they are responding now to the success performance of women in our country.

* * *

• (1440)

[*Translation*]

PUBLIC WORKS

EXPROPRIATION OF LAND AT MIRABEL—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of Public Works.

The Minister and all Members of this House have witnessed what I would refer to as the monstrous land expropriations at Mirabel. Could the Minister inform the House whether negotiations on settlement proposals with expropriated landowners, residents and the Town of Mirabel are about to reach a satisfactory conclusion?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am very pleased to inform the House today that a general proposal on the sale-back of land to expropriated landowners will be announced within a year, and also and I think all my colleagues will be happy to hear this—that ninety per cent of the consultation work and the work on the proposal that will be announced shortly has been completed.

I realize the Hon. Member is very interested in how the settlement is progressing, and I hope that with the co-operation of the expropriated landowners, I will be in a position to announce this general proposal before the end of this session.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—PRIME MINISTER'S KNOWLEDGE OF MARIJUANA FIND

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General and concerns the Richard Hatfield marijuana case which was rendered a miscarriage of justice by the Conservative Government.

The Prime Minister has consistently refused to tell this House and Canadians when he was first made aware that marijuana was found in Premier Hatfield's luggage. One can only conclude that he is hiding something and is stonewalling. I would like to ask the Solicitor General when he first advised the Prime Minister that marijuana was found in Premier Hatfield's luggage. Was it on September 26 when he was

informed by the Commissioner of the RCMP that the marijuana was found?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): The reason I am rising to reply, Mr. Speaker, is that I informed the Prime Minister the day before the charges were laid that charges were to be laid against Premier Hatfield. That is when the Prime Minister first heard about the matter. Naturally, he made no attempt to intervene or influence the course of events in any manner whatsoever.

DATE INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, we are aware of when the Prime Minister found out that a charge would be laid. What I am asking, for the umpteenth time, is when was the Prime Minister first made aware that the marijuana was found? Was he told by the Solicitor General, by Premier Hatfield, or was he told by Dalton Camp?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is so blind, deaf, and dumb to the requirements of justice that he cannot understand English. He was told the day before the charges were laid that marijuana was allegedly found in the possession of Premier Hatfield and that charges would be laid. That is when the Prime Minister was told. If I had thought of it, I might have told the hon. gentleman as well.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GOVERNMENT AID TO DOMTAR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Regional Industrial Expansion. I wonder whether he could give the House the assurance that the options considered by the Government for helping Domtar included purchasing securities that would make the Government of Canada a shareholder in this company. Could he also give the House the assurance that the policy announced by his Minister in November and denied by the Prime Minister last week, will not be used to discriminate against Domtar on the basis that it is a "branch" of a Quebec Crown corporation?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to answer the question by the Hon. Member for Ottawa Centre, I simply wish to recall what the Prime Minister said last week when he clearly indicated to the House that he intended to discuss with the Premier of Quebec various ways of helping Domtar. The Prime Minister also made it clear that the shareholding aspect was not a key factor in the decision made by his Government.

IMPORTANT ECONOMIC PROJECTS FOR QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary for the President of the Treasury Board. Since he has said that the Government has rejected the option of becoming a shareholder, since the Department's policy is to refuse to give subsidies to this company, and considering that all Quebec Cabinet Ministers have been kept out of this affair, how does the Government intend to pursue economic projects of any importance and scope for the province of Quebec in the future? Surely the Prime Minister can do something.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member for Ottawa Centre is talking about assumptions as though they were facts. None of these assumptions has been supported by some statement made on this side of the House. We have clearly said that we were going to have consultations with the Government of Quebec. The Prime Minister of Canada and the Premier of Quebec will be meeting later this week to look into various options for helping Domtar. This, of course, in a situation where the present Government must cope with the tremendous burden of public debt and the cost of servicing that debt, a legacy from the previous Government which itself did nothing during the many months it was considering Domtar's application. We shall therefore be looking at what can be done.

* * *

[*English*]

AIRPORTS

TRANSPORTATION ACCESS TO VANCOUVER INTERNATIONAL AIRPORT

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Transport. Consistent with the spirit of consultation and co-operation which have been the hallmarks of the first six months of this Government's administration—

Some Hon. Members: Hear, hear!

Some Hon. Members: Author.

Mrs. Collins: —could the Minister advise the House of the outcome of his Department's consultations with the various groups interested in providing an upgraded, high quality transportation service to and from Vancouver International Airport, including a luxury cab and limousine service, so that such services can be available well in advance of the great influx of visitors to Vancouver to participate in Expo 86?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, I am sure, it was the intention of Transport Canada to call for tenders for limousine service out of Vancouver International Airport. However, there were some concerns expressed about the manner in which the tenders were being called and, as a result, it has been decided to postpone the tendering process pending further

discussions between Transport Canada officials, representatives of the Cities of Vancouver and Richmond, and the British Columbia Motor Carrier Commission. Those discussions are taking place today, and they will hopefully provide the terms of reference for a public forum to resolve the matter fully.

* * *

AGRICULTURE

POTATO INSPECTION FEES

Mr. George Henderson (Egmont): Mr. Speaker, I will direct my question concerning agriculture to the President of the Treasury Board, who is a partner in crime in this serious inspection fee problem we have with potatoes in the Province of Prince Edward Island. The Minister will know that for a number of weeks now officials of his Department and of the Department of Agriculture have been meeting with the provincial Government, the Potato Producers Association, and the Potato Marketing Board, to consider the proposed cost recovery increases, as the Minister calls them. As of Saturday, Mr. Speaker, Prince Edward island producers are selling potatoes at two cents a pound below cost. Will the Minister stand in his place today and tell the potato producers of this country that he will not impose any such fees on the backs of farmers?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to reply to the Hon. Member that I have had numerous representations on the issue. I understand well the concern of the potato producers in that province. The matter is under advisement and under very active discussion between myself and the Minister of Agriculture. I hope we will be able to reach a point where a specific declaration can be made very shortly.

REQUEST FOR POSTPONEMENT

Mr. George Henderson (Egmont): Mr. Speaker, the proposed increases are to go into effect April 1. There is dumping of potatoes in Prince Edward Island today because of those proposed fees. Will the Minister postpone any such increases until September 1 in the next crop year?

● (1450)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Minister, in conjunction with the Minister of Agriculture, will ensure that whatever moves the Government takes are consistent with national interest and with the great need that we have, because of the poor administration of the previous Government, to bring our deficit under control.

PUBLIC SERVICE

EQUAL ACCESS BY WOMEN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also for the President of the Treasury Board.

[*Translation*]

At the meeting last week in Montreal attended by the Leader of the New Democratic Party and the Fédération des femmes du Québec, the Fédération expressed its concern about the fact that the Minister responsible for the Status of Women in Canada had decided to abolish the committee on equal opportunities for women in the Public Service. Mr. Speaker, my question is as follows: Could the Minister now reinstate this committee on equal opportunities in the Public Service for Canadian women?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can assure my hon. friend that the whole question of equal opportunities for women in the Public Service is not under review. This is a matter of the utmost importance to our Government. I think the Minister of Employment and Immigration, who is responsible for the Abella Report and who said earlier that she would be making a statement this week in the House on a number of measures that the Conservative Government intends to take, is handling this matter very well, and she has my full support.

Mr. Nystrom: Mr. Speaker, I have a supplementary. The Minister has yet to answer my question, and I shall repeat it. The Government now has a committee on equal opportunities for women in the Public Service, and the Minister responsible announced last week that he wanted to abolish this committee. Is the Minister prepared to reinstate this committee for Canadian women? It is a very important committee.

Mr. de Cotret: Mr. Speaker, to answer my hon. friend's question, I can inform him that this Government intends to act quickly to establish a system that will provide fairer and more equitable recognition of the equality of women throughout the public service, Government's Crown corporations and agencies and all its activities, than was the case under the system established by the previous government.

* * *

[*English*]

CANADA POST CORPORATION

SIZE OF BUDGET—STATEMENT ATTRIBUTED TO MINISTER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Acting Minister of State for Finance. The Minister of State was quoted this morning as saying that the Government may reduce the budget of the Canada Post Corporation, a statement which must have an unsettling effect on the delicate labour negotiations now under way. Is it Government policy that any salary increases now negotiated may in fact be

rescinded through budget cuts after the negotiation process is concluded?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should like to rephrase her question because that is not what my colleague said over the weekend. What she did say was in the context of the cost control exercise that the Government is going through, and will continue to go through. All elements of government spending are under review. That includes Crown corporations as well as the government services.

Miss Nicholson: Mr. Speaker, if Ministers on the other side would say what they mean, we would not be constantly asking for clarification.

LABOUR NEGOTIATIONS

Miss Aideen Nicholson (Trinity): In view of the fact that the Minister's unfortunate remarks were subject to the kind of interpretation I gave, will the Minister now confirm that there was no intention by the Government to derail what could be a satisfactory settlement which would avoid the severe economic costs of a postal strike?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are quite encouraged by the way the negotiations are developing between Canada Post and the union. We have no intention of trying to do anything to upset those negotiations. As the Hon. Member knows, they are in a very delicate state, but we are confident that the results will be quite satisfactory for all Canadians.

* * *

FOOD AND DRUGS

GENERIC DRUG NEGOTIATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. Will he confirm to the House that negotiations which will restrict the production of generic drugs in Canada, and thus substantially increase the price of prescription drugs, have been going on between the Government, the Canadian Drug Manufacturers Association, and the Pharmaceutical Manufacturers Association, to the exclusion of groups such as the Consumers Association of Canada, in advance of the publication of the Eastman Report which was commissioned to provide information on what is going on and what is needed?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, in answer to the Hon. Member's question, I can inform him we have been advised that talks are being held by various groups of companies, including manufacturers of generic drugs and the pharmaceutical companies, for the purpose of reaching a compromise on this difficult issue of pharmaceutical products.

[*English*]

LICENCE APPLICATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister did not indicate whether his Department, or any other Department, is involved in these discussions. The Minister knows that the use of generic drugs has saved the people of Canada tens of millions of dollars.

Have applications for new licensing of generic drugs been frozen for 90 days? This action could mean the end of the industry and lead to tremendous increases in costs to the Canadian consumer.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am happy to inform the Hon. Member that, in fact, no licensing applications have been frozen for any period of time whatsoever and that all applications are being processed as usual.

* * *

[*English*]

EXTERNAL AID

CIDA—PROGRAM TO RECLAIM DESERT LANDS IN AFRICA

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of State for External Affairs and the Minister of External Relations, I will direct my question to the Deputy Prime Minister. Yesterday two of the Government's emissaries, Mr. David MacDonald and Mr. Stephen Lewis, returned from the Sudan and warned that the famine in that part of the world will take on even greater proportions if relief efforts are not renewed. In essence, they called on Canadians to contribute more.

Last Friday, in response to a question I put to the Minister of External Relations, she refused to promise that a CIDA program, destined to reclaim land from the desert in Africa, would not be cancelled. How can the Government justify even considering cancelling such a program which is designed to reclaim lands from the desert in Africa and, on the other hand, ask Canadians to contribute more?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we are very much concerned with the news that has been revealed by Mr. MacDonald recently and have that matter under active consideration. When any announcements are to be made, I am sure that the Secretary of State for External Affairs, or the Minister of State, will make those announcements.

Mr. Berger: Mr. Speaker, that is the same kind of fuzzy answer that we got on Friday. At that time, and I think in contempt for this House, the Minister answered that she did

not think she had any obligation to announce such a program in the House.

REQUEST THAT PROGRAM NOT BE CANCELLED

Mr. David Berger (Laurier): Will the Deputy Prime Minister give his Government's commitment today that the $25 million project to irrigate the Sahel will not be cancelled and that Canada, through its Government, will continue its crucial work, using Canadian advanced technology, to combat starvation in Africa?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not think that the efforts of Canada in the field of foreign aid are the private, personal preserve of any particular Member of the House or of any particular political Party. Canada can take pride in those efforts which it has exerted in the foreign aid field. Those who start programs which assist the underprivileged and needy people of the world surely should not be touted in a partisan way. I am sure that the history of the House of Commons will show that all Parties share a concern with respect to foreign aid.

Some Hon. Members: Hear, hear!

• (1500)

Mr. Nielsen: With respect to the specific question—

Some Hon. Members: Order.

Mr. Gauthier: Nonsense.

Mr. Nielsen: I had, until now, been addressing the specific preamble. The Minister responsible will be making any announcement, if and when it should be made.

* * *

ENERGY

FEDERAL-PROVINCIAL OIL NEGOTIATIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker I have a short question which is directed to the Minister of Finance. It concerns the six-month anniversary period. One of the unnoticed failures of the Government has been its failure to achieve an oil deal with Alberta. The real deal is with Alberta, not Newfoundland.

If one reads the Government's Estimates carefully, they show that the Minister expects to get more money at the expense of the industry and the producing provinces. Will he indeed bring down a Budget without having an oil deal with the provinces. I do not think he can. Does he intend to rely on those Estimates and bring down a Budget without an oil deal with the provinces?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the short answer to the long question is that the subjects which the Member has raised in the House today are under active negotiation with the provinces as we sit in this House.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

ARTS AND CULTURE FUNDING CUT-BACKS

Mr. Stewart McInnes (Halifax): Mr. Speaker, I have the honour to present a petition from 1,118 constituents of Halifax who wish to express their concern about recent and possible future cuts to arts and cultural funding by the Government.

Therefore, the petitioners humbly pray and call upon Parliament to reconsider the funding cuts which will have a devastating effect on the Canadian cultural community and society as a whole.

[*Translation*]

MANDATE OF AUDITOR GENERAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition whereby four Laval University students are asking for several changes to make the Auditor General's mandate clearer and to give him all necessary powers, including access to any information he may need to discharge his heavy responsibilities.

* * *

[*English*]

CANADIAN HUMAN RIGHTS ACT

AMENDMENTS TO PROHIBIT DISCRIMINATION

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-225, an Act to amend the Canadian Human Rights Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the objective of this Bill is to implement the repeated recommendations of the Canadian Human Rights Commission to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction, including the Armed Forces and the RCMP, and to amend the Criminal Code and human rights legislation to put an end to all discrimination against gays and lesbians in Canada.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by as asterick.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 84, 244 and 255.

[*Text*]

AECL—INVESTIGATIONS IN ATIKOKAN AREA

Question No. 84—**Mr. Angus:**

1. Did Atomic Energy of Canada Ltd. conduct investigations in the Atikokan area of northwestern Ontario and, if so, in which fiscal years?

2. For the same years (a) what goods and services were purchased by AECL or any firm acting on its behalf in the local area and from which suppliers (b) what hotel/motel facilities were used by AECL and how many bed-nights were purchased for each facility (c) what was the cost of public relations activities by AECL, including staff wages and benefits, purchased services, travel and accomodation?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

1. AECL has been conducting investigations in the Atikokan area of northwestern Ontario since 1979.

2. (a) See table below listing goods and services purchased in Atikokan by AECL and its contractors. This list may not be comprehensive because AECL's accounting procedures do not provide such a fine breakdown.

Expenditures in Atikokan since 1979 amount to approximately $1.4 million and represent about 20 per cent of the total Atikokan research expenditures, excluding AECL salaries.

(b) AECL has spent approximately $290,000 in accommodation in Atikokan since 1979. This represents about 11,500 bed-nights with an approximate breakdown amongst the Atikokan motels as follows:

Radison Motel	—45 per cent
White Otter Inn	—35 per cent
Steep Rock Motel	—10 per cent
Atikokan Hotel	— 5 per cent
Pines Motel	— 5 per cent

(c) The total cost of public relations activities for AECL in Atikokan since 1979 is approximately $135,000. About $30,000 of that amount is for accommodation and local telephone and mailing costs. The remainder represents salaries for AECL's Public Affairs personnel.

Local Suppliers Used By AECL

Atikokan Hotel	Food, accommodation
Harold Antler	Technical services*
Atikokan Progress and Printing	Advertising*
Atikokan Public Library	Photocopying
BR Davidson Construction	Road maintenance*
Stan Bates Construction	Road construction and maintenance*
The Bay	General supplies
Bell Canada	Communications*
Browns Clearwater Lodge	Road snow plowing*
Canadian Propane Gas and Oil	Propane gas
Chesies Cafe	Food
Dougs Texaco	Gas, oil, services*
Frankies Stationery	Stationery, general*
Freds Allied Hardware	Hardware*
Gils Furniture and Appliances	Electrical*
Bill Dutka	Road clearing, maintenance*
SG Hancock	Surveying*
Hoppy's Drive Inn	Food
Johnsons Esso (Avis Rental Car)	Truck rental, gas, services*
Kim Vi Restaurant	Food
Lakehead Freightways	Freight surveys*
M&C Motors Ltd.	Services
MacLeods	Hardware*
Major Machine Works	Machinery, fabrication*
RC Moffat Supply Ltd.	General supplies*
Fern Elizabeth Ltd.	Labour*
Monty's Jewellers	General supplies*
Myer Lumber Co.	Timber*
Norontair	Air travel
O'Brien Service	Gas, services*
The Pines Motel	Accommodation
The Pizza Barn	Food
Quetico Tackle and Sport Ltd.	Maps, supplies
FR Quinn Ltd.	Office, storage, electrical*
Radison Motel	Accommodation*
Redland Construction	Road construction bidding
Rockton Motel	Accommodation
Sportsmen's Restaurant	Food
Steep, Rock Iron Mines	Information
Thunder Bay Bearings Ltd.	Hardware*
Quetico Exploration and Development Ltd.	Technical services*
Walts Dry Goods	Clothing, supplies
White Otter Inn	Accommodation, food
Steep Rock Hotel	Accommodation, food
Ontario Ministry of Natural Resources	Maps, information, photocopying
Little Falls Community Centre	Food
Eva Marine	Boat rental and purchase*
Ontario Hydro Construction Group	Storage, accommodation, food

*Indicates that contracts have been issued or local accounts have been held with those suppliers.

DPW—AWARD OF CONTRACTS

Question No. 244—**Mr. Boudria:**

From September 4, 1984 to December 31, 1984, how many Department of Public Works contracts have been awarded or filled by suppliers or contractors, originating in part or in whole, from the constituency of Berthier—Maskinongé—Lanaudière and, in each case, what was the total value of the contracts and the names of the individuals or companies who were awarded each of these contracts respectively?

Hon. Roch La Salle (Minister of Public Works): Seven contracts have been awarded from the Constituency of Berthier-Maskinongé-Lanaudière. The names of the seven contractors and the value of each contract are as follows:

Name	Contract Amount
Marinex Incorporated, Cap-de-la-Madeleine, P.Q.	$ 65,670
Sintra Incorporated, Saint-Paul-de-Joliette, P.Q.	$103,220
Casaubon and Frères, Saint-Édouard, P.Q.	$ 82,765
Norgaz Incorporated, Trois-Rivières, P.Q.	$ 27,900
Monsieur Daniel Gaboury, Maskinongé, P.Q.	$ 10,000
Services Sanitaires, Berthierville, P.Q.	$ 20,462
Services Sanitaires, Berthierville, P.Q.	$ 7,869

MATERNITY BENEFITS

Question No. 255—**Mr. Dingwall:**

In (a) 1980-81 (b) 1981-82 (c) 1982-83 (d) 1983-84, what was the total amount spent on maternity benefits by the Unemployment Insurance Commission for women (i) 34 years of age or younger (ii) 35 years of age or older?

Hon. Flora MacDonald (Minister of Employment and Immigration): In so far as the Canada Employment and

Immigration Commission/Department is concerned, the maternity benefits for women (i) 34 years of age or younger (ii) 35 years of age or older are as follows:

Maternity Benefits
($ 000's)

	34 years or younger	35 years or older	Total
1980-81	233,308	9,696	243,004
1981-82	270,215	12,614	282,829
1982-83	305,933	17,429	323,362
1983-84	333,468	19,894	353,362

[*English*]

Mr. Stewart: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Mr. Boudria: Mr. Speaker, since December 6 a question has been on the Order Paper involving government patronage and renting cars. Another question has been on the Order paper since December 13 involving certain frivolous expenditures that were made in decorating this building. The Government refuses to answer those two obviously embarrassing questions. It is unfair to the House that the Government does not choose to be accountable for the actions it takes, however reprehensible—

Mr. Speaker: Order. Normally one rises on a point of order to ask when a question will be answered. I take it this was not the purpose.

Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when we broke for lunch I was explaining why these two programs and others, such as the RRAP Program, should not be deleted from the Government's programs but expanded to increase their potential for job creation.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. With respect to Routine Proceedings, I understand that the Minister of Fisheries and Oceans (Mr. Fraser) intended to be here to introduce for first reading a Bill related to fisheries. Would the House be inclined to revert to Introduction of Bills so that I could move it on behalf of the Minister, who was unavoidably detained, and so that first reading could be given and Members could have the benefit of this legislation? There is a possibility of being able to discuss the Bill later this week.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to revert to Introduction of Bills under Routine Proceedings?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Fisheries and Oceans) moved for leave to introduce Bill C-32, an Act amend the Fisheries Act.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

GOVERNMENT ORDERS

[*English*]

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MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, if we are to believe the promises made by the Conservative Party in

the last election campaign, these programs and others to create jobs across Canada would have been expanded rather than deleted. Today we are discussing two of those programs, the Canadian Oil Substitution Program and the Canadian Home Insulation Program.

At the outset of my remarks this morning I suggested that these programs, by their very nature, should be kept and expanded. Instead, according to this Bill, one program will be terminated immediately and the other will be terminated in one year.

• (1510)

Let us take a look at the Canadian Oil Substitution Program. Under this program a home owner was reimbursed for 50 per cent of the eligible costs of materials and labour or for conversion up to a maximum of $800. As I indicated this morning, that $800 was a minor portion of the expenditure made by the individual who was having his home upgraded. Therefore, it was probably one of the greater job-creation endeavours on the part of the Government. It will continue to be so until it is eliminated by the Government.

According to figures from Energy Mines and Resources, this program was targeted to cover almost two million houses. The program is being terminated half-way through. Approximately half of the targeted houses have been treated. If the program were continued, we could have over the next few years considerably more houses converted and eventually the program could hit the target of two million houses.

It is amazing to me and to the people of Canada that two programs which are motherhood programs, programs that create jobs and allow the conservation of gas and fuel oil, are being cancelled by this Government. I have a feeling that the decision to cancel these programs was made in a hurry last September and now the Government is finding itself in a position where it does not want to move away from them even if it does recognize that they are valuable programs for job creation and conservation. The Oil Substitution Program was aimed directly at conservation. It is the kind of program that, once it is put in place, it helps the home owner as long as he uses another and cheaper fuel. The industry in its wisdom has said in the last few months that possibly within the next decade we will be looking at a shortgage of fuels developed from crude.

I know we have not learned to trust the point which the industry has been trying to make regarding how much fuel we have, because the industry has been so wrong in the past. But it is logical that in the future, maybe not in the next decade, crude will become in short supply again. The price will probably increase, making it more expensive for home owners to heat their homes. The Oil Substitution Program which allowed home owners to use electricity, wood, or gas was a method of preparing for that time in the future when costs will increase.

The EMR report suggests that there was a saving of approximately $600 a year for those who made the change. It also indicated that 25 per cent of the people who had made that change were home owners who earned less than $15,000. The suggestion that it was a project only for the well-to-do does not hold true. It was of particular use at least in my part of the country with the assistance of a provincial government to help senior citizens prepare their homes so they could stay in them during retirement. Along with regular programs, such as RRAP and some provincial programs, thousands of Saskatchewan senior citizens remain in their own homes.

The second program being cut is the well known and probably the most popular across Canada with home owners, namely the Canadian Home Insulation Program. It provided financial assistance for the insulation and draught-proofing of homes. CHIP paid 60 per cent of the cost of labour and materials involved in insulating and draught-proofing a home, up to a maximum of $500. Again, that $500 is in most cases the minimum spent on a particular home because of the CHIP grant.

The Government has already changed the regulations under which CHIP operates. Since last Christmas the return has been changed from 60 per cent of the eligible costs to 33.3 per cent. It was not necessary to come to the House to make that change; it was done by a change in regulation. One of the main arguments which this Government has made for eliminating this program has already been dealt with by reducing the amount paid under these grants.

A number of the arguments Government Members have been making in this debate are debunked by the report on these grants. For instance, the report found upper middle-income Canadians did not get a disproportionate benefit from the program. More CHIP grant money was given to low-income households than to any other group. In fact, 24 per cent of CHIP dollars was given to the 21 per cent of the people who earned less than $15,000 annually. Those helped the most earned less than $15,000, and they are the ones at whom the program was aimed. Granted the program was used by anybody who was going to do work on a home, but it was used by those earning less than $15,000 more than any others.

The report also suggests than 65 per cent of the CHIP insulation activities would not have occurred had it not been for the CHIP grants. I think that is a very likely figure. Many people started renovations because they were going to get the grant and they then carried on doing other renovations. The report also suggested that 37 per cent of the CHIP users would never have insulated at all had the program not been in place. It also states that 75 per cent of the users would not have spent any money without the program. It indicates that the program created a lot of jobs. It allowed for a lot of conservation.

• (1520)

The Hon. Member for Calgary West (Mr. Hawkes) spoke this morning and made an impassioned plea to allow market forces to control the price of oil. However, when he was questioned he admitted that those prices were not necessarily market prices but cartel prices, unnatural prices established by OPEC. He must have missed reading the pools last month which indicated that 85 per cent of Canadian consumers did not think that the price of oil in this country should be set by

OPEC. They felt that Canada should set the price on the basis of the cost of production.

I have been attempting to give some indication of what should be done about these programs. They should be kept because they are the best ones available for direct job creation. RRAP, CHIP and COSP have developed more jobs than any other direct expenditure of money. They are aimed at the conservation of fuel. That conservation is not only aimed at today, tomorrow or next week; it is aimed at people who make the original investment and it continues for those who will live in the homes in the future. Those are good reasons for keeping the programs.

We may in fact face a shortage of fuel, even to the extent of possible rationing of oil in the next few decades. I would not be a bit surprised if even before the end of this Government's term of office it will be looking at programs to conserve transportable fuel used in the heating of houses. Conservation is necessary; all of us recognize that conservation is a necessity. The elimination of programs which recognize conservation is a step backward by the Government.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the Hon. Member's speech?

Mr. Waddell: Am I allowed to make a comment, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Well, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has not been around for a while—

Mr. Waddell: I will make it objective.

The Acting Speaker (Mr. Paproski): Order, please. I would like to recognize the Hon. Member for Vancouver-Kingsway. We have missed him around here.

Mr. Waddell: Mr. Speaker, I will be very objective and try to make my question a lot shorter than the one I asked in Question Period. Perhaps I will give a little preamble to it. Mr. Speaker, you come from the cold climate of Edmonton where there are warm people. Perhaps you, like many Hon. Members, have found that individual constituents have utilized these programs. Also you have probably discovered, as has been the case in my riding of Vancouver-Kingsway, that many small businesses have grown up around programs which make houses energy-efficient using insulation and so on. There are also companies involved in the fireplace business or converting oil furnaces to natural gas or electricity. We have an abundance of wood, electricity and natural gas in Canada. Of course, we are in a surplus position now as far as conventional oil is concerned, but according to the figures of the Department of Energy, Mines and Resources and of oil companies, we will be short by the end of the decade. Has the Hon. Member had a similar experience in his riding in Prince Albert? Has he had any experience with local businesses or constituents who have taken advantage of these programs?

Once I had the privilege of working on the Beaufort Sea and travelling in that area where some of the expensive oil and gas production is going on. The cost of some of the wells is $100 million. Sure, it employs people, but only a few of them. However, one small company in my riding employs eight people. It is doing work for $1,600 per contract. For $100,000 that company could keep the same amount of workers going as an oil rig over a one year period.

Did the Hon. Member have any experience in his riding with companies or individuals who took advantage of these programs and have shown that it is not really a capital-intensive industry but a labour-intensive one? In other words, it is a good value for government investment in the area and in terms of job creation.

Mr. Hovdebo: Mr. Speaker, the point the Hon. Member made in his question is exactly the one which needs to be stressed most often in this debate. For the $800 spent in COSP and for the $500 spent in CHIP, the resulting effect on business in the community is much greater. For the $800, it usually amounts to $3,000 and for the $500, it runs at a couple of thousand dollars. Local businesses which provide material and labourers who do the work are benefiting. No other program about which the Government has talked or has put in place acts more quickly in providing jobs than CHIP or COSP. The day the house owner is authorized to spend money, he finds someone to do the work. It is the quickest way of providing jobs in our communities. In the communities in northern Saskatchewan which I represent, these programs along with RRAP are the most popular.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to join in the debate on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. Surely this Bill along with the dismantling of the renewable energy program announced in the statement of the Minister of Finance (Mr. Wilson) last November 8, represent a very drastic and violent change in energy plans for the country. I think they are very detrimental and harmful.

It has been proposed that COSP be terminated on March 31 rather than continued to 1990 and that CHIP be terminated on March 31, 1986 rather than continued to 1987. Surely this is a very serious and backward step for the country. The Parliamentary Secretary led off the debate by saying that the country could no longer afford these two programs. However, if we look at the Estimates the Government tabled in the House last Tuesday, we see that it has committed some $1.6 billion as opposed to a little over $160 million for the upcoming year. Nowhere in the Tories' campaign literature can we find a plan to discontinue the Canadian Oil Substitution Program or the Canadian Home Insulation Program. Yet in the same campaign literature, the Government indicated it would get rid of the PIP program. It seems to me that the Government should keep its promises rather than doing things which it did not promise.

● (1530)

The other aspect of this Bill that I find very unsatisfactory is that the Government is proceeding with the Distribution System Expansion Program by bringing natural gas to many areas of the country. At the same time, it is discontinuing the Canadian Oil Substitution Program. Those people who live in areas where natural gas is now being provided will no longer have access to the Canadian Oil Substitution Program, but the Government is spending vast amounts of money on providing natural gas pipelines. There are incentive programs for private companies to put in these natural gas pipelines. One of those pipelines happens to be in my constituency.

The North Shore natural gas pipeline runs from Sault Ste Marie to Blind River and Elliot Lake. It will provide natural gas to those communities and will be very beneficial to the uranium industry and to Eldorado resources. I believe that the building of that pipeline is one of the most important decisions ever made affecting the future competitiveness and opportunity for expansion of uranium industry. Surely the price of uranium is much lower now than it was in the mid-1970s. We may well need very competitive mining operations in the future in order to compete with mines in Saskatchewan and Australia.

When dealing with this Bill in committee, I would call on the Minister and the Parliamentary Secretary to extend the program in communities like Blind River and Elliot Lake until the people have had an opportunity to instal natural gas rather than extending it only to June 30 for people who had taken out applications prior to November 8. That would be the only way to be in harmony with the construction of new natural gas pipelines. I believe a similar situation exists in Drummond and some other areas of the country in which natural gas pipelines are being installed for the first time this year.

The discontinuation of this program will have an adverse effect on many of the poorer areas of the country. Natural gas pipelines are just now being extended to outlying areas in the north and to other communities which were not supplied with natural gas in the first two or three years of the DSEP program. I believe the economic statement made by the Minister of Finance (Mr. Wilson) last November will have a very adverse effect on these people. It tends to be lower-income people living in rural and northern areas who are converting not only to natural gas but to wood or in some cases electricity or propane. The substitution program will no longer be available to them. In concert with that is the CHIP program.

It is interesting to note that in many communities throughout the country, the CHIP program, the Canadian Oil Substitution Program and the rural RRAP program all provided assistance to low and modest-income Canadians. It allowed them to improve their homes, to put in new heating facilities and to re-insulate and upgrade their homes. The RRAP program is being drastically reduced by some $29 million this year. That will have a very negative and adverse impact on many communities. I would hope that the Government would extend the Canadian Oil Substitution Program for at least another six months or one year so that these additional communities can be served with natural gas.

It is significant that when oil is substituted with natural gas, an investment is made in the future. Under the COSP program, some 32,000 barrels of oil per day are saved. Grants have been given to over one million homes. Under the CHIP program, we save some 28,500 barrels of oil per day. That program was made available to 2.5 million homes. Through those two programs together, we will save about 60,000 barrels of oil a day every day forever. That is the advantage of oil substitution in conservation.

Of equal concern is the fact that the economic statement made by the Minister of Finance last fall, with the same kind of cavalier approach to economic programs, cut back on the renewable energy programs of the Government. The entire Energy Division of the National Research Council will be wiped out. Some $41.482 million will be wiped out by the end of the coming fiscal year. Programs that involve heat pumps, fission energy, solar energy, bio-energy, wind energy, peat energy and hydrogen and energy storage and co-ordination will be wiped out by the Government through the economic statement. These programs have been recognized around the world as being in the vanguard of forward-looking energy policies. We know that the fossil fuels like oil and gas will ultimately be used up. Yet the economic statement essentially demolishes some $41 million worth of these programs. We had one of the most forward-looking energy programs and it is now being wiped out by the Government.

I would like to mention some of the programs that were wiped out. The development and commercialization of vertical access wind turbines and the exploitation of our forest biomass have been discontinued. Clearly those of us who represent areas of the country in which there are forestry operations know how much waste occurs in those operations. We know how valuable that source of energy can be. The passive solar research into the super-window is being cut out. The electrolytic production of hydrogen is being cut out. The application of energy conservation to building construction is being cut out. The tidal electric power production program is being cut, which amounts to $1.430 million. How many Atlantic Canada, and especially maritime Canada Tory Members have spoken about tidal power and the tremendous potential of the Bay of Fundy tidal area? That area has tides which rise to 45 feet. They are the highest in the world. There is enough electricity there to provide electrical power to all of Altantic and maritime Canada and much of the upper New England states. Yet, in spite of all the speeches which the Conservatives made in the last several years about developing tidal power, in this program of cost reductions, which was announced by the Government in the economic statement, we realize that the hydraulic energy research program, which is being carried by the National Research Council, has been totally wiped out. As well, 85 per cent of the program to study energy in buildings will be chopped by the Government. It is not only one small program relating to oil conservation and building conservation through oil substitution which is being wiped out; it is the

entire renewable energy program which is being attacked by the Government. The renewable energy program has been recognized by the OECD and by many other countries and international agencies as being a model program for energy conservation and substitution.

• (1540)

If we look at the projected spending of government Departments we see that in 1984-85, $33.8 million has been committed to energy conservation. By fiscal year 1985-86, that budget will be cut to $18.7 million. If we look at the budget for renewable energy, we see that in 1984-85, $38.4 million was committed, however by 1986-87, that budget will be chopped to $6.1 million. If we look at the budget for new liquid fuels for 1984-85, we see that $35.9 million has been committed, but by fiscal year 1986-87 that budget will be chopped to $15 million. There are drastic cuts in the whole field of renewable energy.

Members who took part in the special task force on renewable energy have made glowing speeches about the whole question of hydrogen and energy storage research, but that program, which has a budget of $6.5 million, is being wiped out by the Government in its drive toward complete eradication of renewable energy research and development programs. Canertech was set up in western Canada to develop research and innovative design and to assist private entrepreneurs in getting involved in renewable energy research, and it is being wiped out. The budget for that program is some $30.6 million. It is a very important program for western Canada.

Those are some of the concerns which I have with the legislation. Not only are we wiping out the two programs of oil substitution and conservation, we are taking Canada backwards toward the 1950s, the 1960s and the 1970s in energy design. We are taking the emphasis away from renewable energy conservation and returning it back to a dependence on oil. With the North Shore natural gas pipeline, which I previously mentioned, the savings amount to approximately half a million barrels of oil a year. That is about one-third of the production of oil in Canada for one day. It is one small pipeline which happens to be located within my constituency. If we looked around the entire country, we would see that there are many, many oil substitution opportunities which could be made that would result in similar savings.

I know the Government is on the defensive about this legislation. It is obviously a very bad move. The Government knows that Canadians are opposed to it because Canadians not only want to save energy, they want to save money. When Canadians buy natural gas furnaces and convert 25 or 30-year old oil furnaces to natural gas, they do not only have new heating units in their homes, but, with these programs, they have better insulation in their walls and ceilings which effect a 30 per cent or 35 per cent savings in their heating bills.

These programs were forward looking and were designed to benefit the country and at the same time the consumer. The programs also stimulated a lot of investment by consumers. Even though the Government provided a $800 grant under COSP, often individual home owners would have to put an additional $1,500 toward the purchase of a furnace. If that person was in a high tax bracket of 45 or 50 per cent, the Government would recover half of the grant, so the net cost to the country was not very high. However, the net benefit was very high in the saving of oil. That is why, when the Department of Energy, Mines and Resources published its figures a couple of months ago on oil supply and demand in Canada, it showed that on a net basis Canada will be oil energy self-sufficient through to the end of the century. Much of the fact that we are oil self-sufficient only three years after the National Energy Program was announced is due to the fact that we have had the best oil conservation and substitution program of any country in the western world. I certainly think the Government is making a very bad mistake and I hope it will withdraw this legislation.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech of the Hon. Member for Algoma (Mr. Foster)?

Mr. Waddell: Mr. Speaker, I must say that the Hon. Member made a good speech. He piled up the evidence about conservation to show that we should look on the demand side to see if the amount of demand which Canadians have for oil could be cut by one of the oldest methods which is known to mankind, that is, conservation. I thought those were the basic things about which Conservatives were interested. Perhaps, we will hear from an old-time Conservative next and not from a yuppie-type Ontario Conservative.

I wonder if the Hon. Member could give some explanation as to his figures. He mentioned the figure of $1.6 billion and then said that the Government was spending approximately $160 million for the Canadian Home Insulation Program and the Canadian Oil Substitution Program. I gather that the $1.6 billion was for the Petroleum Incentives Program. I wonder if the Hon. Member could say whether that is right, or what that $1.6 billion was spent for and what he was contrasting it with. Second, the Hon. Member gave the figure of 28,000 barrels a day saving of energy. I just used my calculator and it comes out to something like $35 a barrel for oil. That is a saving by conservation of about $1 million a day. Perhaps the Hon. Member could comment on those particular figures?

• (1550)

Mr. Foster: Mr. Speaker, in response to the Hon. Member for Vancouver-Kingsway (Mr. Waddell), I mentioned that the savings in oil is around 60,000 barrels a day from both the CHIP program and the COSP program. I just pointed out that in fact the Government made no promise—and I can well imagine why—that it would wipe out either the CHIP or the COSP programs, because the Government knows they are very popular. At the same time, the Conservatives made a commitment in their election campaign literature that they intended to do away with the PIP program. I believe the Estimates which were tabled this week show that they were going to spend $1.6 billion on that program, which they said they were going to do away with but which they are keeping, and at the

same time they are doing away with a program which they did not say they were going to wipe out. The savings are there and are obvious. I believe they are a really important aspect of the oil supply situation. We were up to some 1.8 million barrels of oil production back in 1972-1973, according to the latest figures of EMR. The demand now has dropped much lower. It is down around 1.4 million barrels. I believe that is due in great part to programs of oil substitution and conservation.

It is rather interesting to note, Mr. Speaker, in commenting on the figures provided by the Department of Energy, Mines and Resources that in 1984, its total revenues were some $3.8 billion, or 17 per cent, due to petroleum revenue sharing. When the Minister of Energy, Mines and Resources (Miss Carney) gets around to making the deal with the Province of Alberta, it would be interesting to see how much of that 17 per cent of the petroleum revenues the federal Government received in 1984 it is going to be willing to give up in order to provide greater incentives, both to the provincial Governments and to the industry itself.

The figures for 1984 indicated that the industry was going to get 52 per cent and the provincial Governments across the country were only going to get 31 per cent. We will just have to wait to see how much of that federal Government share of energy revenues will be given to the industry as incentive. I hope I have been able to explain to the Hon. Member for Vancouver-Kingsway the figures to which I alluded earlier.

Mr. Waddell: Mr. Speaker, I just want to make sure I understand. What the Hon. Member has said is that the Government has budgeted $1.6 billion to pay oil companies in petroleum incentive program grants to go to the frontier areas of this country where sometimes it costs $100 million a well in order to find oil which will be priced way beyond the world price. The Government is prepared to do that and at the same time it cuts out a $160 million program for home insulation and substitution of wood and electricity for oil. The Hon. Member says we are running out of oil. That is why, of course, we are going to the high Arctic. The Hon. Member also said that something like $1 million a day would be saved if we continued this conservation program. For the life of me, Mr. Speaker, I cannot see the logic in the Progressive Conservatives acting in this way. It is absolutely beyond me.

Mr. Foster: I just wanted to confirm, Mr. Speaker, that those were the figures which were provided in the Estimates. Of course, the daily saving of 60,000 barrels a day would be even larger if this program were continued and expanded and we had more than the 2.4 million homes under the CHIP insulation program and the 1 million homes under the Canadian Oil Substitution Program grants. When we look at drilling wells in the frontier areas, we are talking about $50 million or $100 million. This program, which is worth $179 million, that is being cut out by this Bill will only provide the Petroleum Incentive Program grant for a few wells, but it will continue to expand the COSP and CHIP programs and the savings which occur day after day, year after year. Every time we save a barrel of oil, we not only save it once but we save it every year forever.

One of the interesting things which has happened since the 1980s is that the supply of natural gas has expanded dramatically. We are at something like a 33-year horizon supply of natural gas. Naturally, the exploration for natural gas has dropped off some 65 per cent since 1980 because we would not go out to discover natural gas when there is a horizon of 30 years or 33 years. It is interesting to note the number of wells which were drilled in 1983. And I understand the 1984 figures are very similar. In fact, there was something like 53 per cent increase in the number of wells over 1980, which was a record year. So I believe those—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. The time for questions and comments is expired, and I recognize now the Hon. Member for Bow River (Mr. Taylor).

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Hon. Member for Algoma (Mr. Foster) and the Liberal Party must think that the memory of the people of Canada is pretty short. I just cannot understand an Hon. Member of the Liberal Party rising to speak in the way the Hon. Member for Algoma did just a few moments ago. His Party was the one which brought in the PIP program. We told those Hon. Members then what was happening. But did that make any difference? No, they were determined to make sure that we did not discover oil or continue to search for oil in the Provinces of Alberta and Saskatchewan. It had to go to the Canada Lands. The Hon. Member did not stand up and support us when we tried to stop the National Energy Program.

Mr. Waddell: I said exactly that.

Mr. Taylor: The Hon. Member for Vancouver-Kingsway (Mr. Waddell) did, but the Hon. Member for Algoma did not. Now that same Hon. Member complains because we are spending $150 million on drilling a well in the Canada Lands. We told you that four years ago but you would not listen. You were so determined to hurt Alberta and Saskatchewan and the West.

● (1600)

Mr. Halliday: And Ontario.

Mr. Taylor: Yes, Ontario, and the rest of Canada. Now he stands up and protests because contracts were let. If I had my way, the PIP program would have gone out the window yesterday.

Mr. Foster: You are in Government, why don't you do it?

Mr. Taylor: You know why! You started the program and contracts remain, and we do not believe in cutting contracts. You are the fellows who started it. The contracts were made. Now you say, cut the contracts. Big deal. No wonder the people of Canada threw you out on your ears!

Some Hon. Members: Hear, hear!

Mr. Taylor: Complete hypocrisy in the Liberal Party, that is all it is. They talk about how we are now short of oil and they talk about conservation suddenly having to end. Conservation is not going to end because the Government stops spending on one program. The Canadian people are not that stupid. The Canadian people believe in conservation and this Party believes in conversation. But removing one program built on the debt of the Canadian people is not going to stop conservation. Not a bit. We stood for conservation before and we stand for conservation now, not only in oil but in many other things.

They talk about a shortage of oil. Are they trying to kid the Canadian people? We are short of oil only because of Liberal policy in the last four years. We could have had a program under way by now where we had a sufficiency of oil had the Liberals listened to the Opposition four years ago. But no, they had to hurt Alberta and the West; Alberta must not keep on producing oil. They closed down the big oil production plants in the provinces and then encouraged people, by giving big grants of public money which they borrowed, to go up into the Canada Lands where they have to spend $150 million or $200 million on an oil well. Then the Hon. Member stands up and says the Government is spending some money on PIP. They invented PIP. They created it. Now we are left with the baby. Well, the sooner we get the baby out the window, the better it is going to be. But we have to honour contracts that were made.

The Liberals talk about the PGRT. They taxed the oil industry out of existence. They crippled the industry and then they stand up and say that we produced more oil after the NEP. That is nonsense. The producers were leaving the province in droves. Equipment, expertise and jobs were going down to the United States because of the National Energy Program. They crippled the industry. Now they say we are going to be short of oil. If we are ever short of oil, it is because of Liberal policies. That is what created the shortage. How can the Hon. Member for Algoma and other Liberal Members stand up and say this when they were the ones that created the conditions we are living under today? I do not think the memories of the Canadian people are that short. No wonder the Liberals are down to a rump and are even falling behind the NDP, the socialists of the country. They cannot even hold their own as the Official Opposition. The people of Canada are fed up with their talk in opposition, which is so completely contrary to what they did when they were in power. Then they expect us to undo in six months all the damage they did in 16 years.It cannot be done and the Canadian people know it.

What will this Bill do? The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) suggested this morning that this program must be wonderful because we voted for it. He does not know what happened four years ago. The Liberal Government brought in a stack of Bills, including the COSP and CHIP programs, so we could not debate them in principle. The Hon. Member for Calgary Centre (Mr. Andre) put up a terrific fight, and the then Speaker of the House, Madam Sauvé, ruled that the Government acted improperly in bringing in so many Bills all in one. That is why we rang the bells for two weeks, to protect the people's right to debate issues in this House. We did not do it for the oil companies, we did it for the people. The Speaker supported what we did, so the Government finally brought in the separate Bills and we had a chance to debate the COSP and CHIP programs.

The big item then was conservation and the best program the Liberals could think of were COSP and CHIP. Naturally we supported the Bill when we had a chance to debate it. But we also pointed out a number of follies in the Bill, and I want to deal with one or two of those today. I am not going to say that those two programs have not done some good. They have. They have helped conserve oil. They have enabled some people who otherwise would not have been able to insulate their home or change their heating system to do so. But it also enabled a lot of people, who had the money to do it themselves, to take advantage of the program. We had no better example of that than this morning when the Hon. Member from the NDP said he took advantage of it. He was not poor. He took advantage of it, and he is not the only one. Hundreds of people did.

Many people have said to me they would not have converted but for the Government offering the $800. I was in one home where the wife said she was afraid of natural gas, she did not like it. Her husband said, "Natural gas is going to save us money, lady." That is what he called her, "lady". "So", he said, "I am going to do it". He was the boss of that house and so he did it. But he had the money to do it on his own if he had wanted to. But no, $800 was coming into his pocket out of government coffers. Of those people who accepted that $800 when they did not really need to, I wonder how many realize they were placing a debt on the young people of this country who will have to pay it for years, and years and years. They contributed to that debt. The Liberals talk about one little program but they forget that the people have to pay.

Another Liberal said, Mr. Speaker, that, "you're cutting it out", as if the Liberals never cut out a program. I would like to remind the Liberal Members who are here that a few years ago, when they brought in an excellent program, the first home ownership program, where they gave $3,000 to young couples who wanted to get a home for the first time, suddenly one week they cancelled it. The Minister extended it for a few days, but hundreds of people who had started their foundations were left out in the cold. The Liberals cancelled the program without debate, without notice. This Government is at least giving a little time for people who want to use the COSP or CHIP programs. They have time to insulate their homes with the use of this grant because we are not suddenly cutting it off. They have until March 31 under COSP. Members who have spoken either do not know what happened in the past or are trying to fool the people a little more.

• (1610)

I grew up in a coal mining area, Mr. Speaker. My dad and brothers were coal miners and I probably would have been too if they had not made me stay at school. We used coal for years. My mother said many times that she did not want natural gas. She was afraid of it because it explodes too easily.

She liked the coal so we hauled it from the pit and hauled out the ashes year after year and no one complained. We did not want a substitution program.

As the years went by, mines closed, oil and gas became more competitive, and coal couldn't keep up. At one time there would have been a revolution in the Drumheller valley if it had been suggested that we convert to gas. However, I saw the day when hundreds of former coal miners voted for a change to gas. They had to adapt to changing conditions. Now that entire valley is served with gas. I know what it means to change and I know that at times changes have to be made. However, the decision should be made in the home as much as possible.

There are a lot of new things happening today, Mr. Speaker. I received a letter the other day suggesting that we are not using our wind power. I have never been to Lethbridge when there has not been a wind storm. Consider the power they could generate. What about tidal power? I do not know very much about that, but I think it has great potential. What about solar energy? They laughed a few years ago when a chap was building his home and said that he was going to heat his home with the sun. He said that in a country which has 50 below zero weather he could build a house and keep it warm with the sun by conserving the sunshine. That home has no other power and they live comfortably in it winter and summer. That is conservation.

There are many ways to conserve. We should not be wasting oil and gas just because we have a lot of it. I had great faith in the Dean of Engineering at the University of Alberta. At one time he appeared before the Cabinet in Alberta and said that this good clean fuel, natural gas, is too valuable to be used by industry. He said that we should insist on industry using coal, the dirty fuel, and keep the nice, clean natural gas for the homes of the people. I thought that made sense. If we were short of natural gas, that would be the thing to do. However, we are not short of natural gas, and I do not think we are short of oil. We have the greatest reservoir of oil in the world in the tar sands of Alberta.

I was on a committee years ago to try to separate the oil from the sand. On my first trip to Fort McMurray I took a handful of sand and sqeezed it and found that there was oil all over my hand. Oil was oozing down the coulees. I thought that was a tremendous thing. We had a conference at which one of the professors of the University of Alberta said that he could separate the oil from the sand with a hot and cold water method. A pilot project was established with some public money and with the expertise of university professors. They found that they could separate the oil from the sand. Then others came forward with more modern techniques.

I remember standing in a plant in Fort MacMurray and seeing thousands of ton of beautiful white sand that people would love to have on a beach. From the other spout came the beautiful black oil that was going to go all over Canada. There are millions of barrels of oil waiting there to be separated if only we had the policy. However, the Liberal Government was too busy importing oil, closing up the sources in the country, discouraging exploration, and importing oil. In 1980, the price to import a barrel of oil was around $31. The price to produce it in Alberta was about $16.50. However, the Liberal Government decided it wanted to import oil. It moved the exploration up north and gave PIP grants. They let the people in Alberta and Saskatchewan go without jobs.

There are still all kinds of oil in the Province of Alberta. We need an incentive program to search for it rather than a discouragement program such as the Liberals introduced. They continued to pay $31 of Canadian money for a barrel of oil. The Liberals then decided on the petroleum tax to make up the difference between the price of Canadian oil and imported oil. I think it amounted to 85 cents a barrel at that time which the people had to pay. The people of this country have paid and paid for the faulty Liberal policies which have discouraged the production of oil in this country and encouraged the importation of oil. They now stand up and talk about a shortage of oil.

I admit that this program has done some good and that conservation will not stop, but a lot of the people who took advantage of this $800 or 50 per cent of the cost to convert could have done it themselves. A lot of people will do it on their own. And yet many people, whom I really felt sorry for, were left out of the program entirely. The people in the small shacks around the coal mines in Drumheller could not afford the $3,000 required to convert. In some of those places they still use coal. The $800 grant was not sufficient for them because the conversion would probably cost $1,600 or $2,000. Where would they get the additional money? They just do not have it. They are retired coal miners who spent their lives in the bosom of the earth bringing out coal. They did not have that kind of money and could not take advantage of the program. Thousands of renters could not take advantage of the program.

Conservation will not end, Mr. Speaker. In March of this year COSP will end and in April of 1986 CHIP will end, but conservation will continue. The debt load that is being placed on the backs of the people through this program will be removed and conservation will continue with the people's own money, which is a far fairer program.

Mr. Waddell: Mr. Speaker, I have a couple of comments and a couple of questions. I will first say how much I enjoy listening to the Member for Bow River (Mr. Taylor). I do not agree with a lot of what he says, most of it as a matter of fact, but I enjoy hearing him. I have a great deal of respect for him because he has been around a lot longer than I have.

• (1620)

It is very impressive to hear the Hon. Member—who has a great deal of credibility—talk about actually seeing and feeling the oil in the tar-sands for the first time. I agree that the Liberals have short memories because our Party and the Conservatives, when in opposition, told them that the National Energy Program was a transfer of the exploration plays from the western sedimentary basin in Alberta, Saskatchewan and British Columbia to the North, to the Arctic and offshore.

The reason for this transfer is outlined in a new book entlitled *Energy Politics in Canada*, by Bruce Doehrn. It was simply a power play because the federal Government had jurisdiction in the Canada Lands and not in Saskatchewan and Alberta. I totally agreed with the Hon. Member when he said that this was a basic objective of the National Energy Program. We said so then and western Canada has paid for that transfer.

I agree with the Hon. Member that the Government must honour the contracts for the $1.6 billion in PIP grants. There are some questionable contracts, such as that with East Coast Energy Corporation, which must be phased out.

The Government stated its intention to replace PIP grants with tax incentives such as the superdepletion allowance and other tax rip-offs which helped the oil companies. If these only amount to PIP grants that are called tax breaks, I challenge the Hon. Member to vote against those tax changes. I believe the Hon. Member understands what I am saying and we will see what happens with the new schemes.

The Hon. Member also said that the Liberals taxed the oil industry out of existence. In 1982, the profits of Imperial Oil were $289 million. The latest report for 1984 shows that their profits are $533 million. Texaco went from $215 million to $423 million. Gulf went from $201 million in 1982 to $308 million in 1984. Shell went from $133 million in 1982 to $158 million in 1984. Given those figures which come from the business sections in the *Financial Post* and the *Globe and Mail*, could the Hon. Member explain how these companies were taxed out of existence? I do not believe that assertion to be correct.

The Hon. Member also said that Canadians would convert on their own to other forms of energy such as solar, tide and wind. I suggest Canadians will convert to other forms of energy only if they are paying too much for oil or if they are given an incentive to convert. Since I am in favour of providing an incentive for conversion, I suggest that these programs are justified. It makes sense to provide $500 when the home owner contributes $1,500. That is fair and it seemed to work well in the past.

Finally, one of the Government's first steps in dismantling the National Energy Program has been to eliminate the conversion measures in the program, that is, the off oil program and the insultation program. In my opinion, these were the only beneficial aspects of the National Energy Program. Would the Hon. Member, who is a sensible Canadian, explain why the Conservatives would dismantle, as its first step the only effective part of the National Energy Program.

Mr. Taylor: Mr. Speaker, let me deal with the last part of the question. This Government has been in power for six months. We have yet to bring down a budget. Since we cannot accomplish all of our objectives in six months, we are doing so individually, and when we come to the end of our mandate in four years the Hon. Member will see that we will have kept every promise we made. The National Energy Program will be out the window and this country will be working because we will have alternative programs that provide incentives that do not come from tax money.

The Hon. Member asked me to explain why the oil companies have large balances. I am not a spokesman for oil companies like Imperial and Texaco. I was talking about the destruction of ordinary Canadians who were exploring for oil. The small oil companies were the ones who were put out of business because, unlike the multinationals who derive income from different sources and do not have to depend on one particular item, the small oil companies in Alberta, Saskatchewan and British Columbia did not have those different sources. They either went out of business, became defunct, or went to the United States to try to keep working. That is the industry which was crippled by the National Energy Program. No one who lives in the West would dispute that. Was there another part to the question?

Mr. Waddell: I believe the Hon. Member has answered my questions.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Trinity (Miss Nicholson)—Auditor General—Recommendation that audits be reported on completion date; the Hon. Member for Winnipeg North Centre (Mr. Keeper)—The economy—Economic statement (a) Impact on proposed Manufacturing Technology Institute (b) Background documentation; the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin)—Energy—Hibernia oilfield (a) Environmental Impact Study (b) Content of report.

* * *

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Foster: Mr. Speaker, the Hon. Member for Bow River (Mr. Taylor) is a good friend of mine and I appreciate hearing his arguments in debate. He talked about the shortage of oil. I would commend for the Hon. Member's reading a very interesting document published by the Department of Energy, Mines and Resources and the Minister (Miss Carney) which shows that since 1983 we have a net self-sufficiency in oil through to the end of the century.

He also talked about saving money. The Estimates show that the Prime Minister (Mr. Mulroney) will spend $2.3 million for his office operations and the employment of an extra 30 people. Would he not rather see that $2.3 million provided in CHIP grants to some 4,600 low income Canadians so they can insulate their homes, save money and meet their expenses? I am sure there are many such people in his riding as there are in mine.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the effect of Bill C-24 will be to cancel a program and remove a potential $800 in grants toward the poor people of this country. Second, as a result of the action by the Government since it came to power, the heating oil prices have risen in this country. Another factor is that this Government, for the first time that I can recall in Canadian history, has developed a policy since January of selling oil cheaper to a foreign country than it is sold here. Since February 1, an oil company in the province which the Hon. Member for Bow River (Mr. Taylor) was talking about, can sell a barrel of oil at the Chicago gate for about $5 a barrel cheaper than that barrel is sold at the gate in Toronto.

• (1630)

The other fact pertaining to this Bill is that people need that conversion grant in order to convert to alternate energy uses.

I think what I will deal with in my remarks is something that has not been dealt with adequately today in this debate, and that is, the conversion of oil to wood.

If you examine the statistics, Mr. Speaker, I am sure you will find that the majority of conversions in Newfoundland, Prince Edward Island, the Northwest Territories, the Yukon and in the northern parts of this country have been toward wood. When you look at these grants, COSP, CHIP, RRAP, the programs initiated by Liberal administrations, there is one thing that everybody should keep in mind. These programs put money directly into the hands of the home owner. You can talk about lots of government programs that operate indirectly for the benefit of individuals, but these were transfer payments as outlined in the Estimates, transfer payments, as outlined by the President of the Treasury Board (Mr. de Cotret), into people's pockets. These were the only grants people could get if they were living in a rural area and were below the poverty line. If they wanted to do anything at all with their houses, these were the only identifiable grants that put money actually into people's pockets, primarily into the pockets of the poor people in this country.

I am surprised to hear the Members in this Chamber talking about where this money went. We have heard speaker after speaker in the Conservative Party say that some of that money, most of it or almost all of it, went into the pockets of people who really did not need the money. That is a complete fallacy. There are people who, if they did not get the $800, could not have converted to an alternate energy source. For example, how could somebody on welfare in those areas that I named convert to wood without the $800? How could somebody living on a pension convert to wood if he or she did not get that particular grant under COSP?

There were advantages to that program beyond the actual placing of money in the hands of an individual. The benefits can be seen in the provinces that utilize the wood conversion mechanism in the forestry sector. I am referring specifically to people who got cutting permits from provincial jurisdictions to utilize this grant program to convert to wood. They would take the tops of trees left by the paper companies which were strewn around all over the place in the forests. They also took the hard woods in the forests in which the paper companies are not all that interested. We still have pulp and paper companies that utilize just the soft woods. It is criminal in some places to see a paper company take the wood that was not hard wood. In other words, they would leave the birch trees and the like to die over a period of time, and leave the fallen tops to rot or start forest fires. I would say that the greatest assistance to the forestry industry is to have more people utilizing wood as a fuel source than anything else.

We have paper companies today that utilize herbicides, aerial spraying of herbicides, to get rid of the hard woods they do not want. Surely there can be a policy to allow the people of Canada who want to utilize wood as a source of fuel to go on company lands and take it, since the paper companies themselves are not all that interested in it.

There have been other remarks made today in which Members said that the $800 was a giveaway. I think the point was made that when you convert to wood in the northern areas the $800 does not even come close to the total conversion cost. Poor people have to do with just the $800, and they did using their own intelligence, so to speak. They left the hot water heater still on the furnace. That was the only portion used in the home for oil purposes. Apart from that, people took the idea of the wood stove or the wood furnace and usually put it in the basement of the house. They had their own duct system that came up to the main floor of the dwelling. It was not permissible for insurance purposes to plug in the wood stove with the furnace duct system, and there was a restriction in the program that you were not allowed to do it. There had to be a separate duct system, if that is what you were using. Or if you wanted to put in a completely new system with a wood and oil furnace, then that would be permissible under the rules.

For the poor people living on pensions, on welfare, on works programs, or on unemployment insurance, the obvious advantages in the rural areas to that gentleman in the example was

that he was able to instal a wood furnace with the $800. If he had not had that money, he would not have done it. He was able to utilize what materials he had in place in his particular dwelling. People normally had a chain saw. You would not use a buck saw these days and an axe. People normally had a chain saw and a snow machine to bring out the wood, a ski-do, as the Hon. Member for Prince Edward Island mentioned. In certain parts of the country they still have horses. A horse has even greater utility than a snow machine. First, a horse is cheaper to buy, although it costs more to feed. In certain areas of the country a horse is used as a means of hauling wood from the woods. Therefore, a person would save on the cost of a snow machine and a pick-up. People had a chain saw and transportation out of the woods. That is all they needed. They used their own muscles to supply themselves with heat. For what, Mr. Speaker? I will tell you. It was to save $200 a month. That is what they did it for, because that is what it cost in January, February, and March. When you look at ordinary people, say a widow with one son at home getting about $350 a month and having to pay out $200 a month to heat her home with oil, you can see what a saving it is to that person and how necessary it is.

The Hon. Member for Egmont (Mr. Henderson) mentioned that the ski-do or the snow machine was utilized in bringing in that wood for utility purposes. It is interesting that people in some parts of Canada actually believe that a snow machine is only used for recreation. Not at all, Mr. Speaker. It is used in conjunction with supplying the heating source in a home. That is the most important use of the snow machine. If the companies that build these machines would only look at that and keep producing the 12 horsepower and the 15 horsepower models, the best ones for that purpose, they would sell more snow machines.

• (1640)

The other point I should like to make is that the Government is saying that it is cancelling this program because it wants to cut back and because most people have utilized it. It is saying that there is no real need for the program and that it will be cancelled on March 31. There will always be a need for this particular program as long as we have people in the country who are relatively poor or live in areas where there is an adequate supply of wood. Thus we see the importance of this particular program.

The Government has turned around and cancelled COSP. It will also cancel CHIP and it has reduced the budget of other vital programs for home repairs which financially assist people. In particular, I am referring to RRAP, which goes hand in hand with the other two programs. It has been reduced to such an extent that in certain areas of the country it will be unworkable. We cannot have from 400 to 600 people on a waiting list for a program in which the delivery agent knows that probably only 50 of them can be approved because of substantial cut-backs. The general philosophy used by the Government in the cancellation of the program is wrong.

As I mentioned at the beginning of my intervention today, it is not good enough to have a policy of selling oil and reducing the charge to foreign countries. Since January 1 the charge went down 48 per cent for exported oil, heavy and light crude. The reason for this was obvious. The eventual product from oil was going into the United States at such low costs that the competition was too great for some of the oil companies in Alberta and Saskatchewan about which the Hon. Member for Bow River (Mr. Taylor) spoke. To reduce the charge by 48 per cent to a foreign nation, to another country, without making the same reduction for refineries in Canada, is not good enough. To be able to sell a barrel of oil at $33.50 to an oil refinery in Chicago in the month of February and demand a charge of $39.50 for that same barrel at a refinery in Toronto is just not good enough.

There has been much discussion about the past Government and what it did, according to certain Hon. Members, to the oil industry, as well as about the foreign importation of oil to the East Coast. Mention was also made of the additional charges placed upon domestically consumed crude oil in Canada. The general philosophy behind this was to try to have some semblance of unity in the price of a barrel of oil, no matter if one was in British Columbia or in Newfoundland. That was the philosophy behind it, and it is a good philosophy. If we look at the refineries utilizing imported oil in eastern Canada, we find that there was always a mix of imported and domestically produced crude oil from western Canada which came via pipeline into Montreal. Those are the facts. Also there has been a declining demand for home heating oil in this country for the past three years to six years. The only increase in demand, if one looked at the figures, was in diesel fuel. Many oil companies in the country have made changes in their processes and are involved in different extractions and the building of petrochemical industries. All we have to do is to look at the enormous petrochemical complex at Sanford as well as the one at Sarnia, Ontario. We see a change taking place in the oil industry as far as what it does with oil and what is the demand at the other end are concerned. If we examine the entire industry, we will see that refineries have closed down in eastern Canada. Four closed in the Province of Quebec and three others in Atlantic Canada because the demand was not there for their product. At the same time we have seen a great increase in the number of petrochemical industries, especially in the Provinces of Quebec and Ontario. We are into ever changing times.

Let us look at the oil reserves to which reference was made earlier in the House. It has been said that they are good enough for Canada for about 14 years. No matter at what figures we look, normally they indicate that they are good for 14 years. If we go back 15 years, we find that they have always fluctuated—in the past they have been good for 14, 20, 15 and 10 years; now they are good for 14 years. However, that is not the important point. We have to look at the total production in Canada and wonder whether we are actually utilizing too much. Should we be exporting oil outside the country if we are in a tight squeeze? Should we be exporting oil out of Canada

and charging refineries in Chicago less than we are charging refineries in Canada?

This month the federal Cabinet was supposed to make a decision, in fact it was to be last Thursday. It was to be a decision on what would be the export charge of oil going into the United States. I do not believe that decision has been made, but I understand that since the demand for Canadian oil is increasing in the United States—and it fluctuates considerably from month to month—the export charge will be increased by about $2. That would mean that, for the month of March, instead of there being a $5 or $6 difference between the oil being sold in Chicago and the oil being sold in Canada, there will be a $2 or a $3 difference. If it is the philosophy of the Conservative Government to sell oil cheaper in the United States than it is selling oil in Canada, I am afraid the Government is in very serious trouble. It will not wash with Canadians. There is no way Canadians will put up with it. The Minister of Energy, Mines and Resources (Miss Carney) can turn around and say that that had to be done for the first time in Canadian history because the only thing that could be changed was the export charge, that they could not change the charges on domestic oil because we needed the money. However, we also need the money on the export charge. It makes no difference what taxes are levied on the domestic; there is always a tax on what is exported out of the country. It just does not add up, for the sake of conservation, to be cutting back and encouraging Canadians to use oil. That will be the only result of the move to cut back on CHIP and to cancel COSP. It will encourage Canadians to use more oil. However, are they being encouraged to pay more for oil than United States refineries? If the Government feels that it must cut programs which benefit the ordinary and poor people of the country, the very least it could do is to maintain the section of that program that was most utilized by the poor people, and I am referring to the section relating to the conversion to wood. There are not many people who are making $100,000 per year who will put a wood stove in their house to keep their families warm.

● (1650)

I know my time has run out, Mr. Speaker. In conclusion, let me say that if this is to be the continued direction of the new Government, it will have to do something different in three or four years' time in order to maintain its credibility.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Henderson: Mr. Speaker, I will be very brief. The Hon. Member for Gander-Twillingate (Mr. Baker) thoroughly expressed the views of the people from rural areas of Newfoundland and of the people across the country who happen to live in rural areas. I would like to make an observation and then put a short question to the Hon. Member.

The Hon. Member spoke about the increase in oil and gasoline prices and about the selling of oil and gasoline out of the country at lower prices than in Canada. His constituency is similar to my own. The only exception is the Town of Gander in which wages may be a little higher. However, the outports in his constituency are similar to those in mine.

In 1964, I built my own home and installed an oil furnace. At that time, I was paying 18.3 cents a gallon for home heating fuel, and I still have the bills. Today, I am paying over $2.18 a gallon. Like me, the Hon. Member has many constituents who can be described as single parents who draw old age security and GIS and live in their own homes. These people have annual incomes of no more than $7,000. My electrical bill is $70 per month and, like most others, I have no extra frills or gadgets in my house. My oil bill in the month of February will run to approximately $400. I do not know if people understand the significance of that. We as Members of Parliament can afford to pay that amount because we are the fortunate people of the country. There are a great many people who are making a gross income of $7,000 per year and cannot afford to pay over $2,000 per year on home heat. Therefore, they have to convert to wood.

The provincial Department of Forestry in Prince Edward Island, aided and abetted by the previous federal Government and the present federal Government, has what I believe to be an excellent reforestation program. In Atlantic Canada, we have a problem with the spruce budworm. A great deal of wood is going to waste. The Department of Forestry cuts down the unwanted wood and puts it up for tender so these poor people can buy it at a good price. By converting to wood, their home heating probably costs between $400 and $500 per year. That is a tremendous saving. However, the Bill is taking that opportunity away from the ordinary Canadians who are striving to survive. The Government is trying to force these people into senior citizens' homes, thus costing the federal and provincial Governments three times as much.

As I see it, the Government is penny wise and dollar foolish. I wonder if the Hon. Member would comment briefly on that.

Mr. Baker: Mr. Speaker, I will be very brief. The Hon. Member's point is well taken. There are many family units being run by widows or by the unemployed. These people get to the point where they cannot afford those exorbitant oil and gas prices that are mainly caused by differences in provincial taxes. It is a heck of a lot different to be living in the Province of Alberta than it is to be living in the Province of Newfoundland where we must pay a flat rate on the bottom line of 22 per cent provincial tax. Those people to whom I have referred will be placed in a position in which they will have to convert to wood somehow. This Bill will discriminate against those people because it will take away from them the opportunity that was given to their neighbours. That is simply unfair to the poor people of the country.

The Acting Speaker (Mr. Paproski): Are there any other questions or comments? If there are no other questions or comments, we shall resume debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in this debate on the Bill before us, a Bill that would

effectively kill the conservation and off-oil program. I see that there are only a few minutes remaining to me. I wish to continue at a future time.

Perhaps at this time I could put on the record what I discovered while researching this topic. I went through the Senate hearings on energy and natural resources of June 1984 and I glanced through the submission made by the City of Whitehorse. At the end of that submission there are some figures regarding the costs of Canada for reducing our dependency on foreign oil. For example, it is stated that so far, according to Statistics Canada and the National Energy Program update, the Canadian Government has spent to the end of 1983 some $8 billion on new energy, some $3.4 billion on existing energy programs, and some $3.3 billion on the Oil Impact Compensation Program, making a total of $14.7 billion. In addition, as of June 1984, some $2 billion was committed beyond 1983 for the Western Canada Development Fund and some $.5 billion for the Atlantic Canada Development Fund, making a total of $17.2 billion committed to and spent on the National Energy Program. All of this created a total product reduction of some 6.7 per cent of 425,000 barrels, or a reduction of some 28,475 barrels per day. In other words, the submission indicated that after having spent some $17.2 billion, we reduced our dependency on foreign oil by some 28,475 barrels per day. However, so far the COSP and CHIP programs have reduced our dependency on foreign oil by over 60,000 barrels per day at a cost of only some $1.3 billion.

I do not understand the economics of the Government. I never understood the economics of the Liberal Government. It was willing to spend over $17 billion on reducing our dependency on foreign oil to the tune of only 23,000 barrels per day. The CHIP and COSP programs reduced our dependency on foreign oil by some 60,000 barrels of oil a day and only cost a little over $1 billion. However, it is the conservation programs that the Government wants to scrap. It is insanity.

I will continue my remarks when the Bill will be considered in the future.

The Acting Speaker (Mr. Paproski): The Hon. Member will have 16 minutes remaining for his speech plus a 10-minute question and comment period when we resume debate on this particular Bill.

● (1700)

[*Translation*]

Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Constitution Act, 1982

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 38?

Some Hon. Members: Agreed.

* * *

THE CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE HUMAN FOETUS

Mr. Gus Mitges (Grey-Simcoe) moved that:

That, in the opinion of this House, the Constitution Act, 1982, should be amended in section 7 of the Canadian Charter of Rights and Freedoms to include a human foetus or unborn human being.

He said: Mr. Speaker, there is no question that this country has split into two decidedly hostile factions since the Criminal Code was amended in 1969 to exclude from prosecution those abortions performed for certain specific reasons in hospitals which have therapeutic abortion committees.

Those who feel that easy access to abortion is necessary to protect women who are unwillingly pregnant, state that a woman should be able to terminate an unwanted pregnancy freely, and that abortion should be available to all women, regardless of age, marital status or income level. Those who disagree base their reasoning on a definition of human life which was given by members of a scientific conference in Washington, D.C., which is as follows:

The majority of our group could find no point in time between the union of sperm and egg and the birth of the infant at which point we could say that this was not a human life. The changes occurring between implantation, a six-week embryo, a six-month foetus, a one-week child or a mature adult are merely at stages of development and maturation.

It is difficult, if not impossible, for those us who accept this concept of life to find a common ground on which to meet those who choose abortion as a means of ending pregnancy. Because there can be no common meeting ground, emotions run high and a feeling of hysteria is always in the air.

We who oppose abortion do so because we believe in the right to life. We are depicted by those who are opposed as unconcerned with the reality of the 15-year old girl who is pregnant because she does not know any better, or the mother of five who can see no way to support another child, or the mother who is carrying a defective child. We are seen as forcing a theory of life on a world which is torn by suffering and personal torment.

"Individual liberty" and "freedom of choice" are catch phrases that are fast gaining control of our society. Peoples' feelings are for what they can see, not for what someone has told them exists. Their eyes and minds focus on the woman, not on the child she carries. The sympathy is for the suffering of those already born, not for the one who is waiting to be

born. They care not for the right to life, but only for the lives that are apparent.

Some time ago I received information on the stand of the Canadian Association for Repeal of the Abortion Law. Added to the information were copies of letters which were sent to the Badgley Commission. Without going into detail or individual cases, I would like to quote part of one letter which illustrates exactly what I mean by society's misunderstanding of the stand which is taken by the right-to-life groups in the country. It reads:

> You are doubtless receiving many communications from anti-abortion crusaders. No one is asking them to have abortions. No one is denying them their right to believe that a fertilized ovum is a human person from the moment of conception.
>
> No one expects them to campaign for birth control clinics which are also against their beliefs. These are basic religious freedoms. But the essence of religious freedom is that it applies to oneself, and not that one should force one's views on those who do not share them.

I think it is statements such as this which confuse and dismay, more than any of the hysterical accusations which are levelled at the pro-life organizations. It seems to imply that to fight abortion is to put a woman into a state of perpetual pregnancy.

I am against abortion, but I do believe in birth control and the education of the public regarding the various means of preventing conception. The public has become confused by the fact that those who favour abortion, state that they believe every woman should have the right to decide whether or not to carry a child. To them, abortion is a matter of personal conscience, and no woman should be forced to carry her child or terminate her pregnancy.

Aside from the fact that women can and have been frightened or manoeuvered into having abortions, the destruction of the child is the main issue. As long as I believe that life begins at conception, I will do everything in my power to prevent the termination of that life. The Canadian Association for the Repeal of the Abortion Law states that Canada must be willing to join the 64 per cent of the world where legal abortion is readily available. Their reasoning for this is that it prevents illegal abortions, that it faces the reality of abortion as a major health issue, and that it preserves the physical, mental, social and economic well-being of the women concerned. If it does all those things, it is a hypothesis which has not yet been proved.

The ends envisioned can be met through other means. Proper education solves many problems, especially when that education gives complete understanding of birth control methods which are available and a thorough understanding of the value of human life.

Man must learn that the preservation and continued growth of the human race demands more than ensuring that the poor have the same rights as the rich. It also demands that the weak must be protected from the strong, and the unborn from the mature.

The attempt to guarantee that the poor have the same rights as the rich was the main reason for the appointment of the Badgley Commission. As I am sure everyone in this House knows, the Commission was to discover if the procedure was and is operating equitably across Canada. The terms of the Commission's appointment did not allow it to discover if the underlying policy was a just one, nor if the legal requirements to obtain an abortion were being met. By its very basic terms of reference, the Badgley Commission was destroyed as a forum for discussion of the abortion situation before it ever began. Those members of the general public and the medical profession who see abortion as the destruction of life could offer nothing to a commission which accepts abortion as a fact of life.

Finally, after intensive and prolonged research, the Commission discovered that the abortion law was not operating equitably across the country. The Commission pointed out that abortion is mainly available in major urban centres, and that many women still travel to the United States to obtain abortions because their hospitals do not have therapeutic abortion committees, or, if they do, the backlog is such that the child would be born before the abortion could be performed.

In addition, the Commission reported that there are also some hospitals with abortion committees which will not perform abortions just because a woman is pregnant. So the Badgley Commission proved that abortion is not offered equally across the country and that the rich and those who live in cities can obtain abortions almost on demand, while those who live in rural areas or small towns have much more difficulty, unless they are rich.

But one would think, in discussing a law, that an attempt would be made to gain justice for all and that the unborn child would be granted the same say as those who can speak for themselves. The concept of equality before the law demands that all participants be included, not just those who yell the loudest.

One of the means used by the Commission to discover if abortions were being granted equally was a survey of the hospitals in terms of total numbers, eligibility by provincial regulation, to have abortion committees, as defined and the number of those eligible which did in fact have abortion committees. It was discovered that of the 559 general hospitals across Canada which met the requirements for therapeutic abortion committees, only 271 or 48.5 per cent had done so.

Over half of the hospitals involved did not choose to have abortion committees. Their reasons for this included professional ethics of the staff, religious denomination, avoidance of conflict, and lack of demand for abortion. One of the staff members of a hospital responded to the survey by saying, and I quote:

● (1710)

> Under the present circumstances, there is no longer any medical indication to justify therapeutic abortion to protect the life or physical health of the mother.

Some doctors themselves are now admitting that there is no medical reason for abortion. Even the late Dr. Gattmacha, who was one of the strongest allies of the abortion movement, stated; and I quote:

Today in our modern society it is possible to take almost any woman safely through her pregnancy except if she has cancer or leukemia, in which case an abortion would not save her life, much less prolong it.

One of the most definite problems for those fighting abortion and the destruction of innocent life, is that while there is proof that life begins in the initial or very early stages of a pregnancy, people are willing to destroy that life, to make the social and economic status of the mother more important than the right to life of those who cannot speak for themselves. We are fast losing sight of the traditional western ethic which has always placed emphasis on the basic worth and equal value of every human life regardless of its stage or condition. Short-range utility is taking the place of a code of ethics which grants to everyone the right to live his own life to the best of his ability.

By destroying another life to ensure one's economic and social success, the human race is losing whatever dignity and honour it has worked to build for itself over the centuries. It is right and proper that the individual be protected, that he or she be granted their God-given life and the right to grow and learn at his or her own rate. Unfortunately, all individuals are not granted the same rights. The legalization of abortion would imply that the end justifies the means and that destruction is allowable if a certain quality of life is preserved for those who remain.

Self-interest is held, then, to be more important than the common good. Truth becomes lost as man learns to define himself in terms of what he thinks is useful and convenient. To place a utilitarian value on human life, to see each person only in terms of his economic worth, can and will lead to the destruction of human life and can and will lead to the murder of those already born who through mental or physical incapacity are not able to contribute to society what may be demanded of them by extremists.

These and any other attempts to negate life, to state that it has no value in itself must never be tolerated. Life is an automatic value and the handicapped child has the same right as any other person to develop his full potential as a human being. Abortion, infanticide and mercy killing have a tendency to follow one upon the other. To destroy life at any level is to accept that all life has only relative value. Can those who propose the complete legalization of abortion guarantee that it will end there? Can they guarantee that the legal murder of the unborn will not lead society in general to other forms of murder? I think not, Mr. Speaker.

Conflict of interest automatically arises when attempts are made to legitimate the value of life. The abortion law in Canada, as it now stands, opens the doors wide to those hospitals in Canada who want abortion on demand. Statistics show that the number of abortions have increased by leaps and bounds, creating a situation whereby those hospitals which choose a lax interpretation of the law are now experiencing difficulty in dealing with the backlog. Needed elective surgery is backed up and operating theatres are constantly tied up. The abortionists would like to force the other hospitals and doctors into accepting this backlog. That must be prevented at all costs. Never do I want to see individuals and institutions forced into the taking of life, forced into the murder of those who are classified as unwanted, unwanted by a society that cannot be bothered with the question, let alone try to find an answer. Unwanted does not describe the child, merely the reaction of society of which he or she is a part. It is a state of mind, not a state of being.

In most of the disagreements and arguments that have taken place between pro-lifers and pro-abortionists, the focal point has been the issue of contraception. Those who favour abortion state that pro-lifers want to put women into a state of continual pregnancy. I have said before, and I must stress now, that proper birth control methods must be made readily available to all, and sex education must be taught in such a way as to make all people understand those methods. Money can and should be spent on the education of all people, not just those attending high school or college. Once that is done, people will be able to make the choice concerning the birth of children. As it stands now, abortion is becoming a means of contraception. Many women are choosing not to make full use of contraceptives. It has become much easier to terminate an unwanted pregnancy than to take the time to use proper birth control methods.

Destruction of the unborn child has become the accepted means of ensuring that a sexual relationship is not based on artificial means. Even the Badgley Commission agreed that the number of abortions will continue to rise if some means is not found to ensure that women have contraceptive protection. Its statistics show that 25.2 per cent of the women questioned who had abortions, discontinued use of contraception some time before the pregnancy; 27.2 per cent had not used contraception at any time. Those are definitely not hopeful statistics for the future children of Canada.

For those who do not want children, contraception is proper and necessary. For once conception takes place there can be no more contraception. Once a life has begun, it has the right to reach its natural end. That life has the same right to protection under the law as has its mother or any other of society. The right-to-life movement must be willing to show the people of this country that it does care. We must show that we are aware of the problems of illegal abortions and of the pregnant woman who needs assistance and guidance before, during and after her pregnancy. The public must learn what really we are trying to do, not what the pro-abortionists say we are trying to do.

Governments and the medical profession must be willing to offer assistance and explain exactly what that assistance is to women who are pregnant. The men cannot be forgotten either. The development of women's rights does not demand the end of male responsibility. A sexual relationship demands responsibility on both sides in the understanding and use of contraceptives and in the care of any child who may result from that relationship.

The legalization of abortion must be averted and the type of abortion available now must be ended before there will be any change in the values of Canadian society. To ensure that the

intrinsic value of human life supersedes the monetary values of this nation, we must be willing to fight to prove that there are no fast, easy solutions to social problems. The pregnant woman and society must learn that killing the unborn child is not going to solve problems. The social problems which lead to unwanted pregnancy must be attacked at their base, through education, assistance and compassion. To insist that abortion be legalized because illegal abortion and maternal death will result if it is not, is much the same as saying that homicide should be legalized because murder will take place whether it is illegal or not.

The legal murder of the unborn must be stopped. Once that is done, all levels of society can join together to attempt to solve the social problems which are its cause. The sure way to do this, Mr. Speaker, is through this House, and that is, by amending the Constitution Act, 1982 to recognize the undeniable fact that unborn human persons have the same rights as other human beings, which is the right to life, liberty, and security of the person and the right not to be deprived thereof. Hopefully, Mr. Speaker, for the sake of all unborn children who cannot speak for themselves, we will see this happen in the not too distant future by taking the necessary steps to amend the Constitution and prevent the wholesale murder of unborn babies, which now exceeds some 80,000 lives per year from one end of our country to the other.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to take part in this debate on what is obviously a very important and sensitive question, indeed, one of the most difficult questions which faces this Parliament.

In approaching the motion of the Hon. Member for Grey-Simcoe (Mr. Mitges) who has just spoken, I feel it is important that we look carefully at the substance of that motion. The Hon. Member has suggested that the Constitution Act be amended in Section 7 of the Canadian Charter of Rights and Freedoms to include a human foetus or unborn human being. That is the motion of the Hon. Member. In analysing that motion, Mr. Speaker, I suggest that it is only appropriate that we look at the substance of Section 7 of the Charter of Rights. That section, under the heading "Legal Rights", reads as follows:

● (1720)

> Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

In his remarks, which I listened to with care, Mr. Speaker, the Hon. Member for Grey-Simcoe quoted from Section 7 of the Charter, but in doing so he omitted the final words of that section. I am sure that was just an oversight, but the fact is that the Hon. Member's motion would permit the deprivation of life, liberty and security of the person in circumstances which accord with the principles of fundamental justice. I suggest to the Hon. Member that if his objective is to end all abortions in Canada today—and while I respect the view of the Hon. Member I disagree fundamentally with it—then he will not achieve that objective through the motion which is before the House today. Far better, surely, to come before the House with a motion which would repeal those sections of the Criminal Code which permit therapeutic abortion and, presumably, return to the days in which all abortions in this country were illegal.

Having said that, I think it is only appropriate that I note that the position taken by the Hon. Member for Grey-Simcoe is fundamentally different from the position taken by members of his caucus in 1981, including the seconder of his motion, the Hon. Member for Bow River (Mr. Taylor). Perhaps a bit of history on this matter would be in order. In November of 1981, the official spokesperson for the Progressive Conservative Party, then in opposition, moved the following motion. The Hon. Member for Rosedale (Mr. Crombie) moved:

> That the proposed Constitution Act 1981 be amended by adding after Clause 31 of Part 1 the following new clause:
>
> "32. Nothing in this Charter affects the authority of Parliament to legislate in respect of abortion."

The argument, made with considerable persuasiveness by the Hon. Member for Rosedale in November of 1981, was that there should be no amendment made to the Charter of Rights and Freedoms which would deny Parliament, as the ultimate representative of the people, the right to legislate on the very difficult question of abortion. However, the motion before the House today would do precisely what the Hon. Member for Rosedale said this Parliament should not be doing. Indeed, it would entrench in the Constitution and the Charter of Rights and Freedoms certain rights of a foetus or an unborn human being. That flatly contradicts the position taken by the Hon. Member's colleague, including the Hon. Member for Bow River and the Hon. Member for Lethbridge-Foothills (Mr. Thacker) in November of 1981. I want to remind the House what those Hon. Members said in 1981. The Hon. Member for Rosedale said:

> In my view, all sides of the House and, indeed, Canadians across the country, want to ensure that Parliament has the right to legislate if any changes are deemed necessary with respect to the law on abortion. The difficulty for a great number of Canadians is that conflicting legal difficulties throw that matter into doubt. We want to make it clear that Parliament's freedom to legislate on this matter is unimpaired.

Surely the Hon. Member who put forward this motion today and his colleagues who support it must recognize that it would do precisely what the Hon. Member for Rosedale suggested should not be done. It would indeed entrench in the Charter a specific provision on the question of abortion. The Hon. Member for Rosedale went on to say:

> It took 350 years to establish the parliamentary system where legislation governing our actions with respect to life and death would be determined not by those appointed by the state but, rather, by those elected by the people themselves.

Members of this House applauded those sentiments, presumably including Members now on the Government side. He went on to say:

> None of us disagree on that: not the Liberals, not the New Democrats, not the Conservatives, not Pro-Life, not Pro-Choice, and not anyone in the middle. We all agree that Parliament must have the freedom to decide. The purpose of this amendment is simply to make sure and to make clear to all that that is, indeed, our intention.

As I say, Mr. Speaker, that amendment was supported by Members of this House on the other side, so it was with considerable surprise indeed that I read the motion of the Hon. Member for Grey-Simcoe, which represents a complete reversal of the very reasonable position taken by his distinguished colleague from Rosedale.

Mr. Lewis: This is Private Members' Hour.

Mr. Robinson: There are some Members on that side who will be given an opportunity to speak and, presumably, indicate if they oppose this motion, as they apparently did in 1981. I will look forward to hearing from those Members.

Certainly it is interesting to note this reversal of position, at least on the part of the Hon. Member for Bow River, who now supports a motion which flies directly in the face of the motion he supported in 1981.

As to the substance of the question, there are Members of this House who, in good conscience, believe that the Criminal Code should make no provision whatsoever for therapeutic abortion. I want to make it very clear that my position and the position of the NDP is that the provisions of the Criminal Code which deal with the question of therapeutic abortion should be repealed and the abortion decision should be one made by the woman in consultation with her doctor, that is, in terms of the provisions of the Code itself. However, we recognize as well that this is not just a legal question by any stretch of the imagination. It is essential that there be a whole series of other measures undertaken by Governments, both federal and provincial, to support women who are too often faced with the very difficult decision as to whether or not to give up a child because of economic circumstances. Surely, Mr. Speaker, it is fundamentally wrong that the level of support for single parents in our society today is so appallingly low that there are still women, particularly single parents, who feel they cannot afford to have a child. That must be a concern of all Members of this House.

As well, we must support, indeed encourage, the funding of programs which enhance an awareness of sex education and family planning. We must also support the availability of safe contraceptive devices. I was pleased to note that the Hon. Member for Grey-Simcoe also supported that particular suggestion. When we talk about contraception, it is, I think, important that we recognize that contraception should not be solely the responsibility of women. The Ministry of National Health and Welfare should be undertaking research to deal with the whole question of contraceptive devices for males as well as for females. It is also important that family life programs and sex education programs be made a part of the regular school curriculum at both primary and secondary levels, and that this item be placed on the agenda of conferences between the federal Secretary of State (Mr. McLean) and his provincial counterparts.

It is fundamental to this issue that if we were to return to the days in which abortions were illegal in this country, that would not put an end to abortions. Rather, it would mean abortion would continue to be carried out in conditions which are often unsafe and, indeed, hazardous to the woman involved. The evidence shows very graphically that a woman who is desperate enough to want an abortion will have that abortion. Whether it be at the hands of a backstreet butcher, a self-induced abortion in conditions which are unsafe and hazardous, or whether she be forced, if she can afford to, to leave the jurisdiction and go to another province or outside the country, a woman will take the necessary steps if she is desperate and if abortions are made illegal. This has actually happened in other jurisdictions. For example, in Romania during the 1960s that country decided that because of certain demographic issues it wanted to tighten up considerably on its abortion law. The statistics showed that the number of abortion-related deaths increased markedly. To return to the days in which abortion was entirely illegal in the country would be an ultimately regressive and harmful move.

• (1730)

I would urge, Mr. Speaker, that we look very seriously at significantly increasing the funding made available to the Planned Parenthood Federation of Canada and other organizations which are attempting to promote awareness of safe contraception and attempting to educate young people, adolescents in particular, about the importance of sex education.

In that regard, I would like to quote from a speech that was given in 1980 by the President of the Canadian Medical Association. It was a very thoughtful speech by Dr. W.D.S. Thomas. In that speech he urged the Government to repeal the present abortion law so that this would be a decision between a woman and her doctor, a position which the Canadian Medical Association has espoused since 1971. He urged that the Government increase, rather than cut, its funding for family planning programs. He went on to say the following:

> I know that the best sex education program in the world will not eliminate unwanted pregnancies, it will not eliminate the need for therapeutic abortion, but it will help.
>
> We need an educational program that will not only transmit the necessary information to teenagers, but one that will alter the basic value structure of our society. If we talk about conception control in isolation, isolated from other basic issues and values of society, our advice will fall on deaf ears. We have to deal with feelings and emotions, we have to talk to them about relationships, about decision making, about short term and long term effects of decisions, we have to talk to them about respect, what it is, how you get it, and how you show it. We have to be honest and open with them about sexual exploitation, about peer pressure for sexual gratification and its effects on a person's behaviour. We have to help them to clarify and adhere to their own personal values, we have to teach them that they have the right to say no, not just to sexual advances but to other things as well. We have to teach them about the different ways of showing affection and the advantages and disadvantages involved.

Finally, Mr. Speaker, he said:

> More importantly, we must do a better job of teaching them how to build personal relationships, to understand the mental and emotional needs of themselves and others. With these foundations in place, with the proper attitudes, if teenagers are sexually active they will use birth control because of self respect and a sense of responsibility.

Many of us recognize that indeed there are too many abortions in Canada today. However, rather than repealing the provisions of the Code which allow for safe therapeutic abortions, albeit flawed provisions that discriminate between women in rural areas and other areas, and making all abor-

tions illegal, we should consider the steps which I have indicated as being more appropriate in order to reduce the number of abortions. We must study sex education, consider better awareness and availability of contraceptives, and consider economic support for women who desperately want to keep their children. In some cases, as a result of the pathetic levels of human resources payments for women who are single parents, those women occasionally make the decision to give up their child.

I would like to applaud the steps which have been taken by the Government of Manitoba. That Government has recently embarked upon a very important funding program which enhanced the availability of contraceptives. It also expanded obstetric and gynaecological services at a number of Winnipeg hospitals. The Government of Manitoba funded a program of education and counselling on family planning as well. All these steps are very important and I would encourage other provincial Governments to look at them seriously.

In my view, Mr. Speaker, it would be a fundamental mistake for Parliament to accept the motion which has been put forward by the Member for Grey-Simcoe (Mr. Mitges) and to entrench these particular rights in the Constitution itself. Some representatives who appeared before the constitution committee, of which I had the honour to serve as a member, urged that we entrench the concept of reproductive rights in the Constitution itself. Both sides were heard from on that issue and in the end Parliament decided that neither of them would be entrenched.

The logic of the Hon. Member for Rosedale was very compelling in 1981. It was so compelling that Members on that side of the House voted in virtual unanimity for the proposal that was made. I suggest, Mr. Speaker, that that logic is just as compelling today as it was in November of 1981.

In conclusion, I would urge that this Parliament recognize that Canadians, through one of the bulwarks of our criminal justice system in the country, that is the system of the jury, have sent a very clear message to parliamentarians. That message has been sent now by four juries in Canada in the case of Dr. Henry Morgentaler. That message surely must be recognized by Members of the House. That message is that the fundamental decision on abortion must be left to the woman in consultation with her doctor.

Mrs. Mary Collins (Capilano): Mr. Speaker, it is obvious that the Hon. Member for Grey-Simcoe (Mr. Mitges), in introducing this motion to entrench constitutionally the rights of the unborn, feels very strongly about this issue. I always have admiration for people who have strong feelings about issues. His comments contribute to the public discussion on this debate, as have the comments of the Hon. Member for Burnaby (Mr. Robinson). From listening to the comments of both previous speakers it is evident that, despite our differing views on the motion before us, we all believe that there must be further public recognition and public involvement in the prevention of unwanted pregnancies. We must ensure that all people take more responsibility in this area. If we had a motion which suggested the advisability of the Government considering further work with the provinces and other groups in our society to increase funding and accessibility of information on those topics, we might indeed have all-Party agreement on it. That is the fundamental problem that we face.

Being a mother of teenagers and working with young people, I know that they are faced with such a barrage from the media and other sources in our society about their sexual involvement that sexual identification is extremely difficult. There is very little available to them with regard to the things that the Hon. Member for Burnaby brought forward. I remember one other time in the past six months when I agreed with the Hon. Member for Burnaby, and I do again today. I would like to have the quotation which he made from that doctor, because that expresses my feelings about what the thrust of our efforts should be and the direction that we as responsible parliamentarians should take.

The motion before us today does not address that issue. It is asking for the entrenchment of the rights of the unborn in the Constitution. I personally disagree with the motion, and I also think that it is an inappropriate way to bring about change on this issue. Whether the matter is abortion or dealing with constitutional change, it is one of the most serious issues facing Canadians.

● (1740)

I would like to address the subject of the appropriateness of trying to bring about change, first, in a Private Members' motion and, second, through constitutional reform. As Hon. Members know, I have my own Private Members' motion coming up next week with respect to that issue.

I believe that we need more time than available in Private Members' hour to discuss a major issue such as entrenching the rights of the unborn in the Constitution. We are all aware of how sensitive this issue is as a result of the barrage of viewpoints we received about this issue in our constituencies. I do not believe that there is a clear consensus in any part of the country.

There was a case in the United States. We should note what was said by Mr. Justice Blackmum of the United States Supreme Court in *Roe versus Wade*. He said:

> We forthwith acknowledge our awareness of the sensitive and emotional nature of the abortion controversy, of the vigorous opposing views, even among physicians, and of the deep and seemingly absolute convictions that the subject inspires. One's philosophy, one's experiences, one's exposure to the raw edges of human existence, one's religious training, one's attitudes towards life and family and their values, and the moral standards one establishes and seeks to observe, are all likely to influence and to color one's thinking and conclusions about abortion.

I think it is evident here today that this is not an issue that divides on Party lines. Rather, it is a reflection of many of our own personal experiences. Having been involved in the women's movement in this country in many ways, I suppose that my own views are coloured by the kinds of experiences I have seen and been involved in. Certainly, I respect Members who hold different views on this issue.

The Hon. Member proposes to extend the rights in Section 7 of the Charter to a human foetus or an unborn human being. Section 7 guarantees to everyone the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice. The issue of whether or not the Charter protects the rights of the unborn is already before the courts in at least two cases. They are very well known and publicized cases.

In the Borowski case, opponents of the present abortion provisions of the Criminal Code have argued that Section 7 of the charter does protect the rights of the unborn after a very thorough analysis of whether or not a foetus is a legal person. The trial court ruled that the term "everyone" in Section 7 did not include the unborn. That decision, as we all know, has been appealed.

In another case, Dr. Morgentaler argued that the restrictions on abortion in the Criminal Code conflicted with the mother's right to life, liberty and security of the person as guaranteed in Section 7 and with other provisions of the Charter. The Supreme Court of Ontario rejected this argument and held that the abortion provisions of the Criminal Code did not conflict with the Charter.

I am sure that we will hear more about the rights of the unborn under the Charter. Personally, I do not think that the fundamental controversy surrounding our abortion laws should be solved in the courts. I believe the issue is far too important. The courts have already indicated their discomfort at being placed in this position. After reviewing the history of the abortion laws in Canada in the Borowski decision, and noting that the present law had not had the effect of placating individuals or groups with an interest in the issue, Mr. Justice Matheson concluded in the Borowski case:

> —it is the prerogative of Parliament, and not the courts, to enact whatever legislation may be considered appropriate to extend to the unborn any or all legal rights possessed by living persons. Because there is no existing basis in law which justifies a conclusion that foetuses are legal persons, and therefore within the scope of the term 'everyone' utilized in the Charter, the claim of the plaintiff must be dismissed.

Clearly, the question of rights for the unborn and whether or not abortions should be permitted and under what circumstances is an issue that concerns and divides Canadians. It is a very unfortunate division and something which I believe worries many of us. We need only to have watched our television in the last few weeks to see marchers and supporters and adversaries and opponents of abortion marching in Toronto in front of the Morgentaler clinic to put forward their views of our present law. As well, the polls which have been taken indicate that Canadians are seriously divided in their views as to what the law should be. As we are all aware on almost a daily basis, it is an issue on which those who do hold definite views are very reluctant to accept any compromise. In my opinion now is not an appropriate time to make a change in the law as such until we are able to develop a greater understanding and consensus among the public.

These are some of the reasons why I believe that Private Members' hour is not a suitable place to consider the issue of whether or not protection for the unborn should be put into the Constitution. We must make sure that we provide a full examination of all the issues.

If the Hon. Member is serious about changing the law, we should go about it in a different and proper way. First, we must make sure that we know what we mean when we say that we want to provide protection for the unborn. Second, we must be aware of what it means to add "human foetus" or "unborn human being" to Section 7 of the Charter. We are still at a very early stage of the interpretation of the Charter, and the provisions of Section 7 are being considered by our higher courts. We must also carefully assess the advantages and disadvantages of keeping our laws with respect to abortion in the Criminal Code.

I believe we should also keep in mind that there is an established process for amending the Constitution. Part V of the Constitution Act, 1982, provides that amendments must not only be approved by the Senate and House of Commons, but by resolutions of two-thirds of the provinces having at least 50 per cent of the population. This is a process which calls for close consultation with the provinces on the nature of the change to the Constitution and the impact it would have. If changes were proposed for Section 7 of the Charter to ensure protection of the unborn, this could have important implications for the provinces, especially in the area of family law. I do not believe that issue has been addressed by the Hon. Member.

Most important with respect to this issue, we must provide Canadians with an opportunity to make their views known on what the law should be. I do not think we can do that properly until we have done some of the things I have talked about at the outset and the other two speakers have talked about. We must make those kinds of fundamental changes in assisting young Canadians to become more responsible, to have a greater understanding and to have access to information and services. We should put the emphasis on the prevention of unwanted pregnancies rather than on having to deal with the growing number of abortions, many of which are related to the socio-economic conditions of the women involved who have not had access to appropriate information. Perhaps they have been reluctant to have access to that information. I think birth control information should be more publicly accessible to young women rather than in under-the-table discussions with girlfriends. I feel strongly about that, having a young daughter of my own.

Our Government believes in consultation and co-operation, a Government which consults before it makes fundamental changes in our laws. We take pride in involving Canadians in decisions on social benefits, housing and equality issues. We are proud of that record and it is one that we want to continue to maintain.

If we were going to consider changes in our abortion laws and to consider the Hon. Member's suggestion of enshrining protection for the unborn in the Constitution, we would have to make sure that individuals and groups with views on this issue could come forward to make those views known. This is an area in which we need consensus. I honestly believe that

any legal changes that we might propose will not work. Potentially we would be in an even worse mess than we are today.

The Badgley report, to which the Hon. Member referred earlier, indicates that the present system is not perfect. It indicates that abortions are not available equitably across the country. We know that the present law does not work perfectly for people of either point of view.

• (1750)

While debate in Private Member's hour may touch on some of the issues and give us a better idea of what is involved, that is not the place to solve one of the most complex social issues facing Canada today. We must be sure that if we move to change our laws with respect to abortion, to protecting the unborn, we have the support of as many Canadians as possible. Without this we may be causing more problems than we are solving. In this forum we lack the time and the collective capacity to assess the complex issues involved in this one hour. We also need to ensure that we know as much as possible about the impact of any constitutional amendment in this area.

I urge all Hon. Members in this House to consider that whatever point of view they have on this issue, this is not the motion that is most urgently before us. We should be working together to solve the basic issue and working toward the greater awareness of Canadian men and women to ensure that there are no more unwanted pregnancies and that we bring a true sense of responsibility to our own sexual activities. If that were the direction we were to take, Mr. Speaker, we could all be very proud and optimistic about the results.

I appreciate the opportunity to speak in the debate today. I know it is an issue that will come forward at other times and in other forums. Through the opportunity to debate this issue and discuss some of its implications, we can learn about our different views, an interesting aspect to Private Member's hour. Perhaps in the next four years we will be able to reach some new approaches, new understandings, and new recognition on this whole issue of women and the unborn.

Mr. Alan Redway (York East): Mr. Speaker, I welcome the opportunity to join in the debate this afternoon on this very significant motion put by the Hon. Member for Grey-Simcoe (Mr. Mitges). The motion reads:

That, in the opinion of this House, the Constitution Act, 1982, should be amended in section 7 of the Canadian Charter of Rights and Freedoms to include a human foetus or unborn human being.

Having said that, I want to make it quite clear at this stage that I agree very strongly with that principle. I believe life does start at conception. I believe what we need is something to enshrine that principle in the law of the land. What better law can there be than the Charter of Rights?

Because this is such a very important principle, it is disappointing to me to see, notwithstanding the fact that there are snow storms swirling around us, that there is really just a handful of people in the House this afternoon to take part in this important debate. It is a debate that has had the attention of the country focused on its subject for a long period of time. Looking back to the election campaign, I think that along with the issue of unemployment and capital punishment this had to be one of the main and principal issues during that time. This was an issue without any grey area. It was a black or white issue as far as the people of my riding and, I suspect, people across the country were concerned. They saw the issue as a matter of right or wrong. They did not see the issue as a question of maybe or compromise. It was strictly a matter of principle.

I think it is clear that there is a great gulf and a great difference of opinion between people in this country. While I do not share the ultimate opinion of the Hon. Member for Capilano (Mrs. Collins) on the principle we are debating here today, I do share a good many of her views and the concerns she has raised, particularly with respect to the whole concept of further debate, further discussion, and the further refining of this issue. I believe that if we go on from here, we will be on a collision path. A great many people have strong views on this issue.

I think probably those views have best been demonstrated recently in my own City of Toronto in the Dr. Henry Morgentaler case. The issue received a full court hearing and review, but at the same time it left a strange feeling and a strange concern in the minds of a vast number of people, particularly on the issue of jury selection. I think it surprised a lot of people that there could be an organization whose main purpose was geared to advising on jury selection to produce a jury, if at all possible, that shared the views of one side or the other to such an extent that perhaps it could tip the balance in the case. When people learned there was a professional body that gave advice on the selection of a jury, and that in selecting the jury anyone who had strong religious feelings or convictions was not acceptable as a jury member, people in the City of Toronto and across the country felt there was something wrong with a judicial system of that sort. That although Dr. Morgentaler was acquitted on the charges, there was grave concern that the kind of jury selection we had was not really and truly a trial by Dr. Henry Morgentaler's peers. It is that feeling that has put in sharp perspective the conflict between the different points of view that we are dealing with in this significant issue.

If we proceed with an amendment at this time, I do not think there is very much doubt in the minds of those who feel very strongly one way or the other, as I do, that we will have a great confrontation, a confrontation that would probably put the whole prohibition issue of a number of years ago to shame. It could turn that issue into something very insignificant in comparison with this and in comparison with the kind of confrontation we could walk into if we take precipitous action.

I think this motion is a good one in that it starts to define the issues. It encourages debate and it does that not only on the streets, on television screens and on the radio, but in the House of Commons, the place where the debate will ultimately have to take place.

I believe we will have to have a lot more public debate before it is an appropriate time to deal firmly and once and for

all with this issue. There are a number of problems. The Hon. Member for Capilano touched on some of them that are involved in this issue besides those raised by the mover of the motion, the Hon. Member for Grey-Simcoe. Some of those concerns and problems have not, as yet, been addressed properly, in my view. One concerned the whole question of whether we enshrined this as a constitutional question.

● (1800)

I suspect, Mr. Speaker, that you are indicating that my time has drawn to a close. I would like to have a future opportunity to expand on my views on this subject. I hope this debate will inspire the Government to bring forward further legislation. This will give all of us an opportunity to expand on our views in the House of Commons.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

AUDITOR GENERAL—RECOMMENDATION THAT AUDITS BE REPORTED ON COMPLETION DATES

Miss Aideen Nicholson (Trinity): Mr. Speaker, on December 11, I asked a question of the President of the Treasury Board (Mr. de Cotret) concerning the issue of the Auditor General being empowered to report more frequently to the House of Commons on a completion date basis rather than on an annual basis. I should like to discuss this issue to a little greater extent.

The Minister indicated that he was open to making the change. He referred to having had a meeting with the Auditor General, but he did not refer to the many recommendations of the Standing Committee on Public Accounts. I should like to give a little history.

In July 1980, the Public Accounts Committee recommended that the Auditor General use more often his power to make special reports so that the Committee would be able more often to examine current issues. When a legal opinion was sought about these powers, the opinion was that in fact Sections 7 and 8 of the Auditor General Act did not contemplate regular, interval or completion date reporting and limited the Auditor General to reporting annually to the House of Commons, except in cases of special importance or urgency.

The legal remedy proposed was the insertion of the words "at least" in Subsection 7(1) and various consequential amendments to Subsection 7(3) and Subsection 8(1). Those changes were discussed at the time, and the President of the Treasury Board was in agreement, as was the then House Leader of the Official Opposition and the New Democratic Party caucus. The Hon. Parliamentary Secretary to the President of the Treasury Board (Mr. Lewis), who I assume is answering this evening, is familiar with this matter since he as former chairman of the Public Accounts Committee put forward many of the recommendations to which I am referring.

In June 1984, in its fifth report to Parliament, the Public Accounts Committee again recommended the reporting of comprehensive and other audits on a completion date basis. Then on March 31, 1984 the Auditor General referred to the issue in his report.

The present situation is that the Public Accounts Committee very often deals with matters which are rather old because the Auditor General reports to Parliament in December on issues which have been audited by his staff many months before. In the case of a comprehensive audit, it is practice to allow Departments an opportunity to comment and for their comments to be included in the Auditor General's report. The constant recommendations for reporting on a more frequent basis were with the idea that the Public Accounts Committee could have before it matters which were more current.

● (1805)

If I may quote the Hon. Parliamentary Secretary, in his previous role as committee chairman, he once said:

> By the time the Public Accounts Committee reviews the comprehensive audit or the audit notes our review may be nothing more than a confirmation of the Auditor General's Report, rather than a useful exercise by a Parliamentary committee to reinforce the concerns of the Auditor General and make a public and departmental impact.

That was nicely said.

If the present President of the Treasury Board is willing to introduce a Bill which makes this simple amendment, the advantages of completion-date reporting as against waiting 12 to 18 months to get all the issues together would include the following. The subject matter of each release would be current in that it would have been recently completed and finalized by the Auditor General and his staff. The Public Accounts Committee would be more likely to review the matter thoroughly and enthusiastically because it was current. It would be more likely that a review would increase the effectiveness of the Auditor General's Report. The Public Accounts Committee would be able to plan its work better and the workload of the Auditor General would be distributed on a more even basis throughout the year. For all those reasons, I trust that the Parliamentary Secretary can tell us tonight that we will soon see this amendment to the Auditor General Act.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, as Past Chairman of the Public Accounts Committee and as Parliamentary Secretary to the President of the Treasury Board, it is my pleasure to reply to the Hon. Member. I might add that she is my successor as Chairman of the Public Accounts Committee and I compliment her on the job she is doing with the committee.

I am still aware and supportive of the comments contained in the Fifth Report of the previous Public Accounts Committee. I know that I and the President of the Treasury Board

(Mr. de Cotret) are supportive of the question of strengthening the ability of the Public Accounts Committee to perform its important responsibilities on behalf of the taxpayers of the country and to see that the Government, no matter which Party is in power, is operating with due regard for economy, efficiency and effectiveness.

The Hon. Member will know that at the present time the Auditor General has testified that he feels he can bring his report forward in October rather than December. I believe this is something which will enable the Public Accounts Committee to set its agenda earlier. It will be closer to the completion date of the audits in question and will allow the committee to plan its work for the entire year.

Second, the Hon. Member will know that the Parliamentary Committee on Reform of the House of Commons is actively working and hearing views and briefs on what can be done to improve the efficiency of the Parliamentary Committees. I believe that its report should be taken into account before any changes are made.

I note, as does the President of the Treasury Board, that the Public Accounts Committee has gotten off to a quick start and is doing some viable work in reviewing the Auditor General's Report. At the same time, the Government has embarked upon a heavy program of consultation and legislation, both economic and social, which we feel is designed to address the problems we found when we came into Government.

At the present time, amendments to the Auditor General Act are up for discussion but we do not want to impair the effectiveness of the Parliamentary Committee on Reform, or the Public Accounts Committee, by suggesting that their current reviews are being stale dated. I believe that this is a subject for discussion and I can tell the Hon. Member that it is the intent of the Government to deal with this matter at some time.

THE ECONOMY—ECONOMIC STATEMENT—IMPACT ON PROPOSED MANUFACTURING TECHNOLOGY INSTITUTE. (B) BACKGROUND DOCUMENTATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I raised a question in the House last November 13 with regard to the closure of the Manufacturing Technology Institute in Manitoba. I want to make a few comments today and I hope that the Government will take them into consideration in its long-term plans.

• (1810)

When the Government Party was running for office it promised tens of thousands of jobs overnight. It promised to replace confrontation with consultation and co-operation. It also promised that it would have a place at the Cabinet table for the West. It promised to bring western Canada into Government.

When we examine the specific instance of the handling of the Manufacturing Technology Institute in Manitoba, and when we examine the performance of the Government now that it is in office relative to its promises during the election campaign, the Government gets very low marks. I am not only concerned about how it is rated in terms of its performance, I am concerned about its performance because that performance affects people in Manitoba.

The Government cut the Manufacturing Technology Institute last November, along with the many other cuts which were made in public spending. The Government cut that institute in spite of the lack of consultation which it promised when it was running for office. In spite of the fact that they promised consultation and co-operation during the election campaign, the Government cut that institute without any consultation with the people or the Government of Manitoba. The Government only met with the people of Manitoba concerning the question of funding for the Manufacturing Technology Institue after the question was raised in the House and pressure was put on the Government to meet with the people of Manitoba. Even though the Government then met with the people of Manitoba, the consultations were largely meaningless because they had no real impact upon the direction of the Government with respect to the Manufacturing Technology Institute.

The Government cut the institute in spite of the fact that it would have meant assistance to the private sector. It would have meant more secure jobs in Manitoba. When the Conservative Party was running for office, it promised to use the private sector as a means of job creation. This was an ideal opportunity to marry activity in the private sector with activity in the public sector and produce employment for Manitobans. However, the Government chose to cut back on this activity for some strange, inexplicable reason. It makes me wonder whether the Government sees no role for the public sector in assisting the private sector to grow, develop and provide employment. I wonder if the Government has such ideological blinders that it sees no role whatsoever for the public sector in encouraging private sector growth.

The Manufacturing Technology Institute was established to help manufacturers deal with new technologies—robotics, computer-aided design and computer-aided manufacturing—and the changes which are ongoing throughout the economy in relation to the new technologies. In spite of the fact that adjusting to new technologies is crucial to employment in Canada, the Government cut that institute. It cut an institute which would have had a positive impact on productivity. Rather than simply blaming our lack of productivity on wages, here was an opportunity to do something on the capital side of the equation to ensure productivity and continued employment.

The Government cut the Manufacturing Technology Institute in spite of the fact that there are a couple of Ministers from Manitoba who sit at the Cabinet table. It was the promise of the Conservative Party when it was running for office that there would be effective representation for the West at the Cabinet table.

Mr. Lewis: Three Ministers.

Mr. Keeper: I am sorry, I have been corrected. There are three Manitoban Ministers at that Cabinet table. In spite of the fact that that trio sits at the Cabinet table, Manitoba got hit harder than other provinces in relation to public spending. There were other institutes of research which continued in the Budget, even though Manitoba's was cut. What is the use of having a voice at the Cabinet table if it is not effective in terms of protecting the interests of Manitobans? It is not only with regard to the Manufacturing Technology Institute that Manitoba is being hit hard. All Manitobans are familiar with the fact that the Government, in terms of equalization payments, has cut very deeply into the money which goes to Manitoba. There is some $72 million which needs to be rectified.

• (1815)

In spite of the fact that there were no meaningful consultations, in spite of the fact that this Manufacturing Technology Institute would mean jobs in Manitoba, in spite of the fact that there were Manitobans around that Cabinet table who would have spoken up for Manitoba, this Government chose to cut that institute.

Not only did the Government choose to cut it, it chose to do so without any adequate analyses of the impact that would have. The Government acknowledged that. The Minister of State for Science and Technology (Mr. Siddon) said it was a question of philosophy rather than a question of analysis. We need to bring the facts to bear upon decisions of Government.

I would hope that the Hon. Member, as he speaks today, will give us some solid reasons why the Government is proceeding in the direction it is with respect to the Manufacturing Technology Institute. I hope he can hold out the promise that the Government will reinstitute this program which means so much in terms of jobs for Manitobans.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, as I have indicated before in this House, the decision to end the ongoing funding of the institute was not an easy one for the federal Government. Nor were we pleased to take the course. However, as with many of the difficult decisions which were announced on November 8, the Government is confronting the unpleasant fact that we cannot afford to do everything we would like.

The Leader of the New Democratic Party has said that the deficit should be treated as a long-term problem and should not colour our actions today. This statement ignores the fact that our actions today will have a long-term impact on the national debt. For example, the ongoing operating costs associated with the institute in Manitoba would have been in excess of $20 million per year.

Last November 13 the Hon. Member for Winnipeg North Centre (Mr. Keeper) referred to the negative impact of the decision on the institute. Today he has said the same thing. In response, I would point out again that it would be difficult for anyone to credibly ascribe a specific impact to the decision. I say this because those involved in this very institute were still struggling to define the type of research and kinds of equipment the institute should have, and they did not even know then what to do with it.

As the Hon. Member will know, the previous Government was criticized by the Wright task force, the Canadian Manufacturers' Association and the Senate Committee on National Finance. This institute was often cited specifically as a concern by those who criticized the policies of the previous Government. It was in this context that the November 8 decision was taken. Immediately, an effort was launched to find a more productive use for the IMT building. As the Minister said in Winnipeg last November, the building offers considerable potential and the Government is determined to see it put to productive use, notwithstanding the financial restraint which is facing the country.

In this regard, the Minister invited the private sector and the provincial Government to participate in the staffing and operation of the facilities. The Government believes that the private sector is more likely to take an interest in research and use it if it has a financial interest in the activity. It is for this reason that we are optimistic about the initiative of the Minister in relation to the Winnipeg institute. The Minister has already received several substantive proposals on the use of the facility. In February last he went to Winnipeg to continue consultations with the provincial Government and other interested parties. I can report that he was encouraged by the co-operative attitude and constructive recommendations which were presented to him. The Minister is actively considering these proposals now. Nevertheless, the federal Government welcomes further input and representations by interested Hon. Members of this House.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Tuesday, March 5, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport) moved:

That this House condemns the Government for its negligent and irresponsible approach to the protection and management of the environment, for its cuts of wildlife, meteorological and parks services, for abandoning Canada's past initiatives on the national and international levels to combat acid rain and to restore the water quality of the Great Lakes, and for thereby jeopardizing the health, economic well-being and the heritage of the present and future generations of Canadians.

He said: Mr. Speaker, the motion speaks for itself. We on this side of the House regret the performance of the Government on environmental matters and it has forced us to put forward today this motion of non-confidence.

As you may recall, Mr. Speaker, yesterday the Minister of Finance (Mr. Wilson) boasted about the long list of achievements on the part of his Government. He did not have the environment in mind, I am sure, otherwise he would not have indulged in self-congratulatory sentiments, as he did. We live, on the one hand, in a country where its citizens want the environment to be given priority, and this we have learned from public opinion polls. On the other hand, we have a Tory Government which pays lip service to the concerns about the environment which have been expressed by Canadians and delivers what, Mr. Speaker? What has this Government really delivered with respect to the environment in the past six months? That is the question.

Has this Government given the environment the high profile which Canadians expect? The answer, regretfully, is no. Has this Government created jobs in the environment? The answer, regretfully, is no. Actually, it has created unemployment through the cuts announced to the wildlife service and the National Research Council, through the interpretation centres, as well as other initiatives. Has the Government, through the Minister of the Environment (Mrs. Blais-Grenier), met with the United States Environmental Protection Agency in order to discuss the quality of the water of the Niagara River and the Great Lakes? The answer, regretfully, is no. Has this Government strengthened the environmental protection measures which were developed since the inception of Environment Canada in 1972 by successive Liberal Governments? And I would, of course, recognize with due respect a fine Minister for the environment, the present Minister of Fisheries and Oceans (Mr. Fraser). The Government has not strengthened the environmental protection measures which it inherited from the Liberal Government.

Has the Government strengthened the support Canada gives to finding a solution to global environmental issues? Here again, regretfully, the answer is no. Sadly enough, this Government has reduced Canada's contribution this year to the United Nations environmental program.

• (1110)

Has the Government celebrated Parks Canada's centennial by way of new park acquisitions or by way of a bold new program for its second centennial? The answer, regretfully, is no, certainly not. It has reduced Parks Canada's budget by $13 million.

Has the Government strengthened our future in renewable resources of energy so as to reduce our dependency on fossil fuels? Here again, regretfully, the answer is no, certainly not. It has disbanded the fine scientists and technicians working in this field at the National Research Council and increased the number of unemployed scientists and technicians in this country by wiping out the entire soft energy research unit in the NRC.

Has this Government accepted the plea by native people and fishermen along the Fraser River Valley who asked for a postponement of one year in the construction of double tracks proposed by Canadian National? The answer here, regretfully again, is no, certainly not. It has rejected their plea because this Government has not got the guts to act as it preaches.

Has this Government told the United States administration that we do have in Canada a program in place between 1980 and 1990 to reduce our sulphur dioxide emissions which contribute to acid rain by 25 per cent, and that parallel to that we have a unanimous commitment by federal and provincial environment Ministers to cut it by 50 per cent by 1994 by way of a plan for modernizing our non-ferrous industries? Certainly not, Mr. Speaker. This Government has neglected the unanimous federal, provincial and public support for these measures and actually thrown away our bargaining position, as the Prime Minister (Mr. Mulroney) did last December, perhaps with a pathetic intention of currying favour with the Reagan administration.

Has this Government reached out, Mr. Speaker, to environmental groups and administrations? Has it sought their views before making these cuts, given them its long-term vision and generated a climate of confidence? Well, the answer here

again is no, certainly not. I am told there are many letters written last fall that are still to be answered. The morale among the non-governmental organizations and interested people is low. Their confidence in this Government is seriously damaged.

Well, Mr. Speaker, because of time limitations I have to stop here in this analysis, but we should ask ourselves at this point why is it that this Government is treating the environment in such a way despite last summer's promises? Is it because it does not understand the crucial importance of the relationship between the environment and the economy? Is it because it does not understand the crucial relationship between the environment and health? Is it because it understands the environment in isolation, like a luxury item? Is it because it sees the environment as a commodity which can be traded, sold, exploited at will? Is it because it is incapable of conceiving the environment as a common good which belongs to us all, be it water, air, soil, fish, all of which have to be managed carefully because we want to preserve it for future generations of Canadians? Is it because it is incapable of seeing and considering the environment as the foundation of our health and the foundation of our economy?

● (1115)

There is evidently a conceptual deficiency on the part of the Government that makes me conclude that the future of the environment in the next few years looks very bleak indeed. Add to this the unfortunate fact that the Prime Minister has chosen as a Minister a person who gives the impression of considering the environment a bore, a nuisance one has to live with, rather than the exciting, meaningful and fascinating world that it is. It is a wonder consisting of the interaction of air, water, soil, flora and fauna, the coming together of living forces each with a role and a meaning from the amoeba to the sea lion, composing that wonderful and dynamic totality we commonly call nature.

We still have, thank God, a terrific Department called Environment Canada to which my colleagues and I would like to pay tribute today. It consists of fine and dedicated civil servants, men and women committed to the well-being of our economy and our health through a sound management of the environment. The only problem with Environment Canada today is the poor judgment of the Prime Minister when he appointed the present Minister, and his insensitivity to the necessity of correcting his mistake. Every day that goes by without bringing in a new Minister, the Prime Minister demonstrates his lack of commitment to the promises he made during the election to environmental groups and Canadians at large. What a sham!

The Prime Minister bears the main responsibility for the fact that the state of the environment has deteriorated in the past six months. He has chosen the wrong person as Minister. He has downgraded Canada's role at home and abroad in combating acid rain, an issue which is so close to the hearts of Canadians. He has given away Canada's bargaining position with the U.S. administration. He also bears the responsibility for sending out the wrong signals by allowing cuts in the industrial and regional development fund where the dollars are to be found for the modernization of our non-ferrous smelters.

The Minister of the Environment has allowed cuts in the environment programs of the Canadian Wildlife Service and the interpretation centres, without consulting the provinces, despite the promises made in the Speech from the Throne, and without consulting interested organizations. The Minister has failed in the important role of building bridges with non-governmental groups and environmentally interested individuals. They are reporting that they feel abandoned by the Government. The Minister has not yet addressed the crucial and complex issue of water, particularly in the Great Lakes. She has yet to meet with the Environmental Protection Agency in the United States.

So far the Minister of the Environment has not made a speech of substance for the public record, except for replies in the House and one ceremonial speech last week. There has been no intellectual, political contribution on her part to the environmental issues of our times. There has been not one ounce of contribution to issues such as South Moresby and Meares Islands, which are sensitive issues for millions of Canadians today who want these areas preserved for future generations. There has not been one ounce of contribution, intellectually or otherwise, to water quality and quantity and what water means to future generations of Canadians.

● (1120)

There has not been one ounce of contribution on the issue of herbicides and pesticides as they are used in agriculture and forestry today, and the search for alternatives. There has not been one ounce of contribution on the long-term but important issue of the greenhouse effect on our climate. There has not been one ounce of contribution on the issue of nuclear winter, which is the ultimate environmental issue. There has been no contribution on issues between the environment and health and the environment and our economy, which is based on natural resources and therefore must rely on a properly managed environment. There has not been one ounce of contribution to the Canada Parks centennial and the future of parks extensions, with respect to the future of the North and the great potential there for parks before the land is locked up.

There has not been one ounce of contribution with respect to whether Lancaster Sound should be used for tanker routes. There has not been any contribution on Canada's role in UNEA and our global role in the environment to sustain the fine reputation that we as a Government, as a nation and as Canadians have earned over the last decade.

Last week in the House, the Minister of the Environment gave no visible support for her colleagues, the Minister of Fisheries and Oceans and the Minister of Indian Affairs and Northern Development (Mr. Crombie), who were visibly distressed in their efforts to postpone the CN double tracking in the Fraser River Valley for one year, as recommended unanimously by the Standing Committee on Fisheries and Forestry.

In conclusion, in this litany of misery our country is without a Minister of the Environment. At best, it has a phantom or a Minister that never was.

The Prime Minister has not backed up his words with action. While he has been great on public relations, he has done nothing of substance so far with respect to the environment. He has shown poor judgment by appointing the present Minister of the Environment. He has given away the store in our bilateral relations with the United States on acid rain that are coming up this month in Quebec. Not only has he disappointed them, he has angered Canadians from coast to coast. Therefore, we have moved our motion of non-confidence because the record of the Tory Government over the past six months is simply a sham.

Mr. Deputy Speaker: Questions or comments?

Mr. Blaikie: Mr. Speaker, I would like to thank the Hon. Member—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Is he rising for questions and comments?

Mr. Blaikie: I am rising to speak.

Mr. Deputy Speaker: Are there questions or comments prior to resuming debate?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I believe the Member for Davenport (Mr. Caccia) is overreacting. Quite often he implied that the Government seems to have lost its bargaining tool with the U.S. administration. I do not know how he can say that because the President of the United States will be in Quebec City on March 17 where he and the Prime Minister of Canada will discuss at length the question of acid rain and possible future controls and co-operative agreements. I think the Member for Davenport should bear in mind that the President and the Prime Minister will be discussing this matter in the near future and should take that into consideration in the very negative comments which he made in the last few minutes.

• (1125)

Mr. Caccia: Mr. Speaker, I would like to thank the Hon. Member for Ottawa-Carleton (Mr. Turner) for his words of encouragement. I urge him to raise his voice in his caucus.

Mr. Nunziata: He is just a book-end.

Mr. Caccia: He has 12 days and I urge him to speak on behalf of his electors and Canadians at large, who I am sure he wants to represent. I urge him to impress very firmly on his leader and the Cabinet that Canadians have high expectations from this meeting of March 17 in Quebec City for the very reasons he knows, we know, and everybody in this Chamber knows.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier wishes to ask a question or make a comment.

Mr. Gauthier: First, Mr. Speaker, I should like to congratulate my colleague from Davenport (Mr. Caccia) on an interesting and extremely relevant speech.

Here is my question: Earlier this morning the media reported that the United States will tighten up controls on leaded gas emissions in an attempt to eliminate lead from gas by 1988. As former Minister and our party's critic in environmental matters, could the Hon. Member tell us what he thinks of that objective and what measures Canada might take to do away with leaded gas in the not too distant future?

Mr. Caccia: Mr. Speaker, I thank my colleague for his question. Speaking for myself, and I am at one with everybody else on this issue, I heartily welcome the decision made by the American Environmental Protection Agency. That decision will go a long way towards reducing gasoline lead content to what may be the lowest level worldwide. And what did we do in 1983? We took the necessary steps to match the American performance by 1986 with respect to leaded gas. Last May, when the American Government announced its intention to reduce gas lead content further still, I strongly supported this initiative and I hope that the commission mandated by the previous Liberal administration to set future target levels after 1986 will draw inspiration from the U.S. Environmental Protection Agency's latest decision. It means that, in two stages, we might reduce gas lead content to the same level as the Americans, perhaps later even though our common goal is to protect our children's health.

[*English*]

Mr. Taylor: Mr. Speaker, I am a little concerned about this matter of removing lead from gasoline. Does the Hon. Member realize that there are thousands of farm machines in this country that were made to use leaded gasoline? If we ever get to the point where all lead is removed from gasoline, there will be a monetary burden on the shoulders of our agricultural community. Those machines are there. They should be good for 10 or 12 years. We should not simply nullify the investment of our farmers and ignore the fact that they need lead in gasoline to operate their equipment. I am a little concerned when I hear people saying that we will remove all lead from gasoline by a certain date. We should have some consideration for those people who bought machines which can only be fueled with leaded gasoline. I should like to have the Hon. Member's comments.

• (1130)

Mr. Caccia: Mr. Speaker, I will be glad to comment. It is the voice of cavemen which we have just heard. I will try to elucidate a little on it. This is an issue where a choice has to be made between lead and health. There is a point when health has to come first on the farm as well. The utilization of

gasoline which has a high content of lead in the long term is not good for farmers. It is not good for the produce of farms because lead deposits find their way into the soil.

I appreciate the fact that there is a difference in urgency between rural and urban because of volumes and densities of consumption. The volumes of gasoline burned in the city and therefore the depositing of lead at the street level has certainly led to great concern in terms of the health of children in many capitals of the world. The fact is that the content of lead in blood of children in a city like Mexico City where there are no restrictions on lead content is very high compared with the situation in Tokyo where gasoline is lead free and where traces of lead are not found in the blood of children.

Any pathologist could prove and demonstrate that the presence of lead in blood, particularly in the early life of a human being, leads to disturbances, cerebral disadvantages and health conditions which we would not want to generate in children anywhere in the world, whether they are in cities or on farms.

Mr. Taylor: Mr. Speaker, the record indicates that the amount of damage which would be done in rural areas is minimal, if any at all. I do not think it is right or fair to say that we will let farmers pay the bill again. Let us get some expert advice on this matter before we start saying that every ounce or every gallon of gasoline will have no lead. There is a place for lead. These machines were made for leaded gasoline. A small amount, pathologists have told me, in a rural area does not amount to a hill of beans. I think we have to give some consideration to the farmers of the country for a change.

Mr. Caccia: Mr. Speaker, if the Progressive Conservative view is that machines come before human health, I will leave the Hon. Member for Bow River (Mr. Taylor)—

Some Hon. Members: Oh, oh!

Mr. Taylor: I didn't say that.

Mr. Deputy Speaker: Order, please. The Hon. Member for Davenport (Mr. Caccia) has the floor.

Mr. Caccia: That is implicit in the Hon. Member's remarks. If he cannot take the heat, he should not make such remarks in the House. Evidently he feels that health on the farm is not important, that machinery comes first and that the health of children and adults should not be safeguarded.

Mr. Taylor: I didn't say that at all.

Mr. Caccia: I do not know how many in his own Party would subscribe to that notion. Quite frankly, I think I have answered the question.

Mr. Taylor: You have not answered the question at all.

Mr. Deputy Speaker: Order, please. Unfortunately, the period for questions and comments has expired. We will now resume debate.

[*Translation*]

Debate. The Minister of the Environment (Mrs. Blais-Grenier).

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I welcome this opportunity today to recall what has been done by this Government and my Department since we came to power.

The Hon. Member for Davenport (Mr. Caccia) has taken his Party's usual somber, dramatic and strident approach in having us believe that this country is at death's door. Mr. Speaker, the Hon. Member is setting himself up as the saviour of humanity, of Canada, of wildlife, of the health of Canadians, and as an expert on acid rain and hazardous products. He knows the pressure groups, which are friends of his, and he is going to tell us he would have done a much better job.

Mr. Speaker, we in the Progressive Conservative Party have always been very clear in our choice of words. We said that we were here to undo the harm done by the previous Government's extravagant spending, a Government that made us live on credit for 15 years and which emptied the coffers of all the departments before we came to power. I have some examples in my own Department, of contracts that were signed between September 4 and September 17. There was a rush to empty the Treasury, and since that time they have been complaining loud and clear because the present Government has been obliged to make cutbacks. However, Canadians have realized it was time the Government stopped living on credit. Canadians have a lot of sense—a lot more than the Hon. Member for Davenport.

Mr. Speaker, I am very proud of what I have accomplished in my Department, and despite all the somber remarks by my colleague, I can inform the House that after my swearing in, I was in my office at 8:30 the next morning, having talks with my officials. Two weeks later, I met Canadian Environment Ministers at a federal-provincial conference in Newfoundland, and I asked their support for the major plans and priorities I was setting up for the Department. Unlike the Liberals, however, I did not feel obliged to tell any reporter who wanted to listen what I was going to do in the months to come. All these decisions will be announced in due time. Mr. Speaker, I therefore met with the Ministers of the Environment who were assembled in Newfoundland, and we set up a common action plan to deal with the most pressing problems confronting Canada's environment. Unlike the former Government, we sat down together, we developed strategies, we talked, we understood each other and we shared responsibilities. Can the Hon. Member for Davenport say as much, after he told people on American television, and I shall quote him in his own language so he will understand me clearly:

[*English*]

Keep your garbage in your own country.

• (1140)

[*Translation*]

That, Mr. Speaker, is typical of the attitude of the previous Government which is criticizing us today for taking the time to sit down with representatives of our clients, for taking the time to consult and to reach an understanding with the provinces instead of getting carried away by all kinds of action plans that are totally useless. In fact, the only thing my hon. colleague produced during his mandate as Minister is a lot of grand statements. In this Government, we do not make grand statements, Mr. Speaker. We act.

At the beginning of October, I met with my federal and provincial colleagues and we sat down to set up a strategy. At the end of October, with my colleague, the Minister for External Affairs, I signed the Skagit Agreement between British Columbia and the State of Washington. This agreement has been in the works for 42 years. Mr. Speaker, that is one accomplishment. After only six weeks, a Minister is still new to the job, but this Minister, after six weeks, signed an agreement that had been in the works for 42 years. Because it had not been feasible to conclude the agreement, Mr. Speaker? Not at all! Because the previous Government did not feel like helping the provinces solve their problems.

Finally, in October I met with the Habitat Foundation and shed some of the responsibilities of my Department, entrusting them to a private organization which has since made tremendous progress at a far lower cost than would have been the case if it had been the federal Government. I can also assure you that I have frequent and entirely cordial consultations with the Habitat Foundation.

In early December, I met with representatives of Canadian steel mills. They told me it was the first time a Minister of the Environment spoke to them and sat down with them to try and assess their problems. It was the first time a Minister said: Let us solve the acid rain problem together!

I have also met with representatives from the mining and chemical industries to discuss the control of hazardous and toxic products. Furthermore, I went to London to prepare for the Economic Summit. With my Environment colleagues, we got together to try and set up and prepare the subject matter that will be discussed by the Prime Ministers and representatives of the countries taking part in the Bonn Economic Summit in May.

And that is not all. While my colleague spent days with newspaper reporters telling them that I was unable to perform as a Minister, I was setting up a federal-provincial conference—again with the Ministers of Environment—to hammer out an agreement on acid rains. Throughout Canada, this has been hailed as a historical agreement which, for the first time, will enable the provinces and the federal Government to set their own acid rain reduction standards. That is what we have accomplished in six months, not to mention some other things. In January, for instance, I was in Toronto to attend a meeting of wildlife Ministers, the first time ever for a federal Minister.

Well, as my colleague points out, here is someone who does not understand Canada's wildlife problems, who could not care less and who supports the Department of Environment as something that must be supported since there is no other option.

Mr. Speaker, I would suggest that the rhetoric of my colleague on the other side of the House no longer fools Canadians. That is why they voted for an open Government on September 4, a Government which has little use for empty talk but which takes action and tells them: We do have problems in this country. We are overburdened by the deficit, but we will pull through by working together. That is the kind of language they have not heard in 22 years, Mr. Speaker.

It was with all those considerations in mind that I took over the Department of Environment and targeted five major priorities during my term in office. That is more than my colleague has ever done.

Within and without Canada, I stress the fact that an unpolluted environment is the prerequisite of economic growth. That is why I convened for March 11 a conference on environmental and economic issues where environment specialists and businessmen will sit at the same table for the first time in an attempt to solve problems rather than create conflicts by distorting situations beyond recognition.

Mr. Speaker, that national consultation on the economy ought to broaden future perspectives and is our response to Canadians who have told us in a recent poll that they are quite prepared to reach for their wallet if that will help solve environmental problems. According to the poll, most of them would readily contribute between $5 and $15 per capita to come to grips with what everyone knows are very complicated problems.

During the same time, Mr. Speaker, I cut departmental staff by some 405 person-years, but no one has ever mentioned the 6,000 public service jobs eliminated by the Liberal Government between 1979 and 1981. But they did try to turn those 400 person-years into an issue, making quite a fuss about it and claiming that Canada's environment and wildlife were in dire straits. What about those 405 person-years which represent about 300 public servants? The number is steadily going down. Here is the situation: All positions have been filled, except for 35 to 40. That is what my Opposition colleague and some newspapermen following his trail kept repeating throughout the fall to describe what they termed the dangerous situation of wildlife in Canada.

The Department still has several thousand employees and a budget of $800 million. I think that Canadians are in favour of our withdrawing as much as possible from very costly programs which can be taken over by volunteers and innovative

private sector interests, and I suggest that the Wildlife Habitat Foundation is the best example of that.

My colleague claims that I have shown no concern for water resources, Mr. Speaker. We did show concern for water resources and settled some outstanding issues about five weeks ago. We renewed the water agreement with Ontario, we looked into the situation of the Great Lakes and we are now busy setting up monitoring facilities. I have had several conversations with the Chairman of the commission of inquiry on water management in Canada and we are looking forward to receiving his report and recommendations in the near future. I can assure my colleague that I will implement the Pearse report recommendations to the extent permissible by my departmental resources. The Chairman of the Pearse Commission is already quite pleased with our support and the discussion I had with him.

We want to cooperate with the people instead of taking unilateral decisions in our Ottawa ivory tower. Consultation does take time and I intend to take all the time necessary to make the process work. I will unveil very important decisions in the next few days and I am convinced that the Canadian public is quite satisfied with the Government at this time. Canadians realize that 22 years of inertia in federal departments cannot be eradicated overnight, that it will take some time. The economy must be handled very rationally and very carefully, and the Canadian public is certainly not complaining, unlike our hon. friends opposite. In poll after poll, Canadians have shown they are happy to see a Conservative Government of our caliber leading the country.

They say I have done nothing about acid rain. Might I remind the House of the Montreal agreement with the provinces and the action plan we promised and which is still being pursued. That is one of the promises we made during the election campaign. We are preparing for the Bonn Summit. An agreement is to be signed with Sweden in early April and another agreement under the auspices of CITES in Brazil at the end of April, and at the OECD in June, and all these decisions require a tremendous amount of research and planning. When people complain that I am hiding in my office, Mr. Speaker, I am indeed in my office, but I am preparing strategies for action and discussing problems with my colleagues and making decisions, and obviously, I do not spend my time sitting at the door of the Press Club on Wellington Street. Besides, it is a bit cool for that sort of thing these days, although I might consider doing so next June.

I make a habit of working in my office with my departmental officials and not announcing decisions until they have been finalized and can be made public. I am very happy and proud to be Minister of the Environment, and I promise my hon. friend opposite that my mandate at Environment will be a very fruitful one and that it will not compare in any way with his own mandate.

• (1150)

[*English*]

Mr. Caccia: Mr. Speaker, I would like to ask the Hon. Minister if she would explain to the House why she has not reconstituted the parliamentary committee on acid rain.

[*Translation*]

Mrs. Blais-Grenier: With pleasure. In fact, I would like to see the sub-committee re-established. At my request, the Chairman of the Standing Committee on Fisheries and Oceans tried to meet with the Hon. Members opposite to seek their approval for re-instating the sub-committee, and he told me that it had been impossible until quite recently.

[*English*]

Mr. Caccia: Mr. Speaker, I would like to verify that reply, because it is total news to us.

Would the Hon. Minister explain to the House why she has cut the Canadian Wildlife Service by 25 per cent?

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, if my hon. friend who is so concerned about the Canadian environment had the same concern for these matters, he would have attended the committee meeting this morning and would know about the information I am giving him at this moment.

[*English*]

Mr. Caccia: Mr. Speaker, would the Hon. Minister explain to the House why she did not consult with the provinces before she undertook the cut of 25 per cent?

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, I do not think I will consult 26 million people before deciding to re-allocate priorities in my Department, because the funds at my disposal are restricted as a result of uncontrolled spending by the previous Government for which management was of no concern at all. Today, I must reserve the person-years and funding available to my Department for essential matters such as hazardous products management, management of Canada's water supply, acid rain and a number of other very costly projects.

[*English*]

Mr. Blaikie: Mr. Speaker, the minister mentioned how it would be her disposition on enviromental matters to take her time, consult, and that we would have to wait to see the quality of her decisions, rather than announcing her every move to the press. If that is her philosophy, I wonder if she could explain why she took absolutely no time for consultation with respect to the cuts in the Canadian Wildlife Service, why those cuts were made so swiftly, and why the Deputy Minister is quoted as saying that swiftness and secrecy with respect to the cuts in the Canadian Wildlife Service were of the essence when it concerned those particular cut-backs?

[*Translation*]

Mrs. Blais-Grenier: Obviously the Hon. Member is very close to certain people who are currently striving to protect redundant jobs at any cost. Knowing he is from the New Democratic Party, I do not hold that against him, I would say this is a rather normal thing. I will certainly not consult with the Canadian people once more before assuming my responsibilities as a Minister and a manager within my Department. I think we have arranged those cuts so they could be presented to Canadians as an integrated scheme and Canadians have remarkably well accepted the results of our review. So much so that the polls that followed gave the Progressive Conservative Party a stronger showing than the election polls carried out last summer.

[*English*]

Mr. Blaikie: Mr. Speaker, am I to understand the Minister correctly? She used two words in her speech. She used the word "extravagances" as it related to past Liberal extravagances. I know there were some past Liberal extravagances. I know there were some past Liberal extravagances, but I wonder if the Minister could tell us whether the services which she cut in the Canadian Wildlife Service were what she regarded as examples of those extravagances.

A few minutes ago she used the word "redundant", and said that I, as a New Democreat, had styood to defend redundant jobs. Could she tell the House if she regards the work which was being carried out by the Canadian Wildlife Sevice—and which was cut by her—as both extravagant and redundant? That seems to be the tone of her remarks.

[*Translation*]

Mrs. Blais-Grenier: Mr. Spearker, this is exactly the kind of speech we have been hearing day after day in this House. If Hon. Members opposite would do their homework rather than quote things we never said, it would be much better.

I have spoken of the previous Government's wastefulness, and even my colleague from the NDP has to admit that there has been tremendous wastefulness. I do not think he would have the guts to rise in his place today and say it has not been so. I was absolutely not referring to any program in my Department.

[*English*]

Mr. Blaikie: Mr. Speaker, if there were extravagances, why did this Government not cut those extravagances instead of cutting other programs which it now does not have the nerve to define as extravagant? Yet that is exactly what we are led to believe from the remarks of the Minister. She has not made an effort to defend or justify the cuts, except in terms of the over-all fiscal policy of the Government. If she is going to do that, she must tell us why these particular items were cut and why other items were not cut. She has not done that today. She had an opportunity to make her case in the House and she has failed miserably to do so.

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, not only have I justified all the cuts I allowed, but I justified them before the Standing Committee of the House on Fisheries and Oceans. The Hon. Member was in attendance. I am therefore amazed that he should pretend not to know and to be shocked, since he was there. That was at least three months ago. I justified each and every cut, Mr. Speaker. I have no intention of withdrawing any of them, because I justified all of them in the context of our federal mandate and the integration of the private sector's and the voluntary sector's efforts with the Department's efforts, something that had not been done before because there was no concern for consultation.

Mr. Kindy: Mr. Speaker, I would like to commend the Minister of Environment (Mrs. Blais-Grenier) for her excellent speech. I would like to ask her a question concerning the March 11 conference between her Department and the people concerned with the environment, especially industrialists. Could she provide us with further details on that conference?

Mrs. Blais-Grenier: Mr. Speaker, I used the word "conference", but I think it would have been more accurate to describe that as "consultations". There will indeed be representatives from the business community, the financial sector, environment protection groups and officials from my Department. Together we are trying to clear up the situation and come up with a strategy for putting our resources in conmmon, in order to solve the most urgent environmental problems. But those problems are very costly and complex, and we will have to rely indeed on all the abilities and the energies that exist in Canada in order to solve those problems.

[*English*]

Mr. Baker: Mr. Speaker, I certainly would not want to put words in the Minister's mouth, as she suggested. However, on November 13 the Minister announced via a press release that 416 government jobs in her Department would be terminated. Today in her speech she said that 405 positions had been eliminated. Further on in her speech she said that 300 public servants would lose their jobs. Far be it for me to put words in the Minister's mouth, but I would like some Tory translation of these three conflicting statistics. In Tory language, how many people lost their jobs as a result of the Minister's cuts?

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, the figures that appeared in *Hansard* referred to person-years. However, a person can occupy a position for three months or six months or nine months or twelve months. So there are more person-years than persons because there may be temporary jobs.

For instance, there were about 300 persons involved. I do not have the figures before me, and I apologize for any mistake I may have made, if it was 305 instead of 300 person-years. However, I am not too worried about that. I did not bring all the figures with me. What I can say is that all the

individuals who lost their jobs have been redeployed elsewhere, except for between 35 and 45 employees. In fact, we are confident, as I said to the two presidents of the unions in question, that we will be able to find jobs for these people by March 31. I am not making any promises. I am just saying that we are confident.

Finally, I think some Hon. Members would have us believe this is a very dramatic situation, while in fact only a few units are concerned. I might remind the Hon. Member opposite that the Liberal Party, his Party, cut 7,000 positions in the Public Service of Canada between 1978 and 1981, and nobody mentioned the fact, especially not the Liberal Party.

● (1200)

[*English*]

Mr. Deputy Speaker: The period for questions and comments has now terminated. We will resume debate.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am beginning to learn the meaning of the word "hysteria". I would like to thank the Hon. Member for Davenport (Mr. Caccia) for giving us the opportunity to debate the approach of this Government to the protection and management of the environment. If there is one area where this Government has clearly failed, where it has clearly stumbled since its election, it is in the area of the environment.

The Government has failed in two ways, Mr. Speaker. First, it is doing things which it does not have a mandate to do. At no time during the election campaign did the Government indicate it would take the attitude it is now taking towards the environment. Second, the Government is making many mistakes in what it is doing and these will come back to haunt us for years to come.

I am sorry, Mr. Speaker, that the Minister of the Environment (Mrs. Blais-Grenier) sees fit to leave the House in the midst of a debate on the environment.

Mr. Nunziata: It shows how much she cares.

Mr. Hawkes: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Calgary West (Mr. Hawkes) rises on a point of order to say, I presume, that the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) should not allude to the fact that the Minister has left the House. I believe the Hon. Member for Winnipeg-Birds Hill knows that.

Mr. Blaikie: The fact remains, Mr. Speaker, that this is further evidence of a continuing unwillingness on the part of the Minister, with the exception of the one time she appeared before the committee on December 20, to engage in a dialogue, either with Members of Parliament or with the public, as to the advisability of the cuts she has made.

As I said before, Mr. Speaker, this Government has failed and stumbled with respect to the environment and I would like to go over a few of those areas. The first area has to do with the cuts to the Canadian Wildlife Service. In the Standing Committee on Fisheries and Forestry to which the Department of the Environment reports, we have heard testimony after testimony, evidence after evidence and witness after witness to the effect that the cut-backs which were made by the Minister to the Canadian Wildlife Service are a very serious error and will damage not only the environment but the ability of the Canadian Government to manage the environment by causing itself to lose the expertise of so many people.

Rather than quoting over and over again what witnesses have had to say in front of the committee, Mr. Speaker, I would just like to call the attention of the House to an article in the magazine *Equinox* for March-April, 1985, which I just received yesterday. It is entitled "What Price Wildlife?" The sub-title reads: "Venerated at Home, Respected Abroad, the Canadian Wildlife Service becomes an endangered species". I commend this article to those Hon. Members in the House and to those of the public who may be interested in the effect of the cut-backs to the Canadian Wildlife Service.

Even though I have been paying attention to the issue, obviously, as the environment critic for my Party, I hadn't quite realized just how ridiculous and absurdly stupid some of these cuts are until I had the opportunity to read this article, which pointed out the full human and environmental dimensions of some of the work which was going on. I will not say much more about the Canadian Wildlife Service cut-backs except to quote the last paragraph of this article, which I think puts it extremely well. It paraphrases what Tony Keith, a biologist in the Canadian Wildlife Service, has to say:

> What Keith is saying is that sooner or later, some prairie slough will fill with the floating carcasses of ducks, killed by untested chemicals from a cropduster that accidentally overflew a field. Anthrax and brucellosis will cause bison to totter and fall to the muskegs of northern Alberta, and there will be no wildlife veterinarian to treat them. National park wardens may even come across the bloodied body of a camper, the victim of a grizzly attack that might have been prevented with another season's research into bears' feeding habits. And the public outcry may then be so loud that the politicians who are today making the cuts will be forced to rehire the very biological expertise they now dismiss as surplus to departmental requirements. Canadians will have learned the hard way about the true costs of casting out decades of accumulated ecological knowledge for the sake of quick-fix adjustments to one year's federal budget.

That is the kind of short-sightedness, Mr. Speaker, which these cuts represent. It is the kind of short-sightedness which I am still hopeful will be condemned by the Standing Committee on Fisheries and Forestry itself. That committee has shown some leadership in this House by unanimously recommending to the House some time ago that the double-tracking of the CNR in the Ashcroft subdivision be put on hold because of the environmental consequences as well as the question of the well-being of the native people. I am hoping that that committee will show the same kind of leadership with respect to the cut-backs to the Canadian Wildlife Service. No one has come before the committee to say a good word about the cuts and any committee worth its salt, after it has heard this unanimous evidence, must then say itself that these cuts ought to be reserved by the Minister, and soon, because many of them are about to take place.

What else has the Government done with respect to the environment? It has already been noted that it cut back on its contribution to the United Nations environment program, which was embarrassing internationally. It is just further evidence of the way in which this Government is falling into line behind the United States and its attitude toward UN programs. The Minister of the Environment celebrates the hundredth anniversary of national parks in Canada by going ahead with a $13 million cut to our national parks and by rambling on about the privatization of them.

You will recall, Mr. Speaker, that I first raised the issue of the further $13 million cut in this House just before Christmas and no one paid much attention then. But we see the cut-back coming now to our national parks. That is the way the Conservatives celebrate the centenary of our national parks, and it is now talking about privatization. Is there not a Tory in the crowd, an Hon. Member sitting opposite, who knows that at the very least our parks are public? We can argue about other areas of economic activity but I thought we had come to the point where we did not have to talk about whether parks should be privatized or not. Yet that is the sort of ideological silliness and extremeness which we find on the part of certain Hon. Members opposite, and the Minister of the Environment in particular.

What has the Government done with respect to renewable energy and the environmental benefits of developing that energy option as opposed to many of the other options which we have concentrated on for so many years? It almost wiped that option out completely while going ahead with the uncritical attitude towards the nuclear option which was so characteristic of the previous Liberal Government.

What has the Government done with respect to double-tracking and the recommendation of the Standing Committee on Fisheries and Forestry and, by the way, the Standing Committee on Indian Affairs and Northern Development, with respect to that action? We still have no assurances as yet that that double-tracking will not go ahead until all of the concerns of the native people, the fishermen and the people who are concerned about the salmon habitat have been met. In fact, we witnessed a debate last week in which a Conservative majority on the other side of the House prevented a vote from taking place and prevented a debate from being extended. I must say at the same time that the Minister of Fisheries and Oceans (Mr. Fraser) and the chairman of the committee abstained from that obstruction, and that is to their credit. There we had one afternoon where Parliament almost seemed to be working. It almost seemed as if some independence was going to be exerted by Parliament and its committees over the Government with respect to this important environmental issue. But where was the Minister of the Environment? She was not even around for that.

● (1210)

Another environmental failure by this Government was the decision taken with respect to the herbicide Allachlor and the way in which the Department of Agriculture has been allowed to continue the policy established over the Liberal decades of letting the users, that is to say Agriculture and Transport, have the final say over what is used instead of the people who are making recommendations from a health or environmental point of view, being the Department of National Health and Welfare and the Department of the Environment. That is a question of structure and the low priority given to environmental concerns in the bureaucracy or the hierarchy of ministries, if you like. This has to change if we are to be able to address some of these issues. I had hoped we might be able to see some of that change if we had a strong Minister of the Environment. Instead, we have hardly a Minister at all. So I am not very hopeful on that score.

With respect to Canada-U.S. relations and the whole question of acid rain, Great Lakes water quality and so on, what have we seen? We have the Shamrock Summit coming and we still have not seen any action by this Government with respect to an announcement that it will move to reduce auto emissions to the standard pertaining in the United States. Are we going to get that announcement before March 17? That would have been something the Minister could have talked about. We still do not know. The Prime Minister (Mr. Mulroney), instead of having to make a private telephone call to Mr. Reagan as the paper reported this morning, then might have something to show. He might be able to say that we have come up to scratch with respect to auto emission standards and now we expect them to come across. We then would not be in the position of having to acquiesce to the argument that I am sure the President will make, as he has done time and time again, about the need for more research.

The United States has really not accepted that this is a problem. As an article by David Suzuki in *The Toronto Star* on Saturday says, Mr. Speaker, the demand for absolute proof is a polluter's cop-out excuse. That is exactly what is going on with respect to acid rain in the U.S. That is why I welcomed the Prime Minister's remarks some months ago about having to go to the bargaining table with clean hands. If that was not just sort of a preliminary for not doing anything, then we need to see some action to indicate the Prime Minister was serious. One of the ways he could show us he was serious would be by making an announcement about nitrous oxide before March 17.

We could have full reinstatement of the herring gull program instead of one out of six people in the program being reinstated. That would be a sign that we were serious about at least monitoring Great Lakes water quality, if not doing anything about it. But instead the Minister announced that she was reinstating the program, and a month or two later we find out that one person out of six has been reinstated. That work is not being done.

Mr. Fulton: It is called fraud.

Mr. Blaikie: I agree. It was a fraudulent announcement, meant to mislead people and take the heat off the Minister for a little while. Maybe it did in an insignificant way, but people have come to know that the program has not been reinstated.

But that is one of the things the Minister could do and which the Prime Minister could do if he wanted to sit down with clean hands at the bargaining table on March 17.

Again with respect to the herring gull program, we see an article on the front page of *The Globe and Mail* yesterday about the inadequate registry of birth defects we have in this country. That is something, of course, that we cannot immediately dump on the lap of the present Government. That inadequacy belongs to previous Liberal Governments. But if the Government was serious about trying to move in that environmental area, it would take steps to make adequate its registry of birth defects. It would take steps to make adequate environmental monitoring programs like the herring gull program and then we could have some confidence. Part of the problem is that you listen to the Minister but you never get one squeak of passion about the environment. Not so much as a murmur or a moan. Nothing. You would hardly even know she was the Minister of the Environment. She could at least have the decency to get up and sound as if she regrets the fact she had to make these cuts. But you do not even get a sense that she regrets it. That is the thing that causes us real despair. If the Minister could get up and say this is the burden of necessity and she wished she did not have to do it, that is one thing. But instead she gets up and talks the fiscal language game and implies these programs are extravagant, redundant, a luxury which can be sacrificed. This is what causes despair as much as the cuts themselves. The Hon. Member for Churchill (Mr. Murphy) says the Minister is Canada's answer to James Watt. I am afraid that is so true.

The Americans do not have any problem standing up for their interests. They are trying to put the heat on President Reagan now to take a message to Prime Minister Mulroney concerning our laws on generic drugs. Why can our Prime Minister not take the same kind of firm message to the United States at the Shamrock Summit?

I am not just sure how much time I have left, Mr. Speaker, but I have a few more things I want to comment on and then I would like to move an amendment. I would like to spend a little more time on acid rain because this is a question of maturity, of how we relate to the U.S. As I said before, the U.S. does not have any problems sticking up for itself. We just had an experience in Manitoba where, because Manitoba and Canada and the people were firm on the Garrison River diversion project, the North Dakotans are saying that they are going to prohibit the import of Canadian electricity. I guess that is what you call a mature response!

That is the kind of mature relationship that the Minister wants with the United States. Or is it, of course, because I say that with tongue in cheek? On the other hand, a Bill has been introduced in Congress saying that if Canada does not clean up its act on acid rain, they are going to ban imports of Canadian electricity. So on the one hand we are getting it because we are environmentally sensitive, and on the other hand we are going to get the same penalty for not being environmentally sensitive. So sometimes our neighbours to the South do act irrationally. What I am saying is that if the Prime Minister is serious about having a mature relationship with the U.S., then he needs to go to that table, hopefully with clean hands, and then he will be able to be firm with the President over acid rain and other issues.

I mentioned before the question of renewable resources and the need to develop them and the fact that funding for them has been wiped out. But they never were given a very high priority when you compare the hundreds of millions of dollars which have been poured down the drain in the nuclear industry in this country as a result of technological vanity and the refusal to criticize that industry, which was so characteristic of the previous Liberal regime.

I have an amendment which I think would add a great deal to this motion and would put the environmental picture more in balance if it were to be accepted by the House. Therefore I move, Mr. Speaker, seconded by the Hon. Member for Skeena (Mr. Fulton), that after the words "Great Lakes" the following words be added:

● (1220)

—for continuing the long established bias toward the environmentally dangerous option of nuclear power over alternative and renewable energy sources,

If I have any time left, Mr. Speaker, I will speak to the amendment.

Mr. Deputy Speaker: I have the proposed amendment. With the permission of the House I would like to take the proposed amendment under advisement before I rule on its admissibility. In the meantime I suggest we continue the debate on the main motion with the Member for Winnipeg-Birds Hill (Mr. Blaikie), who has two minutes left.

Mr. Blaikie: Mr. Speaker, perhaps I could say a word about the issue of nuclear power versus other sources of energy. To myself and a lot of Canadians who are concerned about the environment, this is the central or paradigmatic question. How you view the role of nuclear power determines your understanding of environmental issues. As long as we continue to pour inordinate amounts of money into that particular energy option while we spend trifling amounts or nothing at all, as will be the case under this Government, on renewable energy sources, we are committed to a technological world view that ultimately will be destructive of the environment which we all say we care about. That is why this amendment is important and why we ought to debate it.

Mr. Hawkes: Mr. Speaker, earlier today the Member for Davenport (Mr. Caccia) talked about lead in gasoline. I do not think it is difficult for Members of the House to understand that that is an important health consideration in the City of Toronto. His response to the Member for Bow River (Mr. Taylor) seemed to indicate that he thought the environment in western Canada on the Prairies has identical health hazard implications with regard to leaded gasoline. I suggest he might want to visit the Prairies.

The Hon. Member for Winnipeg-Birds Hill is from the west. Does he think that the Department of the Environment and

the Minister of the Environment, because of a health hazard problem in Toronto or Montreal, should put forward regulations which govern farming on the Prairies? Is that the way national policy should be developed? The Liberals always did it that way. Does the NDP support the Liberals in that, or should we have different policies across the country because the environment is different across this country? This is a big country with a lot of differences.

Mr. Deputy Speaker: The Hon. Member for Winnipeg-Birds Hill does not have to answer the question because I believe it relates to the speech of the Hon. Member for Davenport. However, if he wishes, he may.

Mr. Blaikie: Mr. Speaker, I understood the second half of the question to be directed to me. I would like to take issue with the view expressed by the Hon. Member that it was the Liberal way to have the Department of National Health and Welfare make a recommendation and then apply it uncritically right across the country. In fact, the Liberal record is that the Department of National Health and Welfare did not have much say at all. It made lots of recommendations, most of which were not heeded. I do not think the Hon. Member was paying attention all those years while he was watching the Liberal Government. If he had been paying attention he would have seen that it was as I said it was. The Departments of National Health and Welfare and the Environment did not have much clout. It was the Departments of Agriculture and Transport which made the decisions. The quality of those decisions, and whether those decisions with respect to health hazards ought to take into account certain realities, is another matter. The Member has the Liberal way all mixed up.

Mr. Murphy: Mr. Speaker, I thought the Member made an excellent speech. Because of the pressures of time there were two items which he did not deal with at any length. He did not really talk about the Liberal record in this area. We must recognize that the problems we are facing at this time are not new. These problems did not occur after September 4. Acid rain, the lack of progress in negotiations with the United States, and the problems we face in so many fields, are a result of many years of Liberal Government. We must remember that it failed to protect the environment. I would like to hear the comments of the Member on that.

The other item which I think is important and which has become public recently is that the Atomic Energy Control Board has completely failed to control and regulate the nuclear industry in the country. There is information that workers have been forced to inhale radiodactive dust, that radioactive materials have been left in towns because there is lack of adequate storage, and that the Atomic Energy Control Board refused to listen to its own research staff when making its decisions. I have called for an inquiry into the role of the Atomic Energy Control Board and the nuclear industry in the country. I would like to hear the Member's view on that.

Mr. Blaikie: Mr. Speaker, the first point the Hon. Member for Churchill (Mr. Murphy) made is a good one, but I would like to spend most of my time on the second point with respect to the nuclear industry. Over the years the Liberal Government had a totally uncritical commitment to the nuclear industry and the nuclear option. Any attempts to have a critical review conducted ended up in an internal departmental review. There were no public hearings or public discussions on what was involved in a continuing commitment to this option.

The Conservatives were different in 1979. One of the first things they announced in 1979 was a parliamentary inquiry into the nuclear fuel cycle. What happened to that, Mr. Speaker? All we get now is an odd statement from the Minister of Energy, Mines and Resources (Miss Carney) about the possible commercial benefits of nuclear power or, even more frightening, ramblings from the same Minister about the commercial benefits of Canada becoming a radioactive garbage dump for the rest of the world. I can show you the comments of the Minister in a letter to the town council of Gimli in that respect, Mr. Speaker.

The Government has a totally commercial view of the nuclear industry. That means that we will not get an inquiry or debate. Canadians will not be invited to talk about the kind of energy future they want. It will be full speed ahead, business as usual, just like the Liberals when it comes to nuclear energy. That is very unfortunate, Mr. Speaker.

The Hon. Member for Davenport asked me a question informally and I would like to put it on the record. He asked, "What about uranium mining in Saskatchewan?" In this House in 1980 I stood up in the course of a debate on a Private Member's Bill of mine calling for a moratorium on nuclear power and said that I was against uranium mining in Saskatchewan, no matter who mines it and no matter who happens to be in power. I still take that position. Fortunately, that is now the position of the Saskatchewan and the federal New Democratic Party. There is complete unanimity within the Party with respect to uranium mining and the need to phase it out.

Mr. Kindy: Mr. Speaker, it bothers me that the Member for Winnipeg-Birds Hill (Mr. Blaikie) on the one hand asks the Minister of the Environment (Mrs. Blais-Grenier) why she is cutting research. On the other hand, when he talks about the President of the United States, he says he wants research. Is the Member for research or against research in the environment?

Mr. Blaikie: Mr. Speaker, that is about the dumbest question I have been asked in a long time, but I will try to answer it. We do not need more research on acid rain. We know we have a problem and we must act. We must continue research on the consequences of pesticides in sloughs in prairie Canada or other things which are working their way into our environment, because we must learn how to act. The only straw man that the Member sets up is himself.

• (1230)

Mr. Hawkes: Mr. Speaker, the Hon. Member for Winnipeg-Birds Hills seemed to attack the cuts and ask for their

rescission. Given that there is limited money and that we want to help senior citizens in this country, which of these cuts should be rescinded in preference to using the same money for senior citizens?

Mr. Blaikie: Mr. Speaker, the self-righteousness of the Hon. Member for Calgary West knows no bounds. Why does he not talk about the increased budget for the Prime Minister's office? Why do we not hear about that when he sheds crocodile tears for the senior citizens of this country? He has his nerve, getting up and falsely making us choose between helping the environment and helping senior citizens. Why did we not hear about the Prime Minister's office? Why did the Hon. Member not mention the 57 per cent increase in the Prime Minister's office?

Incidentally, when the Conservatives were in opposition they continually criticized the Prime Minister's office as being the source of all evil in the country and the tool that was destroying Parliament and democracy. Now that the Conservatives are in power we see a 57 per cent increase in the Prime Minister's office. And the Hon. Member for Calgary has the nerve to get up and say that we must make difficult choices between senior citizens and the environment. We must make difficult choices all right, but it is not between the environment and senior citizens.

Mr. Hawkes: Could the Member deal with the specifics of which cuts should be rescinded because they are more important than aid to senior citizens, for example? Which of these cuts is more important than aid to senior citizens?

Mr. Blaikie: Mr. Speaker, I made it quite clear that I think all of the cuts to the Canadian Wildlife Service should be cancelled. However, the Hon. Member and his Government has not given us an honest answer yet with respect to the other side of the spending question concerning tax expenditures. When the Government comes clean as to the $30 billion to $50 billion that it is spending in the form of tax expenditures, we will be able to get an accurate picture of what is happening. At that time we will know all of the ways in which the public treasury is being drained of money, not only through spending on programs but through spending in the form of revenue that is never collected. We have yet to get such a statement from the Hon. Member or his Government. Once we have that statement we will know that the Government is serious about fiscal responsibility and is not just looking for ways in which to pursue its own ideologies.

Mr. Deputy Speaker: The Chair is ready to rule on the proposed amendment. The Chair must rule the amendment out of order because it would add to the main amendment. I cite Beauchesne Fifth Edition, page 168, Citation 482:

> On an allotted day, during consideration of the business of Supply, an amendment must not provide the basis for an entirely different debate than that proposed in the original motion.

The Chair is of the opinion that if the proposed amendment was accepted it would in fact lead to a different debate. For those reasons, the Chair rules the amendment out of order.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. With respect, might I point out that in speaking to the motion, the Member who moved the motion spoke about the fact that the Government had cut funds for renewable energy resources as part of his rationale for moving the motion. As far as the amendment and what it speaks to is concerned, it was part and parcel of the over-all argument for the advisability of the main motion.

I suggest it is obvious to anyone who thinks about it that the whole question of how we manage our energy future and whether we invest in something which has long-term environmental uncertainties, like the disposal of radioactive waste or whether we invest in solar energy, is clearly a question of the management and protection of our environment. I cannot understand why you would see fit to rule my amendment out of order.

Mr. Deputy Speaker: The decision has been made. The text of the motion is the pertinent part, not the speeches of Members. We shall resume debate with the Hon. Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin).

Mr. Gary Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Members—

Mr. Caccia: Mr. Speaker, I rise on a point of order. I apologize to the Parliamentary Secretary. On Opposition days it is customary that the rotation system be applied whereby, after a round of speeches is completed, the speaker from the Party that moves the motion is recognized first on the second round. I respectfully submit that you might want to continue this fine tradition.

Mr. Hawkes: Mr. Speaker, having been in the House for approximately six years, I believe there is a great deal of variation. It was not abnormal to move from the Government side to the Opposition side, always starting with the Opposition. That seemed to be the precedent that was established today. The second speaker was from the Government, so that the fourth speaker and sixth speaker would be from the Government.

Mr. Deputy Speaker: The Chair will take the remarks of the Hon. Member for Davenport (Mr. Caccia) into consideration. However, for the time being the floor is given to the Parliamentary Secretary to the Minister of Environment.

Mr. Gurbin: Mr. Speaker, I am pleased to continue debate and try to deal with some of the questions that have been raised. It is my opinion that some of these issues which have been introduced into debate are red herrings. I am accustomed to hearing debate from the Member for Davenport (Mr. Caccia) and the Member for Winnipeg-Birds Hill (Mr. Blaikie) and have been impressed by their generosity, understanding and sincerity. However, in the last two or three months it has been difficult to maintain that impression due to their inability to understand and apply constructive criticism to the Government's efforts on behalf of the environment.

Let there be no mistake that our Government intends to provide the action that is needed in order to ensure that our environmental scene will benefit all Canadians and protect our future heritage.

The Hon. Minister of the Environment (Mrs. Blais-Grenier) wishes to apologize to the Hon. Member for Winnipeg-Birds Hill for being unable to listen to his comments. She had other obligations which required her to be elsewhere and it was difficult for her to rearrange her schedule because the motion was introduced as late as possible yesterday. However, she will read the Hon. Member's speech in *Hansard*.

Let me try to explain the position of both Opposition Parties with respect to environmental issues, as I understand it. On November 8, the Minister of Finance (Mr. Wilson) gave the clearest indication ever of the conditions under which the Government must operate. We opened the books as much as possible to explain the economic situation we faced. Many of the departments did their best to reduce their expenditures in the short time they were given. This included the Department of the Environment which, after considering its full range of programs, had to decide which programs could appropriately and reasonably be cut back.

In spite of the positive advances that we have made which I believe all Canadians support, Members opposite have for some unexplained reason decided to approach this issue on a personal basis, as is evident from the comments made by the Member for Davenport. I think they have lost sight of the objectives and requirements with respect to the environment of Canada.

One of our first steps, even as an Opposition Party, was to support a new park for Canada in this centennial year of Parks Canada. The Minister stated as recently as several weeks ago that under the Conservative Government and her Department there is a definite and increasing future for national parks in Canada. I cannot guarantee that it would be established on the exact terms of reference with which all Members would be completely content but that commitment has been made and I believe it will be honoured.

● (1240)

The background alluded to by one of the questioners of the Hon. Member for Winnipeg-Birds Hill, the background to this whole situation with the environment, is one that cannot be discussed without ascribing some responsibility, particularly to the Member for Davenport. If there is one piece of testimony that says it all and one that should not be viewed as politically partisan, it would have to be a document that was produced and released at the end of last year called "Time Lost". The committee was chaired by the former Member for Sault Ste. Marie. Members from all Parties served on that committee. There were those who distinguished themselves, such as the Hon. Member for Vancouver South, the Minister for Fisheries and Oceans (Mr. Fraser), and the Hon. Member for Parry Sound-Muskoka (Mr. Darling), who is well known to all people concerned, especially on the acid rain issue. What this committee which had been reconstituted from 1980 to 1984 found was that there had not been any accomplishment. The Minister in the previous Government had really not been able to accomplish anything, although he had brave words, passionate statements and press releases almost every day from his Department. But if you come right down to the nitty-gritty, Mr. Speaker, what he really ended up with was an empty hand. He was not able to produce. It may not have been all his fault. It may have been the disposition of people with whom he had to work in the Cabinet, and for that I can only offer him my sympathy.

Mr. Blaikie: Now you know what it is like.

Mr. Gurbin: The Hon. Member opposite reacts and responds quickly. He says "Now you know what it is like". This Government has been in place for six months.

Mr. Caccia: Far too long.

Mr. Gurbin: Commitments have been made by the Prime Minister (Mr. Mulroney). I believe statements made in the past few weeks by the Prime Minister repeated very clearly and soundly that we intend to fulfil our commitments. He has recognized the difficulty in dealing honestly and effectively with the President of the United States and in accomplishing the needs that we have on our own domestic scene to reduce the terrible environmental burden of continuous air pollution, particularly as a result of acid rain.

The Hon. Member has asked about auto emissions. In contrast to what occurred before, there were hearings which took place in 1984 which brought all of the interested parties, all of those affected and concerned, together to consider all of the specifics that one must consider when one talks about controlling auto emissions. We have a very bad record in the control of auto emissions. I do not think the previous Minister who was criticizing us today has much room, if he is honest with himself, for standing in the House and affronting the Minister of the Environment after three or four months, a period that has been filled almost continuously with consultation and efforts to address in a serious way the problems we have to face. The commitment has been made for action, Mr. Speaker. We will be judged on the basis of whether we can produce that action.

The background for this debate is also around the centennial year for Parks Canada. Parks Canada started out 100 years ago with several individual Canadians, actually two people, who did not like what was happening. I think the CN was involved at that time.

Mr. Blaikie: One hundred years ago, it was not the CN.

Mr. Gurbin: I think so.

Mr. Blaikie: The CN did not exist. You must mean the CP.

Mr. Gurbin: Excuse me, I apologize, it was the CP.

The interesting point, and the point that I raise now, is that this is a reflection of something we need to get back to. It is one of the things that this Government and this Minister has

been trying to do and which will be shown in the future to be very effective. It is to listen and to work with individual Canadians, be it private enterprise on an individual basis with voluntary organizations or whatever, to try to develop, protect and maintain environmental standards and conditions in the best interests of all Canadians.

The most specific and recent example is the Creston Valley Wildlife Interpretive Centre. During the budget cuts announced on November 8, it is clear that the Wildlife interpretive Centres, five of them across Canada, face closure. In working with a local group in British Columbia, that particular interpretive centre will now remain open and will continue to remain open partially with support of the provincial Government and the Minister of the Environment of British Columbia, Environment Canada and the Minister of the Environment, and private voluntary groups. That is an example we hope will be repeated, perhaps not in exactly the same way but in a similar way in Wye Marsh. This is an example that can be repeated right across Canada.

In the same vein, hearing the criticisms of the wildlife cuts, there has always been a disposition that this is the only way, that there is disaster and everything will fall apart because the cuts have been put in place. Members are not happy with some of the restored programs.

Mr. Blaikie: They have not been restored. That is why we are not happy.

Mr. Gurbin: Always there is a sense that it cannot or will not be done because the same program has not been replaced in the same way.

Mr. Blaikie: Restore them and we will be happy.

Mr. Gurbin: If we talk about the herring gull program to which there has been reference today, one person out of six from that basic program was restored. He is now working out of a separate place with other support systems. Maybe that whole program is not back in the same way, but that program, the parts of it that we feel are very important for longitudinal studies, we have every right to believe can be maintained in an effective way for the purposes intended.

The notion I am trying to communicate is not so much a question on any specific, but to argue that because we did things in a particular way, because we collected tax dollars and hired certain people to do a certain job in a certain way, that is not to say there is no other way that we cannot accomplish a similar or a better end. It has been pretty impressive to see some of the communications and to witness some of the discussions that are now under way to try to address some of the problems we all accept are there. I am speaking not only of programs that have been cut but of programs that we have not yet considered, and perhaps of chemicals that may yet be discovered to be dangerous. This whole area of organizing, funding and supporting that type of activity is something that does need, not just another person here or there, but rather a constructive approach. It needs a unified, organized approach, although there are other ways. I have no doubt about this, in which we could probably be more successful. I want to point out to Members opposite that not only have we not neglected this area, but I think in the end we will be in a better position than we have been historically.

There is another area, almost another level, that I think Members who want to address the environment have to be able to work with. There have been some comments back and forth about our need to engage the United States in a meaningful agreement in order to solve our own problems. I do not think there is any debate on that point. The approach we had been taking over the past several years in attempting to accomplish that has been very impressive. Time after time the comments made by the Hon. Member for Davenport only antagonized, polarized positions and resulted in making it more difficult to achieve that very important goal. Not only were we not doing our own homework or cleaning up our own backyard, but we were polarizing the international situation in a way that made it very difficult to reach a successful conclusion.

• (1250)

We have entered a new era of co-operation. I think we have a new capacity to achieve a very important and successful agreement on issues ranging from acid rain to toxic chemicals in the Great Lakes and to things which affect the environment in total, even in terms of wildlife and migratory birds and the agreements which are necessary. In the past three or four weeks we have done a number of positive and constructive things. With that as a background, we can expect to see the Minister of the Environment and the Department of the Environment fulfilling the mandate all Canadians expect and want them to fulfil. I am sure they will serve the interests of Canadians.

I am not sure how much time I have remaining, but I should like to make a final point. An idea which has been advanced in the past six or seven months concerns budget cuts, deficits and our international relationships. It started out last May and June with an OECD economic summit in Paris dealing with the environment. I attended that meeting with the then Minister of the Environment. We had a long series of discussions. The funny part is that he now seems not to recall the important discussions which occurred at that time. They indicated that we would have to consider very seriously the environment in relation to the economy, not just the cost of clean-up but the whole range of economic activity in which any modern nation is involved and the impact it will have on the economy. In fact, the conclusion reached—and I think it will be proven in the future—is that clean air is cheaper. If we do it right, most efficiently, most effectively and probably most economically, in the end we will all benefit in a large number of ways. It is not like the hard-nosed economic sense which most people would associate with things like productivity and efficiency; it is in the whole range or gambit of things which affect our daily lives, which very much affect our quality of life and the environment of the whole globe.

I should like to leave Hon. Members opposite and the House with the assurance that I for one—I may have some advantage

over Hon. Members opposite in being a little closer to it—have no question that the Government at the end of its mandate will have proven that in fact it is capable of doing what Canadians want done in the environment in a whole range of areas, from acid rain to auto emissions. We will be judged at that time. I hope Hon. members opposite in judging us will give us credit, if it is earned, when the time comes.

Mr. Blaikie: Mr. Speaker, I have a question for the Hon. Member who just spoke. With respect to the cuts in the wildlife service, time and again when people appeared before the committee they were asked whether there was any other way to do these things, particularly on the research side. It was not necessarily on the wildlife interpretive side but on the research side. They were asked whether there was anyone in the private sector, in the university sector or in any sector whatsoever who would pick up this work. The answer was always no. Does the Hon. Member not recall that evidence being given before the committee? He is acting now like he was not even there.

Mr. Gurbin: Mr. Speaker, the problem was that I was there.

Mr. Nystrom: Was that a problem?

Mr. Gurbin: The confinement which I am trying to help Hon. Members opposite get around—the two of them who have spoken so far—is that they are not hoisted on their own petard yet but they are caught in their own box. The short answer is that it is entirely possible that others can do this work. I will readily admit that I did not know for sure. There have now been serious discussions which allow me to answer that it is possible for others to do the work, even in research. I think that is the important question. Even wildlife groups think it is quite possible for interpretive centres to function properly. Both the Canadian Wildlife Federation and the Canadian Nature Federation have suggested that that was entirely reasonable, that they should be able to function.

The research part is the one with which we have been having trouble. There have been discussions now which lead me to be able to answer very honestly and very directly that yes, it is possible. We are working on it.

Mr. Blaikie: I have a supplementary question for the Hon. Member. I notice that he was unable to cite any witnesses who claimed that this kind of work could be done in the private sector or in the university sector. I stand by my original claim until I have real evidence to the contrary, not just the optimism of the Hon. Member, an optimism which is clearly in his own self-interest to promote.

Will we have an announcement with respect to nitrous oxide emissions before March 17? I addressed that in my speech, and I would like to know whether or not the Prime Minister will have that announcement in his hot little hands, so to speak, when he goes to the bargaining table with the President?

Mr. Gurbin: On the first part of the question, I accept fully the comments of the Hon. Member that it is in my self-interest to suggest it would be possible. I have no hesitation in doing that. I would not like to do that and expose myself if I thought it might cost me too much in the future.

The other point which I think is important to include in that is that interested wildlife federations almost unanimously suggested—I have one reference here and I remember another one from another group—that cuts were possible. They felt that they were fully possible, maybe even more cuts in the wildlife services. It was very clear from their point of view that additional cuts, if they were to be made, should be done in a certain way. However, each of them indicated that they thought that was entirely reasonable. They thought we could be more efficient and manage ourselves better. I just wanted to put that on the record, to make sure it was clear.

In answer to the second part of the Hon. Member's question, the only thing I can tell him is that the Minister of the Environment, obviously in co-operation with the Prime Minister, is working as hard as possible to achieve a satisfactory conclusion to the commitments we made as the Conservative Party during the election campaign and since. I hope he will not be unhappy with the results.

Mr. Fulton: Mr. Speaker, the Parliamentary Secretary was present when the witnesses appeared before the committee. Perhaps he could address himself to a particular point. The Government had all kinds of opportunity to bring other witnesses before the committee, if it had wanted to, to stand and say what kinds of cuts should take place. It could have had people from the Department and so on. The Minister did not really back up the cuts. None of her officials really backed them up. Every witness said that those were the worst possible cuts. They said that if there were to be cuts in Environment Canada, they could cut in certain areas, but that the areas cut were areas which were not extravagant and not redundant. Would the Parliamentary Secretary now agree in the House, on the basis of the evidence heard by the committee, that those cuts were the worst possible ones which could have taken place in Environment Canada and the Canadian Wildlife Service?

Mr. Deputy Speaker: I ask the Parliamentary Secretary to reply to that question after the daily routine of business this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ADMINISTRATION OF JUSTICE

PREMIER'S TRIAL—PRIME MINISTER'S KNOWLEDGE OF MARIJUANA FIND

Mr. John Nunziata (York South-Weston): Mr. Speaker, yesterday I asked the Solicitor General (Mr. MacKay) to tell the House of Commons when the Prime Minister (Mr. Mulroney) was first made aware that marijuana was found in Premier Hatfield's luggage. I have asked the same question on numerous occasions, but the Government has consistently refused to answer. Why? What is it hiding? Is the Prime Minister afraid to admit that he was improperly involved in the case? This stonewall of silence would make Richard Nixon look life a rank amateur.

Yesterday the Minister of Justice (Mr. Crosbie) rose to babble on, as he usually does, when I asked my question again, notwithstanding that my question was directed to the Solicitor-General. It was interesting to see the Minister of Justice come to the defence of the Solicitor-General when, only two weeks ago, he stabbed the Solicitor-General in the back by calling for his resignation, and calling him politically incompetent.

Yesterday the Minister of Justice said that the Prime Minister was told that marijuana was found the day before charges were laid, that is, October 25. That is absolute and utter nonsense. The marijuana was found on September 25. The Solicitor-General was told on September 26. It was national news on October 20. How then can it be said that the Prime Minister did not know until October 25?

To suggest that the Prime Minister did not see a newspaper or hear a newscast between October 20 and October 25 is ludicrous and misleading. It is a deliberate misstatement of fact. Surely the Prime Minister became—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT POSITION

Mr. Gilles Bernier (Beauce): Mr. Speaker, the people from the Beauce area and the rest of Quebec are already reaping the benefits of the decision they made last September 4 when they elected a Progressive Conservative Government which has now been in office for six months. Yesterday, we celebrated its anniversary. A change in attitude and a more human approach to problems are two elements which should be noted enthusiastically and emphatically. Our attitude toward the provinces is also noteworthy. We have recognized the legitimacy of the duly-elected Quebec Government and we shall continue to promote co-operation.

As mentioned by Raymond Giroux of the newspaper *Le Soleil*, the Canadian Government wants to prove that dialogue and exchanges are preferable to constant efforts to destroy everything.

Mr. Speaker, things have changed over the last six months; people are no longer treated with contempt, arrogance and a complete lack of consultation. We have cleaned up the political atmosphere. Things are starting to work at every level. People realize that we want to listen to them. They have claims and grievances, and we are attentive to them.

As the Right Hon. Prime Minister (Mr. Mulroney) said recently, we are fortunate enough to live in a rich country, not only in terms of material resources level, but also human resources, because we have a free, rich and diversified society where everyone enjoys the unique privilege of building the life he wants to live as he pleases. As a Government, we shall have to make decisions which are likely to be difficult. We must show confidence in the future and those who govern the country. Together, we shall continue to build a Canada which can meet the aspirations of the people from Beauce, Quebec, and the rest of Canada.

* * *

[*English*]

PROVINCIAL AFFAIRS

TIRBUTE TO WORK OF WOMEN'S ORGANIZATIONS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in British Columbia we have seen a 25 per cent reduction in public sector jobs, cuts in legal aid and rent subsidies, a freeze in welfare payments, and the withdrawal of funding for women's programs. The Socred practice of restraint has been particularly disastrous for women who have lost both the services and the jobs which existed to deliver those services.

Women are the primary beneficiaries of social services, legal aid, subsidized housing, minimum labour standards, and of a number of other programs denounced as excessive and unnecessary by the executors of restraint. In spite of all this, there exists the ongoing efforts of women in British Columbia to meet the ever-increasing economic, social, and supportive needs in their communities. I speak for my own riding of Kamloops-Shuswap which reflects much of this aftermath of restraint.

I would like to go on record in praise and support of the Kamloops Women's Resource Centre, the Kamloops & Salmon Arm Women's Emergency Shelter, the B.C. Native Women's Society, the Rape Crisis Centres, and all other services in my constituency that continue to address the burdens of women, burdens augmented as a result of economic restraint.

Women should not be expected to carry the major responsibilities for correcting inequities. It is clear that equality for all of us, in every sense of the word, requires major changes in

our economy. This can only happen when all sectors of our society share the responsibility. The Government of Canada can play its rightful role in this regard by funding those groups and organizations serving the needs of women and which support the basic principle of equality for women.

* * *

TRADE

EFFECT OF WORLD PRICES ON SUGAR PRODUCERS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise to inform Parliament about the current world sugar situation and how 1,500 Canadian sugar beet producers in Quebec, Manitoba, and Alberta are being affected.

The world cost of producing cane and beet sugar is about 15 cents per pound. Eight-five per cent of world sugar trades at guaranteed domestic prices which range from 22 cents in the U.S.A. to over 40 cents a pound in Cuba. The EEC subsidy alone is 15 cents a pound. This price is guaranteed by quotas, tariffs, and subsidies. In Canada we face a situation where some 15 per cent of the world surplus determines our price, which is 4 cents per pound U.S. and, as such, we will surely lose our producers.

Canadians consume about 1 million tonnes of sugar, of which 90 per cent is imported. The amount of money leaving Canada for that sugar this year is about $80 million U.S. However, in 1980 when the price of sugar was 43 cents per pound, the cost was $800 million. Therefore, a healthy domestic sugar industry is good for consumers as protection against unstable world prices, for our foreign exchange account, for our manufacturers of machinery, and for our producers.

I strongly urge the Minister of Agriculture (Mr. Wise) and the Cabinet to make a short-term investment in this industry to ensure its survival, followed by the development of a long-term national sugar policy to put us in step with the rest of the world.

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

STATUS OF WOMEN

ECONOMIC EQUALITY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, during the last election campaign, the Prime Minister promised to increase to 30 per cent the number of women sitting on various boards, commissions, Crown corporations, decision-making committees and regulatory agencies, although he did not deem it necessary to promise an increase to 52 per cent, which would have reflected the percentage of women in society.

However, the Prime Minsiter has yet to appoint more than a very few women to key positions. We can now see that the commitments made by the Conservative Party as regards positive action programs in the public service, public agencies and crown corporations and the elimination of obstacles of economic equality between men and women were more the result of a desire to please the voters than of a willingness to make room for women at the various decision-making levels.

All these promises are along the same lines as the recommendations of Judge Rosalie Abella, whose report does not seem to provide much inspiration to the Conservative Party. This is regrettable.

Needless to say, women's status should not be a partisan issue. The Prime Minister should therefore act quickly to give Canadian women the equality they deserve.

* * *

AGRICULTURE

ESTABLISHMENT OF AGRICULTURAL RESEARCH STATION IN TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the determination, dynamism and undeterred confidence of socio-economic groups in my riding will soon witness the fruitful outcome of their efforts.

A major agricultural research station is now under consideration in my riding. The probable establishment of such a station in Témiscamingue will meet an urgent need of the agricultural community and it has the unanimous support of all social and political interest groups. This is an important issue for the economy of my riding, since the proposed agricultural research station is estimated at close to $8 million and would create hundreds of jobs.

The first step towards this worthwile endeavour has been made possible through the co-operation of Agriculture Canada which will soon hire two scientists who will take up residence at and be affiliated with the University of Quebec at Rouyn with a view to making surveys and launching the agricultural research station project.

Mr. Speaker, I take this opportunity to commend Agriculture Canada for its support and co-operation in this project.

Mr. Speaker, the project will have significant economic fallouts throughout the Abitibi-Témiscamingue region and make my riding one of Canada's leading agricultural development centres. At long last will Témiscamingue see the concrete outcome of its agricultural calling.

S.O. 21

STATUS OF WOMEN

ECONOMIC EQUALITY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, this week is the International Women's Week and I noticed in the annual report of the Department of Employment and Immigration that Canada Employment Centres last year allotted 32 per cent of all jobs in Canada to women. Only 32 per cent of the jobs went to women, although women account for 42 per cent of the labour force in Canada. Why the discrepancy? Even Mr. Edwards, the Assistant Deputy Minister of Employment and Immigration stated on December 5 before the Committee on Labour, Manpower and Immigration, and I quote:

To the extent that our job creation programs have a smaller proportion of women than their share in the labour force, that will have a depressing influence.

Even the Assistant Deputy Minister is frustrated, Mr. Speaker.

Before Christmas, we also had Mr. Justice Abella's report, which was replete with recommendations to change or correct that discrimination against Canadian women. There were many recommendations on affirmative action, justice, equality between women and men in Canada. Six months have already gone by since the new Tory Government was elected, and they had ample opportunity to make their studies. Let them act now!

* * *

● (1410)

[*English*]

AGRICULTURE

COMMITTEE STUDY OF TAX ISSUES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, some in the farm community have expressed concern over the contents of the discussion paper *Tax Issues in Agriculture*. The paper starts with a description of the economic environment in which tax policy must be considered, and then discusses, in turn, the three issues of tax deductions of losses by part-time farmers, taxation of capital gains, and the concept of agribonds.

It is unfortunate that many of the statistics which are quoted in the paper date back to the 1981 agricultural census and 1982 Revenue Canada figures. The conclusions which could be drawn from these data would clearly be erroneous in light of the urgent situation facing agriculture.

Fortunately, tonight marks the first meeting of the parliamentary committee which will study these important agricultural tax matters. Thus, while the discussion paper has provided a useful background for consideration of these issues, it is important that the input of the agricultural community be secured through the committee's hearings.

The evidence presented to the agricultural tax committee will provide more up-to-date information on the present status of the agriculture industry. The mandate of the agricultural tax committee is to listen to the briefs presented, and to report expeditiously to the House. It is hoped that the recommendations concerning Section 31, capital gains and agribonds, will constitute an important and vital contribution to the budgetary formation process.

* * *

[*Translation*]

STATUS OF WOMEN

CONGRATULATIONS AND ENCOURAGEMENT

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Since this is International Women's Week, and with all due respect for the Chair, I feel I must inject a bit of humour into the proceedings. Ten years ago, we had International Women's Year and a year later, March 8 was designated as International Women's Day. From 1976 to 1978, the only Member of this House to mention the fact was Mr. Stanley Knowles. I wish to congratulate him on his openmindedness. He was ahead of his time.

In 1979, the House sat only two months, from October to December, as veteran Members will recall. In 1980, the House started its session in April, so of course no one had a chance to make any special reference to International Women's Day. In 1982, we had the bells episode, which we are not likely to forget, and in 1983-84 everything was back to normal. There was a reference to the good work done by our Government. In fact, this day has always been used to congratulate the Government on its good work and its effort to improve the status of women.

Today, I would like to make an exception, Mr. Speaker. I wish to congratulate the women of Canada. In ten years, the number of women in the House has tripled, from nine Members in 1975 to our present number of 25. This augurs well for the next generation of women Members. We have also proven that competence is not a matter of age, since we cover two generations here in the House. I therefore wish to extend my congratulations and words of encouragement to the women in this House and to the women of Canada. Keep up the good work—we are on the right track!

* * *

[*English*]

ABORTION

VIDEOTAPE OF ABORTION PROCESS

Mr. Gordon Taylor (Bow River): Mr. Speaker, if a nuclear bomb were dropped on Ottawa probably 50,000 humans would die, and every newspaper and every government in the world would call it a disaster. Yet, every year in Canada, some 50,000 human babies are murdered and it is barely news-

worthy. Perhaps it is because we do not really realize what happens when a baby is aborted.

Modern technology has enabled Dr. Bernard Nathanson to use a sonogram videotape to picture a 12-week old child in the womb being aborted. A hollow plastic tube with a sharp tip is inserted and, using suction from a vacuum, the feotus starts to be torn apart. The baby retreats helplessly to the far side to escape the device, but it pulls off her legs and disembowels her. She struggles, her head falls back, and her mouth opens in agony. Then a pair of forceps crushes the brain, and another child is murdered.

The sonogram proves beyond a shadow of a doubt that the feotus is alive. It is a human being. He or she cringes and tries to escape death. We can watch and see the gruesome picture of a child being brutally murdered. The mouth opens in a cry for help. Can't you hear that silent scream?

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

ATLANTIC ACCORD—TERMS OF CLAUSE 54

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. During a recent visit to Newfoundland several people, including people in the media and the Public Service, brought to my attention a concern regarding Clause 54 of the Atlantic Accord which was recently signed by the Prime Minister and the Premier of Newfoundland.

In answer to a question from my colleague, the Hon. Member for Gander-Twillingate, on February 27, the Prime Minister said that he would be willing to look at that particular clause which, as it is now written, would effectively prohibit the Province of Newfoundland and Labrador from developing a refinery capacity to use offshore oil. Will the Prime Minister give us his undertaking that he will, in consultation with his colleagues in Newfoundland, reopen that clause?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the entire agreement was negotiated with the view to being of assistance in developing the economy of Newfoundland and Labrador, clearly we would place an appropriate construction, and a helpful and positive construction, on any clause which might be so interpreted by some people. I can tell the Hon. Member that is not the view of the Government of Newfoundland and Labrador in any official manner, nor is it the view of this Government. We believe very strongly that this document reflects an important instrument of growth and new prosperity for the people of Newfoundland and Labrador.

INTERPRETATION OF CLAUSE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question is directed to the Prime Minister. In reading that clause, the use of Hibernia oil is only available to facilities which are already in place on the day the legislation implementing the Accord is proclaimed. There are no facilities currently in place in Newfoundland. Therefore, Clause 54 would mean that offshore oil would have to go to refineries in Quebec and the Maritimes. Despite the interpretations he may have been given, would the Prime Minister, together with the Minister of Energy, Mines and Resources, look at this matter again? I urge him to renegotiate that clause.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not the interpretation which I would give to Clause 54, nor is it the interpretation of the Minister of Energy, Mines and Resources and her provincial colleague. Having said that, inasmuch as the entire thrust of the negotiations was to be helpful to Newfoundland and Labrador in getting this tremendous resource developed—it having been neglected for 13 years by the previous Government—clearly any doubt in a matter such as this would be resolved in favour of the Province of Newfoundland.

COME-BY-CHANCE OIL REFINERY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we hope that is so, but that is not the advice I have, nor is it our interpretation in reading that particular clause.

Would the Prime Minister be prepared to table in the House, if it exists, a study that would substantiate claims which are being made by both Petro-Canada and the Government of Newfoundland that it would be cheaper to build a new refinery rather than de-mothball the current refinery in Come-By-Chance? The Prime Minister should understand that, under Clause 54, the scrapping of Come-By-Chance would, in effect, scrap any future prospects for Newfoundland for refining of its own products and building a petrochemical industry.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that the situation which he describes is not the intent of, nor will it result from the Atlantic Accord. I believe the Government of Newfoundland has other plans for the facilities which he mentioned and, therefore, it would not be appropriate for us to comment on that without first holding consultations with Newfoundland.

● (1420)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER GOVERNMENT WILL PROVIDE INTEREST-FREE LOAN TO DOMTAR

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Last week, he tried to evade the issue by giving different answers every day when questioned about the Domtar case and by varying his reasons for rejecting the subsidy request. We now know that his Minister, supported therein by the Prime Minister, will not give Domtar the requested grant. Other options such as a tax credit where mentioned, but we now know that Domtar is already applying the maximum amount of tax credits to which it is entitled under the present legislation. We know that a loan guarantee will not change Domtar's risk ratio for the $1.2 billion project. Could the Prime Minister inform the House whether he is now prepared to consider a third option, namely, an interest free loan, to help Domtar carry out its project?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated to the Hon. Member that my Government intends to work together with the Government of Quebec and Domtar to find a formula for helping the company. I think that has been our position since the very beginning. Furthermore, there will be talks, on Friday I believe, with Mr. Lévesque, and I expect that the Domtar case will be on the agenda. I do not think anyone questions our desire to offer our sincere co-operation. As the Hon. Member is aware, we were obliged to turn down a request for a grant of $100 million, but that does not preclude some form of co-operation in other areas.

REQUEST FOR DETAILS OF MEETING BETWEEN PRIME MINISTER AND MR. LÉVESQUE

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Prime Minister may be stalling for time when he refers to discussions that will take place this Friday, since he knows as well as I do that Premier Lévesque has no authorization from Domtar to settle this case Friday with the Prime Minister of Canada. He knows perfectly well that Premier Lévesque cannot act on behalf of Domtar shareholders.

My question is therefore: What is the Prime Minister going to negotiate with Mr. Lévesque Friday, on the backs of Domtar employees? What does the Prime Minister intend to negotiate, when he knows perfectly well that Mr. Lévesque is not authorized to negotiate on behalf of Domtar?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is saying that Mr. Lévesque has no authorization. Of course not. He controls the company.

An Hon. Member: Wake up, guys!

Mr. Mulroney: I think I should add, for the record, that the Domtar request was made under the previous Government. A request for $100 million was submitted to the previous Liberal Government on April 19 last year, and the Liberal Government refused to act on it.

I think I should mention in this connection that we received a document from the Canadian Pulp and Paper Producers Association, stating their philosophy and recommendations. The main one is as follows, and I quote:

[*English*]

The advisory committee is deeply skeptical of the wisdom of Government making major capital grants for the expansion of manufacturing capacity in pulp and paper. We believe that expansion should occur only in response to market forces.

[*Translation*]

That is the document that was submitted to us, signed by Mr. R. R. Pinard, Executive Vice-President and CEO of Domtar Inc.

That was confirmed at a meeting on October 23 of last year. There is one question that arises, considering that you know we are going to help Domtar. Is the position of . . .

[*English*]

Some Hon. Members: Order.

Mr. Speaker: With great respect to the Prime Minister, his answer is turning into a bit of a speech.

* * *

THE SENATE

CABINET CONSIDERATION OF REFORM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. I think the Prime Minister would agree with me that the Minister of Justice from time to time has a colourful and direct way of stating the truth. Since the Minister of Justice said yesterday, referring to the august body of the Senate, "I can't see that the Senate performs any really useful function"—

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister of Justice is clapping. Considering that this useless body costs Canadians almost $1 million a week, would it be correct for me to assume that the proposals which senior Ministers of the Cabinet decided upon this morning to circulate to the provinces for reform, include the direct abolition of the Senate?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Justice said that the Senate performs absolutely no useful function.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is because he is not Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I understand.

Mr. Mulroney: I can think of one useful function that the Senate fulfils. I want to tell my hon. friend that we have received, as usual, the complete and brilliant advice from the Minister of Justice this morning in this regard. We will be consulting with the provinces and, as soon as I have something, I will be back to my hon. friend.

REQUEST THAT PRIME MINISTER PROPOSE ABOLITION OF SENATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, given the views of the Minister of Justice—I am trying to be very temperate—on this institution, and the well known views of the Deputy Prime Minister and, I dare to say, hopefully half of the Cabinet, not to mention 80 per cent of the people of Canada who correctly see the Senate as being useless and costly simultaneously, and since it takes the same section of our Constitution to abolish the Senate as it does to provide any other amendment of substance, will the Prime Minister give us his assurance today that he will propose to the provinces the correct, democratic action, which is to abolish this abominable institution?

Right Hon. Brian Mulroney (Prime Minister): I would give that assurance to my hon. friend if the Leader of the Opposition would stand up right now and say he seconds that motion.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. There are so many Hon. Members rising, I cannot figure out who is rising to ask a question.

Mr. Broadbent: Mr. Speaker, to paraphrase the Prime Minister: "There is no hack like an old hack".

Some Hon. Members: Oh, oh!

REQUEST FOR ACTION ON ABOLITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I had thought that the only issue that separated the Liberals from the Conservatives in the recent election campaign was the issue of patronage. It is clear that the only difference between them is that the Prime Minister wants Conservative patronage instead of Liberal patronage.

I put this very serious question to the Prime Minister. Considering that the Prime Minister made a serious issue of patronage during the election campaign, which the people of Canada took very seriously, and considering that this Party will support him all the way on its abolition, will the Prime Minister do the correct thing and try to mobilize the people of Canada and the provincial Premiers to abolish the Senate?

Right Hon. Brian Mulroney (Prime Minister): I believe, Mr. Speaker, that the issue, unfortunately, is rather more complex than my hon. friend suggests. We cannot, unfortunately, use the kind of procedure which he recommends without running into a veto by our friends in the other place. It was for this reason that I requested the support of the Leader of the Opposition in this regard. If that support is not forthcoming, I can assure the House that, in co-operation with the New Democratic Party, we will make moves to clean the place up, notwithstanding the opposition of the Liberals who are clearly led from the Senate on some major issues. We are trying to support the Leader of the Opposition as best we can.

● (1430)

Mr. Chrétien: Mr. Speaker, I am a bit appalled by the attitude of the Prime Minister. He is the Prime Minister and, if he wants to abolish the Senate, he has enough Members to do it. He does not have to play games with anyone in this House and cop out like that.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR PROJECT—PRIME MINISTER'S POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, with his argument that the government is trying to get out of a hole for which others are to be blamed and by reading a statement of one of the Domtar vice-presidents a few moments ago to the effect that no company should be receiving assistance, was the Prime Minister trying to tell us that he does not intend to provide any assistance to the Domtar project in the Richmond constituency?

Right Hon. Brian Mulroney (Prime Minister): On the contrary, and this was not a statement by a Domtar vice-president, but a statement on principle by the Forest Industries Advisory Committee, with all the members of the executive committee, who, for their part, made a statement in principle in favour of the national association of which Domtar is a member. One of those signing this statement was the executive vice-president of Domtar. However, this is a statement on principle by the pulp and paper companies which are asking us not to make any donations; however, we shall try to find a formula which could help the Windsor project.

GOVERNMENT AID TO DOMTAR—ECONOMIC CONSEQUENCES FOR EASTERN TOWNSHIPS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, is the Prime Minister aware that if the Canadian Government were to provide a $100 million subsidy to Domtar at this time, it would recover its entire investment within three or four years, because this would create $1.2 billion of economic activity in one of the regions of Quebec where there is the greatest need of economic assistance at this time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we shall see whether the figures quoted by the Hon.

Member are really accurate when we scrutinize them. However, we should be told once and for all whether the Leader of the Opposition, speaking on behalf of the Liberal Party, is in favour of a direct contribution of $100 million. Is the answer yes or no? This is what we would like to know?

Some Hon. Members: Yes!

* * *

[*English*]

FOOD AND DRUGS

DRUG PATENT LAWS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Prime Minister concerning changes in the drug patent laws which are being urged on us by the pharmaceutical manufacturers. Can the Prime Minister assure the House that, when he meets with President Reagan and discusses this question, he will give the President no assurances that Canada will change these laws in a way which will increase substantially the price of prescription drugs to Canadians?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to reassure the Hon. Member by quite simply telling him that in conjunction with pharmaceutical and generic companies we are now looking for a solution to that problem of pharmaceutical licences, and I can assure him that in so doing we are attempting to safeguard the best interests of Canadian consumers.

[*English*]

Mr. Orlikow: Mr. Speaker, the reason I directed my question to the Prime Minister was that the media report this is a question which will be discussed by the Prime Minister and the President.

POSSIBILITY OF DRUG PRICE INCREASES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my supplementary is directed to the Minister of Consumer and Corporate Affairs. Given that Mr. Hunter, director of the Competition Branch in his Department, has estimated that these increases could run as high as $750 million a year, will he assure the House and the people of Canada that his Department and the Government will not agree to any changes in the legislation which will mean substantial price increases for the people of Canada?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, again I will merely repeat what I said. We shall try to find a solution that will safeguard the best interests of Canadian consumers.

[*English*]

ENERGY

ATLANTIC ACCORD—CLAUSE 54

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. He has today been very cautious with respect to his answers concerning Clause 54 of the Atlantic Accord. He knows very well that clause allows for refining of Hibernia crude in Newfoundland only if such facilities exist in Newfoundland on the day this legislation is proclaimed. He knows as well that currently there are no such facilities. He knows Petro-Canada wants to scrap the Come-By-Chance refinery and has publicly said so. Will the Prime Minister not recognize that Clause 54 will place the Province of Newfoundland in the same position with respect to Hibernia oil that we find ourselves in with respect to Churchill Falls hydro power, that is, we lose forever any right of recall of a resource for use in the Province of Newfoundland? Will he not recognize that basic and fundamental fact?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it is really too bad that the Official Opposition cannot find anything good to say about the Atlantic Accord since it is the most important and beneficial document ever to be signed between the two levels of Government since Confederation. If you are looking for bad news, you can read anything you want into Clause 54. The intent and thrust of that clause was to give first refusal or prior access for Newfoundland to Hibernia, and also to ensure continuing and full access in the future.

Mr. Tobin: Mr. Speaker, it is not only the Official Opposition but the Nova Scotia Minister of Energy who cannot find anything good that he wants to opt for in this Atlantic Accord. It is incredible that the Minister would stand up and say that anyone can read anything they want into Clause 54. That is precisely the problem, and we want it clarified.

USE OF OFFSHORE OIL

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, will the Government move to make absolutely clear that Newfoundland does not foreclose any future right to utilize Newfoundland offshore oil in the Province of Newfoundland, to create jobs for Newfoundlanders? Will the Minister not give that clear commitment today?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the position outlined by the Hon. Member was the position taken by his Party when it was in government. It was not the position taken by our Party. The whole thrust of the Atlantic Accord is to bring industrial benefits to Newfoundland and ensure that this Province shares and participates in the offshore resources.

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—ACID RAIN ISSUE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Right Hon. Prime Minister and it deals with the impending Shamrock Summit. He just refused to give assurances to the Hon. Member for Winnipeg North that the interests of Canadian consumers with respect to the price of drugs would be defended at that meeting. We also notice that Canada has had to cave in on things like Star Wars and foreign investment.

In light of this mature peer relationship he wants to establish between Canada and the U.S., can the Prime Minister tell us why it is that he is reduced to considering having to make a telephone call to the President, on the eve of the Summit, to see if, in return for all these concessions, we might not get something token with respect to acid rain?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know to what the Hon. Member refers. He seems to be offended at the prospect of a reasonable and civil relationship between friends and allies. I know it is deeply offensive to the NDP to get along with people.

Mr. Hnatyshyn: Or with each other.

Mr. Mulroney: Or with each other. But I can assure my hon. friend that it is our judgment that the people of Canada want the Government of Canada to get along with the provinces, the regions, and our friends, neighbours, and allies around the world. That is exactly what we are going to do.

Mr. Blaikie: Mr. Speaker, there is a difference between getting along with people and living on your knees.

REDUCTION OF POLLUTING EMISSIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am referring to a report in the paper that he might be calling the President to ask for a concession on acid rain. Will we be hearing from the Prime Minister before March 17 that the Government will be moving on the reduction of nitrous oxide emissions here in Canada so that, with respect to the Prime Minister's remark about going to the table with clean hands, we will have something to show in the way of action here at home concerning acid rain?

Right Hon. Brian Mulroney (Prime Minister): What is it about the NDP that causes them to be concerned that when you conduct yourself in a civil way you presume there is some degree of subservience? We have conducted ourselves with honour and independence. That has always been the policy of Canada, and it will always remain the policy of Canada with our friends and neighbours.

An Hon. Member: Answer the question.

Mr. Mulroney: With regard to the question, we will have a statement tomorrow.

• (1440)

FINANCE

PURCHASE OF TREASURY BILLS—TAXATION OF PROFITS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance. A large number of Canadians are purchasers of our country's Treasury bills. Those bills are purchased at a discount without any reference to an interest rate. Is it the opinion of the Minister of Finance that the profit earned on those bills is taxable income? What arrangement has the Minister of Finance made to remind people who have purchased those bills that they must pay income tax on the profits earned?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is quite right. The discount on Treasury bills is income. It is taxable, and not to report that taxable income is an evasion of tax. I have been concerned about this for the past two or three years. I have discussed this with officials and with my colleague, the Minister of National Revenue. We have been in touch with members of the investment community to advise them that if people are not reporting this income it is evasion of tax and will be dealt with accordingly.

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ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the suntanned Solicitor General. I would like to ask him about the report commissioned by Commissioner Simmonds into the RCMP handling of the Hatfield investigation. Is that report ready? If it is not ready, in what stage of readiness is it? When does he expect to receive it?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the report is not yet ready. It is substantially complete and, when it is ready, I will be informing him and other Members of that situation.

ALLEGATIONS ATTRIBUTED TO PREMIER

Hon. Bob Kaplan (York Centre): Mr. Speaker, will the report also cover allegations made by Premier Hatfield subsequent to the commissioning of the report by Commissioner Simmonds, that members of the RCMP were out to get him and to bring down his Government? Will the report deal with that as well?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, we shall have to wait until the report is received before we get into any such details, if in fact they are made public.

Oral Questions

NUCLEAR ARMAMENTS

APPLICATION OF POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Secretary of State for External Affairs. Prime Minister Lange of New Zealand has said, in the context of his Government's refusal to allow nuclear capable ships in its ports: "We want no part of nuclear weapons . . . we do not ask, we do not expect, the United States to come to our assistance with nuclear weapons or to present American nuclear capability as a deterrent to an attacker". Is the Canadian Government prepared to take its own "no nuclear weapons on Canadian soil" policy to the same logical conclusion?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally I am not going to comment on the position of the Government of New Zealand, except to note that New Zealand is not a member of the North Atlantic Treaty Organization. Canada is a member of the North Atlantic Treaty Organization and we intend to continue to honour our obligations and play a full and prominent role in carrying out our obligations as a member of NATO.

Some Hon. Members: Hear, hear!

Ms. Jewett: Mr. Speaker, by implication the Minister is saying that New Zealand is not a loyal member of the alliance to which it belongs.

CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister. The answer of the Secretary of State for External Affairs accepts, uncritically, the American nuclear umbrella as a so-called protection of Canada. When the Prime Minister meets the President, will he accept uncritically all aspects of American nuclear policy, including MX missiles, star wars, and ASAT testing and development?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to that inflammatory question is, of course not. Canada has taken consistently, and with particular vigour since the election of the Government on September 4 last, a position that indicates that we intend to assert vigorously the sovereignty of Canada, to respect the values that are important to us, and to defend them in a way that respects our sovereignty. That includes, among other things, closing the holes in the DEW Line so that Canadian security and sovereignty will be protected in the future.

Some Hon. Members: Hear, hear!

Ms. Jewett: That's no answer at all.

Mr. Clark (Yellowhead): I have one other point to make, Mr. Speaker. If this fresh interest in having the NDP join NATO—

Ms. Jewett: Don't be silly. Why don't you answer the question?

Mr. Clark (Yellowhead): —was based on the view that New Zealand is a member of NATO, then I suggest the NDP had better inform themselves.

Ms. Jewett: What a dummy.

* * *

GOVERNMENT ADVERTISING

AWARDING OF CONTRACTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Solicitor General. He will recall that two months ago today I wrote to the Commissioner of the RCMP requesting a criminal investigation into the awarding of certain government advertising contracts. My colleague, the Member for York Centre, wrote to the Minister of Justice concerning the same topic. Is the Minister now in a position to inform the House whether there will be such an investigation, recognizing that two months of delay is a long time, and that justice delayed is justice denied?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Minister of Justice may wish to comment on this matter, but the most recent information I have on the situation is that the Commissioner had not made a determination that there is need for such an investigation.

[*Translation*]

RCMP—REQUEST THAT SOLICITOR GENERAL SEEK IMMEDIATE INQUIRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, given the fact that two months have already elapsed as I indicated earlier, since I filed that request with the Commissioner of the RCMP, would the Solicitor General now be in a position to indicate to the House whether he himself intends to ask the RCMP to immediately initiate a criminal investigation on those matters?

[*English*]

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Hon. Member seems to suffer from the same misunderstanding that many on that side do, that the Solicitor General directs the RCMP to conduct investigations, or interferes with their operations. I tell him, and others, including the former Solicitor General, that that is not the role of the Solicitor General.

EXTERNAL AFFAIRS

ANTI BALLISTIC MISSILE TREATY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Right Hon. Prime Minister. Does he support the Anti Ballistic Missile Treaty of 1972? Does he agree that any violation of that treaty would threaten world peace?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada supports that treaty. We intend to remain vigilant and active in our support of that treaty. We intend that the actions of Canada will remain consistent with our support of that treaty.

Mr. Blackburn (Brant): Mr. Speaker, I am surprised that the Prime Minister would not answer the question himself, in view of the fact that he is meeting with Mr. Nitze tomorrow.

DEPLOYMENT OF DEFENSIVE WEAPONS

Mr. Derek Blackburn (Brant): Would the Prime Minister inform his American visitor that Canada wants the ABM Treaty to continue in effect to prevent deployment of defensive weapons systems?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I suppose the best answer to that question, since we live in a parliamentary system and want to expose our position, warts and all, to Mr. Nitze, is to relay that view of the Hon. Member.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Health and Welfare. In light of the Government's decision not to remove urea formaldehyde foam insulation from a number of government buildings, including the postal facility on Eastern Avenue in Toronto, has the Government decided to lift the health hazard ban on urea formaldehyde foam insulation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has not lifted the ban. I will take the specifics to which he refers under advisement.

* * *

● (1450)

ETHNIC AFFAIRS

LETTER TO MINISTER FROM NATIONAL CONGRESS OF ITALIAN CANADIANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. In December, when the Minister of Finance offended the Italian

Canadian community with an insensitive remark, the Prime Minister refused to apologize. He has received a copy of a letter written to the Solicitor General from the National Congress of Italian Canadians, as have I, in which they complain of the "insensitive and on its face, discriminatory comment" about the Member of Parliament for York South-Weston. They used the term "Nunziata" in the letter. In the circumstances, would the Prime Minister make an apology on behalf of his Government to the Italian community, particularly to the National Congress of Italian Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of the specific point to which my right hon. friend refers. I would be happy to look at it.

I did receive a copy of a letter from another Liberal backbencher prior to Christmas, and I believe a copy was sent to my hon. friend. I responded in my personal name, because it reflected my views and that of my Government, and I said that as far as I was concerned, the tremendous courage, dignity, and the remarkable contribution that the Italian community has made to Canada is one that we salute. We have nothing but genuine respect and support for the magnificence of the contribution that Italian Canadians have made to Canada.

Should anything at any time be said by anyone on this side, inadvertently or otherwise, that is in any way contrary to that, of course it would be something that I would immediately regret and repudiate.

REQUEST THAT APOLOGY BE CONSIDERED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we welcome that statement, but in view of the fact that the National Congress has made what essentially amounts to a formal protest, I would like the Prime Minister to look into it formally and decide whether, in his good judgment, and reflecting the remarks he just made, a formal apology should be made.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to look into this. As I recall, just prior to Christmas I wrote to the Hon. Member—I believe I sent a copy to the Leader of the Opposition—and I referred to the tremendous regard in which we hold the contributions of Italian Canadians. However, I will look into this, and should there be even the slightest iota of a comment by anyone at variance with that, I assure my hon. friend that it is not the view of anyone on this side, and I am sure it wouldn't be his.

* * *

EMPLOYMENT

CHALLENGE '85—OPPORTUNITIES FOR WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. I have just completed a tour of women's centres in British Columbia, all of which are suffering from very inadequate funding while their

clients are suffering increased unemployment, poverty, and increasing violence. In view of his promises to Canadian women, will he guarantee that women's services will have a priority for summer job placements under Challenge '85?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I believe the Government has already told Canadians that women's issues were part of its priority in Challenge '85 and many other programs. For example, we are working toward the Prime Minister's goal to have 30 per cent of appointments made of women in Canada.

I think women in British Columbia, as well as in the rest of Canada, can rest assured that they will find the place they deserve in Challenge '85 and any other programs.

Some Hon. Members: Hear, hear!

Ms. Mitchell: With all due respect, I think that was a very naive reply.

Some Hon. Members: Oh, oh!

AFFIRMATIVE ACTION INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I will direct my supplementary question to the Minister of State for Youth. Why has the Government, her Ministry, and the Ministry of Employment and Immigration not required a specific affirmative action plan as part of the Challenge '85 Program which would guarantee at least 48 per cent of those jobs to women students? That has not been done. Women want more than just lip service.

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I think the Minister of Employment and Immigration knew as well as I did, when we were working on "Challenge '85", that there was no need for a quota, that women, young Canadian women, would themselves seek their due and take the necessary step to obtain their full share of available summer employment.

* * *

[*English*]

FISHERIES

NORTHERN FISHERIES DEVELOPMENT CORPORATION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. He knows that almost two years ago the Government of Canada and the Government of Newfoundland signed an agreement to set up a Northern Fisheries Development Corporation for fishermen north of 50. That has not yet been put in place. What has the Minister done in this respect, and can he give an assurance that the $15 million which was set aside previously for funding that corporation, or adequate funds in any event, are still in place for it?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I thank the Hon. Member for his question. It is an appropriate question, the answer to which is that discussions are going on between the Government of Canada and the Government of Newfoundland with respect to this issue. The amount of money that was allotted for the Northern Corporation is no longer available, but if the discussions that take place are worthy and useful, of course I shall do my very best to find the funds to proceed. I must say to the Hon. Member that I am sympathetic to the concept.

REQUEST FOR CONSULTATIONS WITH FISHERMEN

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I had hoped that the Minister would be able to say that the Corporation would be in place for this fishing season. Can he give that assurance, and can he tell the fishermen on the northern peninsula of Newfoundland and on the Labrador coast that he will consult with them this spring before anything specific is done?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member knows that I have been invited to his province to take part in discussions. If it is possible I will go and, if not, then senior officials of the Department will be there. I cannot give an assurance today that the Corporation will be in place for this season.

* * *

CANADIAN ARMED FORCES

DISMISSAL OF LESBIAN PERSONNEL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Defence. Last year five qualified women in the Canadian Armed Forces, who happened to be lesbians, lost their jobs at CFS, Shelburne, in Nova Scotia, solely on the basis of their sexual orientation. In view of the fact that these women pose no threat whatsoever to Canada's national security, would the Minister explain why the women were fired, and why he continues to allow a policy on the books which discriminates so blatantly against Canadian gays and lesbians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Member knows, or should know, the existing regulations within the Canadian Forces make the Minister of National Defence very much a part of the grievance process. I am not aware of whether one or more, or any of the women involved, have triggered that grievance process. I am sure that the Hon. Member, having regard to his background and profession, would be the first to agree that I, being involved in that grievance process, should not be making any comment one way or the other until we establish whether or not they intend to grieve.

REQUEST FOR ASSURANCE OF NO FURTHER DISMISSALS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, presumably the Minister knows that there is no grievance process in place for these women who were dismissed on that basis. In view of the fact that the Justice Committee has been asked by the House of Commons to study the whole question of discrimination on the basis of sexual orientation, particularly in the Armed Forces, is the Minister prepared, for at least as long as this study is under way, to assure us that no man or woman currently in the Armed Forces and qualified to serve there will be dismissed on the basis of his or her sexual orientation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the last part first, there are regulations in place, and legislation in place, governing the conduct of servicemen and women in the Canadian Armed Forces.

With respect to the first part of the question, the Hon. Member leaves the impression with the House that there is no grievance procedure in place to be pursued by these women. That is incorrect. There is a grievance procedure that is available, and if they so wish—as far as I am aware they may have already done so—that process is available to them.

* * *

● (1500)

NATIONAL RESEARCH COUNCIL

CANCELLATION OF RESEARCH PROJECT

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of Science and Technology. One of the direct and devastating results of the cuts of black Thursday, last November 8, which eliminated the National Research Council's Energy Division, is the cancellation of CIDA's long-term program to reclaim lands from the desert in Africa. When the Minister cancelled NRC research support, was he aware of the damage that this would do to the fight against starvation in Africa? If so, did he suggest other ways of maintaining research for this critical project?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member is stretching a long way the connection between the deprivation in Africa and measures which were announced by my colleague, the President of the Treasury Board, on November 8. In fact, if he is referring to reductions of funding for solar energy research projects, I have made clear in this House on many occasions that worthy projects will be continued, and adequate funding sources are available to ensure that such necessary research is continued.

Point of Order—Mr. Crosbie

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, March 4, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

ALLEGED MISQUOTATION BY MR. BROADBENT IN QUESTION PERIOD

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, my point of order has to do with the misuse in the Question Period by the Leader of the New Democratic Party who improperly quoted what I was alleged to have said.

Some Hon. Members: Oh, oh!

Mr. Broadbent: That is not a point of order.

Mr. Crosbie: This is a point of order, Mr. Speaker. I said:

"I can't see that the Senate performs any really useful function any longer," he told reporters.

But he added that perhaps "It could be reformed in some way that would make it more useful and more in tune with democratic times, so I don't want to foreclose anything."

That is quite different from the incomplete, incorrect, in fact false quotation posed by the Leader of the New Democratic Party to the Leader of the Government in an attempt to trick the Leader of the Government into thinking that I had said something I had not said.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: I want to quote his words which are a breach of the rules of the House.

Mr. Speaker: I was waiting for the Hon. Minister of Justice to tell me under what order he was rising.

Mr. Crosbie: A common sense order, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: I hesitate to say to the House that there perhaps should be in the rules a common sense order, but there isn't yet.

Mr. Broadbent: I rise on the same common sense point of order, Mr. Speaker.

Mr. Speaker: I think the Hon. Member knows that is not a point of order.

Mr. Turner (Vancouver Quadra): Mr. Speaker, on the same point of order—

Some Hon. Members: Oh, oh!

Petitions

Mr. Turner (Vancouver Quadra): —I would urge Your Honour, the next time one of us has a point of order, to give us the same generous time to make it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The next time the Right Hon. Leader of the Opposition rises on a true point of order, I will be happy to give him time.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: This is a real point of order.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I simply want to rise at this point in time in view of the fact that there is a change of business and I want to make an announcement with respect to the business of the House for tomorrow.

Tomorrow, rather than as announced, as the first item of business we will be dealing with Bill C-32, an Act to amend the Fisheries Act, to be followed, if we complete second reading of that Bill tomorrow, with Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (C), 1984-85

A message from Her Excellency the Governor General transmitting Supplementary Estimates (C) of sums required for the service of Canada for the fiscal year ending March 31, 1985, was presented by Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

[*English*]

PETITIONS

CAPITAL GAINS TAX

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I have the honour to present a petition signed by constituents of The Battlefords-Meadow Lake who wish to express their concern over capital gains tax on the sale of farm land.

Therefore, the petitioners pray and call upon this Parliament to remove this tax and in so doing encourage the renewal of economic activity in the agricultural economy.

SPREAD OF PORNOGRAPHY

Mr. Terry Clifford (London-Middlesex): Mr. Speaker, I take this opportunity to present a petition on behalf of the constituents of London-Middlesex. The teachers of our youth are petitioning against the spread of pornography in Canada. In a recent magazine the capital was "exposed". I am confident that this Government will act to rid the country of this evil spirit.

* * *

SUPPLEMENTARY ESTIMATES (C), 1984-85

REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 63, I move, seconded by the President of the Treasury Board (Mr. de Cotret):

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1985, tabled earlier this day, be referred to the several standing committees of the House as follows:

Because the list is rather long, Mr. Speaker, and there is a detailed allocation of the Supplementary Estimates to the committees, if it is agreeable with the House I ask that the list be printed in *Hansard* as if it had been read. I have indicated the list of committees to which the estimates will be referred to the Opposition House Leaders in advance of making this proposal.

Mr. Speaker: The House has heard the suggestion of the President of the Privy Council. Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture:

Agriculture Votes 15c and 55c

External Affairs Vote 20c

To the Standing Committee on Communications and Culture:

Communications Votes 2c, 10c, 30c, 55 and 70c

Secretary of State Votes 1c, 15c, 25c, 30c and 55c

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes L13c, L14c, 35c and 40c

National Defence Vote 5c

To the Standing Committee on Finance, Trade and Economic Affairs:

External Affairs Vote 10c

Finance Votes 10c and 30c

National Revenue Votes 1c and 5c

To the Standing Committee on Fisheries and Forestry:

Environment Votes 15c and 20c

Fisheries and Oceans Votes 10c and L15c

To the Standing Committee on Health, Welfare and Social Affairs:

National Health and Welfare Votes 10c, 15c, 25c, 40c and 47c

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 15c, 20c, 21c, 25c, 30c, 35c and 45c

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 1c, 5c and 20c

Solicitor General Votes 1c, 5c and 15c

To the Standing Committee on Labour, Employment and Immigration:

Employment and Immigration Votes 5c, 20c and 25c

Labour Vote 25c

To the Standing Committee on Miscellaneous Estimates:

National Revenue Votes 20c and 21c

Privy Council Votes 1c and 5c

Science and Technology Votes 25c and 30c

Supply and Services Votes 5c and 10c

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 25c, 26c, 35c, 45c, and 66c

Public Works Votes 5c, 6c, 10c, 65c, 75c, 80c and 85c

To the Standing Committee on Regional Development:

Regional Industrial Expansion Votes 7c, 50c, 56c and 58c

To the Standing Committee on Transport:

Transport Votes 1c, 16c, 36c, 37c, 45c, 46c, 76c, 85c, 90c and 110c

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 89, 106, and 233.

[*Text*]

CHIEFS OF STAFF

Question No. 89—**Mr. Angus:**

Since November 15, 1984, what are the (a) names (b) salaries (c) job descriptions (d) backgrounds of all Chiefs of Staff appointed to work for Ministers?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister):

	The Ministry (as of March 4, 1985)	Chiefs of Staff
(a)	Prime Minister	*Bernard Roy
	Minister of Veterans Affairs	Keith Bell
	Leader of the Government in the Senate	Ron Lefebvre
	Secretary of State for External Affairs	Jodi White
	Minister of Employment and Immigration	William Musgrove
	Deputy Prime Minister and Minister of National Defence	Peter Harder
	Minister of Justice and Attorney General of Canada	Jim Good
	Minister of Public Works	Pierre-Claude Nolin
	Minister of Transport	Jamie Burns
	Solicitor General of Canada	Peter Meerburg
	Minister of National Health and Welfare	Russ Wunker
	Minister of Fisheries and Oceans	Claude Boisselle
	Minister of Regional Industrial Expansion	Effie Triantafilopoulos
	Minister of Agriculture	Jean-Carol Pelletier
	President of the Queen's Privy Council for Canada	Robert Richards
	Minister of Indian Affairs and Northern Development	Ronald L. Doering
	President of the Treasury Board	Jules Pleau
	Minister of National Revenue	Sal Badali
	Minister of Finance	Tom Trbovich
	Minister of State (Multiculturalism)	Newton Steacy
	Minister of Supply and Services	Norman McIntosh
	Minister of State (Fitness and Amateur Sport)	Vic Little
	Minister of State for Science and Technology	Kevin MacLeod
	Minister of State (Canadian Wheat Board)	Dan Fenety
	Minister of Labour	Greg Fyffe
	Secretary of State of Canada	Michèle Bédard
	Minister of State (Tourism)	Les McIlroy
	Minister of Energy, Mines and Resources	Harry Near
	Minister of State (Small Businesses)	Jean-Louis Bouthillette
	Minister of the Environment	André Robert
	Minister of State (Transport)	Gary Ouellet
	Minister of State (Youth)	Gilles Léveillé
	Minister of Consumer and Corporate Affairs	Julien Béliveau
	Minister for International Trade	Bruce Fountain
	Minister of State (Mines)	Richard Lande
	Minister of Communications	Steven Ash
	Minister of State (Finance)	Elizabeth Roscoe
	Minister of State (Forestry)	Dan Skaling
	Minister for External Relations	Robert Letendre

*Principal Secretary/Chief of Staff to the Prime Minister.

Order Paper Questions

(b) The permissible salary range for the Principal Secretary/Chief of Staff is $97,090-$114,620. The salary range for a Chief of Staff is $50,000-$80,970.

(c) Every Chief of Staff is to assist the Minister as directed.

(d) The information requested in this part should be obtained directly from each individual upon request.

EFFECT OF IMMIGRATION ON UNEMPLOYMENT LEVELS

Question No. 106—**Mr. Kaplan:**

Has the Government studied the effect of immigration on unemployment levels and, if so, will the Government table any such resulting information?

Hon. Flora MacDonald (Minister of Employment and Immigration): There are no recent studies on the effect of immigration on unemployment. The latest study to include this aspect of immigration was done in 1978. The study, prepared by Informetrica Ltd. of Ottawa, assessed the major macroeconomic implications of varying levels of immigration to Canada for the period 1978 to 1985 under varying sets of economic assumptions.

The report is available upon request from the Strategic Policy and Planning Division, Employment and Immigration Canada.

SOCIAL SECURITY

Question No. 233—**Mr. Howie:**

For the fiscal year ending March 31, 1984, how many (a) men (b) women in New Brunswick were receiving (i) Old Age Security pension (ii) guaranteed income supplement (iii) the full amount possible under the guaranteed income supplement?

Hon. Jake Epp (Minister of National Health and Welfare): (a), (b), (i), (ii), (iii), For the fiscal year ending March 31, 1984 there were on average 32,552 men and 42,030 women in New Brunswick receiving Old Age Security benefits. For the same period an average of 20,629 men and 27,795 women

received guaranteed income supplement benefits. Out of the group who received guaranteed income supplement benefits 5,863 men and 8,658 women received the full amount possible.

[*English*]

Mr. Stewart: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—THE ENVIRONMENT

The House resumed consideration of the motion of Mr. Caccia:

That this House condemns the Government for its negligent and irresponsible approach to the protection and management of the environment, for its cuts of wildlife, meteorologial and parks services, for abandoning Canada's past initiatives on the national and international levels to combat acid rain and to restore the water quality of the Great Lakes, and for thereby jeopardizing the health, economic well-being and the heritage of the present and future generations of Canadians.

Mr. Speaker: Questions and answers. Debate. The Right Hon. Leader of the Opposition (Mr. Turner).

Mr. Turner (Vancouver Quadra): Mr. Speaker, we proposed this motion and asked for this debate—

Mr. Fulton: Mr. Speaker, I have a point of order.

Mr. Speaker: With great respect, the Hon. Member for Skeena is rising on a point of order.

Mr. Fulton: Mr. Speaker, I do not mean to break into the speech of the Right Hon. Leader of the Opposition (Mr. Turner), but I believe the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) still has the floor for a couple of minutes to answer some questions.

● (1510)

Mr. Speaker: I called questions and answers. No one rose.

An Hon. Member: He did.

Mr. Speaker: With respect, I called questions and answers. No one rose. With great respect, the Hon. Member did not rise when I called questions and answers. I then called debate.

An Hon. Member: You didn't see him.

Mr. Speaker: I waited. I called questions and answers. No one rose.

An Hon. Member: He was up.

Mr. Speaker: With great respect to Hon. Members, I was looking directly at the Member when I called questions and answers, and no one rose. I therefore called debate. With the consent of the House and with the consent of the Right Hon. Leader of the Opposition (Mr. Turner), I am prepared to return to the three minutes remaining for questions and answers. Does the Hon. Member for Skeena have a question?

Mr. Fulton: I want this answer.

Mr. Speaker: There is no question before the House of which I know. Please put the question.

Mr. Fulton: Mr. Speaker, I believe the Parliamentary Secretary was seized with my question immediately before we rose for lunch. It related to the witnesses who appeared before the Standing Committee on Fisheries and Forestry regarding the Canadian Wildlife Service cuts and the other cuts to the Department of the Environment. I want to solicit the views of the Parliamentary Secretary, as well as his views as a Member of Parliament, as to whether or not he would agree that the overwhelming bulk of the evidence, if not all of it, given by the witnesses determined that in fact those were among the worst possible cuts which could have been made. There were other cuts which perhaps could have been made, but those were the worst possible ones. Not a single witness, despite the fact that the Government had the opportunity to call witnesses from anywhere in Canada, supported the cuts made by the Minister of the Environment (Mrs. Blais-Grenier).

Mr. Gurbin: Mr. Speaker, in response to the question of the Hon. Member for Skeena (Mr. Fulton), I think it is very clear, and I concur, that without exception the witnesses before the committee identified the sensitivity of the areas affected by the budgetary changes. I think that point is clear.

What I have to add in response to the Hon. Member's question is that there are a number of sensitive areas. I am not personally sure from hearing most of the witnesses, if not all of them, of the relative factors of some of the areas for which the Canadian Wildlife Service is responsible. If we were saying that they were not to be supported, that those programs were not to be addressed in some way, I think he would have a legitimate point. On the other hand, the $1 million fund, the consultations which have been taking place with the province, with the federations involved—only one so far and one upcoming—and with others, universities included, lead me to believe that the Department, the Minister and I would be very unhappy if we were not successful in seeing all the things done on behalf of wildlife research in Canada which the Hon. Member, other Hon. Members and I would like to see done.

Mr. Fulton: I have a very short supplementary question. If I understand the Hon. Member properly, what he is saying is that on the bulk of the evidence of witnesses from all across

Canada, including specialists in the field, it is quite clear that the overwhelming majority of those areas which were cut should be reinstated.

Mr. Gurbin: Mr. Speaker, I tried to be as clear as I could in my response the first time. I could only reiterate that there has never been a denial of the recognition of the sensitivity and need for research in wildlife. The question is how it can be done most effectively. The Government is working on that aspect right now and intends to dedicate resources and effort to seeing that it is fulfilled.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have proposed this motion and requested a debate and a recorded vote because there is a growing concern among Canadians that the Government lacks a real commitment to our environment.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister spoke this morning. I am sorry she is not present in the House at this time; her Parliamentary Secretary was here a minute or two ago. I deplore the practice of a Minister responsible for the subject matter of an Opposition day not being in the House to listen to the speeches, remarks, questions and complaints of the Opposition. The same practice is developing during the course of debate on pieces of legislation, where the Minister might appear in the early stages of second reading and then disappear. I hope this large majority in the House of Commons will not promote the type of indifference to Parliament which we have seen displayed on recent Opposition days. I wish the Minister were here. At the moment there are very few Conservative members present.

I am not sure that we have seen in the last few months since the Government took office is a case of the Minister of the Environment (Mrs. Blais-Grenier) losing battles in Cabinet over the cuts of the Minister of Finance (Mr. Wilson) or whether the Minister even participates in those battles. She has given no major address in the country on the subject of the environment. We do not know, aside from the cuts, what the Minister's plans are. We hardly know what her views are. Members of the government back-bench have said, and I paraphrase them: "Don't fight the cut-backs; wait until you see the Budget of the Minister of Finance, there are going to be even more". The Minister did not mention that in her remarks this morning. I hope she will take the earliest opportunity to do so.

I urge the Minister to explain the logic of imposing even more cuts in this vital area and to make a commitment to standing up for our environmental programs. Even on the basis of public relations, which seems to be a consideration that rules Cabinet decision-making within this Government, where the pollster has replaced the Minister in the councils of government and ranks higher in the affections of the Prime Minister (Mr. Mulroney), if the Minister thinks she got heat over the November cuts to vital areas of the Department of the Environment, even more cut-backs will raise temperatures through the roof.

As a Canadian and as one who has had the privilege and opportunity of travelling across the land over the years, particularly by canoe with my family on many of our waterways, from one coast to the other, particularly north of the sixtieth parallel and across the Arctic Circle and into the Arctic and Pacific Oceans, I am absolutely dismayed and disgusted with the cuts to the environment made by the Government. We in British Columbia and in western Canada are absolutely outraged.

I will cite a few examples. First there is the closing or the attempt to privatize wildlife interpretation centres across Canada. There have been cut-backs in services at Webb, Saskatchewan; Creston Valley, British Columbia; Percé, Quebec; Cap Tourmente, Quebec; and Wye Marsh, Ontario. I could refer to the migratory bird sanctuary in Vancouver, the delaying of work on the Fraser River dyking project in British Columbia on the largest flyway on the west coast of North America, and the cutting of projects which monitor effects of forestry pesticides on birds in Manitoba. I could refer to the herring gull egg monitoring program. It is a $250,000 program. In relative terms that is not much money. It employed six people. It was tracing the toxic chemical impact through examination of gull eggs and analysis thereof. It is important to our understanding of the impact of these chemicals on birds or on other animals, and eventually on us. It is critical that we know precisely what is the impact in order that we can find a solution that precisely meets the danger.

What has been the Government's response? It cancelled the whole program in November. No reasons were given. After a huge public outcry, it now claims to have reinstated it. I was in Toronto yesterday and made further inquiries. Before, that project had six people and now there is only one. That person has been told just to collect the eggs, note the chemical presence and not look at the impact. What good is that?

It has cut programs to reintroduce certain fox species to Alberta and Saskatchewan where they have disappeared. It has cut the program to monitor the build-up of agricultural chemicals on birds in Alberta, particularly edible fowl. It has closed weather stations right across the country. The one in Bissett, Manitoba immediately comes to mind.

I should also like to mention the Guelph Toxicology Centre. It was to be the first of its kind. It was to monitor and assess the impact of new chemicals, but the Government cut it completely. We know that there are some 800 different chemicals in Lake Ontario alone. The Niagara River Toxics Committee found 261 chemicals in the Niagara River, 57 of which are at levels known to pose a risk to human health. Without programs like the herring gull project and the Guelph centre, how will we know what these chemicals are doing to fish in our lakes, to birds that eat the fish or to humans who drink the water or eat the fish?

● (1520)

The National Research Council Environmental Secretariat has been eliminated, 400 top scientists. They explained environmental issues to the country by way of lectures and publications, research on lead, PCBs, asbestos, phosphates, heavy metals, mercury and other pollutants. Where will this information come from now?

The area of the Public Service which has been savaged most severely and which really outrages me is the Canadian Wildlife Service. There were 84 people cut, 25 per cent of the entire staff. These were highly trained biologists, technicians and environmentalists. They are closing our centres across the country. The finest brains in the world, some of them, in our environment and in biology, where are they going now? They are going to the United States, Asia and Africa. They were snapped up by any country that had any interest in the environment. For three generations the Service had contributed to the best environmental service on the globe, and it has been savaged.

The Minister says that the cut-backs will not, and I use her words, adversely affect the survival of this program. What a naive attitude! It is physically impossible to cut one-quarter of the staff and have no repercussions.

[*Translation*]

And it is the same story with respect to national parks. What are the Conservatives doing this year to celebrate the one hundredth anniversary of Parks Canada? They raise entrance fees, reduce the number of employees, and force the management of many parks and reserves to eliminate some services. Nineteen hundred and eighty-five promises to be the year to visit our national parks, on one condition however: being able to get into them.

Mr. Speaker, we are incensed at the way the Government has been treating the Canadian Wildlife Service and the National Research Council. We feel insulted! Most Canadians do enjoy one common advantage: availability of and ready access to wide open spaces. Not satisfied with such savage cut-backs in our own national environment programs, the Government has also seen fit to reduce its participation in the United Nations environment program whose purpose is to seek ways to check desertic encroachment in countries such as Ethiopia where the tragic loss of agricultural land has led to untold suffering and innumerable deaths.

Aid programs of that kind are needed if we are to put an end to the dependency cycle and help other countries set up lasting agricultural programs. By reducing our participation in those programs, we can only become less familiar with the problems and contribute to make the dependency cycle even more acute.

[*English*]

My colleague from Davenport (Mr. Caccia), our critic on the environment, spoke eloquently this morning about acid rain killing our lakes, rivers and vegetation at an alarming rate. The Minister of the Environment says this is no longer a priority. Her leader, the Prime Minister, seems to think that the United States Government has a case in taking no action because he says our record is not as good as theirs. The Prime Ministers says we have to do more, but the actions of his Government indicate that he is doing the reverse.

The Prime Minister says that acid rain is at the top of his list at the Summit with President Reagan in Quebec City on March 17. I congratulate him for that and wish him well, but as I have suggested in the House of Commons, he has already given the President an easy way out. The President is going to say: "Well, Brian, sure I agree, but you yourself said Canada has not done well on this, so why should we take any action if you are not?" He has already thrown his cards away.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As our environmental critic, the Hon. Member for Davenport, was quick to point out to the Prime Minister immediately when he heard the comment, the truth is that Canada has done very well in reducing acid rain. The former Minister of the Environment in the Province of Ontario agrees. We have a program to reduce sulphur dioxide emissions by 25 per cent by 1990 and by 50 per cent by 1994. The United States does not have that program. Considering that the United States produces 19.6 million tonnes of nitric oxide per year compared with our total of only 1.7 tonnes, we know where the responsibility must be shed across our neighbourhood and across the air.

The Canadian Press now reports that the Prime Minister is anxious to telephone President Reagan in the hopes that he can get, as one official calls it, at least a token gesture on acid rain from the President. Otherwise the meeting of March 17 will be a public relations defeat for this Government. All I can tell the Prime Minister is: Beware the Ides of March, because we have been getting a busy signal from the White House on that issue ever since President Reagan took office four years ago.

The Government of Canada and the Government of Newfoundland have jointly agreed, despite the Atlantic Accord, to keep under wraps the publication of the *Mobil Oil Environmental Assessment Impact Study* on the production of Hibernia oil. That report was to be released two months ago. The Hibernia development will take place in the middle of one of the richest fishing grounds on the face of the globe. We urge that report to be published and to be released because it is very important environmentally.

Some Hon. Members: Hear hear!

Mr. Turner (Vancouver Quadra): I can turn now to the west coast. There was the tragedy of several fishermen drowning last October on the west coast when six vessels went down. There was an inquiry under Professor LeBlond which showed serious deficiencies in our forecasting. The Minister has taken some action. She has expanded the drifting buoys and she has automated shipboard programs. However, the United Fishermen and Allied Workers' Union has called for a reinstatement

of a weather ship off the west coast as absolutely necessary. The LeBlond report calls for forecasting services to fishermen to be brought up to the standards provided for aviation. I urge the Minister on behalf of British Columbia to speed up the one position for a marine forecaster instead of waiting until October, 1985 to staff that position.

The problems of the environment are not solved overnight, we know that. It requires a long-term, serious and deep commitment by the Government to be a leader in this area. Apparently the Government of Canada under this new administration wants to let others take over. The Minister suggests it is the duty of the provinces—let the provinces do it; let the private sector intervene. The Minister says that provincial Governments will pick up the slack when federal programs are cancelled. All I can say is that this is not likely, especially when you consider that in Ontario, for example, the Ontario Government has cut some $29 million out of environment programs over the past two or three years. Mr. Grossman, the Treasurer, is promising to cut every Ministry even more.

I can tell the Minister that she will not get the money from the provinces. She should realize that once she cuts a program, it is finished. I can also tell the Minister that because of the costs involved, the private sector needs some leadership, co-operation and incentives.

We take this issue immensely seriously. Every Canadian has a personal stake in protecting our environment. It is the air we breathe, the water we drink, the priceless and precious wildlife in our vast open spaces, the lakes, forests and rivers which we enjoy. Those great national treasures are fundamental to life in this country.

I do not know of anything more important to Canadians than the natural heritage with which we have been blessed. No other country comes close to the variety of geography, panorama, wildlife or space. We have one-third of the fresh water of the world. We have rivers and lakes that provide limitless recreational and camping opportunities. We have a climate and an environment which challenges us in each of the four seasons.

Our national character has certainly been shaped by our geography. Our national character has been fashioned by the type of country we have been given and with which we have been blessed. For a Government not to recognize that, but to diminish and denigrate the priority of preserving that heritage, is beyond my understanding. I cannot tolerate it. Everywhere I go, and this is shared by my colleagues, at every public platform, at every question and answer session that we have in our universities, high schools and in our groups, the Canadian people raise this subject.

Two weeks ago I had a town hall meeting in Vancouver Quadra which 900 people attended. The environmental questions were absolutely uppermost on the minds of the people. Why is it, blessed as we have been, that the Government, as the custodian of our heritage and our natural environment, allows the cuts to be so shamelessly taken? Who sets these priorities? Why does the Minister not stand up for them? If she has not succeeded against the Minister of Finance (Mr. Wilson) or the President of the Treasury Board (Mr. de Cotret), why does she not at least have the guts to say so? She should take that responsibility off her shoulders and say, "No. I cannot succeed, but I will not be blamed by the people of Canada for what we are doing to our environment".

• (1530)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I believe that is why Canadians have reacted so strongly to the Government's tampering with the protection of the environment. That is why, since those cuts were known after the November 8 statement of the Minister of Finance, our Party has led the fight in the House to reverse some of those cuts. It is also why we in this Party will continue to lead that fight if the Government persists on this very dangerous and self-defeating course. We will do it in Parliament. We will do it in the country. We will fix the record in the public's mind, because what is being left undone by this Government is something that can never be repaired.

The environment is a permanent heritage. The renewable resources of Canada depend on it. The well-being and health of our citizens depend on it. The life that we have been given and the welcoming of tourists from all over the world depend on it. It is part of the Canadian heritage and character. It goes right to the fibre and bone of Canadian intuition and instinct. If the Government does not understand that, it does not understand the country. If the Minister wants to regain some of the promise she has lost, she had better stand up to her colleagues soon. She should go to the Prime Minister (Mr. Mulroney) and say, "Look, I am being pilloried from one end of the country to the other and I am not being allowed to do my duty, to fulfil my mandate or to fulfil the expectations which the Canadian people have in me and in this Government. Either allow me to do it, Mr. Prime Minister, or relieve me of the responsibility".

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Is that what you did, John?

Mr. Turner (Vancouver Quadra): I will ignore that particular remark. On this subject I know that the Right Hon. Member, who comes from High River and enjoys one of the most beautiful constituencies in the world, agrees with every darned word I am saying—

Mr. Clark (Yellowhead): No, he doesn't.

Mr. Turner (Vancouver Quadra): The right hon. gentleman has one of the great national parks in his riding, but the user fees and the expenses are going up. Instead of opening that national park in 1985 on the one-hundredth anniversary of our national parks, the Government, of which he is a member, is making it more difficult for Canadians to get into that national park.

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): The Parliamentary Secretary is smiling because the right hon. gentleman has taken the heat from his Minister. I want to say to him that I never expected a man who had the good fortune to grow up in High River to challenge a debate on the environment, and I hope that will be properly recorded for his fellow citizens.

I trust that this House will take into consideration the motion which we have put before it. Nothing is more fundamental for the future well-being of Canadians than the subject we have brought to the attention of the House. I want to thank the House for its consideration and attention.

Some Hon. Members: Hear, hear!

Mr. de Jong: Mr. Speaker, I enjoyed the remarks of the Leader of the Opposition (Mr. Turner) and I certainly agree with much that he said. Of course, to many of us who have been concerned about the environment and the erosion of the environment over the last few decades it is refreshing to hear the Leader of the Liberal Party expressing those sentiments. I wish those sentiments had been expressed many years ago. I am afraid that the record of his Party when in government in dealing with Eldorado Nuclear and the waste and spoilage which that corporation caused in many parts of the country is not favourable. One could mention the testing of herbicides and pesticides and the pollution of ground water on the Prairies that the Department of Agriculture of previous Liberal Governments allowed. One could go on to mention waste disposal in Canada.

My question is: Is this a conversion of the Liberal Party? If the Liberal Party ever regains power, will we see a new agenda for the environment of Canada? Will he give us the commitment that the errors of the past are indeed of the past and that a new Liberal Government will set a new agenda for the environment of Canada?

Mr. Turner (Vancouver Quadra): Mr. Speaker, there need not be any new commitment. The commitment has been there throughout the years of Liberal administrations.

My colleague, the Hon. Member for Saint-Maurice (Mr. Chrétien), had the honour to inaugurate and establish more national parks than any other Minister in the history of the country. We have been at the leading edge of environmental protection. The Hon. Member for Davenport (Mr. Caccia), when he was Minister of the Environment, brought the acid rain question to the attention of Canadian people, as did his predecessor, Mr. Roberts. Our record stands on its own. We have no apologies to make. I have no doubt that the Canadian people, in their minds, will recognize that, whatever reasons they may have had for changing the administration on September 4, our commitment to the environment was not among those reasons.

Mr. Gurbin: Mr. Speaker, I would like to ask the Right Hon. Leader of the Opposition (Mr. Turner) a question. First, I would like to note that I was not smiling at his comments with respect to the intervention of the Right Hon. Member for Yellowhead (Mr. Clark), but merely at his extraordinary gesticulations and comments about what happened within the Conservative Cabinet. I am not there, so I am sure I do not know. I am not sure whether the habit of the former Government was such that he knew that his Minister of the Environment was really impotent in the face of Liberal Cabinet Ministers.

My question is: Is he proud of the Liberal record as it relates to the environment?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I could not be more proud of the record of Liberal Governments over the years as being the leaders and the pioneers of environmental protection. Certainly I am proud of that record.

Mr. Blaikie: Mr. Speaker, I have a question for the Right Hon. Leader of the Opposition (Mr. Turner). I think be might want to take the opportunity to distribute the credit for public awareness of the acid rain problem more widely than he did a minute ago when he gave all the credit to the former Minister of the Environment, the Hon. Member for Davenport (Mr. Caccia), and the former Member from Toronto, Mr. Roberts. Is the Leader of the Opposition not aware that a special subcommittee of the House was set up to study acid rain, that it travelled the country and the world, produced reports and played a great part in creating the public awareness which we now have, of which we should be taking advantage? Out of respect for Parliament and the work of that committee, I think that the Leader of the Opposition should have something more to say.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I would like to thank the Hon. Member for bringing that to my attention. With only 20 minutes in which to speak, I cannot cover all of the good aspects of what Parliament has accomplished. I second him in lauding the work of that committee which, after all, was set up by the previous Liberal Government under the Ministry of John Roberts. Our former colleague, Ron Irwin, then the Member for Sault Ste Marie, was the Chairman of that committee and did an excellent job. I would not have had time to mention that had the hon. gentleman not been kind enough to bring it to our attention.

Mr. Foster: Mr. Speaker, the Right Hon. Leader of the Opposition (Mr. Turner) mentioned the Toxicology Centre at the University of Guelph which was cut out by the Government. I think that was a tremendous blow to the whole policy on toxicology. It was a model idea because it drew together federal and provincial Governments, the private sector, the University of Toronto and the University of Guelph. It was to be a centre of excellence which would not only develop new techniques, designs and models for handling toxicology issues, but it was also to be a national centre for the entire country which would train young scientists. It is a tragedy that that centre was cut out. Over a period of several years it would have received $16 million from the federal Government, $16 million from the provincial Government and about $8 million from the private sector. It really grew together in one location, under the sponsorship and co-operation of two large national

universities. The most frustrating and maddening part of this whole episode was not only that it was cut out after a director had been appointed, with the resultant floundering, but that I received no real answer from the Minister when I asked her in the House why it was being cut out.

• (1540)

Everyone seems to be concerned about pesticides and toxins in our environment which affect our health. We have concern with cancer and so on. The chairman of the board was a cancer specialist at the University of Toronto. When I asked a question of the Minister, she made some comment that the cost had jumped up from—I have forgotten the figure—about $15 million to $50 million. But in fact the actual cost of the plant was going to be about $21 million. Obviously, the Minister cannot know about each decision, but one would think that when a major national institution of this type is being wiped out by the Government, the Minister would take the time to familiarize herself with the situation.

There was an adjournment debate on this subject. The Parliamentary Secretary or the Minister usually reads from a prepared script with all the facts, figures and details in it. It was very disconcerting that the Minister made a couple of comments about the centre but did not go into the details. Obviously she still did not know what the centre was about or the national role it was designed to play.

So as a comment I will say that I was pleased that the Right Hon. Leader of the Opposition mentioned this centre. I think it is one of the most terrible decisions made by this Government since it was appointed. I would like to ask the Leader of the Opposition if he agrees with me.

Mr. Turner (Vancouver Quadra): I could not have put it better, Mr. Speaker. I know of the Hon. Member's abiding concern for the environment, coming from the place of location of the Algoma Central Railway. I have travelled on that train up to Wawa with the Hon. Member and others and I know what a great part of the country he lives in.

These cut-backs are not only a blow to the research which needs to be done but they are a tremendous blow to the scientific community of this country. Something we have tried to build up over the course of many years is our expertise. Dismissing this project, sabotaging the Canadian Wildlife Service, will just lead to the export of the expertise which we have developed over three generations.

Mr. Caccia: That is something they cannot understand over there.

Mr. Turner (Vancouver Quadra): No country can afford that.

Mr. Taylor: Mr. Speaker, I was very interested in hearing the Right Hon. Leader of the Opposition (Mr. Turner) say that he was proud of the Liberal record. I wonder if he is proud of the fact that when Mr. Roberts was Minister of the Environment under the last Liberal Government, he desecrated the only park in the townsite of Banff by selling it to a former Liberal colleague. It was a desecration of something which can never be changed. I wonder if the Leader of the Opposition is proud of that record?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I really cannot find much sense in the enthusiastic question of the Hon. Member for Bow River (Mr. Taylor). I do want to say, however, that I neglected to mention the name of the man who sponsored the Guelph project, that is, Jim Schroeder, a tremendous Hon. Member of Parliament in his time. I wish he were here to listen to this debate.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall resume debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I would have hoped, in speaking in this debate on the environment today, that it would be treated in more of a non-partisan way. One would have hoped that Hon. Members, by the time they managed to get elected by their communities across this country, would have read enough, or know enough generally, to understand what is happening in the world. Right now, today, about six species of life on this planet are becoming extinct. What is happening around the world, Mr. Speaker, are changes to the basic architecture of the living environment which are irreversible. We have the introduction of certain toxics and all kinds of different materials as the result of the development of cities, transportation, the use of jet aircraft. All kinds of developments are changing our environment forever. We are tinkering with the basic living components of the world. I would have hoped that in a country such as Canada where we have a very literate and well educated population, a country with free press and excellent media, these kinds of irresponsible and rash decisions which are being made by the new Government simply would not occur. I would also hope, Mr. Speaker, that by now, with the thousands and tens of thousands of representations which have been made by well educated, interested and concerned Canadians to the Prime Minister (Mr. Mulroney) and to the Minister of the Environment (Mrs. Blais-Grenier), the kinds of cuts which were made would not have happened and debates such as this simply would not have been necessary.

I do not think I can stress enough, Mr. Speaker, the real need for this Parliament to come to grips with the issue of the environment when we talk about sending the *MV Arctic* up into Zone I ice knowing that it is contrary to the regulations of Lloyd's of London and contrary to the Arctic Waters Pollution Prevention Act. I see the Parliamentary Secretary shaking his head, but I know in fact it is true, Mr. Speaker. I have looked into the matter. It is only through an Order in Council that that particular tanker is going to be allowed into the Canadian Arctic.

When we examine the cuts, Mr. Speaker, I think we have to understand something about the person who made them. A recent article written by Warren Caragata, I believe, revealed something with which the Prime Minister should have taken issue before the Minister's appointment. Since it was not taken issue with before the appointment of the present Minister of

the Environment, it should take place now. With the same reasoning and on the same grounds that the Prime Minister accepted the resignation of the former Minister of National Defence, he should request the Minister of the Environment to step down from her Crown portfolio. The article is headlined, "Called Unfit in Previous Job, Tory Minister Sues Over Firing". The former Minister of National Defence rose in this House and said that he could not actively and properly pursue his lawsuit against the *Citizen* newspaper here in Ottawa as a Minister of the Crown. Using the same kinds of rules and guidelines used by the Prime Minister in accepting the resignation of the Minister of National Defence, I believe he should accept or request the resignation—even if it is only temporary—of the Minister of the Environment. Because of what is filed in the court documents, it is truly unusual for the Minister to remain in her portfolio while the air is coloured by these matters. I quote from the article by Warren Caragata:

> Court documents quote Mrs. Blais-Grenier as saying that she was accused of falsifying minutes of meetings, hysteria, incompetence and intellectual dishonesty, was ultimately fired, and was unable to find similar work in the area of workplace health and safety.

Mr. Clark (Yellowhead): I rise on a point of order, Mr. Speaker. Quite apart from the personal propriety of entering this kind of material into debate—which I leave to the personal judgment of the Hon. Member and will consider it an indication of the personal standards of the Hon. Member for Skeena (Mr. Fulton)—I think the Chair would want to raise the question as to whether it is appropriate for the Hon. Member for Skeena to be reading a newspaper article into this debate.

Mr. Deputy Speaker: The Chair would also like to make the point that the matter is *sub judice* at the present time. I feel that the Hon. Member should refrain from discussing the particular court case.

Mr. Fulton: Mr. Speaker, to make sure that the Right Hon. Member from High River is aware of the situation, I will quote from an article in *The Globe and Mail*. I believe it is quite proper that this kind of information be made available to the Hon. Members of this House and to the general public. It is printed in the paper. The article goes on to state:

> The fashion in which she was dismissed raised doubts about her competence, she said, and made it difficult, if not impossible, to find an equivalent post in the health and safety field.
>
> Environmental groups and one source within the Environment Department itself, meanwhile, contend that Mrs. Blais-Grenier has shown similar behavior over the cuts in the wildlife service. Most asked, however, that their names not be used.
>
> Ken Brynaert, vice-president of the Canadian Wildlife Federation, complained that, despite requests for meetings with the Minister to discuss the cuts, the association has not yet had even a reply. "You can't negotiate with her," he said. "She has been protected by her office."
>
> Early in her tenure, the Minister confided in a private conversation that she had decided against a full range of briefings by her officials on the workings of the department.
>
> She refused briefings, she related, because she did not want to be confused and because she had decided to learn on the job.

• (1550)

When you tie that article into the mosaic of what has occurred—and I hope the Hon. Member from High River listens as I tie together the reason for introducing that information into this debate—you can see why Canadians are deeply troubled by what was said during the Conservative campaign until September 4 and what has occurred since. They had no mandate from the scientific or corporate communities, the voters or any private interest group which made themselves available to committees of this House on which to base those cuts. They were made for other reasons, and I intend to reveal some of the reasons why I believe those kinds of savage cuts were made. Canadians have time and again indicated they are prepared to take a lower standard of living and pay more taxes to preserve the heritage of this country.

In a November news release, the President of the Treasury Board (Mr. de Cotret) made it clear what his intentions were. He intended to cut $8.7 million from environment services, which encompass federal programs in wildlife, water, environmental protection and atmospheric services. He intended to cut $5 million from the Environment Secretariat and all its research facilities. He intended to cut Parks Canada operations by $19.5 million and to get rid of the Guelph Toxicology Centre at $5.4 million, as well as take $10.5 million away from Parks and Weather Services. We can discuss at greater length this matter and the loss of lives which are perhaps related to some of those cuts. But let us look at what the Conservatives had to say during the campaign related to the environment. I quote from the PC campaign handbook on the environment:

> As a government:
>
> We will make transboundary pollution problems the government's top environmental priority.

What happened, Mr. Speaker? They get rid of the herring gull program, something which was recognized around the world as a base line scientific project providing important information on toxicology and the impact of materials coming particularly from the Niagara River, the Love Canal, S Site, Hyde Park and other dumps on the American side, as well as what is happening to Great Lakes water quality. The Parliamentary Secretary knows full well the pressures coming from Cabinet not to allow committees of this House to hear certain witnesses on matters related to problems with the Great Lakes water quality. That is shameless commentary on a mandate which was improperly and irregularly taken from the Canadian people to seat them on that side of the House. The handbook goes on to say:

> Instead of relying exclusively on diplomatic intiatives by the Minister of the Environment, as the current government has done, a P.C. government will also engage the Prime Minister and the Minister of External Affairs in top-level efforts with their U.S. counterparts on such bilateral issues as acid rain, Niagara River pollution, and the Garrison Diversion Project.

I hope to learn during this debate from the government side what these steps have been to date and what kinds of ameliorative actions there have been in the U.S. Not one single nickel has been spent since September 4 by the Environmental Protection Agency from its superfund for the clean-up of the Love Canal, Hyde Park or any of the other dumps. As to

Garrison, we are fortunate that finally Congress has agreed to a sensible position, at least temporarily. But acid rain has yet to receive the kind of attention either in this country or in the U.S. that it deserves. We still have as much acid rain today as we had on September 4, if not more. The handbook goes on to read:

> We accept and will act to implement all 38 recommendations of the all-Party House of Commons Sub-committee on Acid Rain.

Not one has been implemented since September 4, Mr. Speaker. These are great promises, but let us go on and look at the really key statement related to the cuts. It reads:

> We will conduct a thorough review of all Environment Canada programs and expenditures, based on the twin principles of sunset laws and zero-based budgeting.

Where do they talk about 28 per cent cuts? It simply does not appear in the documents on which the Conservatives were elected. So let us look at what was cut.

The reduction of the Canadian Wildlife Service of Environment Canada by 84 person-years and $3.8 million will eliminate most of the Wildlife Research and Interpretation Branch, one of three CWS branches. Most of a series of projects grouped together in a program called Wildlife Research are to be cut. They involve 50 person-years and $2.2 million, and the operation of five Interpretaion Centres involving 32 person-years and $1.2 million. The Habitat Acquisition Fund, $400,-000 and two person-years will also be eliminated. That includes most of the work carried out under the authority of the Canada Wildlife Act passed by this Parliament some 12 years ago. So those go out the door.

Let us look at some of the other things which will be added to the burden on the Canadian environment. First is the effects of toxic chemicals on birds protected by the Migratory Birds Convention Act. Under that, the monitoring of effects of agricultural insecticides and herbicides on the Prairies is gone. Then we have monitoring of contaminants in birds on the St. Lawrence River and its estuary in Quebec. That is gone. The monitoring of the effects of presticides and herbicides and sewage and everything else on the Fraser River estuary, that is gone. Then there is the identifying and monitoring of the occurrence and effects of toxic substances in herring gulls and other fish-eating birds on the Great Lakes. That matter has been raised many times in this House and I must say that my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) described it quite accurately as being a fraud. The Minister announced it was going to be cut and then, under pressure from the public, said it was reinstated. Many people in Canada, certainly in Ontario, expected that the program was being reinstated when the Minister put out a press release saying it was going to be reinstated. But we now know that only one person out of the six was reinstated. I have a few comments here from an article by Michael Keating which I think are worthy of being on the record. He said:

> Last month, Mrs. Blais-Grenier announced that "the detection and monitoring of toxic substances in herring gulls will be continued," although some of the work would be done by another government laboratory.
>
> However, the second laboratory is already fully booked with other work. There is no indication that it is equipped for—or has the time or expertise to handle—the specialized work of gull egg analysis.
>
> In the meantime, the chemist in Hull who did the analysis of chemicals in gull eggs collected from around the Great Lakes has found a job in another department.
>
> Only D. V. Weseloh, the biologist at the centre of the controversy, has been reinstated and he has been told only to collect the eggs, but not to make observations about the health of the gull colonies.
>
> Mr. Weseloh and his assistant have previously found defects in gulls such as crossed bills, deformed feet, poor embryos, thin eggshells and other signs that pollution affects the birds' health.
>
> Mr. Weseloh has been told not to bother recording these observations in the future.

What kind of responsible Government would tell a professional biologist that if he sees deformities or unusual biological occurences, he should not observe it. "Whatever you do, do not write it down. We do not want any more of that kind of stuff in the newspaper". If you look at the people whose jobs have been eliminated across Canada, Mr. Weseloh was the only wildlife veterinary pathologist in Canada. This morning the Minister said that the cuts were designed to get rid of people who were redundant and extravagant. That particular person was responsible for some of the key work related to migratory birds. He is responsible for the key work being done on the anaesthesizing of grizzly and polar bears, a very tricky and highly specialized field.

This cut will perhaps endanger not only biologists who work with bears in the parks and so on but others as well. When you find someone that highly specialized and doing some important international work, you cannot describe it as redundant or extravagant, nor can you claim it is replaceable. There is no one in any university or hospital in this country who can or will replace that kind of expertise. It is those kinds of savage and unnecessary, ill-thought out and irresponsible cuts that this House should be demanding be reinstated.

Another cut involves monitoring effects of forestry insecticides on birds in New Brunswick. A little bit of that has been replaced because of public pressure. Yet the Minister said this morning she was very proud of what she has done in the Department regarding these cuts. Those were her own words this morning. Under the program for the rehabilitation of endangered species, Mr. Speaker, studies on the reintroduction of peregrine falcons in eastern Canada have been stopped. The program for the reintroduction of the pine marten to Newfoundland, that is gone. The program for the reintroduction of the swift fox, black-footed parrot and the greater prairie chicken to the prairie provinces, that is gone. Biolectronics services are gone. Studies being done on the porcupine caribou and George River cariboo as well as on the Beverley-Kaminurial caribou herd are all gone. Also cut was the study on the impact of development on migratory birds using the Fraser River estuary. Environment impact assessment has been chopped. Support to federal services such as national parks and other federal lands, work on marten and peregrine falcons, wolves, elk, bears and caribou is all gone.

● (1600)

Under forestry, funds for studying the effects of spraying on migratory birds, song birds and wildlife habitat, which includes the effect that cutting and spraying practices have on small rodents, are all gone. The wildlife interpretation centres and habitat acquisition is gone.

It was not only the Minister of the Environment who was involved in these cuts, Mr. Speaker. This was a very carefully and methodically thought out process which obviously occurred at high levels within the Conservative Party. All of the networking programs which are under way at the NRC were chopped as well.

Funds were cancelled for the following programs under the air sub-committee: environmental impact of emissions from residential combustion appliances; analytical techniques for polycyclic aromatic hydrocarbons in environmental media; indoor air quality and human exposure to indoor air pollutants in Canada; effects of gaseous pollutant mixtures on crops and forests; scientific criteria for the atmospheric deposition of acidifying substances in Canada; and aerial transmissions of microbial aerosols and its implications for human and animal health.

A report on fetal hazards, which was requested by Health and Welfare Canada and the Canadian Medical Association, was in its second draft when it was cancelled. A study on the pulmonary effects on humans of the wood processing industry, which was requested by the woodworkers in British Columbia, is cancelled. Also cancelled is the study on the environmental effects of salmonella on human health. Mr. Speaker, a study on the effects of poisons on human health has been cancelled. Also cancelled were studies on the aerial transmissions of microbial aerosols, the effects of manganese in the Canadian environment, and the effects of environmental lead on children.

Earlier today Conservative Members were asking my colleague, the Hon. Member for Winnipeg-Birds Hill, what is wrong with lead. The Government does not want to know. The Royal Society Commission on Lead asked for that study to be done, and then it was cancelled by the new Tory Government. This was a study of the effects of environmental lead on children in daycare centres near stop signs with cars stopping and starting all the time. Also cancelled were studies on the effects and interactions of trace elements on the cardiovascular system and on efficient monitoring of the environment for toxic elements and their compounds. Why would a government want to get rid of that kind of program?

A study on the effects of mine tailing wastes in the Canadian environment, requested by the Department of Fisheries and Oceans, was cancelled. A study on the effects of acid precipitation and toxic waste dumps on the quality of ground water in Canada was cancelled. How can we possibly accumulate the kind of research information we need on acid rain if these kinds of projects, which do not cost very much, are cancelled by the Government?

A study on pyrethroids and their effects on man and terrestrial and aquatic systems, requested by the National Research Council, was cancelled. At the time of cancellation, scientific analysis was over 90 per cent complete. An updated scientific analysis of the key issues in the assessment of polychlorinated biphenyls, which was requested by the Ontario Government, was cancelled. A study on PCBs, one of the most chronic and debilitating toxics in our environment, was cancelled. A study on the scientific analysis of the criteria for assessing the impact of organic chemicals, including pesticides, on ground water resources in Canada was requested by the NRC and then cancelled. What kind of government does not want to know what the effects of pesticides and chemicals are on ground water? Ground water provides sustenance to the majority of Canadians, but the Government does not want to know what the effects of toxic or chemical pesticides on ground water are.

A study on the scientific analysis of the criteria for assessing the impact of phenolic compounds on man and his environment was cancelled. Studies on cadmium in the aquatic environment, viruses in the water, biologically available metals in sediments, metal mixtures in the environment and viral infections of fish and their impact on fisheries in Canada were cancelled.

All one has to do is to look at the headlines in recent months to see how the public has received these cuts. The Tories delivered the crullest cuts to our wildlife. They cut 3 per cent across the board, except for the Canadian Wildlife Service where they cut 28 per cent. Mr. Speaker, this is irresponsible and reprehensible and the Minister should step down from her portfolio immediately.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to congratulate the hon. gentleman who just spoke for his speech. I can assure the translator and the young lady who is taking dictation that I will not read such long words as the hon. gentleman had to do in his speech to get his point across. I congratulate the hon. gentleman on his speech.

I think that the cuts in the Department of the Environment can be divided into three categories: bad, worse, and ridiculous. I will give the House some examples. According to the Minister' own press release of November, 1984, she said that in Parks Canada improvements to existing parks, including maintenance complexes, visitor service facilities, staff accommodation, restorations, interpretation centres, and new land acquisition, will be cancelled to save $18.7 million in 1985-86. That can be classified as bad enough. It meets the Tory philosophy of cutting back immediately on what they think should not be continued.

I will now go to the next section, which I classify as being worse. It says that revenues will be increased by $9.2 million from increased entrance fees, camping fees, fishing permits, canal fees, golf course fees and utility fees. The new fee structure, according to the Minister, will more closely reflect those for similar services offered in the private sector. That is even worse, Mr. Speaker, than the first set of cuts that the Minister announced for Parks Canada. That is worse because

it affects every single person entering a national park. Those increases in the charges were made with no thought whatsoever to how it would affect all the people. According to this, anyone who lives within a national park will now have to pay $30 to go trouting. Those cuts are worse.

We now come to what I would call ridiculous and impossible cuts under Parks Canada. The first sentence indicates that alternative guide services, such as self-guided and volunteer guided tours, will be implemented on interpretation trails throughout the park system. That is absolutely ridiculous, Mr. Speaker. That is impossible. How can you have volunteer self-guided tours in national parks? As I mentioned to the Minister before, you have to erect signs saying "Enter at your risk". You would probably have to leave a telephone number for search and rescue on the same signs. Can you imagine people visiting our national parks, going among the forests and bears on a self-guided tour? That is plainly and simply ridiculous. I presume that the Minister has enough in her budget to paint those signs to say "Enter at your own risk".

I will now turn to the cuts in the atmospheric environmental service. That is a service which really cannot be cut at all. When the Conservatives were running for office, they said they were going to increase that service and provide better weather forecasting. They were going to spend more money on personnel in the weather offices in eastern Canada. This was one of the big election promises. The cuts are bad in that operations will be streamlined by integrating weather stations at five locations: Goose Bay, Sept-Îles, Port Hardy, Prince George and Fort Nelson. That is bad enough. The next section, which I would classify as being worse, reads that according to the Minister, weather observing stations at Eddy Point, Nova Scotia, and Bissett, Manitoba, as well as the North Bay, Ontario weather office, will be closed. Rather than the promises to increase personnel in the weather offices throughout the country and to improve forecasts for fishermen and farmers, weather offices have been closed. These cuts could be classified as being worse.

● (1610)

We come to the third category which I would classify as ridiculous and impossible. The Minister says that those people wishing weather information additional to that provided by the media will be charged a fee for this service. That is just plain insane. The Minister has tried to skirt around the question of how one can charge people for phoning the weather office. I brought this question up in the House one day with particular reference to fishermen and those whose health and safety are affected. The Minister said in the Chamber, in grandiose fashion, that fishermen will not have to pay. For a moment I reflected on the generosity of the Minister of the Environment (Mrs. Blais-Grenier) in at least retracting somewhat on that policy. However, I began to question how one could know if it was a fisherman who was phoning the weather office. Will he have to give his social insurance number so that the Department of Fisheries and Oceans can verify if he is a fisherman? Even if it could be determined that a fisherman was phoning the weather office, by what means could he be charged? When I pursued this further with the Minister, I asked her the same question. She had to admit in the Chamber what she was bound to find out anyway, that she was incorrect. Everyone will be charged, including the fishermen and those people whose health and safety could be affected by that information. There was no way to exempt fishermen.

Today there is no possible way to charge someone for phoning the weather office. One would have thought that the Minister of the Environment would have discovered that. The CRTC will not allow her to do what she had asked Bell Canada to do, which was to make the collection for the Department. That cannot be done because it violates their licence.

There is only one option that the Minister can use to collect $1.3 million from Canadians who want to know what the weather will be but missed the forecast on the TV or radio. The only way to collect that money, which is listed in the Estimates as revenue of that Department, is for the weather office personnel to call back someone phoning the office in order to charge them for the call. In other words, it is giving more work to weather forecasters than they can do in the weather office.

Let us continue with the Minister's press release. There is a section which is bad with respect to the Environmental Protection Service. The Minister announced that waste management activities will be cut to save $1.2 million. That is bad enough because we have wastes in this country that are dangerous to Canadians. They are scattered in provincial jurisdictions, in vacant mines and in old buildings in the middle of the countryside. According to our regulations, there must be some monitoring taking place. There are provincial jurisdictions with provincial rules which do not even permit wastes to be transported across provincial boundaries without the permission of that provincial jurisdiction. It is detrimental to cut $1.2 million from a branch that deals with the safety of Canadians.

Even worse, toxicology research will be phased down with cut-backs on specific projects in certain provinces such as in your home province, Mr. Speaker. The ridiculous category concerns wildlife interpretation and research which will be restricted to migratory birds and endangered species. It is not possible to cut even $100,000 from the Canadian Wildlife Service without affecting migratory birds and endangered species.

An Hon. Member: We did it.

Mr. Baker: That is exactly what I wanted someone to say. The Minister also said that "we did it." She cut back on the scientific research that was being done on the shorebirds in British Columbia. They were migratory birds. She cut back on the entire research team that was studying the effects of pesticides, insecticides and herbicides on ducks, migratory birds, in the Prairies. That experiment should not have been discontinued because the research project was only half completed. Although the research team consisted of five or seven people, how important was that research? They discovered that the aerial spray that was used on those farms in western

Canada had actually caused the death of young ducklings. The question which arises is, how did it cause the death of young ducklings? Was it caused by the infecting of the food that young ducks ate, or was it actually caused directly to the duck itself? Those questions remain unanswered because that experiment on migratory birds has been cancelled. According to the Minister and the President of the Treasury Board (Mr. de Cotret), who is sitting here this afternoon, who stated in his Estimates that migratory birds would not be affected, we are now aware that they are affected by those cuts.

Let us deal with endangered species. As the Member from the New Democratic Party mentioned, the experiments with the perigrine falcon are finished. In Newfoundland, at the request of the Newfoundland Government, the Department of the Environment under the previous Government embarked on a project to save the pine martin in that province. That project has been cut. Two endangered species in Atlantic Canada have been affected by these simple cuts, as the Minister says, in the Canadian Wildlife Service.

The Minister stated recently that she was implementing another man-year to continue monitoring the porcupine caribou herd that travels from the Northwest Territories into the Yukon, down through Alaska. In other words, this involves an agreement with two Territories, the United States and Canada. However, there was a cut in the monitoring management of another cariboo herd in this country through these cuts in the Canadian Wildlife Service. That cariboo herd is in Labrador in Newfoundland. We all saw on television 10,000 cariboo going down the river. That entire initiative that was instituted by the federal Government upon the request of the Governments of Quebec and Newfoundland has been wiped out by these Estimates. The other one, apparently by reinstating one man-year according to the Minister, has been reinstated, that is the one that deals with an agreement with the United States. But the one on the Labrador coast, the Georges River herd, the largest in the country, is not being reinstated.

• (1620)

When the Minister and the President of the Treasury Board, who is in his seat today, make statements that they are not going to touch endangered species projects and migratory birds projects, I wish they would look at what exactly they are cutting because therein you would find the contradiction, Sir.

The debate so far has only dealt with the high profile items cut in this Department. Staying with the Canadian Wildlife Service cuts, there are grave consequences to the cutting of projects within the Wildlife Service that have to do with birds that are not endangered species and that have to do with animals that are not endangered species. I refer specifically to the function that was always there of the Canadian Wildlife Service to provide information to the Pest Control Division of the Federal Department of Agriculture for the registration of herbicides and insecticides.

The input into that very vital operation of the federal Government in the Department of Agriculture is required from the Department of National Health and Welfare. It is also required from industry, but the only people who supplied the information on animals and birds was the Canadian Wildlife Service. They supplied it sometimes acting in conjunction with the National Research Council. How important is that, Mr. Speaker? How important is that cut made in eastern Canada to discontinue experiments being done on aerial sprays as it relates to insecticides? I will tell you how important it is, Mr. Speaker. If we go back about 20 years we will recall the registration of DDT in Canada. We all know what happened. Nobody in his right mind in this country today would say that we should approve DDT to be used as an aerial spray to get rid of the balsam woolly aphid, or the hemlock looper. No, not today. We moved from that particular product into phenitrothion and then when the research work was done on that, we moved into matracil, and we discovered, by looking at the research that was done on the wildlife in this country, that these particular products had problems. They, in effect, in the amounts being used in the products, were killing birds.

Why is that important? Birds are the natural predator of the very insect that we were trying to get rid of. Birds ate the spruce budworm. You would think, over a period of time, that if the budworm increased its population, birds would also increase their population. But there was a new element put into the environment, that of the aerial spraying of chemicals.

The Government of Canada has been instrumental in the world in trying to find a solution to the problem of chemical spraying. I suppose some of the Members here who have delved into the subject would know about the very valuable research being done by Dr. Schmirnoff in the Province of Quebec who invented BT, which is a non-chemical substance. Why? Because the chemicals killed the birds. In the beginning, with the types of chemicals we were using, it also killed the fish. It also gave rise to such terrible things as Rey's syndrome in children.

I see, Mr. Speaker, that you are telling me that I have a minute left. I wish I could go on until the official vote or until the Minister steps into the House so that I could tell her where she is wrong as far as these cuts are concerned.

To conclude, the Minister's cuts can be divided into bad, worse, and ridiculous. Let me add another category, that of impossible. The most important part of these cuts deals with things that cannot be cut. The government has to realize that there are certain Departments of the Government in this country today that are really operating on a shoe-string. To use those Departments for cuts is unfair and against the wishes of the Canadian people.

Mr. Berger: Mr. Speaker, I am glad to thank the Hon. Member for Gander-Twillingate (Mr. Baker) for his lucid view of the effects of the Minister's cuts on our environment. Why does he feel the Minister was wrong in this respect? He indicated her views were somewhat incorrect. Would he expand on that?

Mr. Baker: Mr. Speaker, I think the most important aspect has really been lost to date by some of the discussions involving the Canadian Wildlife Service. The President of the Trea-

sury Board just made a comment, and I will overlook it because he was lost when he issued his financial statement. There were words in that financial statement that were not carried through in the cuts.

The reason I made the statement is that when you remove a service from such a vital area of input as the use of chemicals, not on the ground but in the air, and when you remove an input from the registration of a chemical that is being sprayed over an entire province and you remove a vital aspect in determining whether or not to use that chemical, how long you are going to use it, or what size the droplet will be, when you remove that vital information that nobody else is going to provide, then you are getting into an area that is very very dangerous.

If you look at Canadian history and examine what has happened over the years in this country, you see that there are people who have written books on the subject and articles that said that perhaps our mistake happened when we used chemicals in aerial sprays. Perhaps that is what happened. Perhaps we should be looking at what they do in Europe in controlled woodlots. Perhaps we should have bird nurseries instead of using chemicals. Perhaps there are other options that are open.

When one makes an across-the-board cut and says for public consumption, "I am not going to touch migratory birds and endangered species", the ordinary person says, "That's good. We all love endangered species. We all love migratory birds". In that way one gets away with the cut on the basis of immediate reaction from the public generally. Nobody looks at the long-term effects or the drastic effects that are in place. You are not looking at birds that were not endangered, you are looking at species that were not endangered, nor at migratory birds, and there is the whole point. Down the road, a future Government will come along and reinstate every one of those cuts. If things keep going the way they are, if the President of the Treasury Board (Mr. de Cotret) keeps forcing Ministers to cut the budgets of their Departments *ad hoc*, if he keeps doing that in conjunction with the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney), the Government will not last beyond the next election.

• (1630)

Mr. Pat Binns (Cardigan): Mr. Speaker, I am pleased to rise to participate in the debate on this non-confidence motion before the House. Actually I am surprised that the Opposition has decided to condemn the Government for its negligent and irresponsible approach to protection and management of the environment. It would be shocking if that were true, if it had some basis in fact, but the resolution itself has no basis in fact. I should like to try to point that out during the next few minutes.

When we look at the environment and its protection, we have to look at more than just what is within the jurisdiction of one Minister or that Minister's Department. For example, the Prime Minister (Mr. Mulroney) and the Government made a substantial and important move in appointing the Cabinet of the new Government and in appointing the Minister of State for Forestry (Mr. Merrithew). The Minister of State for Forestry is perhaps as important to environmental issues as any other person aside from the Minister herself. For that reason, we see right off the bat that environmental issues have at least two strong supporters with Ministries in Cabinet at the present time. That is a pronounced and dramatic improvement in the situation. In fact, it is the first time in almost two decades that an independent portfolio has been created in the Government of Canada to take care of forestry. What could be more important to environmental matters than taking care of our forests and the natural habitat of much of Canada's wildlife?

The Opposition has gone on at some length in regard to the substantial cuts made to environmental programs. Yes, there have been changes in priorities and cuts have been made. However, let us take a look at the budgetary summaries. I think they speak for themselves. In the Minister's summary it was suggested that almost $727 million will be spent by the Department of Environment in 1985-86. If we compare that figure with the one for last year, there is a $15 million cut, but we have to determine how much $15 million is in relation to the $727 million. We will soon see that the decrease is a little over 2 per cent. That hardly reflects the kinds of accusations which opposition caucuses have been making in this debate today. If we take into account the toxicology support which the Government is providing at the present time, I am told that we will find that the budget for environmental matters is actually up 3.8 per cent.

I could be a little more specific in terms of some of the support which is being provided to groups and organizations and to various issues across the country, but it is important to realize that there are more issues in the environment than the ones noted so far by the Opposition. There is continued support at the same levels to groups such as the Canadian Association of Geographers, the International Geograhic Union, and the Canadian Council of Resource and Environment Ministers. There is continued support at the same levels as those of the past for the Canadian Wildlife Federation and the Canadian Nature Federation. There is an increase in the budget for the Creston Valley Wildlife Management Authority. There is a new figure for the Wildlife Habitat Canada Foundation, a new injection of $1.3 million, which the Opposition did not point out during the debate so far. There is another increase to the Fur Institute of Canada of $500,000. If we continue through the Estimates we find an increase to the James Bay Agreement project, to the Red River Ring Dyking project and to the Qu'Appelle Valley project in Saskatchewan.

Perhaps we could look at the reductions. I suggest these have been omitted by the Opposition as well. If we look at the specifics—and perhaps I will not go into them—we will quickly see that the reductions probably reflect those programs introduced by the former Government in its last ditch attempts to be re-elected.

There are other contributions which I think are significant in terms of the over-all objectives of the Government. For instance, there is the contribution to the National and Provin-

cial Parks Association of Canada. It has been increased by 50 per cent this year. There is a new contribution to the Interagency Forest Fire Centre, which is important if wildlife is to be preserved and enhanced. We must ensure that our forest fire service is as good as can be. There is a new contribution to the International Council on Monuments and Sites. These are just a few of the other services which are also important to the activities of the Department of the Environment.

I would be pleased to enter into debate on the subject of specific cuts. As a member of the Standing Committee on Fisheries and Forestry, I recently met with representatives of the Canadian Wildlife Service to discuss the particular cuts to that organization. I would be the first to say that I would rather not see cuts made to any organization, for certainly they—and this one in particular—play an important role in protecting environmental matters in Canada, wildlife in particular. During the discussion with the Executive Vice-President of that group, Mr. Brynaert, I had the opportunity to ask him whether or not, even with staff cuts of 84 people out of 370, the Canadian Wildlife Service could continue to perform its job. I think it is important to point out that the Government is under an obligation to Canadian people to try to be as effective as it can in the management of programs. We are facing a $34 billion deficit which we do not want to pass on to our children and grandchildren. It is important to find ways and means to make programs move effective. Obviously that overhead is crippling our economy. We must find ways and means to do things better. However, I will return to the question I asked of Mr. Brynaert as to whether the staff cuts and the budget cuts to the Canadian Wildlife Service could be lived with, assuming of course that perhaps in-house changes could be made to ensure that services would continue to be provided. He suggested the following:

> But I might suggest that it is probable that the Department could operate with those kinds of cuts—providing some thought and planning had gone into where those cuts were made.

This group is profoundly affected by the cuts, yet its Executive Vice-President was quick to agree that government could live with cuts, probably these specific cuts, with some thought and planning on how they would be administered.

The Hon. Member for Gander-Twillingate (Mr. Baker) was somewhat concerned about what the Executive Vice-President had said, and he questioned him on it. In reply Mr. Brynaert said:

> I am sure there are areas where there could be cuts, cuts that would not have dramatic effect in terms of carrying out the mandate and the responsibilities of the Department.

I should like to focus for a few minutes on one area of the Department and its responsibilities, that is, the Atmospheric Environment Service. We tend to overlook many of the functions which the Department has to carry out in its day to day operations. The weather affects all of us in a more dramatic way than we often think. Perhaps yesterday's storm was an example of how weather affects our daily lives. Because of the work of the Atmospheric Environment Service, yesterday's storm was forecast accurately and important decisions were made on transportation, snow removal, store and office closings and cancellation of public gatherings ahead of time so as to minimize the adverse effect of the weather on a variety of activities. It is the objective of that service to ensure that adequate information on the atmosphere, ice and sea is provided for. Their goal, of course, is the safety of lives, security of property, greater efficiency of a variety of economic activities and the maintenance and enhancement of environmental quality.

• (1640)

The Government feels that it can carry out this mandate with its policy of providing greater efficiency in government services. I would point out that new initiatives are being undertaken, as I mentioned in the reflection on the Estimates a few moments ago. In this area, a broad program to improve weather warnings on the West Coast for fishermen and other marine users has been implemented. The Government has moved aggressively to provide improved weather services for fishermen. Following the West Coast storm of October 12, 1984, a study was commissioned to determine the circumstances which led to the sinking of seven ships and the loss of five lives. The study was carried out by Professor LeBlond of the University of British Columbia. It was completed in December, 1984. The Government has now announced a series of responses to the LeBlond recommendations.

In December, the Minister of Fisheries and Oceans (Mr. Fraser) announced the number of weather observations taken by federal government vessels and that the recording of special observations for significant weather changes would be increased. He also indicated that co-ordination of fisheries openings and closings between the Weather Service and Fisheries vessels would be increased. In January, the Minister of the Environment (Mrs. Blais-Grenier) announced an expansion of the West Coast committee which co-ordinates marine safety activities for roe herring fisheries to include the salmon fishery. She announced research into the causes for severe Pacific storms and the development of techniques to better forecast these events. She announced improvements of procedures to exchange weather observations and forecasts directly with the fishing fleet on a real time basis.

In February, the Government announced the establishment of a marine weather forecast position at the Pacific Weather Centre, giving specialized attention to providing marine weather forecasts and the introduction of a wave forecast service for two offshore areas and the acceleration of research and development on wave forecasting techniques for coastal areas in order to implement a comprehensive coastal service by 1987. It also announced improvements to the communications system between government services to provide more rapid exchange of weather information and to improve forecast services to the fishing community. These are just a few of the measures that have been undertaken, including automatic weather reporting services on the coast and in the coastal channels that will make life safer for our fishing and marine interests.

I would like to mention briefly climatic services. The climate program is very important to the Canadian Government, the

provinces and Territories. We have involvement from all those groups, plus universities in the private sector. Research is being carried out on the effects of increasing levels of carbon dioxide in the atmosphere. This year, socio-economic impact studies are in process to gauge the probable effects of CO_2 induced climate changes on food, agriculture and on Great Lakes water resources.

On March 1, this Government announced a start of a one-year experiment which may eventually enable the Canadian public to obtain monthly and seasonal forecasts of climatic conditions on a regular basis. During the trial period, and I think this is interesting, selected organizations such as provincial Departments of Tourism, municipalities and fishery groups will be asked by Environment Canada to evaluate the format and usefulness of these experimental forecasts. Just imagine, if you will, in planning your holidays for this summer that you would be able to determine what the weather will be like in Prince Edward Island when you want to go there, and we welcome you all to our province.

In October of last year, Canadian astronaut Marc Garneau carried out successful experiments using the super sunphotometer aboard the U.S. space shuttle. The instrument was developed through joint efforts of the Atmospheric Environment Services Research Directorate and Canadian industry. It provides information supporting our continued research on climate as well as the stratospheric ozone layer and acid rain.

Over the past several months, this Government has provided additional funding for the completion of the report on the possible environmental effects of nuclear war. The study was completed by the Royal Society of Canada in early February. It describes the likely effects of a nuclear conflict on climatic conditions in Canada and around the world and, in particular, the so-called nuclear winter effect. The report is now being reviewed by Environment Canada and other federal Government Departments. I am pleased to announce on behalf of the Minister that she will be distributing to each and every Member of this House a copy of the report as soon as it can be printed so Members will have the opportunity to be apprised of the latest scientific assessment of this potential human and environmental catastrophe.

The demand for weather service continues to grow. It is widely used among government departments, federal and provincial, and in fact there were over 15 million contacts with the service in the last year. It certainly points out the need of providing this kind of service to the public.

Since 1976, the number of requests for information at the service has more than doubled. During that same period, staff members for the service have decreased by 10 per cent and expenditures remained nearly constant in real dollar terms. This productivity improvement has resulted from automation of AES operations such as the collection of wheather observation, preparation of forecasts, increased computerization of forecast methods and more rapid and widespread dissemination of products through an improved communication system. Obviously, the Government is providing better service and maintaining costs. In some areas, it was able to decrease costs without imposing a further hardship on the Canadian taxpayer.

Improvements in the economies and the methods of delivering weather data and forecasts to the public have been achieved through a process of continuous review of staff deployment and technological improvements. In many cases, the service can be maintained at a lower level and still provide the objective of AES.

One way to improve efficiency, and I have already alluded to the fact that we can improve efficiency and productivity through automation, but one specific way that this has worked is the way in which AES has worked with high-tech companies in Canada. These companies have been able to build on the experience, and a number of them have a special but significant market niche for sophisticated scientific instrumentation which is now being sold in export markets. Because of the support of the Canadian Government, two of these high-tech companies building this equipment are now providing jobs to Canadian manufacturers who are selling this equipment abroad.

The Atmospheric Environment Service is responsible for the kind of weather reports and forecasts we hear daily. In fact, I would point out very quickly that they do provide in excess of 230,000 weather forecasts annually for 167 inland public forecast areas and all large population centres. They produce 130,000 marine weather warnings, advisories and forecasts annually for 101 marine regions. It produces 380,000 weather forecasts, amendments and warnings for 90 aviation areas and 170 airports. It also provides complete service for military operations.

There are some other things that the service provides which do not immediately come to mind, for instance, the long-range transport of air pollutants. AES provides the scientific leadership for the Canadian research effort concerned with the environmental impact of acid rain. In the area of toxic chemicals management, it looks at the persistent high concentration of toxic chemicals and how they would occur with increasing frequency over representative geographic areas. It provides scientific leadership in the areas of measurement, research and modelling.

Research on the following issues is also carried out: the danger to the earth's life-protecting stratospheric ozone layer which demands the use of certain chemicals, the effect of the build-up of atmospheric carbon dioxide caused by man's activities, even the effects of volcanic eruptions that may have long-lasting effects on man through climatic change and by significantly adding to the acidity of rain.

The National Weather Service, which I referred to, employs some 2,350 people from coast to coast and in remote Arctic locations, However, it enjoys the unselfish participation of twice as many unpaid volunteers who daily measure temperatures and precipitation for the National Climate Archives. That volunteer service is very important to this country as a whole.

I am only pointing out these items in relation to AES so that the public and Members of the House will appreciate that there is more to the Department than the cuts and the kinds of negative items which the Opposition has brought forward in this resolution. I hope that my comments in some way have pointed out that the Government has not abandoned its commitment to the environment. Indeed, the Govenrment has almost held the budget intact despite an overwhelming need for deficit control. When we look at the $34 billion deficit and the need for control, and the mandate which the Government has been given to control the deficit, it is admirable that the Government and the Minister have been able to hold her budget almost intact. I am sure that the majority of the Members of the House will have the foresight to vote against the non-confidence motion when the time comes.

● (1650)

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in the debate this afternoon on the opposition motion of non-confidence.

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

The Acting Speaker (Mr. Charest): The Hon. Member for Davenport (Mr. Caccia) rises on a point of order.

Mr. Caccia: Mr. Speaker, I apologize to the Hon. Member for Regina East (Mr. de Jong). This morning when the traditional alternation of speakers did not take place, I raised the matter with your colleague who then occupied the chair and drew his attention to the fact that when it is an Opposition Day and a motion has been put by an opposition party, there is a policy that every second speaker, after the first round of three speakers, is alternately selected among the moving Party and whichever other Party Your Honour wishes to recognize. I thought that point had been received favourably, and that is why I am now rising on a point of order in the hope that you will consider this representation favourably and recognize a Liberal Member as the next speaker, as it was our Party which put the motion on the Order Paper.

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

The Acting Speaker (Mr. Charest): The Hon. Member for Mississauga South (Mr. Blenkarn) rises on another point of order.

Mr. Blenkarn: Mr. Speaker, the clear pattern in this House has always been that after the first round of speakers the number of speakers normally would be in proportion to the numbers of Members in the House. However, it has become a pattern in this session that on an Opposition Day there is one speaker from the Opposition, one speaker from the Government, and then back and forth, in order to give government Members a fair shake.

I noted in reviewing the proceedings this afternoon that there have been two speakers from the Liberal Party, one speaker from the New Democratic Party and only one speaker from the Government. It would seem to me that it would only be proper for the Government to be at least represented equally in replying to the severe criticism which has been levelled against the Government by the Opposition. It is totally unfair that the Opposition should have the time it has had, particularly in view of the numbers in the House.

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

The Acting Speaker (Mr. Charest): The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) rises on a point of order.

Mr. Blaikie: Mr. Speaker, with respect to the points of order which have been raised, regardless of the merit of the argument which was raised about what the tradition might be or what the Chair should or should not have done, I would like to make two points. First, Mr. Speaker, you did recognize the Hon. Member for Regina East (Mr. de Jong) and he had begun to speak. Second, in watching the House, the fact of the matter is that no one from the Liberal Party was standing when you recognized the Hon. Member for Regina East. I saw the Hon. Member for Laurier (Mr. Berger) rise, but by that time the Member for Regina East had already been recognized. As well, the Hon. Member for Parry Sound-Muskoka (Mr. Darling) was trying to get the attention of the Chair. I am only trying to point out the empirical facts of the matter, without getting into what the tradition may be.

The Acting Speaker (Mr. Charest): All Parties now having been heard, may I point out, as a point of information, that on Opposition Days the only clear tradition is that the Party which has put the motion usually has one speaker more than the other Parties. That seems to be the only clear tradition.

It was brought to the attention of the Chair this morning by the Hon. Member for Davenport (Mr. Caccia) that there seemed to be some imbalance with respect to the alternation of speakers. I also know it is a matter of concern to the Government. However, in this debate three government Members have spoken, three members of the Official Opposition have spoken, and two members of the New Democratic Party have spoken. The Hon. Member for Regina East (Mr. de Jong), whom I have already recognized, would be the third member of the New Democratic Party to speak. It is my understanding, if the debate had followed its usual course, that there would be one additional member of the Official Opposition who would speak on the motion.

On Opposition Days, until now, approximately 36 members of the Government have spoken, 26 members of the Official Opposition have spoken, and 24 members of the New Democratic Party have spoken. It is a matter of concern to the Chair on Opposition Days to see that the initial tradition is respected and that more opposition Members are able to speak than government Members. Of course, that is difficult to apply, considering the lopsided House which we have. Therefore, I will recognize the Hon. Member for Regina East on debate.

Mr. de Jong: Thank you, Mr. Speaker. It has been pointed out by several Members, and in particular the Hon. Member

for Winnipeg-Birds Hill (Mr. Blaikie) and the Hon. Member for Skeena (Mr. Fulton), that we are living in an age of very rapid industrial and technological change. One realizes that every year thousands of new chemical products are introduced in the market-place. Some of those products are foods, herbicides, pesticides and other chemical products. As well, different types of industrial practices occur. Different combinations of different chemicals are put together to produce a new product, or new types of by-products and industrial wastes, either in solid, liquid or gaseous form, are created.

In a highly industrial and technological society, there will be a very high rate of technological innovation. If we want to remain an industrial society, there is a technological imperative involved, that is, that we play a part in developing new products, chemicals and industrial practices in order that we remain competitive with other countries in the world. In fact, it is imperative to innovate continually in the industrial society.

Yet we know from past mistakes that in this rapidly changing industrial process mistakes do happen. Sometimes the mistakes can be fatal to the environment and to human health. That is why the state, as a social institution in a highly complex and industrial society, is so essential and important. It is the state which has the responsibility to ensure that no accidents occur, and that new products which are put on the market will not be harmful to human health or to the environment in present and future years.

● (1700)

The Government has a very special responsibility in an industrial society. It has a trust over our environment. It has to be a guardian over the quality of the land, the water and the air. It is a guardian for the present and for future generations. It is, therefore, with tremendous sadness that we see this newly elected Government, with its tremendous majority, decide to cut the Department of the Environment as one of its first acts. It is said that it has decided to cut from the Department some of the instruments which the Government needs in order to fulfil its role as the trustee of the environment. It is not only sad, it is shameful and it will not be forgiven by generations yet to come.

I would like to relate briefly some of the experiences I have had in the past in dealing with Liberal Governments. I would also like to refer to some of the chemical products which get on the market and the testing of those products for our health and safety. A number of years ago, when I was first elected, I became quite concerned with what was called the "IBT affair". "IBT" stands for International Biotest Laboratories in Illinois. This laboratory was the largest private toxicological laboratory in the world, I believe. It did the testing on just about all of the herbicides and pesticides on the market in Canada today and in fact in the United States as well. It did the tests to make certain that the use of these products would not cause cancer in the future and that, indeed, these products would be safe for the environment and for us as consumers.

It was discovered, Mr. Speaker, that this lab had deliberately falsified its tests. It had taken out dead rats and put in live rats. It had scratched out the results of its tests. A suit was filed in the United States, and several of the Chief officers of that company are now in jail. I brought this matter up in the House on numerous occasions. The Minister of National Health and Welfare at that time pooh-poohed me and said I was being sensationalist. The result was, Mr. Speaker, that the events in the United States, particularly in the courts, showed that I was not sensationalist.

Several of the products which IBT had tested had to be taken off the market. Governments, both in Canada and in the United States entered into an agreement to redo the testing of almost all the herbicides and pesticides on the market in Canada and the United States. But, Mr. Speaker, for a long period of time we had products on the market for which there was no accurate data proving that they were safe for human use and consumption. It became obvious at that time, Mr. Speaker, that the study of toxicology was essential in a modern contemporary industrialist society at a time when new chemicals were coming on the market at such a fast pace. It was not enough just to rely on the private sector to do those studies. Governments had to take this responsibility. It was recognized that it was a difficult field because there were very few trained toxicologists. It is an expensive field.

I as well as many others urged that an international public organization like the United Nations should become responsible for the toxicological studies which were needed to determine if all these new chemical products were safe to the environment, the users and the consumers. The establishment of a toxicology study centre in Canada was announced by the previous Government and was a truly important step. Unfortunately, we find that this Government has cut that proposal. We find that this Government now has cut the toxicological studies of the herring gulls. We find that the monitoring of of the effects on forests of the spraying of hundreds and thousands of pounds of toxic substances has been cut. We find that the program which monitored the effects of massive spraying of toxic materials on the Prairies has been cut. How unwise and how sad this is.

Previous studies, both in eastern Canada and in my home province, have shown that the poisons sprayed—and, indeed, herbicides and pesticides are poisons—collected through ground water into lakes and gullies is having a detrimental effect on the life chain. Studies have shown that at the base of the life chain are microscopic organisms which generally exist in the mud and the bottom of gullies and lakes, and there is an unacceptable high rate of deformities among these lower life forms in the life chain. These lower levels form food for fish, and fish form the food for the birds and for human beings. So, Mr. Speaker, these toxic substances are moving up into the life chain. That is why it is so important to have monitoring in place. Monitoring provides an early warning system to human beings. The destruction of the program, Mr. Speaker, which gives us that early monitoring system is irresponsible. It is stupidity to the highest degree, and we will pay the price in the

future. The few million dollars that the Government will save today, it will have to repay in hundreds of millions of dollars in the future as the toxic substances move up the life chain. How stupid is this action of the Government! How stupid it is to save a few millions today which it will have to repay a hundredfold in the future!

We know of the effect of thalidamide. We know of the heartaches and human suffering which that drug caused to untold numbers of people. What the Government is doing with this action is disabling the country from preventing the type of catastrophe like thalidamide.

In my own home Province of Saskatchewan, we know that there is some correlation between the number of miscarriages which occur after crop spraying time. This hard to put a correct statistical correlation on it, Mr. Speaker, because there are too many variables still involved, such as wind patterns. We know that the chemical spray is concentrated in certain urban areas. But I think it is fair to say that those who are knowledgeable in the field know that the chances for miscarriages increase because of crop spraying. Is it any wonder? Logic would tell you that. Obviously when hundreds and thousands of pounds of toxic substances are sprayed in the air, substances which are meant to kill weeds and insects, it can also have a detrimental effect on human health. So when the Government makes these cuts, it does a tremendous disservice to the present generation and generations to come.

● (1710)

There is also concern about the future, Mr. Speaker. The U.S. Environmental Protection Agency issued an amazing report around a year and a half ago. It warned that about 15 to 20 years from now we will begin to see the greenhouse effect. It predicts that this effect will have a tremendous environmental impact of a global nature. It warns that the build-up of carbon particles in the atmosphere will create a tremendous climatic change around our world, and we will begin to see it in our lifetime. That, Mr. Speaker, is just an amazing warning from an institution like the EPA, an agency which would not unduly alarm American citizens because of some false or whimsy reports. It was a well researched warning. Yet when we see the cuts this Government has introduced in the Department of the Environment, we begin to realize that the Government is not really concerned about the future. It is not concerned about things like the greenhouse effect; if it is 15 or 20 years away, forget it. This Government is only concerned about four-year terms. But environmental concerns are not just for four-year or eight-year terms but much longer terms. Private industry does not have those because the concern of private industry is the profit margin and the bottom line. Whether you like it or not, that is the nature of private enterprise. But Government should have a long-term concern, because if it does not, who in heaven's name in our world, in our society, has that concern? No one. It is the duty of the Government to become concerned, not just about this year or next year, this term or next term. This institution is the only one with the responsibility not for this generation alone but for generations to come. We are the guardians of our environment. We are the guardians of our world, and the cut-backs this Government has introduced mean giving up that guardianship. That is inexcusable.

One begins to wonder the reason for this. I mean, normally I tend to get along with the Conservatives; not the new right in the United States, they frighten the heck out of me but the traditional small "c" conservatives who think in terms of conserving, preserving and husbanding our resources. They have been critical of past Liberal Governments for squandering our resources and the environment for the sake of development for now and the heck with the future. I have always felt a very close affinity with those small "c" conservatives who believe in conserving. We have to conserve our resources, our environment, our energy, our fresh water and our air. We have to conserve these precious commodities because they are not inexhaustible. We are living not in an infinite world but in a very finite world. But now we see those very Conservatives are now destroying their own philosophy by cutting back on the Department of the Environment.

Why are they doing it? I see a pattern in the cut-backs in the Department of the Environment and in the NRC. Where are the cut-backs in the NRC? Are there cut-backs in Atomic Energy research? Oh, no. Are they in alternative energy? Oh, yes. Where are the cut-backs in the grants to oil companies? Oh, no, don't touch them. But there are cut-backs in developing alternative energy sources and home insulation. Everything that would help conserve and preserve is being cut back. I am afraid that the pattern is clear, Mr. Speaker. This Government here is not for the long term but for the good times.

Some Hon. Members: Oh, oh!

Mr. de Jong: It is here to rape and to plunder the resources now and forget about the future. It is a Government which is for freeing things up for unfettered private enterprise. "Put away the silly environmental restrictions. We do not want to hear about deformities in herring gull eggs. We do not want to hear about deformities in primitive life forms at the bottom of our lakes. We do not want any of this early warning system. Let's have a go at it, let's rape and plunder and despoil our resources and the heck with the future. We are not going to be around for them to vote for; we are just concerned for things right now".

Well, Mr. Speaker, this tremendous irresponsibility, this stupidity that we will pay for many times over in the future, this is why I stand here in support of the motion of non-confidence. I hope and urge all Members of this House to vote according to their conscience and not according to their political affiliation and loyalties. It is the future of this country, its environment, its precious natural environment, and generations to come which are at stake.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Blenkarn: Mr. Speaker, the Hon. Member made a great point about the herring gull program. He will know that when that program started there was clear evidence that dioxins and

DDT in Lake Ontario were causing the gulls to disappear. However, he will also know that problem seems to have been solved in that the gull population has certainly expanded and seems to be in hand. Therefore, I was wondering why this program should be carried on. Would he perhaps tell us why we should carry on a program where the problem seems to be solved?

Mr. de Jong: Mr. Speaker, first of all, using the Member's logic, we would never have had the program to begin with because there was not a problem to begin with. We instituted the program as an early warning system. When the problem started we were able to pick up on it.

I cannot agree with the Hon. Member when he says the problem is gone. Two years ago I, along with several of my colleagues, visited the Love Canal and Hyde Park dump sites. At the Hyde Park dump site there are hundreds of thousands of pounds of dioxin. Let me explain to the Hon. Member that one ten-thousandth of a part of dioxin, that is a little speck that you see in the sunlight on a dusty day, is enough to cause cancer and kill a person. At the Hyde Park dump site in Niagara there are over 100,000 pounds of dioxin stored. We know from the past that there has been leaching from that dump site through the Niagara River into the Great Lakes. They have found dioxins along the Niagara River. In fact, it would be a tremendous terrorist plot, if one were to write a terrorist novel, for someone to blow up some of those make-shift dams which exist around the Hyde Park dump site during a period of heavy rains. The Hyde Park dump site is a ticking time bomb. There is leaching of dioxins out of that site into the Great Lakes system.

• (1720)

We need the monitoring system as an early warning for us all. Not until those dump sites of sewage and industrial wastes around the Great Lakes have been cleared up should the early warning system be dismantled. As long as those dangers continue to exist, we must keep the monitoring system. To destroy that monitoring system is to pluck out your eyes. That is how dumb and stupid it is.

Mr. Blenkarn: Mr. Speaker, it is obvious that the Member does not know what is happening. The herring gull program has only been reduced from six people knocking open herring gull eggs to one person. Instead of using the intense control program that was in place, a much lesser control program will be maintained. That is all that is really necessary.

There are other ways of approaching the leaking dioxin. That is why more money is being spent on water quality control in the Great Lakes. Does the Member not realize that we must attack new problems as they develop? As you have been successful in solving one problem, you can withdraw money from that program and place it into another program. Is that not a reasonable way of handling it? Must we continue forever doing the same old thing without getting at the new problems in the environment as they develop?

Mr. de Jong: Mr. Speaker, it dismays me to hear these types of comments and that type of logic. There is no recognition by the Hon. Member that this program is recognized world-wide. I am dismayed to hear the Hon. Member say that the six people were only cracking open eggs. The Hon. Member is dealing with a very serious problem.

They have not killed the program; there is still one person left, he states. I understand that if the one person who is left in the program observes deformities in the eggs and offsprings, he cannot even report them. The Government does not want to hear any of that stuff because it disturbs people. It means that local people get upset, form committees, and demand more regulations on industry. The Government does not want more regulations on industry, so it shuts down the programs which supply the information that gets people all upset. The Government would rather have the people accept what is going down and not know and understand the dangers that exist to their health and safety. That is the attitude of the Government and of the Hon. Member and it is deplorable.

Mr. Gurbin: Mr. Speaker, I have a point of order. There have been many government speakers who have been prepared to enter the debate this afternoon. The Chair has taken a decision, and I respect that. I would like the Chair's confirmation, before this becomes a habit or a precedent, that the Chair will entertain discussions with the Government to establish what the sequence will be.

The Acting Speaker (Mr. Charest): Order. Considering the time we have left for debate, I will only say that the Chair will neither add to nor subtract from the decision that has been rendered.

The Hon. Member for Ottawa-Carleton (Mr. Turner) had a question or a comment.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have a question. I find it very difficult to understand the holier than thou attitude which we have seen demonstrated all day today, particularly from the opposition Parties. I am getting the impression from the Member for Regina East (Mr. de Jong) that today is the first day of the last days of our lives, that the world is ending, but indeed it is not. The Member for Gander-Twillingate (Mr. Baker) referred to the word "impossible". Napoleon said that the word "impossible" exists only in the dictionary. The former Government, however, left us with trying to do the impossible in this country.

The financial corporate community of Canada has been saying that we did not go far enough on November 8. Many respected research organizations in the country, such as the Business Council on National Issues, the Conference Board of Canada and the C.D. Howe Institute, are saying that we did not go far enough with our cuts. They are saying that we cannot continue to live beyond our means in this country. The Member for Regina East spoke about cuts across the board. He spoke about all the Ministries and gave us a litany, as did many other Members this afternoon, of cuts. Does the

Member for Regina East think that this country can continue to live beyond its means any longer?

Mr. de Jong: Mr. Speaker, I understand that the PMO has increased its budget by 50 some per cent. I think most Canadians would rather have seen that money spent on wildlife and to protect the health and safety of our environment and water quality than to increase the propaganda arm of the Prime Minister's Office. I would suggest to the Hon. Member that there are other ways of solving our deficit problems. Doing it at the expense of future generations and the health and safety of Canadians is stupidity. It is a false economy because we will be paying for it a hundredfold in the future.

Mr. David Berger (Laurier): Mr. Speaker, I wish to contribute to this debate by speaking about renewable energy, and in particular about research into renewable energy. I would like to speak about the serious questions that the cuts at the National Research Council energy division have raised about our ability to cope with the depletion of conventional energy resources, and the relationship of these cuts to the protection and management of the environment.

We live in a complex world, Mr. Speaker, and the decisions we make sometimes have consequences which we cannot foresee. Earlier today I asked the Minister of State for Science and Technology (Mr. Siddon) whether he was aware of the consequences of his decision to cut research spending on Canadian aid programs in Africa at the time that he made the decision. In answer to me he said that there is quite a distance between the cuts in basic research and the problems of starving millions in Africa.

I would suggest that it is not so, Mr. Speaker. I would suggest that there is indeed a very direct relationship. On November 8, we had the elimination of the research program in renewable energy. In January, the National Research Council informed CIDA that it could no longer provide the research support for the programs that it had contemplated to provide for irrigation using Canadian technology in the desert. In February, CIDA responded by indefinitely postponing its program because this research support was not available. These connections may be hard for people to see.

● (1730)

I would like to suggest to the Minister of State for Science and Technology (Mr. Siddon) and to his Cabinet colleagues that research is not conducted in a vacuum. Indeed, technology has application in many areas.

It is precisely the applications of this technology and the long-term consequences of the use of technology that we expect the Government to be studying when it makes decisions of this nature.

Let me review briefly the history of Canada's renewable energy. It was born out of the oil crisis in the mid and late 1970s. In the National Energy Program, the Government foresaw a greater role for alternative and renewable energy in Canada. I quote from an excerpt of the program:

> The realities of the energy future indicate the wisdom of accelerated efforts to develop new and renewable energy forms—

This program was followed by the House of Commons special committee on alternative energy and oil substitution which studied this subject for one year. It took a half century perspective—I do not suggest that a half century perspective is too long—on Canadian energy development and presented some 65 recommendations to foster the introduction of alternative energy sources, technologies and fuels into our energy system.

Considering the variety of concerns including the depletion of conventional energy resources, environmental impact, regional energy disparity, strategic considerations, diversity in energy supply and social benefits, this committee argued that the twenty-first century would see a profound change in Canada's energy system away from hydrocarbons and toward sustainable resources. Support programs were gradually developed by the Government and an interdepartmental panel on energy research and development was established to co-ordinate the Government efforts in the areas of renewable energy, conservation, fossil fuels, new liquid fuels, conventional energy and nuclear energy. In 1983 and 1984, some $54 million was provided for the research programs operated by the NRC Division of Energy. The following programs accounted for some $41 million of research expenditures: heat pumps, fusion energy, solar energy, bioenergy, wind energy, hydrogen and energy storage. It should be noted that some three-quarters of this research was conducted by the private sector under contracts with the National Research Council. It is these programs and indeed the entire NRC Energy Division that were cancelled by the Government last November 8.

[*Translation*]

The renewable energy industry consists largely of small- and medium-sized businesses, many of which have been in existence for only ten years or less. Today, some of these companies are financially dependent on public research programs such as the one initiated by the National Research Council. About 500 companies are directly active in research, design, manufacturing, distribution and installation of various lines of products in the renewable energy field. About 225 companies are manufacturers who in 1984 employed about 5,000 people and had sales of nearly $530 million, $30 million of which to export markets. These companies offer products that have been quick to acquire an international reputation. Our future for exports looks promising, provided we can remain competitive at the international level. We export mainly to the United States but also to Africa, Central America, South America and Asia.

According to a study carried out in 1983 by Frost and Sullivan, a consulting firm, international sales of biomass-based products, photovoltaic cells, small hydroelectric turbines, windmills and solar-thermal technology are now estimated at $3.5 billion and are expected to reach $15 billion by 1990.

[*English*]

It is against this background that we learned on November 8 of the complete elimination of the NRC Division of Energy. The reaction from the industry can only be characterized as disbelief. Research contracts which had been approved and were about to be signed were cancelled. Firms which had been counting on contracts were forced to lay off personnel and cancel projects. In spite of the grand promises of the Government, there was no warning, no consultation and no alternative presented by the Government.

The reaction from the industry was predictable. It is perhaps instructive for Tory Members in the House to hear some of that reaction. From Vancouver, a Mr. P. William Bishop wrote to the Minister of Science and Technology on November 24. He said:

From this distance, the decision to cut the entire NRC Energy Division seems somewhat arbitrary. I am concerned that in your keenness to make cuts you may not have fully considered the impact on the private sector.

Mr. Bishop went on to refer to the superwindow program and the plasma lamp.

Cutting the research at this stage will in my opinion be an act of vandalism . . . cutting back on private sector research in Vancouver is not why I have supported the Tory party for years.

[*Translation*]

Here is what Société d'énergie solaire du Canada Inc. Director Jacques Beaudet wrote in his letter of November 29 to the Hon. Member for Dollard:

For over ten years now, Canadians have made a lot of efforts and spent their own money to promote science, technology and the use of new energy sources. Government policies have helped put Canada's experts on the international scene . . . It would be a shame if a hasty decision, perhaps inspired by short-term objectives, were to make Canadians lose all the benefits of work already done and supported by Government policies.

[*English*]

Let me quote one other comment from the industry. Michael Bein of Chelsea, Quebec, wrote the Minister of Energy, Mines and Resources (Miss Carney) on December 18:

I am all for getting rid of waste in government and reducing Canada's enormous budget deficit . . . but why use a chain saw when a scalpel, or at least a butcher's knife, will do?

Canada's fledgling solar industry stands to be wiped out, with something like 2000 private sector jobs lost, and with areas where we had a chance to be the world leader handed over to the Japanese on a silver platter. I am especially surprised that a Tory government would condone such an attack on small business.

It is hard to fathom why this particular decision was made. There was many questions that have been raised and very few answers offered by the Government. Last November 13, the Minister of State for Science and Technology said that this program was the least essential of all the activities of the National Research Council. We have no indication on what basis that determination was made. Obviously, many people in industry do not agree with him.

He also said on November 29 that the Government was:

—not sufficiently convinced of progress to the extent that special allocated funding should be continued in this area. Alternate energy could obtain funding for its projects through EMR and other government agencies. If proponents of projects in the solar energy industry wish to come forward, their application would be considered alongside that of anyone else's.

He did not indicate any consideration of the effect of this decision on jobs, Canada's export potential, on regional development or on the environment.

Another question which comes to mind is why the Division of Energy was not consulted. On November 19, the Secretary General of the National Research Council was reported as saying that the decision about what program cuts would be made to fulfil the budget reduction were made by the Government, not the agency.

● (1740)

Another question I have is, why was this entire division eliminated rather than the reduction spread throughout the NRC? Savings in 1985-1986 are forecast to be some $32 million. The NRC last year had an over-all budget of $502 million. Why not cut back all programs by 5 per cent or 6 per cent and preserve this particular program?

Were other alternatives considered, such as cutting a small percentage of expenditures in non-renewable energy and thereby providing funds to preserve a smaller Division of Energy? There is no indication that that was considered.

The Tory Government says it favours small business. Why harm an industry made up of small businesses? As I indicated earlier, 75 per cent of the research managed by the National Research Council is contracted out to the private sector. What about the Wright report which recently studied all aspects of government research and development? It recommended that greater efforts should be made by federal labs to work with industry by means of contracting out and that due recognition should be given to scientists and administrators supporting these efforts. Why, therefore, cut a program which corresponds precisely to this recommendation, which presumably is supported by the Government? I would ask you, Mr. Speaker, to compare the cost of this program, again some $50 million, and its benefits to other forms of government support for the oil and gas industry or, let us say, to the cost of cleaning up polluting industry. The folly of this decision becomes all the more remarkable: $54 million, the 1983-84 budget of the Division of Energy, as opposed to billions of dollars that are spent on loan guarantees, PIP grants and subsidies to the oil and gas industry; $54 million as opposed to billions that must be spent to clean up acid rain. *The Globe and Mail* in an article on February 16 reported that Canada's major nickel and copper smelter operators may have to spend over $1 billion on capital equipment to clean the air.

There is no comparison whatsoever between the $54 million, the amount is almost picayune, that was invested in a promising young industry, as compared to the billions of dollars spent on more mature industry in this country.

It is not just a matter of cost, Mr. Speaker; electricity exports to the U.S. are threatened. The National Governors Association made up of Governors from 50 U.S. states resolved last year to press for legislation that would prevent

U.S. imports of Canadian electricity unless Canada reduced its emissions that cause acid rain.

I would like to conclude my comments by saying that nothing other than the complete restoration of this budget would put this industry on sound footing. Our Party is also concerned about the deficit. However, when we look at this program and we see its relationship to the future of a promising industry in our country and when we compare the levels of support that are accorded renewable energy in many other countries, there is no foundation for this decision.

There has been much talk this afternoon about efficiency, about the necessity, the mandate this Government received, to control the deficit. That is true, Mr. Speaker, but there is another part to that. There is the part that says the Government must act responsibly, that its decisions must be made, as we have heard so often in the past few days, in the best interests of this country. The Minister of State for Science and Technology earlier today indicated that he did not see the connection between basic research and the problems of feeding starving millions in Africa. I would suggest that this is a totally irresponsible way to address the long-term consequences of research and development. I would suggest that the Minister of State for Science and Technology, if he has not done so already, meet with the Minister of the Environment (Mrs. Blais-Grenier) and with other Cabinet colleagues and discuss some of the long-term consequences. The only conclusion that one can come to is that this Government, as has been suggested this afternoon, is only concerned with the short-term. Its only preoccupation is with the next election.

Future generations of Canadians depend on our Government to act in a more responsible manner when it comes to a crucial issue such as our environment and research spending as it affects the environment.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5.45 p.m., it is my duty, pursuant to Standing Order 62(9), to interrupt proceedings and put forthwith every question necessary to dispose of the business of supply. Consequently, the question is as follows: Mr. Caccia, seconded by Mr. Rossi, moved:

That this House condemns the Government for its negligent and irresponsible approach to the protection and management of the environment, for its cuts of wildlife, meteorological and parks services, for abandoning Canada's past initiatives on the national and international levels to combat acid rain and to restore the water quality of the Great Lakes, and for thereby jeopardizing the health, economic well-being and the heritage of the present and future generations of Canadians.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

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

(*Division No. 12*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Chrétien
Copps (Ms.)
de Corneille
de Jong
Dingwall
Finestone (Mrs.)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Lapierre
MacLellan
Manly
McCurdy
Mitchell (Ms.)
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Parry
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell—57.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Clinch
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Domm
Duguay
Duplessis (Mrs.)
Ellis
Elzinga
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fraser
Gass
Gérin
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Gurbin
Halliday
Hamelin
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)

Messrs.

Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDougall (Mrs.)
(St. Paul's)
McInnes
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nielsen
Oostrom
Paproski
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—156.

[*English*]

Mr. Speaker: I declare the motion lost.

It being 6.14 p.m. this House stands adjourned until 2 p.m. tomorrow afternoon.

The House adjourned at 6.14 p.m.

HOUSE OF COMMONS

Wednesday, March 6, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GOVERNMENT AID TO DOMTAR—QUEBEC AND EASTERN TOWNSHIPS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, the Conservative Government is dealing the economy of Quebec an unprecedented blow by refusing to grant a subsidy of $100 million to Domtar, which was planning to invest $1.2 billion in the Eastern Townships, and especially in Windsor, in my riding.

The purpose of this project is to build a fine paper mill in Windsor that would be the most advanced of its kind in the world, and the project is therefore in line with our goals of generating permanent jobs. As far as employment is concerned, this project will both consolidate and create several thousand jobs. Since the pulp and paper industry is vital to the economy of the Eastern Townships and to the entire province, I think it is imperative that, for the sake of the thousands of workers in the industry, the Government review its decision as soon as possible. A refusal to grant the subsidy would be intolerable, and the Government would be ignoring the interests of Quebec and of the Eastern Townships. This is a very important time in the history of the Eastern Townships, and their people cannot and will not let the Government mortgage their future for the benefit of Americans or Bay Street.

I urge the Conservative Members in this House to act by supporting these thousands of workers in Quebec.

* * *

[*English*]

CANADA POST CORPORATION

LACK OF MAIL SERVICE IN MISSISSAUGA SUBDIVISIONS

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise today to express the concern of many of my constituents concerning Canada Post Corporation. I represent the riding of Mississauga North in this House, a riding which has many new subdivisions and developments which are without mail service. These developments are by no means miles from the closest community. Many are simply across the street from neighbourhoods which have existed for 10 or 20 years. These new subdivisions are completely equipped with paved roads, sidewalks, adequate lighting, and receive all services except mail delivery.

There is no reason why Canada Post cannot deliver to these taxpayers. The fact the Corporation has not been able to organize itself to a sufficient degree is no excuse for the failure to fulfil its mandate. While it is commendable that the Corporation has lessened its debt, the people in my riding, having experienced in the past few years dramatic increases in postal rates, wonder if any of that cost saving has been made through better management as opposed to simply jacking the price of the service through the roof. Other than Canada Post, no business, and I use the word lightly, would attempt to enhance its reputation amongst its customers by raising the price of the product while cutting back on service.

My first report from Ottawa to my constituents was rushed through printing so it could be ready for the Christmas season. In fact, copies were bundled and ready for delivery on December 18, 1984. Canada Post immediately sprang into action, and my constituents received the mailing last week, a mere 62 days later.

Mr. Speaker: I have to advise the Hon. Member that his time has expired.

* * *

EMPLOYMENT

CHALLENGE '85—DEADLINE FOR APPLICATIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have previously described Challenge '85 as exemplifying prevarication, procrastination, and puffery. And now the alliteration is spoiled by incompetence. When the Minister of Employment and Immigration (Miss MacDonald) announced Challenge '85 on February 6, many people were skeptical of our ability to put the program in place by this summer. Now the Minister has sounded its death knell by moving the application deadline back to the end of March, just three weeks before thousands of students become actively unemployed. Officials within the Minister's own Department have said that it will be mid-July before the applications can all be processed. The program announced by the Minister on February 6 would be more appropriately called Cancel '85.

Then there is the Career Oriented Summer Employment Program. Application forms became available on February 21,

and the deadline was set for one week later, February 28. This program was equally poorly administered. On February 27 students at Ryerson Institute were told there were no application forms available, and were sent to the University of Toronto. At the University of Toronto students were sent to York University because no forms were available there either. Every day we hear someone on the Government side of the House talking about confidence. Well, I assure you, Mr. Speaker, that students have no confidence in the Government's ability to provide desperately needed—

Mr. Speaker: I have to advise the Hon. Member that his time has expired.

* * *

ADMINISTRATION OF JUSTICE

COMPENSATION FOR VICTIMS OF CRIME

Mr. Howard Crosby (Halifax West): Mr. Speaker, there have been many advances in the criminal justice system in Canada over the decades, but the plight of one group of Canadians has been largely ignored; namely, those Canadians who are the victims of criminal offenders. In Canada the victim of a crime has no real status in the criminal prosecution of the offender. Reparation under the Criminal Code is often useless, and compensation under federal and provincial legislation is inadequate. Surely a nation that spends millions on criminals should help the victims of their criminal acts.

A Nova Scotia case deserving of national attention is that of Lucille Hollett and her family. Their husband and father died in 1980, following an incident that resulted in criminal charges against two police officers of the City of Dartmouth. One was convicted of manslaughter. Four years have elapsed, yet the City of Dartmouth claims legal complications prevent payment of compensation. Litigation is grinding through the courts, but everyone knows you cannot fight City Hall.

Reasonable and adequate compensation for crime victims is the responsibility of all Canadians. If municipalities and the police avoid clear responsibility on legal grounds, the law should be changed. In 1982 I raised the case of Donald Marshall in Parliament. Now I ask Parliament to consider the case of Earl Hollett, another victim of our system.

* * *

CANADA POST CORPORATION

CLOSURE OF POSTAL MUSEUM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Canadian Postal Museum was closed on Friday, March 1. Canada Post knew for several years that it needed to find a new location for the Museum, but it did nothing. As a result, the Canadian Postal Museum, which is not only a national treasure but also a very useful museum for Canada's estimated two million stamp collectors, was closed. Canada's philatelic community spends an estimated $50 million annually to buy new issues from Canada Post. Those purchases produce a handsome profit for Canada Post, a corporation which needs the revenue badly. Other countries run their postal museums at a profit by issuing special stamps to collectors each year. Canada could do the same.

The 19 people who were laid off last week should be rehired immediately. We should reopen this vital museum immediately. The shabby treatment of those employees, some of whom had up to 30 years' experience and were given only a few hours notice, is unacceptable, and a step backwards in labour-management relations.

A permanent location can and will be found for the Postal Museum when the Minister responsible for the Post Office and the Minister of Public Works (Mr. LaSalle) realize the need for this valued Canadian institution. I urge those Ministers to meet as soon as possible to find a permanent location. I also urge you, Mr. Speaker, to allow the Postal Museum to remain in its Wellington Building location—

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

NORTH AMERICAN AIR DEFENCE

VISIT TO NORTH BAY BASE

Mr. Richard Grisé (Chambly): Mr. Speaker, on Thursday, February 28, 1985, thanks to the Parliamentary Secretary to the Minister of National Defence (Mr. Wenman) and the cordial hospitality of our hon. friend, the Member for Nipissing (Mr. Mantha), several members of the Standing Committee on External Affairs and National Defence had the privilege of visiting the military base in North Bay, Ontario.

This one-day visit, which took place under the guidance of Major General Morton, was a most interesting experience in the light of the information we received on the NORAD system and its role within the general defence plan for North America.

Our visit to North Bay showed how important it is to be properly informed about the need for increasing our country's security.

Mr. Speaker, such visits are desirable and even indispensable to provide the Members of this House with firsthand information so that they can then better inform their constituents and the Canadian public.

• (1410)

[*English*]

THE SENATE

CALL FOR ABOLITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Prime Minister's (Mr. Mulroney) seriousness in suggesting that he would take steps to abolish the Senate, if he could get the agreement of the Right Hon. Leader of the Opposition (Mr. Turner), opens up a unique opportunity in Canadian history to complete the victory of political democracy in Canadian parliamentary tradition. The Leader of the Opposition has indicated that he is open to the idea. The Prime Minister now has a responsibility to propose an appropriate resolution for the abolition of the Senate. In this he could certainly count on the support of the NDP, and hopefully, finally, the Liberals, if they can bring themselves to let go of the elitism and patronage that have been their trademark for so many years.

The Prime Minister should bring in such a proposal and seek the views of the provinces on it. When he decides to go ahead, let him not be afraid of any Senate veto. A senate that dared to stand in the way of a genuine Canadian consensus that its time had come to an end, would be a Senate whose time would soon come to an end in any event.

Failing action by the Prime Minister, Canadians can expect that the NDP will propose such a resolution and provide the House with the opportunity to act on this important issue. All Canadians are anxious to see just where the Prime Minister and the Leader of the Opposition really stand.

* * *

THE ECONOMY

ALBERTA CONFERENCE DISCUSSIONS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, on March 2 the consultative process enveloped all of Alberta. Some 230 delegates and Members of Parliament from every constituency in the province converged on Edmonton to present their views on the financial statement of the Minister of Finance (Mr. Wilson). The three Cabinet representatives from Alberta participated in the dialogue and provided insight into the national agenda of the federal Government.

The views expressed by the delegates were varied, stimulating, and well researched. This was the grass roots speaking. The delegates agreed that unemployment is our most pressing problem. We must eliminate trade barriers to create new employment and a stimulated economy. The Alberta MPs listened. This forum was an exercise in democracy.

The delegates urged the Government to respond to the commitments made on energy and energy development, to attack the deficit with great determination, to continue to trim government spending, and to stop the rise in interest rates for the sake of the dollar. Mr. Speaker, this conference illustrates our continued commitment to consult Canadians in the formation of a national agenda for a better future.

* * *

THE ADMINISTRATION

CONSULTATION—STATEMENTS ATTRIBUTED TO MINISTERS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, Members of the House of Commons and Canadians across the country can only react with dismay to the arrogant attitude of federal Cabinet Ministers who say they do not have to consult the public or the public's representatives, the MPs, on departmental policies. Statements attributed to the Minister of the Environment (Mrs. Blais-Grenier) in this morning's *Toronto Star*, and statements by the Minister of State for Small Business (Mr. Bissonnette) several days ago, reflect an arrogant attitude and a siege mentality on the part of an administration paranoid of opposition.

The Minister of State for Small Business told Members of Parliament on Monday that the has no intention of consulting either the House of Commons or members of standing committees on future changes to the Small Business Loans Act. These statements make a mockery of the good work being done in the House of Commons reform committee under the chairmanship of the Member for St. John's East (Mr. McGrath). They reflect a growing disposition to rule by edict and public opinion polls. That kind of arrogance landed the Soviet Union in Afghanistan, it landed the United States in Vietnam, and it is going to land this administration in great jeopardy.

* * *

NATIONAL PARKS

CELEBRATION OF CENTENNIAL

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, on February 18 we celebrated Heritage Day in Canada with a national luncheon on Parliament Hill, and we launched the one hundredth anniversary of our national parks. One hundred years ago Sir John A. Macdonald and his far-sighted Government gazetted Banff National Park as our first truly national monument, by protecting a magnificent part of Alberta. Countless millions have enjoyed its splendour since, and will continue to do so for generations to come.

[*Translation*]

Canadians are rightfully proud of the way their national parks network has been operated over the past decade.

We now have 31 national parks and 75 historic sites spread over all provinces and the two Territories.

• (1415)

[*English*]

I had the privilege of working in Terra Nova National Park, Newfoundland, and Banff National Park, Alberta, under the very capable direction of Mr. Jack Nichol when our National Parks system expanded considerably. Of this we can be proud. I urge the Government, however, not let up on its determination to preserve our historic sites, our canals, and our parks for posterity.

I remind the Government of the powerful expression on a poster printed by the Haida people of the Queen Charlotte Islands, in describing their Duu Guusd Tribal Park:

Duu Guusd is not just a land we inherited from our ancestors, but one which we borrow from our grandchildren.

We cannot afford to jeopardize their future.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

PRESENTATION OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. The Canadian dollar hit another record low this morning, although it recovered slightly this afternoon. Mortgage rates were up by one half per cent yesterday, and consumer loans became more expensive yesterday as well. There are 1.5 million Canadians who are out of work. We have the largest governmental expenditures in Canadian history, and there is no clear idea of the Government's monetary policy or its fiscal policy. This is the longest period we have waited for a Budget since an election, in Canadian history.

Will the Prime Minister prevail upon his Minister of Finance to bring down a Budget earlier than he has already expressed, in order that we can have some direction in the economy of our country?

Right Hon. Brian Mulroney (Prime Minister): My right hon. friend is aware, and in fact has spoken with sympathy, of the kind of situations he anticipated inheriting himself as Prime Minister. I am sure that he was no more pleased than I was at the heritage that had been left by our predecessors in this office.

I picked up where my right hon. friend left off, in continuing the job with the Minister of Finance of straightening out the public finances of Canada and bringing some degree of sanity back to the process.

The Minister of Finance laid out a very important document on November 8 which brought about the largest single group of cuts ever initiated in Canada to begin the process of reducing the deficit, which has been followed by a number of other initiatives leading up to a Budget which, I assure my right hon. friend, will be introduced at the earliest possible moment. It will be based on the fundamental notions of re-energizing the private sector and getting Canadians back to work.

[*Translation*]

INQUIRY ABOUT POSSIBILITY OF TABLING BUDGET IN MARCH

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has promised tens of thousands of jobs, and he has failed to deliver. He promised low interest rates. He could not deliver. He promised to reduce the deficit. He did not deliver. He promised to reduce Government spending. He did not deliver. He promised us a strong dollar during the election campaign. He did not deliver. Therefore, I would ask the Prime Minister if in the circumstances he could persuade the Cabinet, the biggest in our country's history, to bring down a Budget immediately, in March instead of April, May or June.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Liberal Party promised Liberal delegates at the leadership convention a great Liberal victory. He failed to deliver the goods.

We have started the slow and difficult process of cleaning up the public finances of this country. I am sure my hon. friend realizes how difficult this is, considering the twenty-year-old legacy we have to deal with. We have inherited an extremely difficult situation, I must admit. On November 8 last year, we tabled a very serious document and started the process of national reconciliation and economic renewal, and I am sure the Leader of the Opposition will be very pleased with the Budget that will be brought down shortly by the Minister of Finance.

• (1420)

GOVERNMENT'S MONETARY AND FISCAL POLICIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would remind the Prime Minister that the election is over, and I suggest that he start dealing with the serious matter of governing this country.

An Hon. Member: Right on!

Mr. Turner (Vancouver Quadra): He used the word "considering" . . . Considering the state of the dollar, interest rates, the unemployment situation, and considering the lack of confidence in the present Government, could the Prime Minister at least clarify for the Canadian public what his Government's monetary policy is with respect to interest rates and stabilizing our Canadian dollar? Furthermore, could he clarify his fiscal policy once and for all, and if he cannot, could he, with his Minister of Finance, bring down a Budget right away?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be very pleased to discuss the policies of the Government at greater length with the Leader of the Opposition, if he so wishes.

Mr. Turner (Vancouver Quadra): Do you want me to write your Budget?

Mr. Wilson (Etobicoke Centre): I think it has been made quite clear what our monetary policy is. I set it out very clearly in answer to the questions last week and the week before. I set out, during the economic statement of November 8, one of the clearest definitions of economic policy on the fiscal side, removing some of the regulatory problems that this country has faced, identifying very clearly the areas of incentive to which we are going to direct any government resources, all with a view to increasing employment.

I do not believe there is any need to rush on a Budget. When we put down the Budget we are going to get it right, and we will get it right because we have had full consultation with a wide range of people across the country, including the Premiers, the people who will be represented at the national economic conference, and many others who feel they have a very important contribution to make. When that is done, and I would hope it will be done very soon, then we will have that Budget, and I am sure the Hon. Member will be very pleased with it.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

NORTH WARNING SYSTEM

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Right Hon. Prime Minister. Next week the Prime Minister will be meeting with President Reagan. Already he has stated that he will change Canadian policies. Now the Government of Canada, will be doing something contrary to the wishes of the previous Parliament, and of the previous Government, that would support the star wars program. Is it true that next week the Prime Minister will sign a new agreement on the North Warning System that could change forever the balance of relations in defence between Canada and the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want to use the word irresponsible, but I know my hon. friend sat through a hearing of a parliamentary committee, a hearing that I volunteered, in which the questions were put forward and the facts were put forward on the North Warning System. There is absolutely no relation between the North Warning System and the Strategic Defence Initiative. The Hon. Member knows that, and he should act on that knowledge and not abuse his position as a Member of this House.

Some Hon. Members: Hear, hear!

REQUEST FOR COMMITTEE HEARING

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I can see the Right Hon. Minister is very touchy about it, because I wrote to him about two weeks ago. He did not even dare to reply. I wrote to the new Minister of National Defence asking for a committee hearing to permit some concerned Canadians to come to Parliament to express their views on this matter. What does the Minister have to hide in refusing to allow Canadians to express their fear that we will be trapped in a situation from which we would never be able to get out, as happened in previous administrations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what happened in previous administrations—

Mr. Chrétien: Diefenbaker and the Bomarc.

Mr. Clark (Yellowhead): —particularly when the Hon. Member who just spoke was the Secretary of State for External Affairs and a member of the Liberal government, was that the negotiations were continuing on the North Warning System. But the Parliament of Canada was never given the opportunity to hear what was being discussed. The Parliament of Canada was treated by the Liberals as if it had no right to know what was going on in national defence policy.

● (1425)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We had the sense of responsibility to put the facts on the table. I would ask the Hon. Member to have the sense of responsibility to stop abusing his position as a Member of this House.

* * *

FAMILY VIOLENCE

EMERGENCY SHELTERS FOR WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. He will recall that in 1982 some Hon. Members in the House laughed when it was pointed out that one in ten men in Canada beat their wives. Since violence continues to increase among the young and the old, as well as among battered wives, and since women need services and shelters which will provide them with advice and protection, will the Minister tell the House how many emergency shelters for battered women are operating in Canada today, and how many of these are cost-shared under the Canada Assistance Plan?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the matter which the Hon. Member raises is an important one, a serious one, and one about which I think all Members of the House and society should be concerned and see if we can reverse the trend. The question which she put to me in terms of the numbers is, frankly, more easily answered through the Order Paper. However, I can tell her that there are about 190 homes, and I believe 63 of them—those are the latest figures which I have—are cost shared along the lines of the question she asked.

Some Hon. Members: Hear, hear!

SHELTERS' ADMISSION PROCEDURES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I don't think that number of shelters is really worthy of applause. We must do much more, and I know the Minister agrees. When a woman with children who is battered, upset, and desperate, has to go to a transition house for shelter, she is forced to fill out a complicated means test, if the shelter is funded under the Canada Assistance Plan. Will the Minister negotiate with his provincial counterparts to improve this situation so as to remove this kind of needs test mechanism, so that there will be no impediment for women who are very vulnerable and are seeking protection from violence, along with their children?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of the manner in which the Hon. Member puts the question, she will recognize, as I believe she did, that any changes to Canada Assistance Plan agreements have to be negotiated with the provinces. I have mentioned to the provinces that I would like to meet with them in regard to the Canada Assistance Plan and other social issues, and that is to take place at the end of April. That will be our second meeting, the first one being a very brief one.

Additionally, we have said to the provinces that we are willing to look at the issue. It is not so much a money issue when a woman presents herself at one of these homes, no matter what her financial background might be, as it is an issue of violence and injury. It is not an immediate cost factor which she has to face as she presents herself to the home. As recently as today, four Deputy Ministers representing four provinces are discussing this issue with my officials.

REQUEST FOR INCREASED FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it may not be a money issue in some sense, but it certainly is for the transition houses which, as the Minister knows, are grossly underfunded. Will the Minister live up to the Conservative election promises and the recommendations of the Standing Committee on Health, Welfare and Social Affairs in its report, and provide increased federal funding, funding which is very much needed for services and shelters, so that desperate families who have suffered from battering will obtain help?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member recognizes that this matter has been looked at. As I said, the trend is a worrisome one. It concerns me deeply, as I know it does her. We have had the Badgley report on that. There are some questions from some quarters as to the veracity of the figures, but apart from that it is a major issue. When she says that the Government identified this as an election issue and as an election promise, we did. I say to her it is for that very reason, and our concern, that these negotiations and discussions are taking place.

* * *

● (1430)

NATIONAL DEFENCE

NORTH WARNING SYSTEM

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. He will know that on February 14 the House of Commons Standing Committee on External Affairs and National Defence held one meeting to discuss the new Early Warning System across the northern part of Canada and down the sea coasts, which was attended by the former Acting Minister of National Defence. At that time we were treated to an overview of the system, but there are many unanswered questions and there are other issues related thereto that should be clarified before the new agreement is signed. Will the Minister respond positively to the request for additional meetings on this subject that will affect all Canadians for the next 20 years and beyond, and will he consent to attend meetings of the Standing Committee of this House before that new agreement goes into effect?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that the Hon. Member most of all would not want me, or any other Minister of the Crown, to dictate to committees what their order of business will be. I am informed that the steering committee of the Standing Committee will be meeting at 3.30 today. Undoubtedly that is a subject matter which will be raised. However, I would call to his attention, if he will study the record of the last committee report, that the Secretary of State for External Affairs offered to stay for as long as members of that committee had questions to ask. The fact is that Members over there ran out of questions, and the committee meeting was terminated. The opportunity was certainly there for a full questioning of the Minister at that time.

ATTENDANCE OF MINISTER AT COMMITTEE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, again we hit the stonewalling tactics. The Minister knows full well that the chairman called off the meeting. Why is the Minister welching on his Party's promise of open Government by refusing to attend any meetings of the External Affairs and National Defence Committee—the other was

attended by the other Minister—and bring his officials with him before the renewed NORAD agreement is signed? What is he hiding? In 1980 when this agreement was up for renewal, his own Parliamentary Secretary was the biggest critic.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I really do not know what the Hon. Member is talking about. I have received no request from the chairman or any other member of the Standing Committee to appear before it. I have a letter from the Deputy Leader of the Opposition, I think, which will be responded to. I reiterate that my most recent information is that the steering committee is meeting this afternoon at 3.30. If they, in their good judgment, wish to invite me before the committee, I would certainly be very pleased to receive and consider that request.

* * *

FAMILY VIOLENCE

HOUSING FOR BATTERED WOMEN IN RURAL AREAS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Standing Committee on Health, Welfare and Social Affairs issued a report *Violence in the Family* in May, 1982. What action has the Minister taken to implement recommendation No. 9 dealing with the housing of battered women who live in rural and remote areas and who do not wish to move to urban centres to have access to the transition homes and the services that they can provide?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member is aware of the answers that I gave to the questions of his colleague. I say to him that this matter of how much government funding can go into what is recognized by all of us as a very difficult social problem, is not a matter of simply finding more money. It is also a matter of what kind of education in terms of society can be provided. For instance, and I see his colleague questioning that, the NDP Government of Manitoba launched just that kind of an approach. I say that for all of us it is an issue which has to be dealt with reasonably and rationally. It is not a matter of more homes being provided or whether there is an unlimited source of money. That is obviously not the manner in which we can go.

NATIONAL TELEPHONE SERVICE

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I would remind the Minister that dealing with things reasonably and rationally also includes dealing with them fairly.

[*Translation*]

Is the Minister prepared to help women, as recommended by the federal-provincial-territorial task force, by providing a free national telephone service to assist and inform victims of family violence?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would say to the Hon. Member, as I said to his colleague, that these issues have to be dealt with between the provinces and the federal Government. I have indicated to him that we are willing to look at it. The CAP agreement in part covers that. That is the approach that has been used between the partners in the federation. I intend to continue that approach.

* * *

[*Translation*]

TRANSPORT

MANUFACTURE OF RAILWAY FREIGHT CARS

Mr. Michel Gravel (Gamelin): Mr. Speaker, my question is directed to the Minister of State for Transport and concerns the manufacture of railway freight cars. The previous Government's lack of clear-cut policy led to the disappearance of thousands of jobs, not only in that industry but also in subcontracting companies making car parts. I would like the Minister to tell the House about programs and policies he intends to implement to revitalize the industry and ensure steady and regular production in the coming years.

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I can tell the Hon. Member for Gamelin that last year, apparently to offset job losses, the Government advanced the purchasing process in that sector so that we do not have the necessary funds to place new orders in 1985. However, such purchases are now made directly by the companies and, naturally, we hope they will follow Government policies, namely, contrary to what we have seen for a long time, spend the money we do have for very specific requirements.

* * *

THE CONSTITUTION

MINORITY LANGUAGE RIGHTS IN QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. Next Friday, the Prime Minister will be meeting Mr. Lévesque, the Premier of Quebec, but he has yet to announce the agenda for their talks. Could the Prime Minister inform the House today what that agenda will be and whether he intends to discuss, first of all, the entrenchment of minority language rights in the Constitution and second, negotiating a supplementary agreement for native people in Quebec, pursuant to the ERDA agreement that was signed recently?

Mr. Speaker, I asked those questions on December 12 and February 1, but at the time, the Prime Minister was not

prepared to give an answer. Is he prepared to answer those questions today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Premier of Quebec has already indicated that he would like to discuss the possibility of a constitutional review, but not until after Easter. I therefore do not expect any talks on constitutional matters this Friday. In fact, I shall be in Quebec City for the Conference on Minorities organized by the newspaper *Le Devoir*, and I shall be taking advantage of this opportunity to meet with the Premier of Quebec for some talks on other subjects.

[*English*]

REQUEST FOR ASSURANCE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, these meetings between the Prime Minister and the Prime Minister of Quebec are on very important issues affecting the future of the people in Quebec. They have a right to know the exact agenda of that meeting. In any case, will he assure this House that in his discussions with the Prime Minister of Quebec under no circumstances will he make a trade-off between the entrenchment of minority language rights with the signing of the Constitutional Accord by Quebec? We support the signing of that Accord by Quebec, but not at any cost. Will he give us that assurance that he will not make such a trade-off?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can see why the applause is so tepid. In Montreal and elsewhere, I know they are interested, and that is why I gave my hon. friend a clear-cut response to a question in this regard which was on all fours with the question he asked some three weeks ago. In point of fact, the Government, across the country and in the Province of Quebec, campaigned as a strongly federalist Party committed to the integrity of the nation and the protection of minority rights. That is why we were elected.

● (1440)

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AID

FUNDING OF MATCH INTERNATIONAL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Minister for External Relations. As the Minister knows, we are rapidly approaching the end of the U.N. Decade of Women, and MATCH International, Canada's only organization devoted solely to assisting women in developing countries, is still struggling to survive. We are now almost at the end of the decade and MATCH International is barely alive. Can the Minister recommend additional funding to CIDA to enable it not only to increase the over-all funding to MATCH International but also to increase its core funding from 66 per cent to 75 per cent?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, as the Minister responsible for CIDA, I have already mentioned certain policies and issues with which I am particularly concerned. Considering my previous undertakings and my position as a woman, I intend to watch very carefully any issues that concern the daily lives of women, and I shall be looking very carefully at the particular organization mentioned by the Hon. Member.

[*English*]

ASSISTANCE TO WOMEN IN DEVELOPING COUNTRIES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, may I remind the Minister that MATCH International is the only organization devoted solely to assisting women in developing countries, and that it is often used by CIDA itself for its expertise? Therefore, it needs help. In that connection, and in connection with her general comments on assisting women in developing countries, will the Minister assure the House that increased funds will be made available to CIDA to enable it to carry out the very detailed plans of action it has made for addressing the basic needs of women in developing countries, so that by the end of the decade Canada can report progress in this matter?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I know that 52 per cent of the population consists of women, and I have confidence in the intelligence of these women. I will find out what they can do, and as the Minister responsible for CIDA, I will encourage them to develop their talents.

* * *

[*English*]

THE BANKRUPTCY ACT

PROTECTION OF EMPLOYEES AND TRADESPERSONS

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Parliament passed the Bankruptcy Act in 1949. Since then, because of increasing problems with the legislation, there have been a total of six unsuccessful attempts to change its provisions. Can the Minister assure the House that steps will be taken at the earliest possible opportunity to introduce comprehensive amendments to the Bankruptcy Act that will protect employees as well as the suppliers and tradespersons who all too often are the real victims in bankruptcy cases?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish to thank the Hon. Member for his question and advise him that in fact we are looking into the feasibility of introducing amendments to the Bankruptcy Act. We hope this can be done as soon as possible.

* * *

REGIONAL ECONOMIC EXPANSION

GOVERNMENT AID TO DOMTAR—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is again directed to the Right Hon. the Prime Minister. Since it is now perfectly clear that Domtar cannot accept a basement-bargain agreement between the Prime Minister and Mr. Lévesque, and since we know now that Ottawa alone is jeopardizing that project vital to the Eastern Townships, I am asking whether the Prime Minister sees eye to eye with his Quebec caucus colleagues who promised last Saturday that, within two weeks, they would do their utmost to make sure that Domtar will get a positive response regardless of the circumstances.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am glad that my friend would commend the outstanding job done by our remarkable Quebec colleagues. They have done an extraordinary job and I am grateful for that.

My colleague is aware that discussions will take place this Friday. I have already indicated our intention to be as co-operative as possible, but our hands are tied for very obvious reasons—we are shouldering a $35 billion deficit. As the Hon. Member appreciates, we cannot hand out that kind of money, but we hope to be in a position to be of some help and co-operate with the Quebec government and the company to finalize the project.

DOMTAR—INQUIRY WHETHER PRIME MINISTER WILL MEET COMMON FRONT REPRESENTATIVES

Hon. Jean Lapierre (Shefford): Mr. Speaker, the more the Prime Minister responds to questions . . . To some extent, I agree with some of his Cabinet colleagues who say that the policy changes every time he gives an answer, and they are right to be concerned. The Prime Minister, who claims to be in favour of consultation, dialogue and what not, knows that the people united in a common front against his decision want to meet with him as soon as possible. I know that others have sent him an invitation. Will the Prime Minister meet with—

Mr. Speaker: Question, please.

Mr. Lapierre: Here is my question: Will the Prime Minister meet with the members of the common front who are anxious to convey to him the representations of Domtar employees?

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, the Member for Sherbrooke and others have told me about that request. I followed with interest—

An Hon. Member: Yes or no?

Mr. Mulroney: There is the Quebec lieutenant from Newfoundland talking again.

Indeed, the matter has been brought to my attention and I will be pleased to meet with eastern Townships representatives at any time.

POSSIBILITIES OF GOVERNMENT ASSISTING DOMTAR

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Prime Minister and concerns the Domtar case. Today, Domtar's management made it clear that their modernization project will not go ahead without a federal subsidy. In view of the disastrous effect of such a decision on the future of the Eastern Townships and Domtar employees, and considering the fact that the Prime Minister does not want to give Domtar a blank cheque, has he seriously considered the option of providing financial aid in exchange for shares in Domtar?

Right Hon. Brian Mulroney (Prime Minister): What shares, Mr. Speaker? The majority or the largest block of shares is already held by the Government of Quebec through several of its agencies. I do not know what our talks will be like this Friday, but we are prepared to examine any reasonable plan to try and help this project. I think we should bear in mind, and we have read this in the press, that Domtar is a very good company and that it made a profit of $90 million last year and $45 million the year before. I am told it expects to make a profit of over $100 million in the years to come. This is a sound company.

That is why I think perhaps it should examine its borrowing capacity and perhaps other formulas in the private sector that could help a company as powerful and as sound as this one to—

Mr. Speaker: Order please, with respect.

CORPORATIONS—FEDERAL GOVERNMENT SUBSIDIZATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I think shares in exchange for financial aid is a very reasonable suggestion.

My supplementary is also directed to the Right Hon. Prime Minister.

Could the Prime Minister confirm to the House that his Government will approve federal subsidies for corporations where less than 50 per cent of the shares are owned by a Government, a decision that would not constitute an attack on the Caisse de dépôt et placement du Québec as was the case when the Bay Street Liberals used Bill S-31 to do that very thing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, since we, that is, the New Democratic Party and ourselves, fought with great determination against the Liberal Government when it tried to break the Caisse de dépôt et placement du Québec, and we stood up together to defend the Caisse, I can give the Hon. Member the assurance that we shall continue this vigorous defence of the Caisse and other Quebec institutions.

* * *

● (1450)

[*English*]

AGRICULTURE

FINANCIAL SITUATION—GOVERNMENT ACTION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. A couple of weeks ago the Canadian Federation of Agriculture passed a unanimous resolution calling on the Prime Minister, the Minister of Agriculture, and the Minister of Finance, to treat the present financial situation in agriculture as a serious crisis in Canada, and demanding extraordinary attention and action. Last week the Government responded by cutting the estimates of the Farm Credit Corporation by 80 per cent. Could the Minister comment on that? Does this mean that the Government is not prepared to take extraordinary action to help farmers who are facing foreclosures this year?

Hon. John Wise (Minister of Agriculture): Obviously, Mr. Speaker, I have difficulty understanding the position taken by the Hon. Member because, indeed, we have taken a number of measures to this point in time. They are far too numerous for me to mention on this occasion, other than to say that they total about 42 in number. We continue to look at options and other alternatives which we may apply in this crisis. I hope to be in a position this Friday to mention another move on behalf of the Government to deal with the very, very serious problem of farm financing.

FARM DEBT—REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Maurice Foster (Algoma): Mr. Speaker, the United States Congress is debating appropriation Bills right now amounting to over $1 billion to set aside or reschedule farm debt in that country. The Farm Credit Corporation has put proposals before the agriculture committee—more modest, of course, and appropriate to Canada—to deal with the farm debt crisis. Is the Minister prepared to bring forward legislation to reschedule some of this debt or to set it aside, as the American Government is doing for its farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member cites the American situation, measures which are in place in the United States. The latest information I have is that, indeed, some 8,000 farmers participated in that program. I draw the Hon. Member's attention to a measure which we announced on January 15 which brought down interest rates in this country from 16.75 per cent to 12.75 per cent, a reduction of 4 per cent, which will cost the Canadian taxpayers some $16 million a year for five years, making a total commitment of $80 million. Indeed, it assisted not 8,000 farmers but some 5,600. However, if we use the normal scale of one to ten, it is obvious that the measure we brought forth on January 15 is far more beneficial to Canadian farmers than what has been done by our counterparts in the United States.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES MEETING—ACID RAIN ISSUE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Prime Minister. He will recall that yesterday he indicated to me, when I asked him about the upcoming Shamrock Summit, that an announcement would be forthcoming today with respect to Canadian auto emission standards. Given that the Minister of the Environment will be holding a press conference later this afternoon, and presuming that she will be making an announcement in that regard, could the Prime Minister tell us what he now intends to ask of President Reagan with respect to American action on acid rain?

An Hon. Member: Nothing.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister will be having a press conference and will be sending out what I believe will be the most comprehensive and helpful program ever initiated by the Government of Canada to rid this country of the savagery of acid rain to our environment, and I think that is good news for Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have heard the acerbic criticisms of a very ineffective previous Minister who has distinguished himself by his lack of recognition in the field, and finally we have a Minister—

Mr. Foster: Where is your Minister hiding?

Mr. Mulroney: —a woman in this House who is not afraid to stand up, who has the courage to stand up and initiate a program of vast reform which is designed to rid this country of acid rain.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, given the preview, I can hardly wait for the announcement.

Some Hon. Members: Oh, oh!

DISCUSSION INQUIRY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, if the announcement is as good as the Prime Minister says it is going to be, could the Prime Minister answer the question and tell us what he is going to ask of President Reagan next week with respect to American action on acid rain? And could he tell us whether or not he will be asking President Reagan to give up the false perception that more research is needed before action should be taken on acid rain? Action should be taken now on both sides of the border.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I were going to talk to a world leader, the last person I would tip off would be a member of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Another Blaikie blunder.

Mr. Deans: How about a Member of Parliament?

* * *

OLYMPICS

1988 WINTER OLYMPICS—CONDITION OF SKI RUN

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. International Olympic officials voiced their concerns in Calgary this past week about the condition of the Mount Allan ski run for the men's downhill event, and the lengthy hockey tournament scheduling which, if not corrected, could mean the pull out of six top European teams. Would the Minister tell the House whether these problems will jeopardize the success of the upcoming Calgary Olympics?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, it is true that some concerns were raised during the IOC meetings in Calgary last week in the area to which the Hon. Member refers. However, subsequent meetings with the IOC, and with the officials responsible for the sites, confirmed that these problems can be rectified, to the extent that the President of the International Olympic Committee, His Excellency Juan Antonio Samaranch, said—and I agree with him wholeheartedly—that the 1988 Winter Olympics in Calgary are indeed going to be the best staged event of this kind ever in the history of Canada.

Some Hon. Members: Hear, hear!

EXTERNAL AFFAIRS

PRIME MINISTER'S MEETING WITH UNITED STATES ARMS CONTROL AMBASSADOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. I understand that Ambassador Paul Nitze of the United States is meeting with the Prime Minister later this afternoon. I wonder if both Governments have already determined the conclusion of the conversation, because the United States embassy has already issued a news release of Ambassador Nitze, and I quote:

My conversation with the Prime Minister was extremely useful.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra):

We discussed next week's nuclear and space arms negotiations and the U.S. approach to them. In those negotiations, the United States will proceed in a serious and constructive manner, but we all realize that they will be complex and perhaps lengthy.

Could we have the companion piece issued by the Prime Minister's Office of the conversation which will take place later this afternoon, so that we can see whether they match and are well orchestrated in advance?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): I am sorry that the right hon. gentleman has not received mine; I put it out yesterday.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I have no knowledge of what a functionary at some foreign embassy might, or might not, put out. I am surprised that my right hon. friend reads very much into it.

All I know is I was asked by the ambassador, who is in charge of arms control negotiations with the United States, for a meeting this afternoon, with the Secretary of State for External Affairs. I am honoured to meet with him, given the complexity and importance of the issue of the Geneva talks on March 12. I know that the Liberals seem to treat this very frivolously but, for us, arms control and nuclear arms reduction are the most important matter on our agenda.

Some Hon. Members: Hear, hear!

PRESS RELEASES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, may I urge the Prime Minister to read that release, as well as the release which I assume is issued from his own office, so he will know what script to follow in the conversation this afternoon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is widely acknowledged, in a non-partisan spirit in this House, that if anyone is following a script and cue cards, it is the Right Hon. Member.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

FOOD AND DRUGS

DRUG PRICES—REPRESENTATION MADE BY CONSUMERS' ASSOCIATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He will know that today the Consumers' Association of Canada sent an open letter to the Prime Minister in which it condemned, as insensitive to the consumer interest, the arrangements made by the Minister for meetings between the competing drug companies to discuss changing the drug patent laws. Now that the Canadian Association of Consumers has spoken so clearly against the Government's procedure, will the Minister agree to its request to stop the closed door negotiations, publish the report of the Eastman Commission, and involve the public and consumers groups in any further discussions regarding changes in the patent laws?

• (1500)

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to reassure my colleague by telling him that I did receive the Eastman report last week, a very complex 500-page document. It goes without saying that department officials will need some time to undertake those studies. I can also assure my colleague that no decision will be made concerning this major problem without prior consultation with Canadian consumers.

[*English*]

REQUEST THAT DISCUSSIONS BE STOPPED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, would the Minister put a stop to the discussions going on between the two groups, because any agreement would mean watering down the present protection the patent laws give consumers?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, the discussions have been initiated with a view to solving that problem and, until further notice, we are prepared to listen. Again I can assure my colleague that we intend to consult with Canadian consumers and protect their interests.

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, March 5, 1985, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, given that tomorrow the House will not be sitting in its normal fashion, is the Government House Leader in a position to tell the House what the business will be for Friday and perhaps on into next week?

Mr. Hnatyshyn: Mr. Speaker, I had a brief discussion with both the House Leader of the Official Opposition and of the NDP in which I informally advised them that, as the Hon. Member points out, tomorrow we will be having a joint session with our colleagues from the other place. Members are advised to be in their places by 2.50 p.m. in order to receive the Secretary General of the United Nations at 3 p.m. We will not have Question Period and we will not commence proceedings because of the physical arrangements necessary for this joint address tomorrow. The only business will be the address to a joint session of Parliament.

With respect to business today, the House knows we will be dealing with Bill C-32, an Act to amend the Fisheries Act. The second reading stage will be brought forward by my colleague, the Minister of Fisheries and Oceans (Mr. Fraser), today. If we are able to make progress and accomplish second reading of that Bill, I would of course call Bill C-24, an Act relating to the COSP and CHIP Programs. On Friday, depending on the progress made today, I would call Bill C-32 relating to the Fisheries Act. Hopefully we will be in a position to have second reading of that Bill some time on Friday. Following that, it is my intention to call Bill C-30, the Bretton Woods Bill. As a back-up we will have Bill C-24 again if we have not already disposed of it.

It seems to me, Mr. Speaker, that I will wait until Friday in order to assess the situation before announcing business for next week. As my colleague knows, the House Leaders will be having a meeting after Routine Proceedings in which we will have a chance to canvass other possibilities.

Mr. Deans: Mr. Speaker, given it is sometimes quite difficult to inform Members over the weekend what the business will be on Monday, might we get a hint as to what we might possibly be doing on Monday? I am not worried about Tuesday or Wednesday, but perhaps we might get just a little hint about Monday.

Mr. Hnatyshyn: Just a tiny little hint. I think we will be doing the same thing we will be doing on Friday, just carrying on.

Mr. Skelly: A point of order, Mr. Speaker, I understood this was House business. Is there an opportunity for a question?

Mr. Speaker: I had received notice of an intention to ask a House business question from one of the House Leaders.

Mr. Skelly: I understood that the usual Thursday question had been moved forward.

Mr. Speaker: The Hon. Member for Comox-Powell River (Mr. Skelly) has a House business question.

Mr. Skelly: Mr. Speaker, since the Prime Minister is going to be meeting with President Reagan very soon in Quebec City and there are some very important issues to be considered, I wonder if the Prime Minister has any intention of giving the House some form of statement on how that meeting—

Mr. Speaker: Order, please. That may be an appropriate question for Question Period but it is not a House business question at this point.

Mr. Skelly: It sounded like one to me.

Mr. Speaker: At this point.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

ACID RAIN

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, residents of my riding are aware of the hazards of acid rain, and they want a bilateral agreement negotiated with the American Government and enforcement of regulations concerning acid rain.

PASSENGER TRAIN SERVICE

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I have the honour to present a petition on behalf of railway employees, especially those of the CN, who are concerned about the issue of passenger train repairs and maintenance.

Wherefore the petitioners humbly call upon Parliament to consider that what belongs to railway companies ought to remain with those companies.

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING ABORTION PROCEDURES

Mr. John Gormley (The Battlefords-Meadow Lake) moved for leave to introduce Bill C-226, an Act to amend the Criminal Code (abortion).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Gormley: Mr. Speaker, every year over 65,000 abortions are performed in Canadian hospitals. An overwhelming number of these abortions are permitted because of "endangerment to health". The present law has therefore become a loophole for what amounts to abortion on demand, which has resulted in the death of thousands of unborn children. The purpose of this Bill is to amend the Criminal Code to restrict the use of abortion procedures to those instances where the continuation of the pregnancy would or would be likely to endanger the life of the female person, exclusive of social or economic conditions affecting the female person or her family unit.

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

* * *

COPYRIGHT ACT

AMENDMENTS RESPECTING AUDIO AND VIDEO RECORDINGS

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-227, an Act to amend the Copyright Act (private recordings).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Taylor: Mr. Speaker, I have great pleasure in moving first reading of an Act to amend the Copyright Act. This Bill will allow an audio or video recording of a work where such recording is made by an individual from a public broadcast for his or her own private use. The recording is not to be used in a commercial way nor sold, exchanged, bartered or given as a gift.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 80, 201 and 256.

[*Text*]

RAIL TRAFFIC IN CITY OF TORONTO

Question No. 80—**Mr. Young:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, did Canadian National Railways receive any complaints about excessive noise from rail traffic on its line between Jones Avenue and Victoria Park Avenue in the City of Toronto and, if so, in each case, what total number of complaints were received and how many were made (i) in writing (ii) by telephone?

2. Does the railway impose a speed limit on rail traffic within the City of Toronto and, if so, what is the limit for (a) passenger trains (b) freight trains and was it increased in the period January 1, 1980 to December 31, 1983?

3. In each 24-hour period, what is the frequency of of Canadian National passenger and freight service using the line in the period (a) midnight Sunday to midnight Friday (b) midnight Friday to midnight Sunday?

4. Does the railway lease or otherwise permit the use of its rail bed on the line to other users and, if so (a) what are their names (b) in each 24 period, what is the frequency of such use in the period (i) midnight Sunday to midnight Friday (ii) midnight Friday to midnight Sunday?

5. Will the railway upgrade its rail bed and tracks on the line and, if so (a) when is the work scheduled to begin (b) what is its scheduled date of completion (c) is consideration being given to restricting traffic in the period between 12 midnight and 6.30 a.m., until this upgrading has been completed?

6. Will the railway erect fences parallel to its rail lines which run through residential communities to restrict access by children and others to those lines and, if so (a) when is this work scheduled to begin on the line mentioned in part I (b) on what date is this work scheduled to be completed?

Hon. Don Mazankowski (Minister of Transport): The management of Canadian National Railways advises as follows:

The area in question is from about mileage 327.9 (Victoria Park Avenue) to about mileage 330.7 (Jones Avenue) on our Kingston Subdivision, and all answers refer to this trackage.

1. No.

2. Yes. (a) 145 km/h (90 m.p.h.); (b) 97 km/h (60 m.p.h.)—except freight trains carrying special dangerous commodities, when the speed is 55 km/h (35 m.p.h.) as set by the Railway Transport Committee Board Order. The speed limits were not increased during the years 1980-1983.

3. CN does not operate passenger trains along the line in question. Daily freight train service is as follows: (a) Monday—Friday, (b) Weekends (Saturday and Sunday), 6.

4. Yes. (a) GO Transit and VIA Rail Canada Inc.; (b)(i) Monday—Friday 78, (ii) weekends (Saturday and Sunday) 54.

5. (a) and (b) Normal railway maintenance work on this particular section of trackage was completed in early May, 1984; (c) This work did not unduly affect normal train traffic.

6. CN erects and maintains fencing parallel to the track to restrict access in accordance with the requirements of the Railway Act. Any necessary repairs required to restore fencing in this area were carried out in 1984.

RECEPTION FOR DIPLOMATIC CORPS

Question No. 201—**Mr. Malépart:**

Did the Prime Minister host a reception in the honour of the diplomatic corps on December 13, 1984 and, if so (a) what was the cost of (i) the reception (ii) the decorations (iii) the Christmas trees installed for the occasion (b) what was the menu (c) what are the names of the people hired on contract for the reception?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): The Prime Minister hosted a reception in the honour of the diplomatic corps on December 13, 1984.

(a) The cost was:

(i)	for the reception:	$1,957.65
(ii)	for the decorations:	$3,909.86
(iii)	for the Christmas trees:	$ 496.25

(b) The menu was:

Terrine de légumes
Cresson Chantilly
Fumet de canard Seigneurie
Suprême de dindonneau
Choux de Bruxelles au beurre
Carottes glacées au miel
Pommes de terre mousseline
Bûche de Noël
Coulis aux framboises
Petits fours

(c) No contract was issued.

UNEMPLOYMENT INSURANCE BENEFICIARIES OVER AGE 45

Question No. 256—**Mr. Dingwall:**

How many (a) women (b) men over the age of 45 are presently receiving unemployment insurance benefits?

Hon. Flora MacDonald (Minister of Employment and Immigration): The most recent information available is the preliminary figure for the month of November, 1984.

During the month of November, 1984; (a) 91,920 women age 45 and over, and (b) 146,340 men age 45 and over, were in receipt of Unemployment Insurance benefits.

[*English*]

Mr. Stewart: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I ask the indulgence of the House to hear me out for a few minutes with respect to Bill C-32, which is designed to amend the present Fisheries Act of Canada. This piece of legislation is specific. It is not, nor does it attempt to be, a review of the entire Fisheries Act. It is designed to meet certain difficulties which now face us in the administration of fisheries in Canada as a consequence of two court cases which were heard in the Federal Court of Canada in British Columbia last summer. Unless we make amendments to the Fisheries Act, the effect of those cases will be to make it almost impossible to manage the fisheries of Canada, except on one narrow approach, and that is conservation of the stock and nothing more or less than that. The amendments set out in this Bill are needed for the day-to-day management of our fisheries on both coasts. As it happens, these amendments are particularly urgently needed now for the proper management of the Pacific roe herring fishery. I will explain later or why this is so.

Before getting into the details of the Bill, Mr. Speaker, I would like to provide Hon. Members with some back-ground which will be usefully kept in mind when I turn to the specifics of this Bill. In the Pacific fisheries we face a major challenge. Problems have developed there over a long period of time. Salmon is the backbone of the Pacific fishery, yet some salmon stocks are depleted and weakened from over-fishing and other causes. The numbers of two of the five species of Pacific salmon, the Chinook, more commonly called Spring salmon, and the Cohoe, are dangerously low. Herring stocks too are depressed in some areas. There is a serious problem of over-capacity in the Pacific fishing fleet because the fleet is too big and too powerful. It was built and equipped to catch more salmon than the coastal rivers can presently provide. Investing in this excess fishing capacity has left fishermen with a heavy burden of debt. With, as it has been put, too many fishermen chasing too few fish, different groups of fishermen are competing for the same resource. Of necessity, government must arbitrate between these groups.

The competing claims include the demands of Indian fishermen. They must be reconciled with the larger needs of the fishery. Fishing has always been a major source of food and employment for native people and it has a special place in their culture. We must ensure that our native people will continue to enjoy their traditional access to the fishery in years to come. The competing claims include the demands of sports fishermen who are economically a very significant factor on the West Coast. Their claims must be weighed against the claims of commercial and native fishermen who depend on the fishery for their livelihood. When I refer to native fishermen, I am referring not only to our native Canadians who take salmon as food fish, but also to the very large number of our native citizens who are in the commercial fishery.

Within the commercial fishery itself there is competition for a scarce resource. We must reconcile the interests of fishermen using different types of gear. Moreover, this reconciliation of complex, competing interests must take place within the context of the crucial need to safeguard and enhance the resource itself. Mr. Speaker, as you will see, the amendments to Bill C-32 are needed to confirm and to clarify our authority under the Fisheries Act to make decisions reconciling all these competing interests.

Although I have so far spoken mainly of the Pacific fisheries, Hon. Members will find that the amendments in this Bill are no less necessary for proper management of the Atlantic fishery. The process of reconciliation of competing interests now in place to distribute the resource between inshore and offshore fishermen, and among fleet sectors operating in different areas, must be maintained. Clarification of the scope of the Act will confirm our current ability to manage fisheries, not only to protect and to conserve the resource, but also in the interest of fishermen, plant workers, and communities that rely on the resource for their livelihood. There is clear relationship, Mr. Speaker, between sound fisheries management and the social and economic health of the entire Atlantic region.

I and my Government have already taken steps to alleviate some of the problems which I have mentioned today. We have curtailed fishing of some stocks to levels that will help those stocks to rebuild. On the West Coast we have negotiated a salmon treaty with the Americans. This treaty plugs loopholes in Pacific salmon management that have cost both the United States and Canada great losses over the years. There will be a period of some difficult, short-term adjustments, but the benefits from this agreement will be truly long term. Right now we are in the process of developing options to address the other problems I have mentioned, such as the excess capacity in the Pacific fleet.

I am convinced that the resolution of such specific problems, and of the enduring problem of reconciling disparate interests, must be a co-operative enterprise. It has to be. These are not problems that can be solved by government decree. No one group can hope to realize its objectives to the exclusion of all

others or in isolation from others. The problems we have in our fisheries, and there are many, have largely arisen, I believe, through an inability to agree. I do not blame anyone in particular for that although it has been more of a problem in some places than in others. That problem is being successfully addressed by all of the participants in the fishery.

The House is being asked to consider amendments of two types. The amendments in Clauses 1 and 2 clarify and confirm the scope of the Fisheries Act within the jurisdiction of Parliament. They are made in the interest of clearer expression and adequate definition. It is fair to say that they will, by and large, ensure that the Fisheries Act says what many people thought it said until doubt was cast by two recent court decisions which I referred to a few minutes ago and which are both under appeal. Clause 3 contains the second type of amendment. It will permit departmental managers to make spot openings and closings. Although spot openings and closings are necessary for good fisheries management, under the Act as it now stands they require recourse to a cumbersome regulatory process. Quite frankly, Mr. Speaker, under the present regulatory process they are not convenient, almost impossible to implement quickly, and will not meet our present needs which are a consequence of the Canada-U.S. salmon treaty on the West Coast.

The Fisheries Act is a venerable document. It was passed in 1867. Amendments were made in the 1970s to permit protection and management of fish habitat. Apart from that, little changed in the Act for 117 years. Not surprisingly, as time has gone by, parts of the Act have become almost obsolete. New needs, new issues and new implications for management have arisen that could not have been foreseen in 1867, or even 1967. For instance, the establishment of the 200-mile economic zone in 1977 has given whole new dimensions to fisheries management.

One result is that definitions supplied in the Act do not always adequately reflect the realities of modern fishing management. Recently this situation has prompted two challenges in the trial division of the Federal Court of Canada. Both challenges succeeded and both are now under appeal.

● (1520)

The Fisheries Act itself does not clearly provide the federal Government with the powers for full fisheries management. Bill C-32 will confirm the ability of the federal Government to fulfil such a full range of modern day responsibilities.

Let us look at the specifics. Clause 1 provides new definitions for the terms "fish" and "fishery". More comprehensive definitions are required. For example, the definition of fish will be broadened to include marine plants and portions of fish. The inclusion of marine plants in the definition will allow the variance, for sound management reasons, of close times and quotas set for their harvesting during the given seasons.

The inclusion of "portions of fish" within the definition of fish is necessary, for example, to manage fish processing activities at sea.

The current definition of "fishery" includes the gear used in fishing and the area where fishing takes place. But management of a fishery or fisheries has, in practice, long included the managing and regulating of matters other than type of gear used and the fishing areas—matters such as the inspection of fish, the activities of catching, the people who are licensed to fish as well as the places and times involved. Indeed, if we lack the ability to manage these matters, Canadian fisheries would be thrown into confusion. The amendments confirm our role in these areas.

The next amendments are in Clause 2 of the Bill. As it stands, the Act does not clearly assign to the Minister of Fisheries and Oceans the power to manage the fisheries for reasons other than the conservation and protection of the resource. Fisheries management involves not just resource goals but also social and economic goals. Clause 2, which will create a new purpose section in the Act, makes clear, when read in conjunction with the revised definition of fisheries, the intent of the Act. It is to provide for management of the fishery in all its dimensions.

Let me proceed to the amendments in Clause 3 of the Bill. These are changes needed to refine and lend precision to our management measures. The essence of good fisheries management is control. If you want to avoid over-fishing you must be able to do this quickly. If you are too slow, weak stocks can be wiped out. Among the five salmon species on the West Coast, there are about 4,000 different stocks in 2,000 river systems, which is illustrative of the complexity of the question.

Under the Act as now written, our fishery managers have authority to open and close large areas—windows, so to speak—to fishing. However, to selectively open and close smaller sub-areas that might be referred to as panes in the window, they must get an order in council. This is a slow process and one that does not lend itself to the on the spot management that is necessary in our fisheries.

At the moment, a fishery officer observing over-fishing of a species in a sub-area often only has one option short of letting the fishing continue, which is to close the whole window. In other words, it would be to close the whole area. Some of the areas are vast and the result may be to prevent fishing in other parts of the area where the stocks are not in danger, thereby reducing the opportunities for economic returns to fishermen.

The changes in the Act made by Clause 3 of the Bill will give managers the authority to open or close any portion of a management area or to vary the size and weight limit of fish that can be caught.

I promised that I would explain the urgency for revising the Act by passing this legislation. It concerns the herring roe fishery and the Canada-U.S. Pacific salmon treaty. We have every reason to expect that this treaty will be ratified by the Americans and that it will come into force this year. In fact, it will have almost completed the legislative process in the United States as of today or tomorrow.

Among other things, the treaty creates a coast-wide approach for salmon management. Under its terms, Canada

and the United States have agreed to restrict catches selectively by species, by area and by gear. For Canada to honour this treaty, the management powers specified in the Bill are required.

The confirmation of management powers in the Bill will be welcomed in connection with the treaty. It will also be welcomed by fisheries managers in all the Canadian fisheries, including those managed by the provinces under delegation of Fisheries Act authority. It will be relevant to the management of the Pacific herring roe fishery. It is urgent because that valuable fishery will open within a number of days.

The herring roe fishery of British Columbia is one of the most intense and lucrative in Canada. In a matter of days—in a matter of hours in some years—tens of millions of dollars are earned. This year the fishery will take place against the backdrop of an unusual combination of circumstances.

Some of the herring stocks are depleted and as a result we have had to cancel the usual herring roe fishery off the west coast of Vancouver Island and reduce the fishery in Georgia Strait. At the same time, herring roe prices appear to be up over last year. In Japan, which is our major market, the prices are good. We expect fishermen's earnings to reach at least $30 million with the wholesale value for the product of about $60 million.

The prices are up and some of the stocks are down. This comes on the heels of several bad years for the salmon fishermen. As I have already mentioned, the salmon fishing fleet is over-capitalized, salmon prices have been low and many fishermen are in debt and some are bankrupt. Salmon fishermen who hold herring licences, which many do, will depend on the herring fishery more than ever this year.

In short, we have all the ingredients for a herring roe fishery of great intensity. Things move with breathtaking speed in this fishery. There have been years when the entire annual fishery we could allow in a given area was started and completed in a matter of 15 minutes.

Therefore, the power to decide on precise openings and to split the boats of different gear types as provided for in the fishing plan developed with user groups is absolutely crucial this year. Unless we clarify by enactment of this Bill that the Government has these powers, the whole management scheme for this year's fishery, which has been generally agreed to by the industry, might very well be disrupted by a further court challenge brought by a single dissatisfied fisherman. Should that happen, with the result that fishery managers could not divide the fleet between seiners and gillnetters, I might well be left with no option but to close the fishery, at least for periods of time. The concentration of fishing vessels in one spot could be so great that to open the fishery for even one dip of the nets would threaten to deplete the stocks. I would not like to have to take such drastic action. I urge the House to pass the Bill with due speed.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I am aware that the rules do not permit questioning at this stage. However, the Minister has not used up his allotted time and, with the consent of the House, could he return to his remarks in order to make some comments? I know he is a lawyer and Queen's Counsel and perhaps he could comment with respect to the difficulties that were presented to the Department, to the legislation and to the House.

The Acting Speaker (Mr. Paproski): Order. If there is unanimous consent there could be questions for approximately 13 minutes. Is that agreed?

Some Hon. Members: Agreed.

Mr. Waddell: Mr. Speaker, I thank the Minister. I am not trying to snooker him. I have before me the decision of Mr. Justice Collier in the Gulf Trollers Association against the Minister of Fisheries and Oceans. It is a decision from the bench dated August 2, 1984, from Vancouver, British Columbia. What is the Minister's understanding of how those decisions affect the constitutionality of his power to allocate? Would that be unconstitutional or does he expect there to be a court challenge on it? How does it fit into this particular legislation?

Mr. Fraser: My hon. friend is a counsel of some ability from the bar of British Columbia. The question he raises is serious and also, from the point of view of lawyers, fascinating. May I try to relate very quickly to the House a complex situation? There were two actions in the Federal Court last summer, one by the Fishing Vessel Owners' Association of British Columbia, and one by The Gulf Trollers Association.

• (1530)

Let me deal first with the Vessel Owners' decision because the facts are important. I will try to do this quickly to help my hon. friend. In the Vessel Owners' case what happened was that the Department, trying to be fair, wanted to put the small gillnetters into a fishing area for a day or two before putting in the big seiners to give the small boats with the less powerful gear a chance. The Vessel Owners', representing the seiners, challenged that in court. In the other case Mr. Justice Collier said that the Department cannot manage that way unless allocation were strictly for conservation purposes. Of course, it was not. It was allocation. Mr. Justice Collier said that the power to manage is not there under the Constitution, but he also left open to suggestion in both cases that the Fisheries Act as presently enacted does not give the power to manage except for conservation purposes.

You see the problem, Mr. Speaker, of a fisheries Minister trying to be fair who has been told that you cannot do that under law, not because the judge is saying that is right or wrong, but the judge is trying to read the law as he sees it. In one case, as a consequence, an injunction was granted.

In the case of the Gulf Trollers, the Department restricted the time during the summer that the gulf trollers would fish, which seriously cut the number of Chinook salmon they could take. At the same time the Department had failed to take any steps to be sure that the Chinook the trollers did not take got through the water, up the streams and on the spawning

grounds. In fact, many of them were taken by sports fishermen.

The trollers went to court and said that this was not fair. Mr. Justice Collier agreed. Once again what the Department did was allocate, but not on the basis of conservation because if it had been just for conservation the Department would have had to restrict other users of the resource from taking the fish that the trollers did not get.

Again, what we have in the Vessel Owners' case is a situation where Mr. Justice Collier's decision was on the basis of an injunction. The decision is not as complete or as full as it would be had the case gone to trial with full discussion and full legal reasons for the decision. My hon. friend knows that because the onus is not as high in an injunction application.

There are two grounds for those decisions which give me great difficulty. One is that the present Act is not adequate, and that is what these amendments are designed to correct. There remains another area of great difficulty for me as the Fisheries Minister: even with these amendments, it does not stop somebody from challenging on the basis of the question of constitutionality that Mr. Justice Collier raised.

Those two decisions of Mr. Justice Collier are being appealed. I have to consider seriously whether I speed up that appeal process and take a reference to the Supreme Court, but I do not have to make that decision today. The effect of this legislation will at least get us partly out from under those two decisions as they currently operate. It gets us away from the possibility of citation for contempt if we try to allocate this summer, and there has been some suggestion by one judge that that threat lies over us.

I must say to my hon. friend, frankly, and he will understand the legal reasons for this, that I still have a problem on the constitutionality as long as Mr. Justice Collier's decisions hang there. For laymen and for those watching the debate the difference is this: if I do something I am not allowed to do under the Fisheries Act, it is called *ultra vires*, beyond the powers given to me under the Act. If I do something which I am not allowed to do constitutionally, it means it is something beyond the power of the Government under the Constitution of Canada. I have to say with the greatest respect that it is my view, with no disrespect to the court, that on appeal there will probably be a different result. Otherwise, it would mean then that we could not manage any area of activity, it seems to me, in this country, unless it was set out specifically in the Constitution.

My friend has raised a very important matter, Mr. Speaker. I have tried to address it as succinctly as I can.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate (Mr. Baker) has a short question, I believe.

Mr. Baker: Yes, Mr. Speaker. In this particular case it is not lawyer to lawyer, between distinguished lawyers from British Columbia. I am a non-lawyer. I am not a lawyer from Newfoundland.

Mr. Fraser: A distinguished colleague.

Mr. Baker: Perhaps I might add that I do at times represent poor fishermen before the Federal Court of Canada. I have done it many times. I do so for fishermen who cannot afford a lawyer.

I wonder whether the Hon. Member from the NDP who asked the question was not trying to get the response from the Minister that he got. I was surprised as a non-lawyer to hear the Minister, who is a lawyer, on two occasions say that both of these cases were being appealed. The ground for the judge's decision, as the Minister stated, in this action by the federal Government was social and economic. It was not for conservation reasons. The Minister just stated a moment ago that the reasons for his action on the West Coast were not for conservation purposes. He then pointed out that the decisions were under appeal. The Minister has stated on two occasions, and I think the Minister knows what I am talking about, that the actions of the Department were not taken for conservation reasons. The justice correctly pointed that out in his judgment. He said:

> I do not accept the statement nor the inference in this affidavit—

That is the affidavit from the Department, from the Minister.

> —that the proposed allocation of fishing times in the areas in question was based on conservation or protection considerations.

I have a legal question for the Minister from a non-lawyer. The Minister stated twice, he admitted, that it was not for conservation reasons. He is appealing the decision made by a judge, a decision in which the judge said that because the action was not taken for conservation reasons the Minister could not do it. How could the Minister appeal the decision of the judge after admitting a moment ago that it was not for conservation reasons that these decisions were made?

Mr. Skelly: It was a different Minister.

Mr. Fraser: Mr. Speaker, I think it was the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who just said the reason is that it is a different Minister. I know he is being facetious. I see my two friends are fighting among themselves as to who said what to whom, which reminds me of another story which is not fit for this House.

Some Hon. Members: Oh, oh!

Mr. Fraser: My hon. friend for Gander-Twillingate says he is not a lawyer, not quite. He dissembles when he approaches legal matters with the innocence which he has expressed because he is a long-time colleague in this House and understands legislation and the implications of it only too well. He asked, why would I do this because I am not directing my remarks solely to conservation? The question of management of the fisheries on both coasts is not just a question of conservation, it is a question of managing the fishery in such a way that various interest groups are treated equitably in the harvest of that resource. Unless I have the power to do that, the entire fishing management plans in the different parts of

Atlantic Canada which have been in place for many years would come to a grinding stop. On the West Coast I would not be able to make any allocations which would be necessary under the Canada-United States treaty. I would not be able to try to treat fairly the different user groups. Consequently, the only recourse I would have would be to come back to conservation, which would mean massive closures. For instance, in salmon we would hold whole areas closed until the last minute and when we knew enough escapement had taken place, we would let people in as a mop-up fishery. In Atlantic Canada, we could not function at all. The entire plan would fall apart unless I could make these changes.

• (1540)

Mr. George Henderson (Egmont): Mr. Speaker, I am always delighted to address the House on fisheries issues. I must say that the fishing industry in the country is a very exciting one. Along with that excitement there are many complications. It is an industry with a great many variations from region to region, from zone to zone, from coast to coast. I include the freshwater fishery and the northern fishery in that comment.

In speaking to the Bill before us today, I must say at the outset that I have some mixed feelings about the proposed amendments. Of course, it has been said that amendments to the Fisheries Act were made necessary, as the Minister mentioned earlier, as a result of a recent Federal Court order handed down by the Hon. Mr. Justice Collier. As has been said, the decision basically indicated that the Department of Fisheries and Oceans could not discriminate or allocate against one particular gear type or another. For instance, it could not discriminate against gillnetters in this particular dispute over seiners or possibly sports fishermen without well-established conservation grounds.

It is on those very same grounds that I express my mixed feelings. I have been involved in the fishing industry in one way or another for the past 25 years. I have played many different roles. I was actually a fisherman for a while. I worked for the Research Branch of the Department of Fisheries and Oceans for five years. I was involved in the fishing business for another five years. Also I have been involved in fisheries as a politician from 1974 to 1979 in the provincial legislature of the Province of Prince Edward Island, as Minister of Fisheries. I served as Parliamentary Secretary, as the Hon. Member for Malpeque (Mr. Gass) is doing now. I probably have some understanding of what the fishery is generally all about.

There is a fair amount of excitement. I understand perfectly well the situation in which the Minister of Fisheries and Oceans (Mr. Fraser) finds himself. I truly appreciate some of the problems which are out there. As well I appreciate the efforts of Hon. Members in the House in trying to overcome the problems for the benefit of those who are involved in the fishery—primary producers, fishermen, processors and all others in the industry.

Over the 25 years I have been involved in the industry, I have experienced some problems with fisheries management. It has not always been carried out in the way I would have liked. I witnessed some very strange regulations in different regions which made very little common sense. I know the Minister's past work in the Standing Committee on Fisheries and Forestry and so on. He knows where I am coming from when I say that when we pass legislation in the House of Commons or in provincial legislatures we often think that our job is done. However, that is not the case, as regulations flow from legislation. Sometimes those regulations do not reflect an iota of what we in the House of Commons thought we were passing. That really concerns me.

One example which comes to mind is in my own riding. It concerns a zone known as District 8. It is on the Northumberland Strait which divides New Brunswick and Prince Edward Island. We have a scallop fishery there, as well as lobster, groundfish and pelagic fish. The fishermen from New Brunswick and Prince Edward Island fish the same resource; they fish the same area. In fact, in many instances fishermen from New Brunswick will come into island ports and stay there.

This example concerns the transfer of licences. It is a controlled fishery. I understand the controls. If we did not have controls, we would have too many fishermen chasing too few fish. It comes down to the management aspect of it. The Bill will provide a better way to manage the fishery. A fisherman from Prince Edward Island cannot purchase the licence of a fisherman from New Brunswick, although it would not exert any extra pressure whatsoever on the resource. It is a limited fishery. A fisherman in Prince Edward Island cannot sell his licence to a fisherman in New Brunswick, but he can sell it to a fisherman within the same province. This has created many problems in the past.

Another example of what I am talking about in fishery management was outlined recently in the editorial section of the *Eastern Graphic*, a weekly newspaper in my province. Again it relates to licences associated with the same district but different provinces. This is a fisherman's view of it. It is headlined: "Licence policy can be annoying". A fisherman from Murray Harbour, Mr. Herring, is looking for a tuna licence but federal regulations are preventing him from purchasing any of the ones offered to him. It would not involve any expansion in the fishery. He is not looking for a brand-new licence; he is looking for a licence to purchase from another fisherman. He stresses that since tuna are a travelling species, fishermen are going back and forth between districts. He indicates that it is a ridiculous law set up by the Department of Fisheries and Oceans. I cannot say that this has happened because of the Minister or any previous Minister. It flows from legislation passed in the House. Sometimes regulations flowing from legislation are implemented with very little concern about how they affect people, and we are not really accomplishing with those policies and programs the objectives we think we are when we pass legislation here.

As I mentioned, that fisherman points out that he is not asking for a new licence. He is just asking for a transfer. He

says that fishermen are not the ones causing the flak, that it is the Government. He adds that it will soon lead to a lot of friction, as one can only take so much pressure, and that fisheries officials are doing things at the local level which should be done at the parliamentary level.

This illustrates quite accurately what I have witnessed over the last number of years. It is not only happening under this Government, it happened under previous Governments. These things creep in. Sometimes we are not achieving what we are trying to achieve. These are great inconsistencies at the management level. If every one of us was out on a special project, we may have different ways of implementing something within the regulations prescribed by Parliament. We may come up with different views as to how the regulations could be implemented.

● (1550)

This Bill increases the powers given to local fisheries officers. The process has been streamlined too much. It means that there are more regulations. Every time we pass legislation, there are more regulations. Management of the fisheries is totally at the discretion of the fisheries officers in some cases.

A study *The Public Regulation of Commercial Fisheries in Canada* shows the degree of regulation in the Canadian fishery. It is very interesting. I quote from the study:

> Our study suggests that the Canadian tidal fishery is among the most closely regulated of industries in Canada and comparable industrial democracies. The federal Government exercises comprehensive control over the primary sector. The chief instrument is the Fisheries Act (with amendments and regulations stemming from it being made by Order in Council). Broad and sweeping powers are claimed by the Act, with more or less detail embodied in the Act itself.

That is one example. It is not just what I have found; others are finding the same. Bill C-32 will extend those powers. I understand the situation with the West Coast salmon fishery. It has to be managed a little differently than maybe the lobster fishery or the groundfish fishery on the East Coast. When there are salmon runs, gillnetters, trollers or any other group of fishermen can catch many fish very quickly. As the Minister stated, sometimes the season is only open for 15 minutes. You have to be reasonably spontaneous to manage that sort of fishery. The regulations to manage that sort of fishery should not be applied in a fishery that allows more time to make concrete decisions.

One problem that I and other Members from the Atlantic area have seen over the years is that fishermen are ill-advised or not advised soon enough as to when a new policy or regulation is brought into the Department. Sometimes fishermen gear up for a certain species only to find that the season is delayed or cancelled.

There is a difficulty on the West Coast that should be addressed. Since there is a rather short season in the fishery, how does one get the message out quickly enough to the fishermen? Radio could be used, but fishermen are not using their radio all the time. If they miss a broadcast, in some cases they could find themselves in contravention of the law by illegally fishing in a season which they thought was open but in reality the fisheries had closed. That is an area that should be looked at.

The same study prepared for the Economic Council of Canada, *The Public Regulation of Commercial Fisheries in Canada*, on page 39 talks about simplification of the rules. I quote:

> One cannot help but be impressed, indeed overwhelmed, by the weight and complexity of the rules now in place to govern the Canadian Fishery. We have described how this regulatory nightmare has come about. For now, we emphasize that in many cases the most honest fishermen cannot bait a trap, drop a line or set a net without breaking some law. And the most assiduous and well-motivated fisheries officer cannot uniformly enforce the rules.

That is the finding in that pamphlet. It emphasizes what I am trying to caution the Department and the Minister about on this legislation and the management of the fishery in the future.

We have programs of enforcement. Sometimes the fishermen's associations, their unions or the fishermen themselves, if they had the money, would probably better enforce the laws, regulations and the intent of the Act. We have had the experience in Prince Edward Island and new Brunswick of a co-management program. It was extremely successful. It cost the federal Government roughly $150,000 a year. I know the Parliamentary Secretary commented on soundings and radio broadcasts and is in support of that program.

When the Minister was in Prince Edward Island last fall, he agreed with the program. He met with the P.E.I. Fishermen's Association. I am told that he said that the program has been very effective and that it is a fine example of co-operation between the Department of Fisheries and Oceans and the fishery. I certainly agree. The problem is they need some dollars. This could be policed a lot easier, more economically and better than by having more law enforcement officers within the Department. it is their resource. They understand how to police it, but they have to be identified as enforcement officers. That program has been in operation for three or four years. It has been extremely successful. The program needs dollars. When the Minister of Fisheries and Oceans was in Prince Edward Island, he asked his Department to find some dollars. I hope he was serious and not only asks but tells them to find dollars within the Department to have that program implemented again for a number of years.

Another problem of regulation enforcement has to do with the lobster fishery. If you are caught illegally fishing lobster or with short lobster in your catch, you are taken up by the fishery officers, sent to court and assessed a fine. There is no question about it that no one on this side agrees with anyone taking anything illegal. However, the Minister has the power to take the licence away from that fisherman for a period of 10 days or longer.

I have seen a number of fishermen from different zones who have received a penalty. If he gets a 10-day suspension for 25 or 30 short lobsters, it is not because it is deliberate. It only happens rarely when a fisherman has a few short lobsters in his catch, if there is a bad storm or some such thing. Mostly it is proven not to have been premeditated; it is by accident.

When the officer picks up these people, he has to report. The fisherman may then be convicted. For example, if a fisherman in District 7 in Prince Edward Island loses his licence for seven days—and this happens in other areas of the country—he is not losing as much because the landings in the two-month season of May and June are rather uniform. It is probably 400 pounds a day, amounting to revenues of maybe $800 or $900 a day. However, if seven days are lost on the west side of the Island in District 8, almost the entire season is lost because catches with revenues as high as $20,000 can be lost. A bit of unfairness exists there. I do not know how we can get around that situation and manage the fishery properly.

• (1600)

I have a suggestion that I will put to the Minister today. If a short lobster is found under the floor-boards, the fisherman should lose his licence for the entire season. However, for every short lobster that is just one-sixteenth of an inch under the two and a half-inch carapace size, a first-time offender should be fined $100 per lobster. That fine should be imposed on the spot. That is fair to everyone. If that does not curtail illegal fishing, we should put the fine up to $200, $300 or $400; but we should at least make it uniform and fair to all.

Maybe a program could be worked out so that the Government could use some of the revenue from those fines to put toward more inspection and protection officers and to put toward the fishermen's associations themselves. There would be some logistics involved in making that proposal work, but I think that sort of thing does have some merit.

In preparing for this debate today, I picked up a copy of a Canadian Fisheries Management document entitled *A Legal and Administrative Overview* by David VanderZwaag, Professor of Dalhousie Ocean Studies Programme, Halifax, Nova Scotia. In this document he speaks of Canadian fisheries management. He noted:

> Great administrative discretion allows federal officials to alter fishing regulations and policies almost overnight. Lack of legislatively mandated consultation process allows officials to chart fishery management policy virtually on the basis of plans of their own design, subject only to the advice of their own choosing.

He goes on to point out that two statutes bear the brunt of the management of the Canadian fisheries and that:

> The Fisheries Act might be described as the hook, line, and sinker of fisheries management for it is the great source of managerial power over domestic fisheries.

Professor VanderZwaag goes on to indicate that the Act allows the Minister in his absolute discretion to issue fishing leases and licences and that the Canadian Cabinet also has wide-ranging powers.

There is no question about it. To manage a fishery and manage it properly, one must have powers but those powers that we give to the Department must be managed with a degree of fairness and common sense. That has always been of concern to me. When I see a piece of legislation that gives someone more power, I feel a little easy about the fact that the Minister in his own right has some control over the management at the lower levels.

In the Department of Fisheries and Oceans, the Minister can be kept terribly busy with travelling across the country and dealing with his day-to-day office routine. He has very little time to spare and in some cases gets very little help from the middle and lower management. That is what causes a great deal of the problems in the Department of Fisheries.

As I mentioned previously, the fishery is a very diversified industry. It is a very exciting industry but one which certainly creates a great many problems. It is one which must be managed on a region-by-region basis. When I speak of regions, I do not necessarily speak of the Pacific region versus the Atlantic region. I speak of regions within regions. The Minister mentioned the window. I am talking about the pane. If the industry is not managed properly, it is the fishermen who bear the brunt of those decisions.

Over all, the fishery industry has been managed well despite all the problems it has encountered. On the West Coast we speak of too many fishermen chasing too few fish. We had a similar situation on the Atlantic coast. It is hard to attribute that problem to any officials or even to any Ministers because we must also realize and understand that in the last 20 years the industry went through some tremendous advances in technology. When a fisherman left the harbour to go to the fishing grounds 25 or 30 years ago, he did not have a fish finder. He did not have a radar system in his small boat. He went out with a compass and nothing else.

Today, the situation is totally different. A fisherman can catch a great many more fish. The gear is more sophisticated and that has put more pressure on management. That is the problem with which this Minister and I am sure any Minister who will follow him in the next 20 years will have to deal. This Minister will be judged as other Ministers have been judged by how effectively he does deal with that. He must understand the fight between the offshore and the inshore and how he can rationalize that fight. It has to be rationalized because we have to protect the fishermen. This legislation at least will hopefully give him the power to allocate two different gear types. That will certainly be of great benefit to his ability to manage in the future.

The Minister mentioned the Charter of Rights and its effect on the fishery industry. I certainly hope that he does not run into any problems in that area. I believe the fishermen of the country are too important to be given second-hand treatment, whether it is through legislation or the Minister's budget. I am sure the Minister fought for more money but he lost some money for small craft harbours and things like that. By gosh, the Minister will have to find more money. I know that this has nothing to do with the legislation before us. I am rambling a bit. However, I caution the Minister that those are areas in which—

Mr. Fraser: There's the guy.

Mr. Henderson: There's the guy right there. I agree with the Minister. There's the slasher. I am trying to put a plug in this hole. I am not here to criticize the Minister of Fisheries and Oceans (Mr. Fraser). He has been a Minister for six months.

Mr. Wilson (Etobicoke Centre): What about potatoes?

Mr. Henderson: No, the potato people are after you as well.

Mr. Wilson (Etobicoke Centre): I'm not eating potatoes any more.

Mr. Henderson: I know you aren't. You would probably find something in them if they came from P.E.I. after those rates.

In any event, we will certainly be watching the activities of the Minister. We wish him very well and we will be helpful. We will not be criticizing for the sake of criticizing. We want to criticize constructively and make sure that the fishermen on both coasts, those who are involved in the freshwater fishery and those fishermen in the great northern part of our country, are well served by this Parliament. I give fair warning here today that we will fight and fight hard to make sure that the proper allocation of funding is in place in order for the Minister to do the job which I believe should be done.

• (1610)

This is a very important industry in that it has an opportunity to grow and expand and in turn create jobs. The shellfish industry in my area with the virginica oyster, properly managed—and this can happen on the West Coast with its gigas oyster—can grow. We have good management tools now and great understanding of how to expand that industry. That creates jobs. When the Minister is trying to get dollars out of the Treasury Board and his Minister of Finance (Mr. Wilson), he should make sure they know that if government is serious about creating jobs, it is the Ministry of Fisheries and Oceans which can do that. The Department of Agriculture can do the same thing—I'll bootleg that in.

You are indicating I have seven minutes left, Mr. Speaker. I could go on for a half hour.

Mr. Wilson (Etobicoke Centre): No!

Mr. Henderson: I can see that you, as Minister of Finance, would not want me to talk in this way.

Mr. Fraser: I rise on a point of order, Mr. Speaker, to suggest to my friend that he might take a question in order to use up the seven minutes he has left, if the House would consent.

The Acting Speaker (Mr. Paproski): I do not want to set a precedent here. We did that for the Minister because we knew he wanted to get a few more questions posed to him. I feel we should let the Hon. Member finish his speech and just see how much time he has left.

Mr. Henderson: Mr. Speaker, I have a lot more to say on this fisheries Bill yet.

Mr. Fraser: We have him wound up again.

Mr. Henderson: That's right. I must say that the time will come when I will be pleased to ask questions and I hope the Minister will be pleased to take questions in another six months when he has been a Minister for almost a year. We will see how his Department has made out as far as budget cuts are concerned.

I would like to speak about the area of national regulations and how they do not necessarily fit the situation. I feel this is a very serious problem and I would hope that the Minister would address it in his future management of the fisheries. A very important program is the vessel subsidy program. Prince Edward Island and parts of New Brunswick have shallow harbours and I do not see many dollars coming out of the Minister's Department for dredging. Those harbours need a differently constructed vessel. The basic Prince Edward Island, New Brunswick style vessel will cost around $50,000. The regulations say that up to 43.11 inches the vessel must be ten years of age. If it goes over one inch, it must be 15 years of age. That provision was not implemented during the present Minister's regime but this is an area at which a separate look should be taken from the basic policy in order to meet the needs of certain areas. It depends on how the vessel is constructed as to the length of life of the vessel. We either have to have a type of vessel which draws a lot of water, which basically cannot come into most harbours in Prince Edward Island, or we have to have a lighter boat, constructed with lighter materials, with a lower draught and shallower keel, in order to get in. With the latter, our vessel will only last us for approximately ten years if it is fished hard, that is, six months a year. I cite that as an example of another regulation which certainly is not conducive to good harmony among the fishermen. I have received many complaints about that sort of regulation.

Clause 3 under (m) refers to "portion thereof". When we go to committee I would like some clarification as to just what exactly "portion thereof" means. I suppose if a fishery officer were to board your boat and find a lobster claw or tail, he could probably take you to court. I hope there is someone in the committee to give us a legal definition of just what that part in the Bill is designed for. During the last couple of days of the season, some fishermen cook their lobsters aboard the vessel in seawater for their own use. They are legal lobsters, 2.5-inch carcass size, but if they throw the bodies away and are caught just with the tails, they could be unjustly punished. On the other hand, it has happened over the years that some people deliberately try to poach lobsters. So there should be some clarification as to just what that part of the Bill means. Is it tight enough? Is it clear enough that you send it out to a fishery officer in the boondocks and he will be able to make a decision as to exactly what that means?

Section 2.1(a) provides for the conservation and protection of fish in waters frequented by fish. That is pretty well basically the same as the previous Act, but Clause 3 reads:

(m) authorizing a person engaged or employed in the administration or enforcement of this Act to vary, in respect of any area or portion thereof, any close time, fishing quota or limit on the size or weight of fish that has been fixed by the regulations.

The wrong person can take anything out of that. I will want to know in committee exactly what that means in relationship to the Act.

In conclusion, I would like to say once again that over the next few months we will be travelling with the committee to the West Coast and we certainly will be able to discuss further with the people on the West Coast their feelings towards this legislation. It will have to be passed, I presume, probably before that but we will be meeting with fisheries groups. They certainly seem to want this legislation through before the salmon season. The Minister himself needs this legislation because of the court rulings and in order to start the new season.

• (1620)

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am pleased to have an opportunity to speak to this extremely important issue. My friend from the Liberal Party who just spoke is, I know, extremely experienced and knowledgeable of the East Coast fishery and his speech covered that effectively. I think for the time being I will deal with our concerns in the West Coast fishery. I will deal with what I see as being the background to this particular issue before the House today. I will deal with what I see as the real problem with allocation and talk for a moment about the role of the Minister. I will speak for a few moments about departmental officials and their role in the process. I would also like to remind this House, the Minister and those who are watching of the Conservative promises made in the heat of a campaign and which are now put in question by this Bill.

I want to speak about allocation in a number of critical areas as it relates to the sports and commercial fisheries, as between gear types and as between native and non-native fishermen. I would then like to talk about the west coast salmon interception treaty. I would then like to speak for a few moments about the herring fishery and perhaps wrap up with some remarks on fairness in a number of areas. I hope the Minister will take my remarks in the spirit in which they are made so that we in this House can co-operate and do a great service to the communities and people concerned.

As I see it, this legislation results from two decisions by the Federal Court of Canada involving gulf trollers and people who were involved in a chaotic fishery in Barkley Sound. From my reading of the judgments, not being a lawyer, I get two messages. The judge says that the Act does not provide the Minister the right to allocate in a beneficial way between groups. He then says that even if the Minister changes the legislation, the Constitution would strike down any attempt to allocate beneficially between groups. That to me spells complete chaos in the fisheries management regime, not just on the West Coast but on the East Coast as well.

I am certain that this House has two very serious problems before it. We must amend this legislation to provide an orderly management regime in the fishing industry. As well, we need to know whether that particular legislation, that is the amendments before us, will stand a constitutional challenge which will most certainly occur if the opportunity presents itself. It could happen as early as May or June of this year.

So I am surprised that this Bill comes before the House at what you could call the eleventh hour or beyond. We have known about this particular dilemma since last August. This Government has been in power since September 4. The Minister has been involved with this issue for a considerable period of time. I know that myself and my colleagues have been asking for the legislation to be brought forward so we could deal with it, ask questions about it and hear witnesses. But no dice. The legislation is dropped in the minute the herring season is about to open on the West Coast.

The herring fishery is a chaotic fishery right now. It goes down in a very short period of time and it will go down even faster this time because quotas have been substantially reduced. There is a fishery out there worth $75 million, but instead of bringing this Bill before the House when it had the opportunity to deal with it. the Minister and his Government chose to do otherwise. They chose to drop it in the House and demand that we pass it in order to get it into his hands so that if the herring fishery opens tomorrow, he has the legislation. Mr. Speaker, it would be less than responsible for any legislator to deal so quickly with a Bill as important as this. This move by the Government borders on blackmail. You cannot get away from it and this style of operation must change.

This is not a simple Bill. It contains the guts of the business of fishing and allocates who gets what fish. Every sockeye salmon that swims down Johnstone Strait represents a ten dollar bill. The question is what community does that ten dollar bill wind up in? Is it Alert Bay or Vancouver or Campbell River or Prince Rupert? The Minister makes that decision during fishing season. We are talking about an awful pile of ten dollar bills, to the tune of millions of dollars. Last year in Barkley Sound the debate was between gillnetters and seiners. The previous Minister opted for one group and it was struck down in court, the judge essentially saying that if you open it for one, you open it for all. This is a vital aspect of fisheries management, a step in the process of redeveloping the fishery on the West Coast as we see it.

The important question we have to ask the Minister is not what is in this Bill, because this Bill represents the unfettered right to allocate fish. Quite honestly, I do not think it is appropriate that the Minister be given that unfettered right. But the real issue and why this Bill will not pass today or Friday, and certainly it will not pass the week after, is because the Minister has not bothered to tell us how the process of allocation will develop. That is the reason we will keep this Bill before the House until we have a reasonable explanation from the Minister.

We do of course have a new Minister of Fisheries and Oceans. I personally have a great deal of respect for him. I know him to be open, honest, sincere and well thought of by the people he has served on the coast of British Columbia for many years. But I want to point to some shortcomings which should be addressed if the relationship in this House is going to develop into an effective operation. It was impossible to discuss

this Bill in advance and who will make the decisions, what mechanisms will be put in place to provide for an effective consultative forum in which these decisions will take place. I am tired of seeing many communities in my riding shafted because they do not have input into decisons about allocation. The money goes somewhere else even though they have depended on it for ages, before history was even written. That has to stop if I am to represent the constituents in my area and if I and other Members of this House are going to do an effective job as legislators. This Minister must be prepared to discuss the issue. He cannot simply drop a Bill in this House at the eleventh hour and expect one shred of co-operation. He certainly cannot expect a legislator with integrity to yield to blackmail.

Another point I want to make concerns political staff. This Government has appointed a group of political staff who have no experience. These people anticipate with some paranoia a bogeyman under every rock. This staff has to stop throwing road-blocks in the way of Ministers. This certainly applies not only to this Department. You can no longer sit down with a departmental official without a political commissar from the Conservative Party sitting right beside you. You cannot have a decent discussion with people on a day-to-day basis and I think that has to change. There has to be more openness if it is an open government. The Minister must appear before the Committee on Fisheries and Forestry soon. The Annual Report and the Estimates are before that Committee. The salmon treaty has been before that Committee. The Committee will travel to the West Coast. We cannot get a briefing from the Minister on his general game plan for fisheries and we cannot get the officials before the Committee.

• (1630)

I would like to make one more comment on the Minister which I hope he will take in the spirit in which it is intended, which is to lead us to stronger co-operation in the House. The Canada-U.S. salmon interception treaty did not come before the House. It came up in Question Period one day when I asked the Prime Minister (Mr. Mulroney) what the Government's intention was and he said that they had passed it that morning. There was no documentation in the House. We had no opportunity to study this treaty or to talk to the Minister before it was a *fait accompli*. That is not open government, Mr. Speaker. We do not want that style of government. We lived with that for a number of years under the previous administration and I think that style of government is past; but nevertheless, we have an example of that kind of government here. The salmon treaty approach reminds me of the approach taken with this Bill. We have no chance to call witnesses or to study it. This need not have happened because the Government has known about it since last summer. The Minister must change the approach.

During the election campaign, and even before, the Conservatives wandered the country saying that they would have an open government. I believe it was a sacred trust. The Minister and candidates on the West Coast promised a co-operative management scheme in the fishery. They said that for too long the material had come from 1090 West Pender or from Ottawa. It is time that the people who work in that industry and the communities that are dependent upon the industry have a fair and representative opportunity to give some input. We no longer want a selected committee that does not represent the group fairly and that, in the future, may include defeated candidates. We need a group that represents that sector of the industry and in which the industry has confidence to input fairly.

We have a real dilemma, Mr. Speaker. All the data about the fisheries resource, the returning stocks, and the fishery for a given year is produced by the Department of Fisheries and Oceans. No one is allowed effectively to challenge the truth of that data. In certain years it has proven to be absolutely false after they have turned away fish at the spawning gates to drift down the river and rot. From that data they make the fishing plan. There is input from a number of sources, but none which anyone would consider to be fair. Of course, the Department of Fisheries and Oceans monitors the whole program. There is a great deal of dissatisfaction and distrust. It is felt that political decisions are made and that the squeakier wheels get the grease.

The solution to all the problems is a fair consultative body which represents the groups with confidence. During the election campaign candidates on the West Coast promised that would happen, with the acquiescence of the present Minister of Fisheries and Oceans (Mr. Fraser). I want to see that promise delivered on as does every person involved in this industry on the West Coast of British Columbia. If we had any indication from the Minister that a fair and effective consultative body was going to be put in place to determine how allocations will be made and how management will be administered, this Bill would have a very easy passage through the House. Without such an indication it is going to have a rough time.

The Conservative Party promised a $200 million salmon enhancement program on the coast of British Columbia. The resource is in desperate shape. The salmon enhancement program would create employment in many communities which are suffering tremendous economic depression in that province. That promise was made by Conservative candidates and acquiesced to by the present Minister. In the Estimates we do not find the $200 million salmon enhancement program or the $100 million buy-back program that was promised. Rather, there is about a $70 million cut in the operating budget of the Department of Fisheries and Oceans, as well as a $200 million cut in its capital program.

We do not want that kind of commitment. I am not blaming the Minister of Fisheries and Oceans for this development. I think it has more to do with the present Minister of Finance (Mr. Wilson) and the fixations of the Prime Minister and his Deputy than with the Minister of Fisheries and Oceans. Those promises were made, Mr. Speaker, and they must be kept in order to have an effective, viable fishing industry on the West Coast.

A great deal of blame is placed on departmental officials, the people who work in the industry. I hear politicians, fisher-

men and people on the street blaming the bureaucrats. They are looking for a scapegoat. I believe there are people involved in that industry who have integrity and pride. They work against obstacles that I do not think many people would work against. The people who give policy direction to the Department do not back them up. Many times a fisheries officer in habitat protection has indicated that a vital area must be protected, only to have the ground chopped out from under him. I would not blame a fisheries officer for not sticking his neck out, knowing that it will be cut off by the Minister or one of his political commissars.

The departmental staff are loyal and take great pride in their work. They have integrity and are, by and large, a decent group of people doing an excellent job without being backed up. Time will tell how the Government will treat, encourage, and develop this group of people. They are definitely not to be scapegoats in this case. If the Government wants to cut the budget, it can live with the political results of that. If it wants to cut capital programs, it can live with the consequences of that. However, it must not scapegoat the departmental officials in that field.

A large amount of very valuable habitat is being ruined. One example of that is the CN twin-tracking project of the Minister of Transport (Mr. Mazankowski). The Department of Fisheries and Oceans refused to hire one additional fisheries officer to monitor this extremely important river in order that the twin-tracking project could proceed. That just does not make sense. It is not a responsible way to husband a precious resource.

In short, Mr. Speaker, there cannot be scapegoating of departmental fisheries officers. They are an excellent group of people. I believe the reason we have done as well as we have with habitat protection and environmental concerns is because of the integrity of these individuals.

This Bill gives the Minister the right to allocate. An interesting situation occurred in the Gulf of Georgia because of the salmon treaty. Last year the Minister of Fisheries and Oceans recognized that the people fishing commercially in the Gulf took 100,000 fish the year before from April 15 to September 30. He said that he was going to cut that amount by 80 per cent, allowing them to take only 20,000 Chinook from July 1 until August 30. That is only eight weeks and is not even enough time to earn unemployment insurance. The people justifiably said that that was crazy. The Minister said it was important to cut the catch to 225,000 Chinook and to get the rest to the spawning grounds in order to preserve this endangered resource.

He did not do that, Mr. Speaker. The Minister said that it was for conservation purposes, but in reality they turned the whole catch over to the sports fishery. That was the intention. What I believe happened is that last year the commercial fleet took 100,000 Chinook from the Gulf and the sports fishery took 350,000. Almost half a million Chinook were taken out of the Gulf when only 225,000 were to be taken. A court case resulted from that. Today, with the salmon treaty in place, the limit, supervised by an international body and subject to a treaty, is 275,000, almost half of what was taken last year. We have an enormous expectation in the recreational and tourist fishery. We expect that approximately 100,000 pieces of Chinook, or half of that catch, will go to the troll fleet. I know that the Minister has received telegrams from the Province of British Columbia saying that tourism will be harmed because of his decision to sign the treaty at that level.

● (1640)

There are serious concerns about the expectations of sports fishermen. The Minister should have agreements to allocate fish differently such as to permit Gulf trollers access to another fishery or to permit unsupervised taking of Chinook by the sports fishery in the Georgia Strait. Furthermore, I do not honestly believe that the Minister has enough fisheries officers to determine what will be taken.

There is a serious problem with allocation. The Minister has not given all the details of the deals which have been made. He has substantially limited the fish that are available to the recreational fishery and to the commercial fleet in that area.

The second problem concerns gear type. The three basic gear types are seine fleet, gillnet fleet and the troll fleet. They are all attempting to earn a living during difficult times on the coast of British Columbia. According to this Bill, the Minister will have the unfettered right to allocate fish, but how will this be done? Some critical questions include which advisory group will advise him and how will he and his Department be bound by the decisions that are made.

Another area of allocation involves communities. The Minister knows as well as anyone that communities like Alert Bay in British Columbia have been devastated because of a number of economic set-backs due to the recession. While the Minister must have the right to make allocations, how will he take cognizance of the needs for economic assistance that the fisheries can give to communities along the coast of British Columbia?

The legislation will give the Minister the right to decide what gear type and group of fishermen will take what species in what area. Our Party suggest that there should be a mechanism to give people on the coast of British Columbia a fair and representative input into those decisions.

Another deep concern about allocation in British Columbia is the allocation to native people. In my opinion there is a commitment by the House of Commons and the Department of Fisheries and Oceans to ensure greater participation by native people in the fishery. Traditionally, native participation has been approximately 20 per cent but it has dropped to 5 per cent. There has been a commitment in the past that their participation rate would go at least to historic levels if not traditional levels.

The Minister has made no mention of native people. He certainly is aware of the problem, as evidenced by his good words recently about twin-tracking. Although he knows the people and the community, native leaders are greatly concerned that he has made no public commitment with respect to allocation. The Minister knows that native communities

depend on the fisheries as a major source of economic development.

Let us take the examples of the Nimpkish band, the band at Bella Bella, the band at Bella Coola or the Sechelt band. These communities depend on fishing as a major source of expected income. According to the allocation provision of this Bill, the Minister can make decisions that will affect those communities for years to come. The Minister has said nothing on this, yet he wonders why we are not prepared to pass this Bill immediately. We want some commitments.

Native people, in their aboriginal land claims, are developing sea claims to resources with the view that they were never surrendered and that the Government of Canada must recognize those claims and deal with them. The fisheries resource will constitute a major source of the claim. How will the Minister deal with these aboriginal sea claims within the provisions of his allocation process?

The fishery has been the traditional resource of native people of British Columbia. In many cases it is the resource opportunity from which they have been deprived for a number of generations and to which they have a legal right and wish to return. Taking fish is a traditional right of native people.

The Minister has often been made aware that one reason why reserves along the coast of British Columbia consisted of large communities with very small land bases is the assumption by the people who granted those reserves that those people lived off the sea and its resources. It was assumed they would be given access to those resources in perpetuity. In fact, they have been deprived of access to those resources and at the same time have a very small land base with no other effective resource base to develop the economy of their communities and the expectation of a decent future in the country. They say that their traditional rights must and should be respected.

This also raises an allocation problem among native communities themselves. If native people on the coast of British Columbia are given greater allocation, what will happen to the inland reserves of British Columbia where there is a very large inland fishery? There will be an expectation of allocation on the rivers, mainly for sunfish for food and sunfish for escapement. That issue will have to be addressed.

I believe the salmon treaty has created enormous problems in the House. It has compromised our sovereignty and its timing has created problems with salmon enhancement programs. I do not believe that Americans in southeast Alaska can live up to the terms of the treaty or that Canadians in the Gulf of Georgia can live up to the terms of the treaty. Gradually one will work against the other.

According to the minutes of the ministerial advisory committee in British Columbia, the Minister said before that committee that that treaty went through Cabinet in 30 minutes. He said that the Prime Minister never read that treaty. That is also recorded in the minutes of his advisory committee meeting. Furthermore, in a conversation with a journalist which was put on the air, the Minister said that he realized that there were many serious problems in the treaty but the Prime Minister wanted it very badly.

I suggest that the Prime Minister of Canada owes the House an explanation. How can he turn Canada into a doormat for the President of the United States? How can he turn the people on the coast of British Columbia, who depend on this industry, into a doormat? This treaty went through the Cabinet in the morning and we accidentally discovered it in the afternoon. We did not receive any documentation or details about it until the next day. Such action by the Government is completely unacceptable.

When the Minister of Fisheries and Oceans was subsequently questioned about this treaty, he said that it would not be changed in spite of its problems. He said that he would take full responsibility for it. I suggest that in two years, after the Minister has restructured the West Coast fisheries according to the wishes of others in the Cabinet, he will become the Minister of Supply and Services and will no longer be responsible for that Department. Someone from the East Coast of Canada will be responsible and we will be faced with the problems that result from the decisions of the Government.

Let me refer briefly to the buy-back program. Not only did the Conservatives promise a buy-back program, but in December the Assistant Deputy Minister to the Minister of Fisheries and Oceans laid a proposal before the B.C. ministerial advisory committee for a $100 million buy-back program. This buy-back program included proposals to buy one-third to one-half of the boats from the fleet in order to reduce its size. It included selling $100 million worth of boats for $40 million to keep a cost of $60 million. They were going to impose a landing tax over ten years that would earn $200 million for the Government. The net cost for the buy-back would have been a $140 million profit to the Government and it would have bailed out a lot of banks.

• (1650)

We were seriously concerned about the wisdom of that program, and sure enough the Minister withdrew it in January. In January he laid another proposal before his ministerial advisory committee. It was at about a grade eight level, a C-minus grade paper on problems in the fishing industry that essentially asked the committee: "What do you think we should do about it?"

It strikes me that that move was made in concert with the hackers and choppers in this particular Government. The $100 million buy-back was not in the program. Let them root, hog, or die. The Government was simply here in the business to save money. "Let them root, hog, or die", meaning the fishermen on the West Coast of British Columbia." It does not matter that they are suffering. We, the Government, are here to save money and we simply are not going to get involved in the buy-back".

That is my supposition, Mr. Speaker, but when I look at the type of paper that was put before that advisory committee, what other conclusions can you come to? The Minister should be standing up in this House telling us what his intentions are

about the buy-back so people can make some decisions about their lives in an orderly manner.

I want to speak briefly about the herring industry on the coast of British Columbia. It is a $75 million industry this year. Again, the quota is reduced from something in the order of 30,000 tonnes to about 18,000 tonnes. There will be less money for people this year. It will happen faster this year. We contacted every major user group in the herring industry this year and they knew the difficulties. They said months before they had made a herring fishing plan. Every major industry group will stick to that plan. We were assured of this by every group. They said that they would not have time to interfere with it.

When the Minister said it could collapse, he was wrong. The groups in it are prepared to co-operate and get the herring fishery done. Each one of those user groups to whom we talked said not to pass that Bill, that the Bill contains the guts of a fisheries management program. They asked who will make the decision to allocate fish to them or to the other users in the herring industry, in the salmon industry with other marine plants and animals? Who will make the decision about ocean ranching, about area licensing, about license limitation? This is the whole process of allocation.

This Bill provides that unfettered right to the Minister. That is what we are about today. That is what has to be decided upon. The Minister has to stand up in this House and tell us who is he going to consult. What are the mechanisms? Will they be fair? Will they be representative? Will they consider communities and people involved in the industry? All of that is absolutely imperative.

There are a couple more areas, and I put these up as a matter of fairness in the fishing industry, things which the Minister has to talk about before this House, before the committee, or privately. We have a situation called the "no net loss of habitat". The Minister has been around touting that his policy is a net gain of habitat. He thinks by allowing industrial despoilers of the environment to wreck a piece of fish habitat that you can create an artificial piece of fish habitat that will replace what is lost.

Let us now look at the Fraser River. I was born in a city beside the Fraser River. I lived on that river as a kid, and worked on it as a young adult. I know it very well. I did not get back to it for 15 years and I could not believe what had been done to it. The trifurcation program channelized the river so one no longer has to dredge it. It speeded up the river. This has now caused a stress on returning salmon. The pollution in the river is astounding. There are poisons that run into it from sewage, industrial plants and dumps along side its banks. It is astounding, Mr. Speaker. They say each one when considered individually is a small increment of despoilage of the river. It only creates a small increment of stress. When one adds the effect of the trifurcation program and all that over-running of sewage, it is no longer a small increment of stress. We can use the example of the City of Vancouver which has been told to spend $75 million to clean up the Iona sewage plant because it is polluting the mouth of the river. But every community up and down the river is virtually doing the same thing. So we have pollution, poisons, and trifurcation. Then along comes the filling in of marshes because the land is needed. The land is near shipping and transportation areas. It is also juvenile rearing ground. That creates an additional stress on the world's largest salmon river.

What about the double-tracking of the CN? The Department of Fisheries and Oceans comes before us and says that we have CN studies and other older studies that say this is incrementally not going to be of great impact. But the Department of Fisheries and Oceans did not look at the fact that CP will want to double-track. It did not look at the cumulative load on that whole river as more and more and more things take place.

You cannot replace that kind of loss of habitat, Mr. Speaker, because we will not know that it happened until way in the future as that stress builds and reacts on the species. They may fill in a small juvenile rearing area. That is great, but the total impact on that river is substantial and it is continuing to get worse every year.

Then there is the Quinsam coal project, a no net loss of habitat. The company intends to build an open pit coal mine at the head of a major hatchery on the Quinsam River. The Department of Fisheries and Oceans said that it did not have the staff to monitor the effects of this coal mine. The people said they did not really know what was going on because they will not be given the staff or the resources. The Department said that if the mine does not wipe out that hatchery or place an enormous stress on the river, it will certainly not be because the Department was able to detect it.

Next is the Rivers Inlet which is one of the largest Sockeye areas on the coast of British Columbia. Rivers Inlet and the Owikeno Lake area are being logged out. The rivers and streams behind in which salmon spawn and rear are affected. This Department will not become involved in integrated resource management studies because I do not think it likes to hear the results. I do not think it has the resources to enforce the requirements anyway to protect those habitats, Mr. Speaker.

The Minister has known that loss of habitat, the invention of Peter Pearce, is not applicable. It is not effective. It is a complete sell-out of the environment of British Columbia. It must stop. Even though the Department is operating on that basis, the Minister's deputy admitted that the Department has not even developed that policy.

Another point is fairness concerning small craft harbours. British Columbia out of the small craft harbours budget will get from $2 million to $3 million this year. It generally gets $6 million. Six million dollars hardly paints and maintains the wharves. We need a priorized list of the harbours that are going to receive money in the order that it becomes available. We need a decent budget.

On the West Coast of Canada fishermen pay for every foot of moorage no matter what they tie to the dock. It is grossly unfair that this Government in cost recovery wants to increase

that from 200 per cent to 500 per cent of an already expensive cost in a diminished economy. Yet their brothers and sisters on the East Coast get free moorage for quite a few categories of vessels. That is grossly unfair. I think we have to give the same consideration to our fishermen on the West Coast as that provided to our fishermen on the East Coast.

My last point concerns insurance. In this philosophical fixation which the Conservative Government has about the private sector and the sanctity of the free market, fishermen and vessel owners on both coasts have a serious problem with insurance. I think it is imperative that this Government not give up coverage of those fishing vessels. Without it there will be severe difficulty. Some people will sail without insurance. Some people will run into extreme difficulty without it. I understand this matter is before the Minister now. Those groups to whom I have spoken in the fishing industry on the coast of British Columbia are absolutely adamant that that fishing vessel insurance program stay in place and not be changed and that it is a matter of serious concern. If the Minister would like to hear that from user groups themselves, they are prepared to come to Ottawa now.

In summary, I think this Bill before us today is critical. We will over the coming days debate it. I think the style of the Minister has got to change in order to develop openness and some element of trust so we can deal expeditiously with a Bill like this, and that we also have time to study it fairly. What happened in that salmon treaty process is intolerable, but the good news is that the herring fishing will go ahead without this particular legislation.

• (1700)

The Acting Speaker (Mr. Paproski): Order, please. I should like to draw to the attention of the House that we are now entering the second phase of the debate, which means that according to Standing Order 35(2) Hon. Members will be allowed to make 20-minute speeches, followed by the 10-minute question and comment period.

Mr. Morrisey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, I was certainly pleased to hear the Hon. Member for Comox-Powell River (Mr. Skelly) close his remarks on a positive note when he spoke about the herring fishery. Everything else he said about the remarks of the Minister was very negative.

An Hon. Member: And he was right on.

Mr. Johnson: I do not believe he was in all cases. He suggested that the Minister did not speak about the native people. I happen to have a copy of the Minister's speech—and I heard him—and right on the first page he spoke about native people, Indian people. I suggest the Hon. Member should look at *Hansard* at the first opportunity to see what the Minister said.

I have no difficulty in expressing my support for the amendments to the Fisheries Act proposed in Bill C-32. As most Hon. Members in the House know, the fishery in my province has been, is and always will be the main industry. In his remarks the Minister said that the passage of this Bill was a matter of particular urgency on the Pacific coast. He also said that the issues addressed by these amendments are very live issues in the Canadian fishery. I concur, and I would like to add that they are crucial in the Atlantic region.

One of the objectives of the Bill is to ensure that the objective of fisheries management does not end with the protection and conservation of the resource. We want to protect stocks, the raw material base of the fishery, but not as an end in itself. We do so in order to realize certain benefits for society. We cannot ignore social and economic situations in our management of the fishery. They are part of the reality of the fishing business. We manage the fishery for the benefit of fishermen, plant workers and fishing communities. In fact, we manage it in the interests of the country as a whole. Whether we are talking about controlling fishing effort or stipulating a certain net mesh size in a given fishery, or allocating fish between fleet sectors, the principle is the same. I suspect this was realized in 1867, and that the only reason it was not made more explicit at the time was that it seemed self-evident. I think it is safe to say that the people who drafted the original Act knew why and on whose behalf they wanted the stocks protected.

Certainly we in Atlantic Canada, the region in which the Canadian fishing industry was born, have never had any reason to be confused about the relationship of good fisheries management to the social and economic health of our region. If we were ever tempted to forget it, we received painful reminders. I am thinking, for instance, of the depletion of groundfish stock due to over-fishing in the days before the 200-mile limit was established.

Even today, with Canadian jurisdiction in place, we know that the health and productivity of the fisheries depend on our ability to exercise the comprehensive management powers which these amendments clarify. For several years now groundfish stocks have been managed by the Department of Fisheries and Oceans on the basis of a comprehensive annual plan. Under this plan, quotas are set and portions of that total are assigned to vessels of different types—so much for vessels over 100 feet, so much for vessels between 65 and 100 feet, so much for vessels using fixed and mobile gear, and so on.

That approach has been further refined. In the groundfish trawler fleet and the herring purse seiner fleet, the Department of Fisheries and Oceans now make allocations of the total quota, not just to fleets but to individuals and companies. This approach to some extent is also for smaller boats, especially in the Gulf region. These measures are basic to the management of the Atlantic fisheries. If the act as it stands does not make that authority clear, if it is likely to be challenged on the basis of inexplicit language, the sooner we remove the ambiguities the better. I urge early consideration and passage of the Bill by the House.

Mr. Skelly: Mr. Speaker, I had an opportunity beforehand to read the speech of the Minister. I should like to direct a question to the Hon. Member concerning the basis of the

allocation to native people. A very serious problem arose at the mouth of the Qualicum River where there is a large terminal fishery and a huge fleet. At the end of the year fishermen who want one last crack at earning an income, be they gillnetters or seiners, are at the mouth of that river trying to catch fish on their way out. It is my understanding that last year the Minister of Fisheries wanted to allocate surplus fish to an Indian band but he could not do it because the law had changed. Therefore he decided to turn the surplus fish over to Crown Assets Disposal to get rid of them and only allowed one bidder, the Indian band, and it took the fish.

That is a very unusual procedure, but nevertheless the question becomes: Should the fish have gone to the commercial fishery or to the Indian band? Without making a judgment on whom they should go to, I want to illustrate that allocation is a complex problem. The Minister never mentioned a word about the nature of allocation to native people. They have serious complaints and serious economic problems, yet he rose and made some fairly euphemistic statements. There was not a shred of content upon which they could base any serious hope. Perhaps the previous speaker might want to comment on this.

Mr. Johnson: Mr. Speaker, it is very evident from the fact that the Minister introduced amendments to the Act that he is aware he did not have the power as described by the Hon. Member. This is the reason he brought in those amendments, so that he would have the power to make allocations to people from different regions. I think that is very evident. I am sure the Minister is more familiar with the incident to which the Hon. Member referred than I am, coming from the East Coast.

• (1710)

I want to assure him that when I am on the West Coast very shortly with the Standing Committee on Fisheries and Forestry, I will have an opportunity to learn more about that part of the country. I am sure that his colleagues from his Party will endeavour to tell me all about their province so that I will be more informed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate, a very short question.

Mr. Baker: Mr. Speaker, I always notice you say to me "a very short question".

The Acting Speaker (Mr. Paproski): The only reason I mention that is no matter what I say, the Hon. Member seems to take three or four minutes. I would hope that he would endeavour to help because there are other people who would like to ask questions. Therefore, if I do get a short statement, question or comment, somebody else may be able to ask a question.

Mr. Baker: Perhaps, Mr. Speaker, it is the quality of the question that I ask. The hon. gentleman who just spoke is very knowledgeable of the fishery. There is not a person in this Chamber who would deny that. I want to ask him a basic question. This Bill is all about a problem that is basic between gillnetters and seiners. There is a basic question here. No matter what part of the country you go to, you find a dispute between gillnetters and seiners, gillnets with the nets down to the bottom, anchored on top of the water, and the seiners with the big net that captures the fish. Why does the Hon. Member think there is such a dispute? Does he side with the finding sometimes of the scientists which is directly contrary to the opinions of both the seiners and the gillnetters? There are really two questions. Can he just explain to the House why we have this conflict?

Mr. Johnson: Mr. Speaker, perhaps some people in my riding will be offended by what I am about to say, but I think the reason there are conflicts between people fishing on a dragger and people fishing with gillnets is that humans have a tendency to be a little bit jealous, and because the regulations permitting people to set gear in certain areas conflict with the ability of other people to fish. If I were to speak about gillnetting, which I have done, people set out their gillnets, a draggerman comes along and he wants to fish because it is good fishing ground. Sometimes he might inadvertently take some of the fixed gear away, not because he wants to hurt his fellow fisherman, but because sometimes as a result of sea conditions and visibility he is not able to see the markers for the fixed gear. I am sure that those problems will always exist. It will be impossible for any Minister of Fisheries to be able to say that gear will be fixed there, that everybody has to stay so many miles away from it and people will not encroach on that fixed gear.

On the other question, it would be difficult for me to condemn scientists who sometimes may make errors in setting the amount of fish allowed to be caught, the quotas for certain species. I am sure they have made mistakes. I am sure that fishermen overestimate the stocks too. There will be friction when there are more and more people depending on the fishery for their livelihood and there is not enough of that specific type of fish to fill the needs of all the fishermen. They are going to be critical of the scientists who sometimes make recommendations to the Minister when he is setting the allocation.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate on a short supplementary question.

Mr. Baker: Mr. Speaker, a very short one. In the opening of his last answer, the Hon. Member said that he was going to say something that perhaps some fishermen will not like. I am now going to ask him to say something that perhaps the Minister will not like. Did he suspect that the federal Department of Fisheries did not have the authority to do what it did under the existing Act, thereby giving rise to this legislation today? In his vast experience, did he suspect that? Did his cohorts, his fellow skippers, mention to him that perhaps the federal Department of Fisheries was acting outside of the law and that it should be tested in court?

Mr. Johnson: Mr. Speaker, I do not know if I would be offending the present Minister of Fisheries and Oceans (Mr.

Fraser) if I gave my hon. friend a truthful answer, which I am sure he wants, but I would certainly be criticizing previous Ministers of Fisheries. Yes, I did suspect that the Minister of Fisheries did not have authority. In fact, I had been asked on a number of occasions if I would be willing to be the scapegoat, to go out and catch fish against the law, because a lot of people believed it. I am glad that the Minister has brought forward this amendment.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, at the outset I want to say that I am pleased that the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) has participated in this debate. I do not know if we have ever had a practising fisherman from my province, but we now have one in the Chamber. I may say, I hope without offence to my colleague from Gander-Twillingate (Mr. Baker), that not only is he and was he an expert fisherman, but he is fast becoming fast on his feet in this Chamber and on his way to becoming a parliamentarian. I think my friend from Gander-Twillingate would agree.

Having said that, I have 20 minutes in which to put some things on the record that I think are very important. Basically, this amendment gives the power to the Government to do presumably what it has been doing. It reminds me of a quote from Pope, talking about beauty. He said:

True wit is Nature to advantage
dress'd,
What oft was thought, but ne'er so well
express'd.

I do not know how beautiful what we have from the Minister today is, but it is what was often thought "but n'er so well express'd".

What is happening here, and we must be aware of this, is that this amendment is about power. It is an allocation of power to officials. The Minister said in his remarks that previously officials would have to get order in council approval for certain closures, and that is true. That will no longer be the case. The Minister of Fisheries and Oceans (Mr. Fraser) is already the most powerful Minister in the Government in terms of the Act which he administers and for which he is responsible. He is now enshrining in law more power. That is good if that power is used well. It is good if we have good officials and good bureaucrats, and we do.

I want to take the time to say that the officials and the people who work in the Department of Fisheries here in Ottawa and in my region have been faithful, competent and good public servants. However, that does not say that at some point there may be officials who are over-zealous and insensitive. There has to be some sort of protection against that over-zealousness and insensitivity. We in this country are not ruled by officials and bureaucrats. We are ruled by a Government which is responsible to people. As long as we have good officials, this law is good.

We are talking about power, not only over fish and fish stocks and allocations, but power over people's lives. The island of Newfoundland was settled as a result of the fish stocks around our shore. Our culture and our way of life is built on the fishery. It is of no mean importance to us. It is of fundamental importance. This House should recognize that what we are talking about here today is not simply power over fish stocks and over fish processing. It is power over people's lives and over communities. That should be clearly understood. It is how that power is shared that is important to me.

● (1720)

This amendment gives the Department more power. It gives it power to open and close sections and power to allocate fish stocks to provinces. It gives the Department the right in law to allocate resources from one area to people who live in another area. As I say, it is important to us how this power is used.

The Premier of Newfoundland has heretofore put in very graphic and dramatic terms the fact that the northern cod stocks of the Hamilton Banks off the coast of Labrador and the northern coast of Newfoundland are very important to Newfoundland. He has claimed it is of such fundamental importance to us that he has said from time to time that it is more important to us than the oil off our shores. If that is the case, then he wants an assurance that those northern cod stocks are to be the priority of Newfoundland and Labrador fishermen. However, other people from other provinces fish in that area as well. Newfoundland fishermen and the Premier are very concerned that their priority be adhered to.

It is true that Newfoundlanders fish off the Scotian shelf. We do not want to balkanize the fishery in Canada. I point this out because I think it is very important in this debate that we understand that the possibility for balkanization exists. I will want an assurance that this power, if it is given, will be used properly, fairly and in the best interests of the people I represent.

As well, the Department has power to restrict fisheries in certain bays and in certain sections of certain bays. That power will be enshrined in this legislation. My friend, the Hon. Member for Gander-Twillingate, alluded to the fact that certain small-boat fishermen and certain inshore fishermen have been at the mercy of larger vessels, of herring seiners and even of long liners that fish in the same grounds. A man with a 45-foot or 60-foot long liner can fish in the same area as a man with an 18 or 25-foot boat. There are inequalities.

The Hon. Member for Bonavista-Trinity-Conception alluded in his answer to the fact that between human beings there are jealousies and apprehensions. That is true but the Government is there to see that all people are treated fairly whether they are small-boat fishermen or large-boat fishermen. I hope that this power will be used to see that those who are disadvantaged, who do not have the larger vessels and do not have access to the deep sea fishery are protected by this law and that herring seiners and long liners are somehow restricted in their ability to fish small inshore stocks in small inshore regions.

If we are to give more power as this Bill does to the Government and the officials, I would ask how we are going to assure ourselves that the power is shared equally by the federal Government, the provincial Government and the fishermen themselves. There is only so much power to go around. If power is given to one group, it is automatically taken from another. I repeat that the Premier of Newfoundland has said that the fishery is very important to us. He has asked from time to time for more control over the Newfoundland fishery. There is no assurance here that he will get the kind of input that he requires. Moreover, there is no assurance here that the fishermen themselves who are most affected will have any more control over their own lives. I worry about the acquisition of more power by officials because I fear that it means less power to fishermen, those wose lives are most affected.

In his speech the Minister spoke about a fisheries policy and the 200-mile limit. I second his thoughts on those matters. The 200-mile limit has been a godsend to us in Newfoundland. I am proud that it was this Party that brought in the 200-mile limit. As a result of that measure, the fish stocks off Newfoundland and Labrador are now in much better shape than they were previously.

The 200-mile limit and the fisheries policy has been put in place. We will have to wait to see what the position is of the present Government on the utilization of those fish stocks and the processing of the fish that is caught. This Bill tells us nothing about what the policy of the Government or the Minister is with regard to the prosecution of the fishery.

I would like to see a management policy brought forward at an early stage. I particularly want to know what the Minister will do, when he will have the legal power to allocate stocks, about the allocation of certain stocks to what is known as resource-short plants. Following on the recommendations of the Kirby report, the Government adopted certain policies. One of those recommendations which was accepted was that an allocation of fish stocks be put aside for what is known as resource-short plants. There were plants in certain areas that had access to the deep sea fishery but there were plants in other areas, like the northeast coast of Newfoundland, that did not have access to deep sea fisheries at the time and were dependent on the inshore fishery. If the inshore fishery were to fail for any reason, those plants would be in serious economic trouble and people would be laid off. There must be allocations to those small inshore plants from the deep sea fishery. I would like to know what the Government and the Ministry will do about that.

I would like a fisheries policy brought forward at the earliest possible opportunity. I believe the Minister is a well-meaning and sincere Minister. I hope that we will be able to have a full discussion with him as to the nature of his policy. So far, if we are to judge by the Government's record, the policies have not been all that great. What we in my province have seen in the fisheries so far is cut-backs which have inhibited the ability of fishermen to carry on their livelihood.

The economic statement dealt with a number of things that will create hardship for the fishermen in my area. What about the announcement of the possible cut-backs in unemployment insurance, for example? This is not the time to announce further restrictions on unemployment insurance. We have had a failure in the inshore fishery this year and after some prodding, the Government finally came forward with an amount of $6 million to help those people who did not receive the benefits that they required to carry on through the winter. That amount is inadequate. There are fishermen in small communities in Newfoundland who are still not able to draw unemployment insurance this year because the amount of $6 million which was made available after some prodding is inadequate. Now is no time to announce further restrictions on unemployment insurance.

As well, the Government cancelled certain capital projects like the marine service centre that was to be built at Smokey on the Labrador coast. The Government has announced that it will privatize insurance for long liners. That, I believe, is a disastrous move because if there were private industry companies that would insure those kinds of fishing vessels, they would have been doing so all along. I know of no alternative to government support for vessel insurance. I do not think there is any alternative. When the Minister was in Newfoundland, representatives from the fishermen's union spoke to him at length about this matter and told him that it presented them with a serious problem. I encourage the Minister to take a second look at his decision to privatize fishing vessel insurance because I believe it will have a disastrous effect on small inshore fishermen.

This is no time to make cut-backs in the fisheries policy because the industry is struggling. There is a great deal of competition in the market-place and particularly in the U.S. market-place. Scandivanian countries are putting a good quality product on the United States market at a reasonable cost thus creating a great deal of competition. This is no time to exercise those cut-backs on a struggling industry. Now is the time not for cut-backs but for incentives.

• (1730)

I want to know what the regional policy of the Government is. How is the Government going to ensure that small fishing firms, for example, in Atlantic Canada will have a fair chance in the market-place in the future? We have not heard from the Government on that issue. What is going to be done to help Fishery Products International? That company was set up when the private sector failed and it is owned now by both the Government of Canada and the Government of Newfoundland. I believe it is going to need a further infusion of funds if it is to be financially sound and if it is going to be able to compete in the market-place. The Government has to tell us clearly what its policy is going to be with regard to Fishery Products International and how it intends to make it a sound financial operation.

In speaking of Fishery Products International, Mr. Speaker, I want to get on to a topic which is very important to me. That is the topic I raised with the Minister yesterday, the Northern Fisheries Development Corporation. This also was a recom-

mendation which came out of the Kirby report and it was accepted by both the Government of Canada and the Government of Newfoundland. There was a signed agreement in principle to set up this Northern Fisheries Development Corporation north of 50 because it is understood that there are disadvantaged fishermen in that area who need special measures. It is not good enough to leave those plants on the northern peninsula of Newfoundland, such as St. Anthony, for example, and plants along the Labrador coast, at the mercy of Fisheries Products International. I believe that after the provincial election is over—whenever the Premier decides to call it and I feel it will come very soon—certain hard decisions will have to be taken with regard to Fishery Products International which are not going to be very easy to sell in my province.

I fear certain fish plant closures. I want to make sure that the people I represent, and the people on the northern peninsula and the Labrador coast, are taken care of. I would ask the Minister not to leave those people who live and fish in the north at the mercy of the people in the south. Those plants have been marginal. In the northern peninsula of Newfoundland and the coast of Labrador we have some of the most disadvantaged fishermen anywhere in Canada. The irony is that they have some of the greatest resources off their shores. There is cod, salmon, arctic char and shrimp resources off that coast. Yet those fishermen historically have been among the most disadvantaged in Canada.

A lot has been done to improve their lot and I don't want to get into that now, but more needs to be done, particularly in terms of marketing. We must help them to market their product. The whole reason behind the Northern Fisheries Development Corporation was basically to help them mobilize their catch and to receive a better deal in the market-place.

The Minister told me yesterday that there is no guarantee that the corporation will be in place by this fishing season. He told me that the money has been reallocated somewhere else. He did tell me that he was sympathetic and that is encouraging, but I want him to be more than sympathetic. I want the Minister to give people on the northern peninsula of Newfoundland and on the coast of Labrador an assurance that he will follow through on that sympathy and that he will see that that Northern Fisheries Development Corporation is put in place, not some time in the future but this spring, before the next fishing season, because it is of paramount importance to those people. I hope the Minister will find time to consult with these people before he makes a final decision on this.

That, I think, sums up what I want to say on this Bill. It is a housekeeping Bill. It simply enshrines in law what the Department felt it could do all along. What I really want to see and what I am looking forward to is a chance to debate fisheries policy in this Chamber and in committee. Moreover, I would like a chance to see the fiscal framework of the Government so that we can put that policy into context. I would urge the Minister to bring forward that policy at the earliest possible opportunity and, of course, I would urge the Government to bring forward its fiscal statement so that we can see exactly how the dollars and cents are going to affect those of us who live and work in Atlantic Canada.

Mr. McCain: Mr. Speaker, I would like to ask the Hon. Member if any of these problems are new, and I believe none of them is. Since none of them is new, would the Hon. Member please explain to this House why they were not addressed when he was a member of the Cabinet; when the Crown Corporation was formed to look after the fishery; when the 200-mile limit was there and the northern resource was there? Are any of these problems new? If any of them are, would he delineate those and explain why the old ones were not addressed?

The remarks just made by the Hon. Member could very well have been taken from the debate on the Bill which created the Crown corporation. They could be taken from the remarks of Hon. Members on this side of the House when they were in opposition at the time the Bill was passed through the House and through committee. I appreciate the tone in which the Hon. Member has presented his remarks, but what is new?

Mr. Rompkey: Mr. Speaker, these are excellent questions. What is new, of course, is that there has been a suggestion that unemployment insurance will be restricted. That is new. There have been cut-backs in small craft harbours allocations, particularly in the $2 million infrastructure which was to be installed at Smokey. That is new. We had agreed to it; the present Government cancelled it. The fishing vessel insurance is going to be privatized. That is new. The Government was supporting it before. There was a government scheme to insure fishing vessels, which was the old policy. The new policy is that the Government will not do that but will hand it over to private enterprise. These are all new measures.

To speak particularly to the issue of the Northern Fisheries Development Corporation, the history of it is as follows. St. Anthony in particular was always a marginal plant under Fishery Products, fueled and supplied by the inshore fishery. It always lost money. As a matter of fact, it lost so much money that Fishery Products was going to close the plant down. The Government of Canada said: "We don't want that plant to close. It is the only receiver of fish products in that area of the northern peninsula so it must not close". So the Government of Canada under the then Minister of Fisheries, Mr. LeBlanc, who comes from the same province as the Hon. Member, said that he would ask the Canadian Saltfish Corporation if it would intervene. We had a great deal of trouble because the Province of Newfoundland got very upset that there was a federal intrusion into a provincial jurisdiction. It even threatened not to issue the fish processing licence for that plant.

However, that was overcome and the Canadian Saltfish Corporation took over that plant for a year. It ran the plant well and for the first time in history it broke even. The recommendation coming out of the Kirby report was that a Northern Fisheries Development Corporation be set up. We had the previous experience of the Canadian Saltfish Corporation. We had the vehicle in place and our idea—certainly my idea—was to allow the Canadian Saltfish Corporation to

operate that plant. But again, although the Government of Newfoundland signed an agreement in principle to set up a Northern Fisheries Development Corporation, it would not agree to have the Canadian Saltfish Corporation run it as such, or a subsidiary thereof. So negotiations have been going on with the Province of Newfoundland for all of that time to see if both Governments could come to an agreement as to how that corporation would be set up. I have seen nothing on paper in terms of a proposal from the Government of Newfoundland.

To answer the question directly, that is why action has not been taken. We were prepared to move. Indeed, we allocated $15 million for that particular project which, I gather now, has been reallocated to some other area or some other project. It is no longer there, although the Minister says, to give him his due, that he is sympathetic, and certainly if arrangements are concluded he will seek funds. I take him at his word. I hope that is a fair answer, Mr. Speaker, to what I believe is a very good question.

● (1740)

Mr. McCain: Mr. Speaker, two things are not new; he has made that very clear. Number one, with respect to public insurance versus private insurance, fishermen's organizations and clubs found that they could get better coverage from private sector insurance. Yes, they did.

Mr. Rompkey: Well, you ask Richard Cashin.

Mr. McCain: I am not interested in what Richard Cashin said. You know as well as I do the attitude he has taken on various occasions. He did not support either you or this side of the House.

Mr. Rompkey: But he does represent the fishermen.

Mr. McCain: There is a club in my constituency, so I know what I am talking about, which went the private route as a group for private insurance. They got their boats insured for replacement cost, which the public Act never would grant at any time. They accepted the value of the vessel as submitted by the manufacturer and the fisherman and insured the boat for that amount at less than the cost of public insurance. As long as there is that capability in the private sector, I submit it is not very logical for the public sector to continue the insurance unless it is prepared to match rates and coverage.

Mr. Rompkey: Two different experiences. It is not the same thing.

Mr. McCain: All right, but you mentioned Cashin and he goes the club route.

Mr. Rompkey: Let's not say Cashin; let's say the Newfoundland Fish, Food and Allied Workers' Union.

Mr. McCain: I submit that if they go the club route, or the union route which Mr. Cashin is associated with, then private insurance may very well give you, as it did in my constituency, better coverage for less money.

Mr. Rompkey: That is not the track record.

Mr. McCain: That is the existing track record, my friend. You speak of what you know and let me do the same thing without argument.

The second thing is there may have been a change in the amount of money for small craft harbours, but I want to tell you it has been awfully scarce in certain constituencies under the former Government and very plentiful in others. I hope this might be changed.

The Acting Speaker (Mr. Paproski): Would the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) like another comment?

Mr. Rompkey: Mr. Speaker, no self-respecting politician would ever turn down the floor when it is offered by such a gracious person as yourself.

The two experiences, Mr. Speaker, are completely different. I appreciate that the Hon. Member speaks whereof he knows. I speak whereof I know, and that is what politics and representative government are all about. But the track record in Newfoundland is that there has not been that kind of support from the private sector for fishing vessel insurance at reasonable prices. The Government has provided the insurance and it is the position taken by the Fishermen's Union in Newfoundland, a very strong, powerful and large union, that this should not be changed. The Government should not depart from public support for fishing vessel insurance. To give it over to the private sector would be disastrous for people in a struggling industry at the present time.

The Acting Speaker (Mr. Paproski): The period of questions and comments is now terminated.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to place a few remarks on the record regarding Bill C-32. Before doing so I would like to say that I think that Members on both sides are very pleased with the appointment of the present Minister of Fisheries and Oceans (Mr. Fraser). There are great expectations all across the country because he has demonstrated in his years in this Chamber that when he takes on a task, he does it in a very sincere, honest and forthright way. I can certainly say that I have great respect for him and at the same time I have great expectations.

The matter of expectations is something I think the House has to look at in terms of Bill C-32. We have been requesting the appearance of the Minister before the committee, not only regarding Bill C-32 but also concerning the west coast salmon treaty, something which has very severe implications for some parts of my constituency and requires a great deal more evaluation than it has been given by our committee. Another matter has to do with insurance but we have not had the Minister in front of the committee on either of these issues. I know the Parliamentary Secretary is here and I am sure he would agree it would be inappropriate and inopportune to cancel the commercial fishing insurance program, and I think

that is how it will stay. But again we would like to hear from the Minister.

The Government side raised the problem of small craft harbours. We would like to know why vessels under 45 feet on the East Coast do not pay any berthage fees, yet all the fishermen I represent have been told their rates are going to be doubled. If I heard the Parliamentary Secretary correctly, he has just said that the rates in British Columbia are going to be brought into line with those on the East Coast very soon and I am pleased to hear that.

There are a couple of Trojan horse clauses in Bill C-32 which I think the House has to look at much more carefully than perhaps even the Minister has looked at them so far. Looking at the purposes clause, the first part, 2.1(a), provides for the conservation and protection of fish and waters frequented by fish. I think that is reasonable and expected. Part (b) is to provide for the proper management, allocation and control of the seacoast fisheries of Canada.

There we start to see the first wording of the Trojan horse clause. We find a distinction within the purposes clause of the Bill between the seacoast fishery and the inland fisheries. I intend to spend a few moments dealing with that.

Then, of course, Part (c), which is the contentious part and a point the Minister spent some time on relating to the Collier decisions. It refers to ensuring a continuing supply of fish and to maintaining and developing the economic and social benefits from the use of fish for fishermen and others employed in the Canadian seacoast fishing industry and for others whose livelihood depends in whole or in part on seacoast fishing, and for the people of Canada. That relates directly to the two Collier decisions.

I think the Minister outlined quite well the two decisions and I would just like to put a few remarks on the record regarding them. The first case involved the Fishing Vessel Owners' Association of B.C., the Pacific Coast Salmon Seiners Association and the Prince Rupert Fishing Vessel Owners' Association, and the Department of Fisheries and Oceans. In that case Mr. Justice Collier granted an injunction preventing the Department from setting separate salmon quotas for seiners and gillnetters, prohibiting the Government from allocating the resource between gear types.

Strict interpretation of the Fisheries Act would then seem to say that all groups would have equal access to stocks over an equal area. The act gives the Department the power to enforce regulations for the preservation and conservation of the resource, but not to give preference to one user group over another on either social or economic grounds. Whatever the proper wording would be to give all due deference to Justice Collier and the Federal Court, I would side with the Minister in that I do not think a constitutional challenge would be successful once the amendment was in place with that wording.

The second case involved the Gulf Trollers Association of British Columbia versus the Department. In August of last year Mr. Justice Collier upheld the Association's application to quash seven Government orders dated April 16 which permitted commercial fishing between July 1 and August 31, and at the same time allowing the sport fishers to operate year around. In effect this was allocating the resource by giving preference to one user group over another.

The Federal Court judge did not accept the Government's argument that it had federal power to manage and control the fisheries for the benefit of Canadians as distinct from preservation considerations. The April 16 variations of the total closure were, on the evidence presented by the Crown, conceived on two bases: a need for conservation, and the intention to favour the sport fishers. The conservation motive was at the ultimate expense of the commercial Gulf Trollers. The preference, the judge stated, was based on socio-economic considerations which he determined to be beyond the Department's permissible constitutional powers.

I would not want to put words into Justice Collier's mouth, Mr. Speaker, but it seems to me that what he was trying to say was that it was beyond statutory or legislative powers as opposed to constitutional. The Minister touched on the very delicate dilemma this country would find itself in if it was impossible for different Ministries, either at the federal or provincial levels or in fact at the municipal or aboriginal self-government levels, to manage the resource for social or economic reasons. I think we would have a rather chaotic Constitution which would be the same length as the Income Tax Act, some 34 feet in length, if we had constitutional debates about the ability of Parliament to pass statutes to allow the division of such things as the fishery.

• (1750)

I would like to deal with what I consider to be the Trojan horse clauses of this Bill which make it so important for the Minister to come before the committee to explain. In Clause 1 he added "portions of fish". That is quite understandable. He has also added "marine plants and portions thereof". I think that is good. There has been a debate in British Columbia as to whether the Government of B.C. can issue kelp harvesting permits and that type of thing. I think this will certainly clarify that.

Clause 2.1(d) says:

> to provide, in cooperation with the provinces, for the proper management, allocation and control of the inland fisheries of Canada.

It is quite clear from some available judgments that once you get out of tidal waters you are getting into inland waters. The Minister must tell the committee and those interested in this particular matter exactly what his intention is in bringing the provinces in in terms of "the proper management, allocation and control". I am sure many Members of the House are aware that under the west coast salmon treaty on the Fraser river there is a very specific, internationally recognized allocation of 400,000 pieces for the native food fishery on the Fraser River system. That same allocation is not found on any river system in B.C. other that the Fraser. In British Columbia we will find ourselves with a government which will not recognize

aboriginal rights or title. In fact, it will not even appoint a Minister responsible for that matter.

How can discussions regarding inland fisheries possibly proceed with that kind of wording inserted? The Minister of Fisheries and Oceans has a responsibility to come before the committee and explain fully why he has added that particular wording and what the implications are for negotiations regarding the native food fishery in Canada and possibly, in the future, inland commercialized fisheries of native people, which is an aboriginal right recognized in the Constitution.

I would like to discuss some of the other difficulties we are faced with, not having had the Minister before the committee. The basic problem with the Bill is that we cannot discuss these things with the Minister but must discuss them in Parliament before the public of Canada. The buy-back is crucial. The Minister is on record, as are many other Conservatives who were elected to this place, as saying that there will be a $100 million buy-back within the B.C. fishing industry this year. It is not included in the Estimates. I assume that the money will be found somewhere. Perhaps it will come from the Department of Transport or another department. We are eager to hear from the Minister where the money will come from.

The second matter is the $200 million salmon enhancement program. These amendments dovetail with the possible implications of the salmon enhancement program. This basically has to do with the division of stock on the B.C. coast and in the Maritimes of Canada, whether it be lobster, salmon, crab, oolichans, geoducks or kelp which is included in this amendment. We must have some understanding of the direction the Department is taking with these major agenda items which will have an effect on the global stock productions.

I would like to spend a moment on one of the key problems. We do not know how soon the money for the buy-back or the salmon enhancement program will come. We do not know what the implications of these clauses will be in terms of consitutional negotiations with our aboriginal people. We do not have a clear understanding of why the Minister smuggled in an amendment to paragraph 34(m) which says:

> authorizing a person engaged or employed in the administration or enforcement of this Act to vary, in respect of any area or portion thereof, any close time, fishing quota or limit on the size or weight of fish that has been fixed by the regulations.

This power is beyond anything anyone in the House has yet imagined. This is government by regulation. Someone who is hired for 30 days by DFO working out of Come-By-Chance, Prince Rupert, or Tofino could well make a sudden decision that you cannot keep Chinook under 50 pounds, or that a particular creek is going to be closed, or that lobsters cannot be taken for some particular reason. These kinds of authorizations should be far more specific and explicit rather than merely putting in a clause which allows a person working for DFO to do anything. It directly affects the income of everyone involved in the industry.

This is really the crux of the matter. We do not know about the insurance, salmon enhancement, the buy-back, the constitutional implications of the west coast treaty or of this amendment.

However, the other very serious and chronic problem of the Department with regard to the industry itself must be addressed by the House. We do not have a good enough understanding of what the maximum potential spawning yield or the maximum habitat potential of the streams is. We do not understand what the maximum return of the various wild stocks is or what the implication of adding hatchery stocks to those stocks is going to be. We do not know about these things in terms of kelp, oolichans or a lot of other species. There has not been enough time, energy or research effort put into determining what the global stocks can be. We know that they are now devastated on the East and West Coasts. We need to know how we can develop the resource and what our maximum yield and utilization can be so that we can discover what the social and economic impacts are for the different gear types. If negotiations are going to take place this year with aboriginal groups in the country, we need to know what a realistic negotiated settlement can be that can then be constitutionally protected.

In order to do that we need proper tagging programs and proper stream and creek evaluation. We need a firm understanding of the implications of major projects such as the CN twin-tracking. We will then not have to deal with the no net loss policies and the net gain because we will know where the dollars are going to be spent and what the returns are going to be much more accurately than we do now. We will not have to worry about the voodoo-like predictions of the Department of Fisheries and Oceans.

Fishermen often wonder whether specific areas will be open, whether they will be able to take pinks, whether the Gulf will be closed, and how many herring they will be allowed to take and what size they must be. It is treated very much like voodoo, Mr. Speaker. The fishermen on the coast do not know from day to day whether there will be a buy-back. They do not know whether there will be an opening or closing. They do not know if their insurance will be taken away.

The Department has been placed in that state of chaos by a run of Ministers who, I firmly believe, did not put the kind of energy into the Department that was required. I think that the present Minister has that potential, but he needs the support of his front-bench colleagues to get the cash. I am sure that the Minister of Transport (Mr. Mazankowski) will be fighting in Cabinet to ensure that the Minister of Fisheries and Oceans gets that funding.

Mr. Mazankowski: What about the Minister of Transport?

Mr. Fulton: The Minister of Transport needs the cash too, he says. However, Fisheries and Oceans is crucial.

I will conclude my remarks by pointing out that before Parliament should consider passing this Bill, it and the Minister should appear before the committee. The Minister should explain its contents and the constitutional and statutory implications of it as related to the Collier decision. He should

explain what he is going to do in the future with regard to the other issues I raised this afternoon.

The Acting Speaker (Mr. Paproski): Before I call it six o'clock, I would like to say to the Hon. Member that he has three minutes remaining when the Bill is presented to the House again, as well as the ten-minute question and answer period.

It being six o'clock p.m., pursuant to order made Tuesday, February 26, 1985, this House stands adjourned until Friday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.01 p.m.

HOUSE OF COMMONS

Friday, March 8, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INTERNATIONAL WOMEN'S DAY

ANNUAL COMMEMORATION

Hon. Walter McLean (Secretary of State): Mr. Speaker, I rise today in recognition of International Women's Day, a day which gives us an opportunity to pay tribute to the progress women have made collectively and individually.

Since the early 1970s when the women's movement began in earnest, women have organized and worked effectively for social and economic change. Since the early part of the century, March 8 has increasingly become a focal point for drawing attention to women's concerns.

Across Canada this week, more than 900 groups representing women from farms to cities are going beyond simply celebrating the day; they are organizing activities around issues that are so crucial to their struggle for equality.

[*Translation*]

This year, International Women's Day has particular significance.

[*English*]

Indeed, it falls in the year marking the culmination of the United Nations "Decade for Women". In July, Canada will join with other countries in a world conference on women which will be taking place in Nairobi, Kenya.

The concerns and achievements of Canadian women will be brought to the conference table and shared with women from around the world who are part of this global struggle for equality.

The concerns of women are many and varied. In Ethiopia, for example, there is the tragic famine. In many Third World nations women are plagued by poverty and illiteracy. Indeed, the needs of women in the developing world are dramatic, but the needs of women in Canada are great too.

Mr. Speaker: With great respect to the Minister, I am now in some difficulty because this is the period for 90-second statements. May I take it that the Minister was rising to seek unanimous consent of the House that we move to Statements by Ministers? Is there unanimous consent for that?

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent. I must advise the Minister that his 90 seconds have expired.

* * *

[*Translation*]

STATUS OF WOMEN

SITUATION OF IMMIGRANT WOMEN IN CANADA

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on International Women's Day, I would like to draw the attention of the House to the lives of immigrant women in Canada. Many are confined to jobs in the lowest-paying industries in our country, services and manufacturing, which employ one-third of immigrant women, compared with one-fifth of all Canadian women and one-sixth of all Canadian men. Language training courses do not always fit in with their working hours, and there is a serious lack of industrial training courses.

Many of these women work in the home and are not eligible for language training because the programs are offered only to individuals who intend to enter the labour market.

There is a great deal to improve in our adjustment and training courses for immigrant women, and I think an approach based on feminine values and a more generous and humanitarian outlook would be advisable for these programs.

* * *

[*English*]

INTERNATIONAL WOMEN'S DAY

SEVENTY-FIFTH ANNIVERSARY—TRIBUTE TO CANADIAN WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to join my colleagues in paying tribute to women around the world and women in Canada on the 75th anniversary of International Women's Day. Women in Canada have contributed much, in building this country originally as pioneers, as farm women, as homemakers, as workers in many fields of endeavour, and as those who perhaps contributed most to the survival of families during the Great Depression, which was followed by the war. We are now in the forefront of maintaining peace as well as contributing to our social and economic well-being.

Our heritage has been enriched, particularly by the contribution of Inuit and Indian women and the different cultures

and viewpoints brought by women from many countries. It has been through hard work of Canadian women that we have achieved victories such as equal pay for equal value, although much remains to be done—legislation outlawing discrimination on the basis of sex, recognition of society's contribution to children through some form of maternity benefits and, if not action, at least acknowledging the lack of truly equal opportunities and the systemic barriers facing women.

We are looking forward to really establishing equality under the Charter of Rights, with sound amendments that will benefit women and implement equality. International Women's Day is a day for reflection.

Mr. Speaker: I must advise the Hon. Member that her time has expired.

* * *

INTERNATIONAL WOMEN'S DAY

CONCERNS OF WOMEN—GOVERNMENT ACTION

Mrs. Mary Collins (Capilano): Mr. Speaker, today we observe International Women's Day, a day which marks the celebration of women's rights, and honours our contribution.

For so long, women's needs and concerns were ignored and excluded from processes of government. It was only 56 years ago that women were recognized as persons under the BNA Act, and the right to vote was granted only nine years earlier. Discrimination still exists in many areas, subtle, often as a result of attitudes.

In the Speech from the Throne our new Government outlined measures aimed at redressing economic and social inequalities faced by women in our country. I am proud to say that we have made substantial progress in addressing these concerns, through amendments regarding spouses allowances, removing the discrimination against Indian women, and with the statements to be made later today on the Abella Report. In this session we anticipate changes to the Divorce Act and the establishment of a parliamentary task force on child care. These are all issues of special though not exclusive concern to women.

We know other social change must occur before women achieve full equality not only in the eyes of the law but in the councils of those who hold power in business, government, and labour.

This morning my 15-year old son said to me: "Mom, why do we have a women's day? I bet we don't have a men's day". I would like to be able to answer him within the next decade—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

[*Translation*]

STATUS OF WOMEN

ECONOMIC EQUALITY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the concept of International Women's Day was first advocated on March 8, 1910, when Socialist International held a conference commemorating the strike by New York women textile workers who, on March 8, 1857, began a labour struggle to improve their working conditions. Women's Day recalls the participation of women in an event unmistakably defined as a clear intent to redress injustices experienced on the labour scene. Today, once again the emphasis is on the economic independence sought by women for years.

Men and women alike are concerned about efforts aimed at making people more aware and promoting justice and equity in our society.

With respect to the status of women, 1985 will be just as significant as 1975 if only because next July will signal the end of the Decade for Women. Women have not achieved all their objectives, but their courage, determination and efforts to stir people have given rise to a new mentality which nurtures our aspirations towards justice and equality.

• (1110)

[*English*]

Initiatives should be undertaken in order to protect our aging population, preserve future generations, and ensure employment equity.

Today we reach out to women across the world and assure them of our support in their efforts—

Mr. Speaker: I must advise the Hon. Member that her time has expired.

* * *

NATIONAL RESEARCH COUNCIL

ENERGY DIVISION ELIMINATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Conservative Government has eliminated the energy division at the National Research Council. The energy division sponsored research and development of renewable energy resources, 70 per cent of which was contracted out to the private sector. It is estimated that some 2,000 small businesses will be drastically affected by the withdrawal of research and development assistance, and that approximately 15,000 jobs will be lost. Per million dollars, invested in alternate energy, twice as many jobs are created as in fossil fuel and nuclear energy projects.

The New Democratic Party is not only concerned about this job loss, but also about the fact that the Government is so short-sighted regarding the potential for Canada's renewable

energy industry on the international market. It is estimated that international sales in renewable energy, including solar, will increase from $3.5 billion in 1985 to $14.75 billion by 1990. Canada now has a fledgling solar industry which exported $4 million in photovoltaic products in 1984. Most of the products exported were developed under the guidance of the National Research Council's energy division. Technologies such as the "light pipe" super window, and photovoltaic water pumps, show considerable promise and are in high demand in developing nations around the world. This is in contrast to the CANDU reactor which is in demand nowhere.

Ironically, Canada is hosting the World Solar Conference in Montreal this June, and 2,000 delegates will see, unfortunately, that Canada has made this new type—

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

STATUS OF WOMEN

REQUEST FOR POLITICAL MECHANISMS TO CORRECT INJUSTICES

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, today we are celebrating International Women's Day. Throughout the country, women are gathering to show their solidarity and to reflect on the themes of our major demands.

The women of Argenteuil-Papineau learned long ago to consult with each other and to solve problems together. I would like to pay tribute to their ongoing efforts in this respect.

Mr. Speaker, since women got the vote, a great deal of progress has been made. However, the fact remains that we are too often obliged to use in conjunction with the concept "rights", the terms "demands", "struggle" and "women". Mr. Speaker, it is also a fact that issues as basic as equal pay, abortion, maternity leave, day care centres, old age pensions, shelters for battered women, rape legislation and sexual harrassment are still the subject of public debate in 1985.

Finally, Mr. Speaker, I would like to see all women make this a day of increased awareness of the status of women here and in other countries, in countries where women are hungry, cold and afraid. Let us hope that this 33rd Parliament will give us the political instruments we need to correct these inequities.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

TRIBUTE TO MINISTER

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today to give hearty congratulations to another woman, the Minister of the Environment (Mrs. Blais-Grenier). Her initiatives in waging war on acid rain put Canada on the cutting edge of environmental protection throughout the world. This Government has attained heights in its first six months that the former government failed to achieve in 16 years.

Canadian automobiles and light trucks will be equipped with emission standards equal to the United States, effective in 1988. The Minister of Transport (Mr. Mazankowski) must also be given credit for his wisdom in endorsing this necessary and vital measure. For the first time in the history of this country, we have some bargaining power to seek cut-backs in the United States.

When the Prime Minister (Mr. Mulroney) meets with President Reagan in Quebec City on March 17 and 18, he will take with him a new mandate supported by every Canadian who fears for our fragile environment. We will reduce sulphur dioxide emissions by 50 per cent by 1994. We will provide $150 million for emission controls at smelters. We will assure $25 million is used for technological development. We will investigate increased use of low sulphur coal from western Canada. We will organize an acid rain office to co-ordinate new policy.

I advocate the reconstitution of the federal sub-committee on acid rain to monitor the progress of this war we are waging. There will be many battles before the war is won—

Mr. Speaker: I must advise the Hon. Member that his time has expired.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INTEREST RATE LEVELS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, we don't seem to have much of a front bench. I see the Minister of Finance is not here.

An Hon. Member: Speak for yourself.

Mr. Johnston: The Prime Minister is not here. I see the President of the Treasury Board is arriving.

An Hon. Member: What about your front bench?

Mr. Johnston: Mr. Speaker, we are not the Government, and we expect the Government to be present. I must say that I am a little surprised, in view of the economic circumstances and the escalation in interest rates which we saw yesterday, that we do not have the Minister of Finance in the House. I will direct my question to the Deputy Prime Minister.

We have seen the bank rate rise to just under 12 per cent. The Minister of Finance has constantly and repeatedly said that this is a temporary matter, and "wait until March". Well, we are in March.

An Hon. Member: Yes, the ides of March.

Mr. Johnston: The trend is clear. We have had six consecutive weeks of interest rate increase, and the Government steadfastly refuses to act. We have the impression that this is a Government of handwringers, that the Ministers are out there wringing their hands. That is not what Canadians thought they elected back in September of last year. The economic summit is not necessary to tell us that increasing interest rates are the most serious problem facing the economy of the country. I plead with the Government, through the Deputy Prime Minister, on behalf of home owners, farmers, fishermen, the unemployed, and small businesses, to use his good offices to ensure that action is taken immediately to stop the escalation in interest rates.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the last time I wrung my hands was when the former Finance Minister in the Liberal Government brought down his Budget.

I should like to point out to the Hon. Member that this morning we have a modest recovery in the Canadian dollar and that we have some better news on the unemployment front because the people of the country have confidence in the Government. We will see the change in interest rates for which we are all hoping.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am glad to see that the Minister of State for Finance is here. I wish they were wringing their hands, because at least they would be doing something. In fact I believe they are probably wringing their hands.

[*Translation*]

Mr. Speaker, a year ago on March 20, the present Minister of Finance asked my colleague at the time, the Hon. Marc Lalonde, some questions. He said, and I quote:

> Will the Minister, on the strength of his convictions, stand up and offer his resignation if the Government's policies do not stem the slide in the Canadian dollar which today hit an 18-month low of 78.06 and was only stopped by massive intervention on the part of the Government?

I would therefore put the same question to the Minister of State (Finance). If a year ago, the resignation of Mr. Lalonde would have been appropriate, does the Minister of State believe, considering the economic situation in this country and the lack of confidence shown by the Prime Minister, that the Minister of Finance ought to offer his resignation?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, perhaps if Mr. Lalonde had resigned we wouldn't be in as big a mess as we were when we took over the Government.

The Minister of Finance has the confidence of the Canadian people. He has expressed, in the House many times, his concern over interest rates. None of us like rising interest rates. We have reflected to the other side of the House that the strength in the U.S. dollar has been unique and has affected the currencies of all western nations, including Canada. The interest rate policy of the Bank has been to pursue a moderate, stabilizing influence.

EFFECT OF INTEREST RATES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, would the Minister of State for Finance tell us in concrete terms what advice she would offer the home owner whose mortgage is coming up for renewal, and the small-businessman who is basically labouring under increasing interest rates every day and is afraid to make capital investments?

• (1120)

I am not satisfied to stand here and hear this nonsense about last year, when we had one of the strongest growth records, delivered by a Liberal Government, of 4.7 per cent, and the lowest inflation rate of 3.7 per cent, better than the United States. What advice does the Minister have today to offer those people who are suffering every single day and who are not able to plan their future because of these escalating interest rates?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, Canadians have expressed their confidence in the future. Small business with which we have been discussing many of our policies, has expressed its support for what we are doing about bringing down the deficit. The best thing we can do for Canadians is return an atmosphere of confidence, which we are seeing all over the country.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to pose a question to the Deputy Prime Minister and Minister of National Defence. Yesterday we heard a plea from the Secretary-General of the United Nations that Canadians not become captive to the new nuclear technology. Today we are honouring International Women's Day. We know that no cause unites Canadian women more than their plea that Canada not contribute further to the arms race. In the spirit of those messages, I would ask the Minister of National Defence whether he thinks it is now time for the Government to reconsider its support for the U.S. star wars initiative.

In particular, because of a further apprehension raised by Mr. Nitze in Ottawa two days ago about the linkage between the radar agreement and star wars, will the Minister agree that no signing of any agreement should take place until there has been a thorough review by Members of this Parliament? Can he give us an assurance that the Government will not sign an agreement until Parliament has fully examined the conditions of that agreement?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the short answer is no. I am really surprised that the Hon. Member continues knowingly to distort the Government's position with respect to EDI, which he knows as well as the rest of us is a research project, and continues to distort, as do others, what was said by Ambassador Nitze. I am sure he will be up to date—

An Hon. Member: Read from *The Globe and Mail.*

Mr. Nielsen: No, I will not read from *The Globe and Mail.* I will read from the official news release put out by the United States embassy on March 7, where the news release speaks of the comments of Ambassador Nitze.

Mr. Waddell: Are they writing your briefing notes now?

Mr. Nielsen: It is a copy of the press release, not of my briefing notes, which the Hon. Member, if he were up to date, would have in his own possession.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The quotation from that release is as follows:

> With regard to the upgrading of the DEW Line and its replacement with the North Warning radars, the Department can state clearly and categorically that the North Warning System being planned by Canada and the United States is not part of the Strategic Defence Initiative Program.

The Government having said that, and the United States having said that, the Hon. Member should cease this constant distortion of the actual facts.

Some Hon. Members: Hear, hear!

SIGNING OF POSSIBLE CANADA-UNITED STATES AGREEMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to direct a question on the same subject to another Minister. Let me ask the Secretary of State and Minister responsible for the Advisory Council on the Status of Women, knowing as he does personally the very deep concern that women in this country have about the cause of peace, and recognizing that his colleagues are so far stonewalling any effort to have at least a parliamentary review of these major conditions, will he undertake on behalf of women in this country to represent to his colleagues the argument that there should be no agreement signed until Parliament has had the opportunity to review and determine if there are any linkages at all to the new American defence strategy as announced by Caspar Weinberger, the U.S. Secretary of Defence? Will he give us the assurance that at least he will do something about the arms race and the support the Government is giving to it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member simply will not accept the blunt statement of facts that has been given to him, both by the Government and by the United States, that there is no linkage. Having said that, I refer to the answer that I gave to his first question. The answer is no, there is no justification for following that process now.

• (1125)

STATEMENTS ATTRIBUTED TO UNITED STATES OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question on the same subject. It is certainly interesting to hear Liberal Members, now that they are on the opposition side, calling for debates in the House before agreements are signed.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Talk about unmitigated hypocrisy. We have just heard it.

Mr. Axworthy: Are you just a cheap-shot man?

Mr. Broadbent: I know a hypocrite when I see one.

Mr. Axworthy: I know a cheap-shot artist when I see one.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: It is the Members' time. How they use it is their choice.

Mr. Broadbent: Mr. Speaker, my question is to the—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Would Hon. Members please let other Hon. Members ask questions? If they do not, they will not be able to ask questions.

Mr. Broadbent: Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. He has just indicated that there is no link at all between the star wars concept, the policy of the American administration. He has indicated that the U.S. Government has specifically denied this connection.

Not many days ago Mr. Paul Nitze, a senior official of the American Government, while in this city, said that it remains to be seen, and prior to that the U.S. Secretary of Defense said that the updating of the DEW line is an integral part of the backup system for the star wars concept. How does the Deputy Prime Minister square these two statements, which do make a connection between the modernization of the DEW line and the star wars project, with the statement put out by the U.S. embassy yesterday or the day before?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, they are entirely consistent. I will show the Hon. Member, who obviously has not read a copy of this press release put out yesterday, the only inconsistency it contains. The only confusion or misconception is in the minds of the members of the Opposition and, I am afraid, also in the media. There is no linkage to the future of the SDI system. The Secretary of State for External Affairs has said that repeatedly, and we have a press release here which sets that out very clearly. The press release goes on to indicate:

We believe that these reports have been misleading. In responding to a hypothetical question, in Ottawa yesterday, Ambassador Nitze was merely pointing out that the President's Strategic Defence Initiative is a research project and that it is impossible at this time to predict what decisions will or will not be made at a considerably later date on any actual development or deployment.

REQUEST FOR PARLIAMENTARY DEBATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is a research project that the U.S. Secretary of Defence has said involves an inextricable link with the modernization of the DEW line. I do not care what was said yesterday. There is a conflict between what was said yesterday by the U.S. Government and what the U.S. Secretary of Defense said. We on this side of the House want clarification of that.

If the Deputy Prime Minister is so certain that there is no connection, I would ask him, in the name of democracy, and because of the seriousness of the issue, why the Government does not bring a proposed treaty before the House of Commons for debate and discussion before it is signed by the two Governments.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the difficulty is that the Hon. Member, and others who are asking similar questions, continue to refuse to accept the statements made by the Canadian and U.S. Governments.

Mr. Axworthy: Let's see it.

Mr. Nielsen: I see that the former Minister is nodding in agreement. He spoke about linkages between SDI and the North Warning System. He was a member of the Government which started the negotiations on the upgrading of an outdated system, not this Government.

Mr. Axworthy: We didn't sign an agreement.

Mr. Nielsen: I simply emphasize once again that the North Warning System, as we have said, and as the United States is saying, is being planned by Canada and the United States not as any part of a Strategic Defence Initiative's program, which is purely a research program.

● (1130)

NORTH WARNING SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister has certainly proved that he can read the same statement over and over again in the House. That is encouraging.

Considering that senior officials in the United States,—and I am not denying what they have said—including the U.S. Secretary of Defense, and Mr. Nitze, have said something to the contrary, namely, that they see a linkage between the two systems, and considering that the whole world, not just Canadians, is concerned about the star wars concept, why will the Government not do the correct thing, and bring all of the proposals before the House so that we can see what the details are, before an agreement is signed?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member's problem is that he continues to reject what Mr. Nitze has said, which has been verified by the United States Government.

Mr. Broadbent: No, I do not.

Mr. Nielsen: There is no conflict. There is no linkage. The North Warning System is exactly what its name implies. It is an early warning system to account for intrusions over our sovereign territory. The SDI is a research project which has no linkage whatsoever to the NWS. We have said that, the U.S. has said that, and if the Hon. Member chooses to reject that, that is his prerogative. But, I rather suspect his motives in doing that, as I do those of the former Liberal Minister.

* * *

STATUS OF WOMEN

CHILD CARE—THRONE SPEECH DECLARATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister responsible for the status of women. In light of the Throne Speech commitment to accessible and affordable child care, and the Minister's announcement that he would be consulting with his provincial colleagues on the mandate for a parliamentary task force on child care, and after five months of inaction on addressing this primary building block, where is his commitment to the principle of the right to work and effective equal access to the labour market for women?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member has raised an issue which is of importance to the women of Canada and to this Government. I am happy to report that I have been holding consultations on this matter with my provincial counterparts in recent months. As the Hon. Member knows, the delivery of child care is principally done through provincial vehicles, so without consulting the Provinces and reaching some agreement regarding the frame of reference of the parliamentary task force, the possibility of achieving what we all wish—affordable and accessible day care—would not be the outcome of the parliamentary task force. It is anticipated that my colleague, the Minister of National Health and Welfare, will announce the frame of reference for that task force in the weeks to come.

COOKE TASK FORCE RECOMMENDATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am sure the Minister is aware that Canada has signed the United Nations Convention on the Elimination of Discrimination, and that part of that convention is the inclusion of child care services. In light of the forward move which the Minister has just announced, would he share with us the task force decisions which were made by the Katie Cooke child care task force? Will he share that information with us? If so, when will it be tabled?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I should mention to my colleague that, over the past decade, this has been an issue on the public record, and the previous Government did not distinguish itself with movement in this area.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Who set up the task force?

Mr. McLean: The task force, which was headed by Dr. Katie Cooke, will report to me at the end of this month. After a period of one month, which will be used to study the report, the report will become a base document for the parliamentary task force.

EMPLOYMENT OF WOMEN—GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, in the absence of the Prime Minister, I would like to direct a question to the Secretary of State who is responsible for the status of women. The Minister may be aware that the Jobs Action Group of the NDP caucus has met with groups across the country and that the principal recommendation coming from those hearings concerned the effect on women's employment of cut-backs in the service area—health jobs, welfare jobs, and so forth. Many women have told us that they do not want to move into the non-traditional areas, and that they want to keep their jobs because they think they are important.

Would the Minister explain if it is government policy to attack women's jobs? Is he aware of the disproportionate effect on women that restraint policies have? Is this a good policy for the status of women and for the jobs which women want?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member will know that it is quite clearly the policy of the Government, both in its job-creation programs and in its over-all direction, to see that women and other target groups will not be disproportionately affected by the necessary cut-backs. As Minister responsible for the status of women I have been in touch with my colleagues who have direct program responsibility, and I have asked them to be particularly sensitive about those implications. If there are further questions on this subject, I think my colleague, the Minister of Employment and Immigration, will be able to speak to them directly as they relate to employment initiatives.

RESTRAINT POLICY INQUIRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I would like to direct a supplementary question to the Minister of Employment and Immigration. Is the Minister aware of a Canadian government paper which was delivered to a UN-sponsored conference on women in the economic crisis, in Vienna, which specifically said that as Governments cut jobs or restrain wages in jobs, women would be more affected than men? Losses mean not only less women's jobs, but also less better jobs which women can get. I have also pointed out that the job-creation programs of the Government were not directed toward jobs for women, but were disporportionately directed toward jobs for men. Is it the policy to cut these jobs? If not, how will the Minister make up for the disproportionate effect which women will suffer as a result of the so-called restraint policies?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know that employment and unemployment figures are not always ones which the Hon. Member wants to hear, but I would advise her that, in actual terms, between January and February, the last month for which statistics have been reported, 61,000 more women entered the labour force. Of that number, 53,000 obtained jobs, the great majority of which were full-time jobs. That is the largest increase for some time.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PENSIONS

CHAPTER 3 OF PENSION REFORM REPORT

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, in the absence of the Minister of National Health and Welfare, my question is directed to the Deputy Prime Minister.

During the election campaign, the Prime Minister said:

[*English*]

Our commitment is clear and irreversible... We are committed to the concept of a homemaker's pension within the Canada Pension Plan; we believe it is a fiscally sound proposal and will urge the provinces to give it their consent. Women should have, in their own right, a measure of future security.

[*Translation*]

Does that mean that this Government is going to be encouraged to implement the recommendations of Chapter 3 of the Report on Pension Reform?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we are well aware of the statements which we made during the last election campaign, those statements being our objectives to achieve within our first mandate. The one concerning which the Hon. Member

has raised a question is under review, and I would suggest that she exercise patience and allow us to get into that mandate for the purpose of achieving those objectives.

[*Translation*]

NATIONAL ECONOMIC CONFERENCE—PENSIONS

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my supplementary is directed to the Minister of Employment and Immigration. I must say I am rather disappointed with the answer. The House is aware that the Prime Minister will be meeting several employer and labour organizations on the twenty-second and twenty-third of this month at the National Economic Conference. Could the Minister give the House a guarantee that the subject of pensions will be put on the agenda?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am not responsible for the agenda of the national economic conference, but I can assure the Hon. Member that there will be issues of great relevance to women discussed at that conference. Certainly the question of pensions and pension reform is being discussed by the Minister of National Health and Welfare with the provinces at the present time, and indeed, in his over-all discussions. It is also on the agenda for discussion during the conference which the Minister responsible for the status of women is holding. So I can tell the Hon. Member that this Government, which is committed to moving ahead with pension reform, will be taking steps which the former Government, unfortunately, shirked.

* * *

● (1140)

CONSUMER AFFAIRS

REQUEST FOR OUTLAWING OF TAX DISCOUNTERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. At this time of year many women who have children are the victims of predatory tax discounters who pocket 15 per cent of an advance on the family child tax credit which poor people desperately need. That is why they go to them in the first place for an advance. Will the Minister tell us when he will introduce legislation to outlaw tax discounters and protect low-income Canadians, particularly women, from such gouging practices?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to reassure my colleague by telling her that we have undertaken a consultation process, particularly with the provinces and various interest groups, and that we intend to introduce legislation in the near future. In the meantime, however, my colleague the Minister of National Revenue has speeded up the process to cushion the disastrous impact of that situation.

[*English*]

REQUEST FOR LEGISLATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Liberals procrastinated, and now this Government is doing the same thing. We don't need more consultation. Women are going to tax discounters today. What is the point of reforming child benefits, as we are doing now in committee, if usurers take 15 per cent of the benefit? Why can the Minister not bring forward legislation right away? There is enough evidence to show that this is needed.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I must tell my colleague that it is simply because the Government wants to consult the Canadian people and make the decisions they expect in their best interests.

* * *

[*English*]

TRADE

INCREASE IN EXPORTS—FREE TRADE PROPOSAL

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of Finance and, in his absence, to the Minister of State for Finance. A recent report by Statistics Canada indicates that there is an increase of 23.4 per cent in our industrial productivity in Canada. This increase has been attributed to the fact that the United States economy has improved and we are selling it more of our goods in United States markets. Does the Minister believe that this trend is going to continue? And should we have a free trade arrangement with the United States?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to reflect a little bit on some of the things which have happened. An OECD report noted recently that Canada has risen from thirteenth to seventh place among the industrialized nations.

Some Hon. Members: Hear, hear!

Mrs. McDougall: We did have a $2 billion trade surplus that indicates our capability to compete, which certainly puts us in a much stronger position as we negotiate our trade relations around the world. I expect the productivity gains to continue because we are seeing an upsurge in confidence among Canadian businessmen who are going out around the world to attempt to compete even more.

[*Translation*]

STATUS OF WOMEN

REPRESENTATION OF WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister responsible for the status of women.

During the last election campaign, the Prime Minister promised to increase up to 30 per cent the representation of women on boards of directors, commissions, agencies and Crown corporations. What did we get? Few if any women have been appointed as executive assistants or Deputy Ministers, and women account for only 5 per cent of all Government appointments to key positions.

Can the Minister explain to the House why women are one of the minor concerns of the Government, contrary to the claims made by the Prime Minister during the election campaign?

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member I would like to remind her that, of the recent changes in senior personnel within the Public Service, 20 per cent of those appointments went to women, which is a beginning of a process. I would like also to assure the Hon. Member that, in the process of cabinet appointments, this is a high priority, and in the months which lie ahead the Government will be announcing a number of key board appointments. This morning I met with key managers in the Public Service Commission, from across the Departments, in order to affirm to them the importance the Government places on the elevation of women into key managerial positions.

* * *

EDUCATION

FUNDING OF POST-SECONDARY INSTITUTIONS—EFFECT ON WOMEN

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is also directed to the Secretary of State responsible for the status of women and for post-secondary education. Does the Minister realize that the enormous cuts in education which are taking place across the country have a particularly adverse effect on women? Does he also realize that the approximate $100 million which was slashed from post-secondary education in British Columbia is in direct violation of a moral commitment to spend the money from the federal Government on post-secondary education? When is the Minister going to make it possible to ensure that federal transfers to the provinces for post-secondary education are spent on post-secondary education in the provinces?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member who shares the concern of myself and this Government for the viability of Canada's post-secondary institutions, let me assure her that I have been meeting with the Ministers of Education from across the country. I have now had three meetings with them in an effort to come to a consensus regarding the funding of post-secondary education. It is my intention, and the intention of this Government, to go back to the drawing board with the provinces in order that the concerns which are reflected by university administrations, faculty, and students, are addressed in the funding which is made available from the levels of government.

LEVEL OF PROVINCIAL EXPENDITURES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, these continuing consultations are too late for the President of the University of British Columbia. He has resigned in despair at the situation in that province because the federal Government will not speak out. When will the Minister not only carry on these consultations but publicly denounce the fact that the provinces, particularly British Columbia, do not spend the money intended for education, on education? When will the Minister speak out publicly on this issue? And when will he present to this House of Commons the kind of goals and standards for education which we think a Minister in his position should be able to espouse?

Hon. Walter McLean (Secretary of State): Mr. Speaker, through you to the Hon. Member, I might remind her that, in her selective memory of the circumstance, she may have forgotten that it was the amendment of this Party in opposition to Bill C-12 which sought to bring about the accountability in terms of the financial transfers which are made, which was not there in the agreements which were laid out.

Ms. Jewett: It's absolutely toothless.

Mr. McLean: It is our intention now, in the discussions with the provinces, to bring about a sense of accountability for future arrangements.

* * *

EXTERNAL AID

SUDAN—FOOD CRISIS—CANADIAN ASSISTANCE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister for External Relations. Will the Minister advise the House what response the Government will make to the food crisis in the Sudan, exacerbated as it has been by so many Ethiopian refugees? In particular, will the Minister tell us if the Government intends to appoint any full-time officials to protect such a Sudan relief program from the kind of abuse suffered in Ethiopia?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I thank my colleague for his question. We had appointed a co-ordinator last fall and, at the same time, established an emergency fund for Africa. I might point out

that Ethiopia has been one of our concerns and the emergency fund was intended as well to cover food assistance for Sudan. Mr. MacDonald just came back from Sudan and is expected to produce a report which will likely recommend assistance to meet the new needs in Sudan.

* * *

• (1150)

REGIONAL ECONOMIC EXPANSION

GOVERNMENT AID—BÉCANCOUR

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the President of the Treasury Board. As the House is aware, we have been trying for two weeks to persuade the Government to assist the Domtar project in Quebec in order to ensure the continued existence of thousands of jobs, and we are still waiting. Instead of reacting positively to our request, the Government is now depriving another region of Quebec, Bécancour, by refusing to finance or assist the oxysynthesis project, despite the fact the project has been approved by the Foreign Investment Review Agency and is a development priority for the Government of Quebec.

Mr. Speaker, I would like to know when the Government is going to find its feet and whether the Minister can inform the House whether workers in Bécancour can count on the Government's assistance in carrying out this major industrial project in a region that has a pressing need for such projects.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as far as information on the oxysynthesis project is concerned, I can inform the Hon. Member that I will make sure his question is passed on to my colleague, the Minister of Regional Industrial Expansion, who will be able to give him a more detailed explanation than I am able to do this morning.

Regarding his long preamble to the question about Domtar, I think my hon. friend is well acquainted with the Government's position and that he knows perfectly well the Prime Minister is meeting the Premier of Quebec on this very day and that this particular subject is on the agenda. Furthermore, I think the Hon. Member is also aware the Government has indicated that, aside from the direct subsidy suggestion, it is prepared to support other options that might be discussed with respect to the Domtar project.

REGIONAL DEVELOPMENT—GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Minister whether the Government is finally going to bring in a consistent regional development policy instead of proceeding by means of decisions that are haphazard, arbitrary and ignore the provinces' priorities. Are we finally going to see where the Government stands and what its criteria are for regional development? It is extremely important for Canadians to know this, and the oxysynthesis project is a case in point.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in listening to the Hon. Member's comments, one would almost think this is his first time in the House since a new Government was elected.

He says we are ignoring provincial priorities and industrial development. We have just signed a number of agreements, including a general agreement worth $1 billion with Quebec and subsidiary agreements on industrial, tourism, agricultural and forestry projects with Newfoundland. Is this neglecting the provinces' priorities? We have an industrial development strategy based on the creation of permanent jobs, instead of the makeshift programs for creating temporary jobs that we have had during the last ten years.

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REGIONAL ECONOMIC EXPANSION

REQUEST FOR CLARIFICATION OF GOVERNMENT DECISION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the same Minister on the same subject. As Member for Windsor, albeit Windsor in Ontario, I am interested in the Domtar file. This week, as it happened, the same decision was made concerning the oxysynthesis project as in the case of Domtar. We need to have an explanation now about the Government decision which might strike a blow to Quebec's economy and about which the Progressive Conservative Member for Richelieu was not informed. Why did the Government take that decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I must give my colleague the same answer to the same question asked by my other colleague. I will convey it to the Minister of Regional Economic Expansion the moment he gets back, and he will undoubtedly be able to provide satisfactory explanations and say why a grant request for a project was turned down, in all likelihood in accordance with the specific standards of the program under which the grant application was filed.

Mr. Speaker: A very short supplementary.

[*English*]

Mr. Langdon: Mr. Speaker, you cannot go on governing from Bangkok.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): Will the Minister tell us why the Government had made a decision to protect

a foreign company, Dupont, at the expense of jobs and income in Quebec? Why did the Government make that decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is reaching conclusions which are very far from the topic at hand. I do not see how he can affirm, with such categorical and definite statements, that that decision in any way deals with any other than the question at hand, that of the request for a grant or subvention to the firm in question in Quebec.

* * *

AGRICULTURE

MARITIME FARMERS' REQUEST FOR AID

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Minister of Agriculture I will direct my question to the Minister responsible for the Treasury Board. As the Minister well knows, the pay-out under the Western Grain Transportation Act is approximately $600 million. Under the Western Grain Stabilization Program the pay-out is approximately $600 million annually.

My question is with regard to fairness. The farmers in the Maritime region of Canada are requesting a mere $13.5 million because of the emergency situation with which they are now confronted. Does the Minister think it is fair that there has been no action on that particular file?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am sure that the question is under very active consideration by the Minister of Agriculture. Knowing my colleague to be a very fair man, I can assure the Hon. Member that the solution will be equally fair.

TIMING OF DECISION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in view of the Estimates that the Minister has placed before the House of Commons with regard to the high expenditures in the Prime Minister's office, and a host of other expenditures, would the Minister agree to give the House an undertaking to have a decision by March 15 so that the farmers in the Maritime region will be able to set their economic agenda for the rest of the year?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, sometimes my Estimates are too high, sometimes they are too low. They are all over the map. However, I can assure the Hon. Member that the decison on those matters will be made as soon as possible to ensure—

Mr. Tobin: Timely.

Mr. de Cotret: Timely is a very good word. It will be made in a timely manner to ensure that the farmers in that part of the country are aware of the situation they are facing.

UNEMPLOYMENT INSURANCE

SEVERANCE PAY MEASURES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Severance pay to be used against unemployment insurance benefits will come into effect on April 1 of this year. The NDP task force on jobs travelled around the country and discovered that many people are appalled at this change. Will the Minister tell the House whether she is prepared to reconsider the implementation of such a program on April 1? Will she, in fact, postpone it?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, notice of these changes was given in the economic statement by the Minister of Finance on November 8. At that time I undertook to consult with Member of Parliament, including the Hon. Member for Nickel Belt. I then received representations to postpone the introduction of these measures until certain dates. On December 21 I announced that they would be phased in over a period of time, beginning on April 1. That decision stands, having been assisted, I may say, with advice of Members in the opposition Parties.

PURPOSE AND TREATMENT OF SEVERANCE PAY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I would like to remind the Minister that we on this side of the House advised her that there is a very important principle involved in severance pay. Is the Minister now prepared to comment on, and will she accept, the principle that severance pay in fact has nothing to do with labour given in an employer-employee relationship, and that it in fact is to make up for the hurt to the employee when he is laid off?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the measures that I announced take into consideration that, under the Unemployment Insurance Act, severance pay and pensions will be treated as income in connection with unemployment insurance, like every other kind of income.

Mr. Rodriguez: There is a principle involved.

* * *

HOUSING

RRAP PROGRAM FUNDING

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, unless we receive clarification this morning, Canadians can only come to the conclusion that they have been misled with respect to RRAP cuts. My question is for the Minister responsible for CMHC. On November 8 the Minister of Finance announced RRAP cuts of 25 per cent, or $29 million for fiscal year 1985. In fact the cuts range from 45 per cent in the Province of New Brunswick to 11 per cent in the Province

of Ontario, for a national average of 36 per cent and a savings in excess of $50 million across the country. Will the Minister confirm those figures? Can he explain the massive disparity in cuts among the regions, under the RRAP Program?

• (1200)

Hon. Bill McKnight (Minister of Labour): No, Mr. Speaker, I will not confirm the figures that the Hon. Member has used, because they are inaccurate. He is correct in his first assumption that there was a reduction of RRAP announced in the economic statement of November 8. I am sure Members of the House are aware that that reduction occurred because of financial necessity when we took over government from the Party which the Hon. Member represents.

I would also inform the Hon. Member that, if he compares the needs-based study, and removes the special allocation, sometimes called "election year allocation", for RRAP with respect to certain regions in Canada, he will find that across Canada the reduction will be of the order established in the Minister's economic statement.

Mr. Speaker: A short supplementary.

NON PROFIT CO-OP SOCIAL HOUSING

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I note that those numbers were from his office this morning. Will the Minister also confirm that the Government is totally abandoning RRAP assistance worth $5,000 per unit to non profit co-op social housing, housing that is particularly important to senior citizens in the inner cores of our country's cities? I will tell the Minister before he answers that I got that information from his office as well this morning. There are zero dollars in the budget for non profit social co-op housing, housing that is important to senior citizens.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I find it strange that the Hon. Member alleges that he already has answers to these questions but puts them anyway. I would inform the Hon. Member that Section 56(1) with respect to non-profit and social housing—

Mr. Tobin: There is no money.

Mr. McKnight: The Hon. Member says there is no money. I can assure the Hon. Member that this Government's reductions will be considerably less than the 43 per cent by which his Government reduced funding under Section 56(1), particularly to those in the co-op housing field.

* * *

CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, March 6, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT

EQUALITY IN THE WORKPLACE

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, today is a landmark for this Government and indeed for all Canadians. Today we are taking a major step: we are opening doors to opportunities and to equality in the workplace.

Some Hon. Members: Hear, hear!

Miss MacDonald: I am sure that Members of the House will know of my long-standing commitment to equality. They will know that I have long dedicated my energies to the issues that I address today.

[*Translation*]

That is why I have the rare privilege of rising in the House to announce the measures this Government will take in response to the recommendations of the Royal Commission on Equality in Employment.

[*English*]

In her report which I tabled in November, Judge Rosalie Abella coined the phrase "employment equity". That phrase is short and simple but it singularly expresses the goal of this Government in promoting equal opportunities for women, for native people, for disabled persons and visible minorities—promoting equity in the workplace.

There are some plain facts that face us in this country today. It is a fact that women, on average, earn only 64 cents for every dollar earned by men. Fully 77 per cent of women are found in only five of the 22 major job categories, those at the bottom of the salary scale. It is a fact that the recently released study *Who Gets The Work* pointed out that "whites have three job prospects for every one for blacks". Fact: among employable disabled persons, 50 per cent are unemployed. Fact: in many native communities unemployment is higher than 70 per cent.

As a country, we cannot afford to exclude these Canadians from full participation in the workplace. We need their contribution to the economic renewal and the growth of this country. In the past, lip service has been paid to the concept of equality in the workplace. It has been talked about, studied and worried about. What we need is action. That is what I am announcing today.

This Government will require Crown corporations, federally regulated businesses and contractors providing goods and services to the federal Government to implement employment equity. Crown corporations will be required to report annually to Parliament on their plans and progress, beginning in 1986. Federally regulated businesses with 100 or more employees will be required by legislation to report annually to Parliament on their plans and progress with a three-year phasing in period to establish the necessary information and data systems.

Businesses seeking Government contracts for goods and services of $200,000 or more will have to show their compliance or stand to lose their right to compete for government business.

[*Translation*]

The approach we have chosen will enable companies to develop plans compatible with their individual needs. There will be no major administrative costs or unnecessary and heavy-handed intervention.

[*English*]

We are not creating a massive bureaucratic enforcement agency and we will not impose an unwieldy set of rigid procedures. Instead, we will draw on the energies and inventiveness of employers in removing barriers that now stand across the path of visible minorities, of women, disabled persons and native people. The means are flexible but the goal is fixed: employment equity.

[*Translation*]

Mr. Speaker, for the first time, disclosure of the results obtained will be compulsory. For the first time, all information will be made public. Public scrutiny will be a precious tool since it will provide an incentive for obtaining genuine and tangible results.

[*English*]

With this information in hand, the powers and authorities of the Human Rights Commission can be properly exercised. When action is needed to ensure equity in the workplace, action will be taken.

The Government will be discussing these measures in the next few weeks with representatives of visible minorities, business, women, disabled persons, labour and native people. We will be telling them, as I am informing the House today, that this Government is committed to action and that we expect results.

Some Hon. Members: Hear, hear!

Miss MacDonald: Equally important, we will be seeking their views on legislative measures to be introduced into the House by June of this year.

With regard to equal pay for work of equal value, the Government must first set its own house in order and this has not been done. We are committed to doing so. To that end my colleague, the President of the Treasury Board (Mr. de Cotret), is inviting the Pubic Service unions to join us in developing an implementation plan for equal pay for work of equal value. I understand that he expects their preliminary report by June 30 of this year.

In total, the measures I have announced today will touch the working environment of over one million Canadians. This is a first and major step but I do emphasize that it is only the first step. We will not be satisfied until the goal—the concept of fair access and equal opportunities for advancement—is a reality from coast to coast, from the shipyard to the assembly line, to the corporate boardroom. We will remove the barriers that restrict the economic future of so many Canadians. Our economic development, the development of this country, depends on and demands the full participation of all. Give Canadians real opportunities and they will get the jobs. Give them the jobs and they will create wealth. Generate wealth and there will be economic growth, and economic growth will develop more jobs.

• (1210)

[*Translation*]

Jobs in all sectors of industry, in companies large and small. I would like to add at this point that small- and medium-sized businesses will not be obliged to comply with the measures announced today. However, we are confident that they too will implement employment equity measures since they are also anxious to reap the benefits of increased productivity.

[*English*]

The few people in business, Sir, who indeed have already adopted employment equity have told me that they have seen substantial growth in their productivity, in their profits and most importantly in their people. The value of investment, not just in plants and machinery but in people, was clearly recognized at the First Ministers' conference in Regina. There we embarked on an entirely new approach to labour market development. Fundamental to the new direction that was taken at that time is equity. Fair access for all Canadians to new training and new employment opportunities. This strategy will tackle head on the problem of trapping minorities in employment ghettoes. We will tackle head on the critical problem of job re-entry for women.

The measures I am announcing today in response to the Abella report will join those efforts announced earlier in a comprehensive attack on barriers to equity in the workplace. These measures are a major step forward in the progress of economic renewal. More than that, this is a step forward in the pursuit of economic justice. It is a step that will help to ensure that the benefits of growth and renewal will be shared by all Canadians.

Some Hon. Members: Hear, hear!

Miss MacDonald: This is another step toward a better future for Canada, a future of opportunity, a future of equal opportunity.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, as the employment critic for the Liberal Party, it is my responsibility to comment on the statement just now made by the Minister in the House, a statement which she alleges to be, and we agree, on a very important subject. I must tell you, however, Mr. Speaker, that I am not able to make the comments that are required because, contrary to all practice and contrary to the promise of the Minister, I did not receive the statement until 11.15 a.m. after the Question Period had started.

Some Hon. Members: Shame!

Mr. Allmand: The Minister had promised to let me have that statement at nine o'clock this morning, and I had set aside the full morning to examine it so I would be prepared for this reply. It did not arrive at 9.30 a.m., it did not arrive at 10.00 a.m., it did not arrive at 10.30 a.m.; it arrived after the Question Period had started.

Some Hon. Members: Oh, oh!

Mr. Allmand: That Party talks about parliamentary reform. What a farce that is! The Government has a majority. It has 211 seats to 70 in the Opposition, yet the Government stacks the deck on every occasion against the Opposition.

Mr. Foster: Dirty pool.

Mr. Allmand: The Government talks about wanting to have better debates in this House, yet the Government did not deliver the document, the basis of the debate, until Question Period had started and we were occupied with other things.

Some Hon. Members: Shame!

Mr. McLean: Where were you this morning—

Mr. Allmand: I was here, Mr. Speaker.

Mr. McLean: Where were you this morning when we wanted unanimous consent?

Mr. Allmand: We would not give that unanimous consent because the Government did not produce the document that was to be discussed.

Worse still—and I want to give you notice, Mr. Speaker, of a question of privilege—this document was delivered to the press before it was delivered to Members of Parliament. I checked that. The Government could get the document to the press but the Government could not get the document to Members of Parliament.

Mr. Foster: That is trampling on Parliament.

Mr. Allmand: That is the real attitude the Government has to Parliament. The rest is rhetoric and media politics. That is all we get out of that Government.

With respect to the statement, we cannot, as I said, give the subject matter the attention it should have at this time. There are, however, some forward steps in the statement. We are pleased for those forward steps. They are the fruition of what was begun by the former Liberal Government in passing the Human Rights Act, sometimes against opposition on the other side, and in bringing in the Charter of Rights, in particular the equality sections that will go into effect on April 17.

When the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) appointed Judge Abella to carry out this commission, the initiative was indicative of the Goverment of Canada's commitment to increase the employability and productivity of disadvantaged groups. The commission of inquiry was to examine and report on ways to assist women, native people, disabled individuals and visible minorities to compete on an equal basis for employment opportunities. The Member also stated on that occasion that the elimination of systemic discrimination is essential to ensure that there is full participation of all Canadians in the public and private sectors. The growth of the Canadian economy depends on such participation. That was when the Member for Winnipeg-Fort Garry appointed Judge Abella to carry out that commission on July 27, 1983.

Despite the fact that there are some positive steps announced by the Minister this morning, the document falls short of what Judge Abella recommended and it falls short of the promises made by the Prime Minister (Mr. Mulroney) and the Conservative Party during the election campaign.

I have read the statement quickly. Some parts are vague and will need much clarification. We will be asking for some clarification this morning during the question period that follows.

One of the main points that Judge Abella makes in her report was that voluntary action was not working and we needed legislation.

Let us examine what the Minister has announced. She says that Crown corporations will be required to report annually to Parliament on their plans and progress beginning in 1986. But in another document which the Minister of Employment and Immigration gave us at the last minute, she says there will be no legislation.

Miss MacDonald: We don't need legislation.

Mr. Allmand: I am interested in knowing how the Minister intends to oblige the Crown corporations to do what she wants them to do. I would like to know what the sanctions are, and why she did not bring in legislation such as Judge Abella had recommended. In addition, Judge Abella recommended that this reporting apply to Crown corporations and federal agencies. There is no mention of the federal agencies in the Minister's statement.

With respect to federally-regulated business, and this includes Bell Telephone, Canadian Pacific Railway, the companies that come under the federal Goverment's jurisdiction for labour purposes, the Minister says that federally-regulated businesses with 100 or more employees will be required, in this case by legislation, to report annually to Parliament on their plans and progress with a three-year phasing in period.

The Minister says elsewhere that this applies only to 800 out of 4,500 companies. There is no explanation. We would want to know why only 800. I would also want to know what the sanctions are if the wishes ofthe Government are not adhered to.

With respect to contract compliance, the Minister says that businesses seeking government contracts for goods and services of $200,000 or more will have to show their compliance or stand to lose their right to compete for government business. Again, I am interested as to whether there will be legislation or will it be done by administrative action? The Minister said

it would only apply to 100 companies. Members opposite are laughing; they do not pay much attention to Judge Abella. They should read the report. Judge Abella said that legislation was required. I am anxious to hear the Minister's answers. For example, why only 100 companies? The Minister rejects outright Judge Abella's recommendation for a monitoring agency. There are no reasons given. She calls it a massive bureaucratic enforcement agency, but it does not have to be massive and bureaucratic. It can be an effective enforcement agency under one of the options set out by Judge Abella. We do not have very much on that either.

● (1220)

In her statement the Minister said that it was time for action. While she has given us some steps forward, there are many areas which are vague and appear to be in the voluntary sphere rather than provided through legislation. I do not understand that, and I think we would all like answers.

She will discuss further with representatives of visible minorities, businesswomen, the disabled and so on. I thought she was to do that before making the statement.

With respect to equal pay for work of equal value, she says the Government must first put its own house in order. The Prime Minister categorically promised to bring in legislation on that in the women's debate during the election campaign. If its house had to be put in order, what has happened? Government Members bragged the other day about being in office for six months. Why were they not doing that? The Minister says that they need action now, but she keeps putting it off.

We all have some specific questions to ask. Not only our employment critic should have had the right to look at the statement in advance; we have critics for the handicapped, the Hon. Member for Eglinton-Lawrence (Mr. de Corneille); for women, the Hon. Member for Mount Royal (Mrs. Finestone); for multiculturalism, and who is also responsible for visible minorities, and for native people. None of them has had a chance to look at this statement. What kind of debate can we have?

Mr. Nunziata: She gives it to the press.

Mr. Allmand: Yes, she gives it to the press.

Mr. Hnatyshyn: We made the mistake of giving it to you.

Mr. Allmand: You did not give it to me. Live up to your commitments. I got it at 11.15 am. You would have been the first person in the last Parliament to complain of that kind of treatment. My colleagues who are specialists in various fields have many questions on this statement.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I thank the Hon. Minister for providing me with a copy of the statement at about 10.30 a.m.

Mr. Allmand: Why the discrimination?

Mr. Nystrom: We can say that the real Opposition got the report on time.

Employment

We have had a statement this morning on the Government's response to the Abella report. My first reaction has to be that the Government has stolen the words of Judge Abella but not the substance of the report. The Government across the way has a mandate to act or enforce what Judge Abella is saying, but I think it has chosen not to act in a substantive way. If the Prime Minister (Mr. Mulroney) had said that it should be done in the federal Government, Crown corporations and the private sector, with his mandate we could have employment equity, we could have equal pay for work of equal value, we could have all the things about which Judge Abella talked in her report.

[*Translation*]

As I said in English, they have stolen the words of Judge Abella, but they completely forgot the practical aspects of the report.

[*English*]

The first thing is employment equity. We find in the Government's statement this morning that there is no enforcement, outside of a voluntary appeal and lots of good words that there should be employment equity in the country. It is one thing to have rhetoric but it is another thing to have some real enforcement for the women and the minorities to whom the report refers—the visible minorities, the native people of Canada and the disabled. I ask the Minister and the Government: Where are the goals in her statement for employment equity? Where are the targets in her statement for employment equity? Where is the timetable in terms of imposing employment equity? Where are the sanctions? How can we have something without sanctions? Where is the enforcement mechanism? In the report of Judge Abella three or four different ways were outlined to enforce employment equity. Where are the enforcement mechanisms which are so necessary for this to work?

When it comes to enforcement, Judge Abella said that the voluntary mechanisms would not work and that we needed a mandatory mechanism. On page 195 of the report the following appears:

> A voluntary program which a mandatory reporting requirement is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported.
>
> A requirement of public reporting may result in public pressure on a company to revise its systems but it is unrealistic to rely on public opinion as an effective monitoring agent. It results in a speculative and scattered approach and creates the perception, in the absence of enforcement, that the issue is deserving of only casual attention.

If we are to have employment equity in the country, we need an enforcement mechanism to ensure that it occurs. We have had a lot of good will and good words in the past. People have said that we could do this in a voluntary sense, but it just has not happened. This is why we need some enforcement.

As I said before, the Minister has stolen the words of Judge Abella, not the substance of her report. Also the Minister mentioned in her statement the importance of publishing information, making public all kinds of information. That in itself is not enough.

[*Translation*]

We, in this country, have often looked into the situation of Canadian women, native women, visible minorities and the handicapped, with much publicity throughout the land. Judge Abella has produced a good report with many recommendations, and I agree with most of the recommendations denouncing inequality, inequity towards Canadian women, the handicapped, native people or other visible minorities here in Canada.

But what we need now, Mr. Speaker, is action. The time has come to do something in Canada. The Minister borrowed the words of Judge Abella, Mr. Speaker, but she forgot the practical aspects of the judge's report.

[*English*]

The fourth point I want to make this morning concerns the whole question of equal pay for work of equal value. In her statement this morning the Minister talked about the dismal record of the country in this particular area. Of course, I agree with her. I think we should look at her statement very carefully. She refers to the federal Government only, that she wants to rectify this situation in the Public Service. There is a bit of a timetable in her statement. The Government will enter into a consultative process to bring about the whole principle of equal pay for work of equal value. However, there is nothing in her statement for Crown corporations. There is nothing at all pertaining to the private sector when it comes to this very important question. There is nothing at all when it comes to government purchasing, and the Government purchased several billions of dollars worth of goods and services every year.

It is fine to apply the principle only to the federal Public Service, but what about the other areas that are so important? The Government has an important mandate. If the Prime Minister gives the word, I am sure he would have co-operation to implement the principle of equal pay for work of equal value, not only in the Public Service but in Crown corporations, in government purchasing and in the private sector. I suggest to the Minister that the Government should act according to that principle and sentiment.

As the Minister has said, there is tremendous discrimination against visible minorities in the country, such as black Canadians who are faced with real difficulties, as we discovered the other night in Toronto, finding jobs as compared with white Canadians. Also we find that about 50 per cent of the employable disabled people and 70 per cent or more of Indian and Métis people are without jobs. Because those figures are so harsh and real, the Minister should apply the principle across the board. We need more than just words and rhetoric; we must apply the principles which Judge Abella recommended in her report.

In the last while the action group of my Party met with disabled Canadians. There was a very moving example in Halifax about a month ago when we were told by an organization of disabled Canadians about the need for contract compliance, affirmative action and employment equity for disabled Canaians. We were told that disabled Canadians tended to be the forgotten people in our country and were discriminated against greatly when seeking jobs.

The Minister did not deal adequately in her statement this morning with the question of government purchasing. In this area she is being very timid and is taking a Mickey Mouse approach. She says the government purchasing section applies to around a hundred companies in the country. Judge Abella says in her report at page 227 that in 1980 the Canadian Government purchased goods and services from between 25,000 and 30,000 companies, worth $6.5 billion to the private sector, and an additional $5.5 billion worth went to Crown corporations. That was around $12 billion back in 1980. As I say, there are between 25,000 and 30,000 companies involved, and all this compliance will apply to is the 100 largest companies in this country. She could be a lot more bold than that.

• (1230)

[*Translation*]

There is another important point, Mr. Speaker, and that is training. In Regina two or three weeks ago, and I was there with the Minister for the First Ministers' Conference, the Minister announced a training program for Canadians which unfortunately allocated only 17 per cent of its funding for Canadian women and Canadian youth. Funding for other groups mentioned in the Abella Report was not very generous either, and I am thinking of native people, visible minorities and the disabled.

[*English*]

Once again that is an example where the Minister is very long on rhetoric but very short when it comes to substance.

Another area is the whole question of child care. Yesterday this Party had an opportunity to meet with about 15 or 16 women's groups from across the country here in Ottawa. One thing they mentioned time and time again was that if we are to have equality and equity for the women of Canada, we must provide adequate day care and child care services. We heard from the Prime Minister during the campaign the promise to put a lot more dollars into child care in Canada. What have we had since? We only have the promise of another study. We tend to study, study, study. I say to the Minister that the time for study is rapidly ending and the time for action is now approaching. We have a comprehensive study and a lot of specific recommendations. How about implementing some of those recommendations on child care?

We can have employment equity in this country. We can have employment equity for the four groups mentioned in this report. We can have employment equity just as we have employment equity now for Francophones in the Public Service.

[*Translation*]

And I agree with this affirmative action program for Francophone women, and I am sure all Parties in the House will agree, Mr. Speaker, but we could do exactly the same thing for the other groups mentioned in this report.

[*English*]

We must, as I said before, have enforcement. Without enforcement, we are not going to have any action at all, or very little. In the United States, where there are some mandatory laws, it has been found, first, that it improves equality for minority groups and improves equality for women; and, second, it has made those particular industries more productive in the United States. I suggest that the same wouldhappen in the country.

We can and must have goals, targets, opportunity and more money for training and child care. In conclusion, we must give the people of this country an opportunity. We must give them equality. We must give them the tools to build a new country, a new vision for Canada where everybody will be put back to work and we will become a nation of producers. Putting Canada back to work will mean more fairness for every Canadian, more opportunities for every Canadian, more fairness for one and all.

The Acting Speaker (Mr. Charest): The period for speeches is now over. Questions?

[*Translation*]

Mr. Gauthier: Mr. Speaker, I have a question for the Minister.

The Abella Report contains at least fifty recommendations on training, especially language training for immigrants and for women who work in the home. I wonder whether, considering the Abella Report's recommendations, the Minister could negotiate new agreements with the provinces on second language teaching, either French or English, for courses for women working in the home which would of course require some financial arrangement for babysitters, in any case for the whole language training issue. Mrs. Abella mentions the subject in at least fifty recommendations. I wonder whether the Minister could give us her views on the subject today and let us know where the Government is going and whether she intends to introduce a definitive policy, with the co-operation of the provinces, for setting up these language training programs.

[*English*]

Miss MacDonald: Mr. Speaker, I thank the Hon. Member for Ottawa-Vanier (Mr. Gauthier) for his question. A number of recommendations have been made in the Abella report with regard to *l'information*, the training area. These have all been taken into the ongoing review—and Regina was the first step of it—of training and job creation being conducted by my Department. Some of that will have to be developed with regard to training for native people, for example, with the Minister of Indian Affairs and Northern Development (Mr. Crombie). There will be other areas which touch directly on programs relating to the Secretary of State (Mr. McLean), and this will be developed with him. The fact is that the whole thrust of training as agreed to at Regina is being worked out now on a federal-provincial basis. One thing that impressed me in Regina was the fact that there was co-operation in this field by the First Ministers of the provinces. I look forward to seeing that continued.

Ms. Mitchell: Mr. Speaker, I would like to ask the Minister why she has not dealt with the whole question of part-time work. As she knows only too well, the large majority of part-time workers, some 72 per cent a couple of years ago, are women. We recently found that Crown corporations, Air Canada being the prime example, are trying to press for unlimited part-time jobs in their contracts. This will be targeted particularly at women. Women who have been employed full-time will be forced into part-time jobs without adequate benefits. They will not have adequate chance for all kinds of opportunities, for example, job improvement and training, such as they would have with a full-time job. Why are part-time workers not mentioned? This is vital. What is she going to do about part-time workers as far as employment equity is concerned?

Miss MacDonald: Mr. Speaker, there is no exclusion of part-time workers from this report. The approach that has been taken is looking at ways in which Crown corporations, federally-regulated businesses and those businesses having contract compliance will develop their employment equity plans to meet their needs. That includes part-time workers. It does not exclude them. I want the Hon. Member to know that.

I would also like the Hon. Member to recognize that in the agreements that were arrived at in Regina she may have noticed that there was one area where the federal Government committed something in the vicinity of $100 million for innovation. That is an area where I hope progress can be made with regard to flexible work hours, part-time, child care structures, all of this.

Ms. Mitchell: We want full-time, not part-time.

Miss MacDonald: The Hon. Member does not recognize that I mentioned flexible work hours and part-time workers. All of this will be dealt with in that field as well, but it will be interrelated.

Mr. Hawkes: Mr. Speaker, I would begin by congratulating the Minister on making the announcement in the House. I listened to the critic from the Liberal Party. I was critic on behalf of the Opposition for over four years. On one occasion and one occasion only was an announcement made in the House. The common practice was for me to have a good day when I could pick up the actual announcement within 24 hours after the announcement was made somewhere else in the country. The average was close to two days. So we are in good shape.

The thrust of what the Minister said in the House today is that we are going to get employment equity in this country that its sensitive to local communities, sensitive to local aims of government and their function, sensitive to local businesses and the functions they perform in the local community. Am I correct in drawing the conclusion that this is a program that

will be really sensitive to all the differences between communities and businesses in the country?

• (1240)

Miss MacDonald: Mr. Speaker, not only this major step that we took today but the announcement that was made in Regina emphasized that the thrust of the Government will be toward recognizing local issues, local needs, regional disparities and regional differences. I know the critic for the New Democratic Party has said in the discussions he is having across the country with many of the people to whom I spoke that decentralization from Ottawa is definitely needed in this field. This would place more self-reliance on individuals, organizations and communities. That is the whole thrust of the Government's new labour market strategy and of today's announcement.

I should also tell the Hon. Member that in sending the preliminary material to the official critics of the opposition Parties, I was assured by both offices that it had arrived before Queston Period.

Mr. de Corneille: Mr. Speaker, perhaps one of the things to which the Minister can address herself is her concept of the purpose of Parliament and her idea of allowing an opportunity for people to debate the issues. What is the purpose of making a statement in the House of Commons when the Official Opposition has no chance to respond to that statement? Something of such moment and importance as the Abella report which deals with four very important groups about which this Parliament is concerned and wishes to give them their dignity and human rights is brought up on a Friday. I would think that this would be a matter of great importance to this Parliament.

Members of the Official Opposition had not been given notes or information about the statement until it had been made. The statement was brought before the press before it was brought before us. As the Opposition critic for issues affecting the handicapped and as the deputy critic for issues affecting minority groups and visible minorities, I feel that that is a deprivation of my opportunity to get the information I think I ought to have in order to be able to approach this question.

Mr. Keeper: Come back tomorrow.

Mr. de Corneille: Tomorrow is Saturday. Members of the NDP should look at their calendars.

This issue is something which requires some concern.

Ms. Mitchell: Let's get at the issue.

Some Hon. Members: Question.

Mr. de Corneille: There is a great deal of noise coming from my left side where Members of the NDP sit.

One of the promises that was made by the Prime Minister (Mr. Mulroney) during the election campaign was that he would in fact bring in those recommendations contained in Sections 26 and 27 of the report entitled *Obstacles*. That report made recommendations that required legislation and compulsory action on the part of the Government—

The Acting Speaker (Mr. Charest): Order, please. I would ask the Hon. Member to put his question to the Minister, this being a question period. The Hon. Member's preamble has well exceeded the usual time allotted for the asking of a question. Would he please put the question to the Minister?

Mr. de Corneille: Mr. Speaker, the question is related to the promise made by the Prime Minister that the limit for government contracts would be $20,000. Unless the Minister made an error in reading her script, she seemed to indicate that the level at which a contract must be before there will be some concern on the part of the Government regarding asking a private sector organization to comply with these requirements will be $200,000. That seems to be 10 times the amount mentioned by the Prime Minister. Will the Minister be satisfied with this promise—

The Acting Speaker (Mr. Charest): Order. I now recognize the Minister of Employment and Immigration (Miss MacDonald).

Miss MacDonald: Mr. Speaker, the Hon. Member began by asking what I thought Parliament was for. I think it is for discussing issues such as this. That is why I have taken the time to make this statement in the House of Commons. That did not normally happen when the Liberal Government was in office.

Some Hon. Members: Hear, hear!

Miss MacDonald: As the Hon. Member perhaps heard, I have also announced that there will be legislation coming before Parliament on these issues. I would trust that he would be here to debate those issues and discuss and study this legislation when it goes to committee. I would also say that reports were sent to the employment critics of the House of Commons. I am the Minister of Employment and Immigration. I am not responsible for other areas. Therefore, I sent the announcement to the official critics.

The Hon. Member wanted to know about the $200,000 limit with regard to contract compliance. I can tell him that that affects 100 of the largest companies. In total, private companies do something in the vicinity of $6 billion worth of business in goods and services under government contracts. Those 100 companies to which contract compliance will apply do 75 per cent of that $6 billion worth of business. The great bulk of moneys that are dispensed by the Government to private companies will be covered by the steps being taken today.

Mr. Keeper: Mr. Speaker, my question is directed to the Minister of Employment and Immigration (Miss MacDonald). The Minister has expressed her commitment to employment equity and her concern about visible minorities. She knows that second-language training in English or French is crucial to visible minorities and recent immigrants so that they may

have adequate employment opportunities. I am wondering why the Minister, having expressed her concern about visible minorities and about equity, has made no announcement today regarding adequate funding for language training.

Miss MacDonald: Mr. Speaker, that is because those issues were addressed in the over-all agreement that was arrived at in Regina. At that time we spoke about training as it applies to women, native people and visible minorities. I would like the Hon. Member to understand that the labour market strategy that was announced in Regina and the agreements that were reached with the provinces enable us for the first time to work together to meet the very concerns expressed by the Hon. Member. In that $900 million which is totally allocated for programs that will be worked out with the provinces and the private sector, training and second language will be a very major concern.

Mrs. Finestone: Mr. Speaker, I would first like to compliment the Minister. I am really very pleased.

Some Hon. Members: Hear, hear!

Mrs. Finestone: On behalf of the Liberal Party, I would like to express the fact that I see this as a part of the ongoing steps of development started by one of the Minister's very good friends, Judy LaMarsh. I know that in the history of the development of equity, affirmative action and equality for women, it has been an uphill fight for all women regardless of political affiliation. I am really pleased to see this step being taken. I do, however, have questions. I must admit to the Minister that I did not receive a copy of the report so I cannot ask her the kinds of pointed questions that would elicit the responses I want.

My general gut feeling is that even with the Minister's desire to see this ongoing development continue in keeping with the Royal Commission on the Status of Women report which began in 1967, with the Advisory Council in 1973 and with many other events which I will not read into the record, I am really concerned about what I heard from the Minister. Does she believe that in not applying a mandatory requirement for reporting, the Canadian Human Rights Commission will not be given the kind of manpower and finances it needs? If it is not given to the Canadian Human Rights Commission, then to whom will it be given and how? She is creating goodwill no doubt, but how does she see the reporting so that we can supervise what she wants to accomplish for all women, visible minorities and the handicapped, some of whom are also women?

• (1250)

Miss MacDonald: Mr. Speaker, I appreciate the comments which the Hon. Member made. She knows, as I do, of the ongoing struggle in taking steps and measures such as the ones which were announced today. We realize that struggle is there, but every time something moves forward, there are a great many of us who are that much more pleased. But we never give up the struggle.

Because the Hon. Member has not had an opportunity to read this document in detail, I will tell her that the reporting is mandatory. It is mandatory for Crown corporations and it is mandatory, by legislation, for federally-regulated businesses. As those reports are received on an annual basis, they will be tabled in Parliament and made public. Under its present legislation, the Canadian Human Rights Commission will be able to initiate action if it feels that the goals are not being met.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I am very proud to see that after six months in power and only a few months after the Abella Report was published, the Progressive Conservative Government has now been able to table in the House some concrete measures on equality in the workplace.

The question I would like to put to the Minister, and which is of great concern to me, concerns maternity leave. I would like to know whether, in the near future, the next step will be to consider that women need supplementary maternity leave in addition to what they have now, in order to be able to raise and care for their young children more consistently and with let us say better results than is the case today. Does the Minister intend to consider this matter in the near future?

[*English*]

Miss MacDonald: Mr. Speaker, when I was listening to the Hon. Member, I asked myself when was the last time a Government responded to a royal commission report within three months?

Some Hon. Members: Hear, hear!

Miss MacDonald: Some royal commission reports seldom get a response. The suggestions which the Hon. Member has made are very relevant and I will certainly give them consideration.

Mr. Manly: Mr. Speaker, first I would like to encourage the Government to continue making statements. I think it is a helpful process when it is done in the House.

Some Hon. Members: Hear, hear!

Mr. Manly: The Minister will know that up to 20 per cent of the projected increase in the labour force, especially in the western provinces in the next decade, will involve native young people. What plans does the Minister have to increase, rather than decrease, pre-employment training programs and particularly life-skills training? What steps has she planned for following the recommendation of the report, that there be innovative mobile training centres, especially in northern and remote areas, to help those people prepare for the jobs which they need badly?

Miss MacDonald: Mr. Speaker, as I mentioned earlier, the measures which have been announced today fit into the wider program of the new labour force strategy which was agreed

upon in Regina. I mentioned that because a number of provincial Governments, particularly the Government of the Province of Saskatchewan, raised the issue which was raised by the Hon. Member. In that sense, the thrust and directions which were decided upon in Regina will enable several target groups to have programs more effectively directed to them. The target group which is covered by the new programs, and job entry, will take young native people from the educational situation where they may be at the moment, and increase that educational opportunity to have it lead to work experience. Money has been allocated for that. At the present time we are working, together with the provinces and native people, to decide where and how these programs can best be allocated to the concerned regions. I can tell the Hon. Member, having arrived at the principles and an over-all agreement in Regina, that we are working on detailed plans for each of these programs.

Mr. Baker: Mr. Speaker, I am glad to see that at least the rhetoric is there as far as it concerns the removal of barriers for re-entrance into the workforce, specifically as it affects women. I imagine the Minister had in mind the women who, for one reason or another, had to leave the workforce and are trying to return. It is very difficult for women to get back into the workforce, even when jobs are available. Women are discriminated against, especially in high unemployment areas. The greatest discriminator against those women is the Minister of Employment and Immigration (Miss MacDonald) because of her hiring guidelines which went to every single Manpower office in the country.

In view of the fine rhetoric today which indicated that the barriers would be removed, I would like to ask the Minister, for all the remaining direct job-creation projects that come under her jurisdiction which have not yet started but will start in the coming months, will she remove the restriction against hiring new entrants and re-entrants in the hiring criteria? Will she also tell the House if she will undertake to remove those same restrictions which, as she said, discriminate against women in the federal-provincial agreements which will be arrived at for direct job creation this coming fall? Yes or no? Or will she blame it on the Liberals?

Miss MacDonald: Mr. Speaker, of course, that is very easy to do because the guidelines were set up by the former Government. I understand the importance of the steps which have been taken today. I waited 15 years for something like this. I sat in the House of Commons and urged the former Liberal Government to be much more assertive about affirmative action programs.

To address the question of job creation, it is because the job-creation projects of the past did not work for women, long-term unemployed and young people who were seeking entry into the labour force that we have developed a new labour force strategy. The Hon. Member does not seem to comprehend that. Indeed, we are making major changes in all of the programs. I am sorry, with the number of years he sat on the government side, that he could not bring the Liberal Government to take some of these steps.

Mrs. Collins: Mr. Speaker, I would also like to congratulate the Minister. I think women on all sides of the House, and women across Canada, are heartened today by the model which the Minister has put forward.

Some Hon. Members: Hear, hear!

Mrs. Collins: I am also pleased to see such a reasonable approach. Some of the concerns which the small business community had, most of which businesses are headed by women, have been addressed. I am pleased to see the Minister's approach, particularly with respect to contract compliance.

Could the Minister share with us a few examples of the kind of assistance which she would anticipate being provided to companies under the contract compliance section, and the criteria by which their plans would be assessed?

Miss MacDonald: Mr. Speaker, the guidelines and the techniques which will be agreed upon with companies, whether they are companies which purchase from the Government or companies which come under the federally-regulated sector, will be discussed with each company. There have already been guidelines developed which can be utilized.

I would like to give a few examples. The following list outlines examples of measures which employers could implement: on-the-job training for target group members; development of an inventory of qualified, competent and interested target group members; orientation regarding career planning; work site modified as appropriate for women and/or disabled persons; jobs being widely advertised using target group media to recruit; company to ensure that all selection criteria are valid; and there are a number of other measures. All of these will be discussed with these companies so that they can put into effect a fair and just employment equity plan. I would see that this is done as we come down to making sure that these companies have in place the necessary systems for reporting the data and information which will be required.

● (1300)

The Acting Speaker (Mr. Charest): It now being one o'clock, may I suggest to the House that I have unanimous consent to complete routine business?

Some Hon. Members: Agreed.

* * *

PETITIONS

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of citizens who call upon this Parliament to persuade the Minister responsible for the post office—who I note is in the House today—to intervene with

regard to the closure of the National Postal Museum. This is important to the philatelic community across the country. They have been meeting with us and expressing their concerns. It is also important with regard to employment. If the Minister would consider issuing a special stamp, some of the financial obstacles to keeping the postal museum open could be met.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the following questions will be answered today: Nos. 208 and 229.

[*Text*]

OFFICIAL PHOTOGRAPHER

Question No. 208—**Mr. Henderson:**

1. Does the Prime Minister have an official photographer and, if so, what is the person's name and salary?

2. Does the photographer travel with the Prime Minister and, if so, who assumes the cost of travel and expenses?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1. In keeping with an established practice, Mr. Peter M. Bregg has been hired on contract to act as official photographer. His service contract is not to exceed $24,050.

2. When Mr. Bregg is asked to travel on official business, his travel expenses are covered under the terms of his contract.

PENSION BENEFITS

Question No. 229—**Mr. Howie:**

1. From January 1, 1984 to January 1, 1985, how many women were receiving (a) Spouse's Allowance (b) Old Age Security benefits?

2. To the government's knowledge, how many of these women were also receiving pension benefits which they had earned, as opposed to widow's benefits, from a private company's pension plan?

Hon. Jake Epp (Minister of National Health and Welfare): 1. From January 1, 1984 to January 1, 1985 there were on average (a) 80,931 women per month receiving Spouse's Allowance and (b) 1,449,885 women per month receiving Old Age Security benefits.

2. Information does not currently exist which would permit an identification of the number of women receiving either Spouse's Allowance or Old Age Security benefits who also receive pension benefits from a private company's pension plan which they earned in their own right. However, the 1984 Survey of Consumer Finances conducted by Statistics Canada did contain a number of questions which would help to estimate the number of women receiving earned, as opposed to widow's benefits, from a private company's pension plan. The results from the 1984 Survey of Consumer Finances are being processed and results should be ready in early 1986.

Fisheries Act

[*English*]

The Acting Speaker (Mr. Charest): The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, if Question No. 204 could be made an order for return, this return would be tabled immediately.

[*Text*]

RENOVATION OF OFFICES ON PARLIAMENT HILL

Question No. 204—**Mr. Henderson:**

1. Were any Parliament Hill offices of Cabinet Ministers renovated since their appointment and, if so, in each case (a) at what cost (b) was the design and implementation done by (i) House of Commons employees (ii) Public Servants (iii) private sources?

2. If private sources were used, what was the name of the individual or company concerned and were quotes requested from them before the work was awarded?

Return tabled.

[*English*]

Mr. Weiner: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Charest): Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Wednesday, March 6, consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I wonder if we could call it one o'clock and I will resume my address to two o'clock?

The Acting Speaker (Mr. Charest): The Chair agrees. It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Skelly: Mr. Speaker, I rise on a point of order. At the close of the day the last time this Bill was debated the Hon. Member for Skeena (Mr. Fulton) was not finished speaking. He had three minutes remaining and there was a 10-minute period to follow for questions and comments. I would like to make a comment on the speech of the Hon. Member for Skeena. Prior to recognizing the Hon. Member for Gander-Twillingate (Mr. Baker) you did not offer an opportunity for comments or questions to be posed on the speech of the Member for Skeena.

Mr. Baker: Mr. Speaker, I rise on the same point of order. I do not see the hon. gentleman in the Chamber. I realize that does not bar making comments on his speech. However, Mr. Speaker, you rightfully recognized me just prior to the luncheon adjournment.

I would like to point out two things. According to the rules, if I have uttered any words at all from my speech on second reading, that means that I have spoken on second reading. Therefore, by relinquishing my position, there would have to be unanimous consent of the House to permit me to continue my remarks. The second point I wish to bring to your attention is that the Standing Orders clearly state that when a Member feels there is a point of order arising from the proceedings, that point of order will be raised immediately forthwith.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on the point of order. It is customary in the House that the question period following a Member's speech comes at the completion of the speech. When a Member does not have the opportunity to complete his remarks, as is the case today, because he is not present, we have not followed the practice of allowing questions or comments. I respectfully submit this to Your Honour and we will go by your ruling.

Mr. Gass: Mr. Speaker, the point of order I wish to raise is that this debate was started by the Minister of Fisheries and Oceans (Mr. Fraser), a Conservative. Since that point in time, two Members of the NDP and two Liberals have spoken on the Bill. I was going to rise at two o'clock because at one o'clock, when Orders of the Day were finished, the House adjourned. It was after one o'clock, Mr. Speaker, with all due respect, that you recognized the Member for Gander-Twillingate (Mr. Baker).

Mr. Skelly: Mr. Speaker, I have one further comment on the point of order. I wonder whether, in advance of making your ruling on the point of order, another course of action might be available to you, and that is to test the wish of the House. There has been some suggestion that the Conservative Member who just spoke would like to speak. I believe the Member for Gander-Twillingate—

Mr. Dingwall: Distinguished.

Mr. Skelly: —the distinguished Member for Gander-Twillingate would be prepared to stand down if he were guaranteed his right to speak on second reading. with unanimous consent of the House, we might allow these Members to reverse their order and leave the question of time for comments undecided.

The Acting Speaker (Mr. Charest): For the benefit of all distinguished Members of the House, the Chair never thought it would have a chance to rule on this question. Having heard all the points of order, I would like to indicate that the Member for Skeena, as pointed out, had not finished the period for questions and comments on Wednesday. There were approximately three minutes remaining in that period. He is not present in the House today, however, and I am told that when the day finishes the period also terminates.

• (1410)

In all fairness, having already recognized the Member for Gander-Twillingate, and considering myself incapable reversing that decision, I suggest that the House could seek unanimous consent to return to the period for questions and comments with respect to the speech from the Hon. Member for Skeena. It would seem rather awkward, considering the Hon. Member's absence today, but if there is unanimous consent, I would do so. Otherwise, I will recognize the Hon. Member for Gander-Twillingate. Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): We will return to the period for questions and comments that follow the speech of the Member for Skeena.

Mr. Skelly: Mr. Speaker, I thank you for that gracious approach to the problem. I would simply point out to the House that I thought the speech by the Member for Skeena was an excellent dissertation on the fishing industry. I will resume my seat and allow the order to progress.

Mr. Schellenberg: Mr. Speaker, I have a question for the Member for Skeena. In his absence, could I direct it to the fisheries' critic? I have taken the time to compose a question. Can I not put it on the record for the benefit of the Member for Skeena?

The Acting Speaker (Mr. Charest): This is a period for questions or comments. Due to the absence of the Member for Skeena it is not possible to ask him a question, nor is it possible for another Member to answer in his place. However, the time is available for the Hon. Member to make a comment.

Mr. Schellenberg: Mr. Speaker, I will do my best to turn this well-phrased question into a comment.

I would like to congratulate the Hon. Member for Skeena on his participation in Wednesday's debate. It was a good deal more positive than I expected it to be, quite frankly. One of the benefits of interrupting a Member midspeech is that other Members have time to compose comments like this.

The Member for Skeena made the point that the powers given to the Minister to manage the fishery for a wide variety of purposes are absolutely essential. At page 2806 of *Hansard* he spoke of:

—the very delicate dilemma this country would find itself in if it was impossible for different Ministries... to manage the resource for social or economic reasons.

While he supports the Bill, he did make some suggestions. He asked about the implications of Section 2.1(d) of the "purposes" section, which reads:

—to provide, in cooperation with the provinces, for the proper management, allocation and control of the inland fisheries of Canada.

He wants to know why we are bringing the provinces in. It is no mystery.

In the inland fisheries in general, the right to fish comes under provincial jurisdiction. We cannot undertake to allocate provincial property, so we added the qualifying phrase to avoid any suggestion of intrusion on existing indisputable provincial rights.

My comment concerns the Hon. Member's objection to the amendment to paragraph 34(m) of the Act. The amended paragraph would permit the enactment of regulations:

—authorizing a person engaged or employed in the administration or enforcement of this Act to vary, in respect of any area or portion thereof, any close time, fishing quota or limit on the size or weight of fish that has been fixed by the regulations.

He says that this power is beyond anything anyone in the House has yet imagined. However, has he read the existing legislation? Does he realize that we are just adding two refinements to the existing on-site powers delegated to fishery officers? Fishery managers already can be empowered to vary close times for entire management areas. By adding the words "in respect of any area or portion thereof", we merely allow exercise of that power over a small geographical area, over portions of management areas. Does the Member realize that this is the impact of the legislation?

I should explain that the addition of the power to vary size or weight limits is simply an alternative management tool to opening or closing an area. It is a refinement of existing practices.

I hope the Hon. Member will also realize that granting these on-site powers to fisheries officers in respect of sub-areas will allow fishermen greater fishing opportunities. It will give fishermen access to selected fishing grounds in parts of the management area that cannot be opened in its entirety because it would endanger the stocks. This power would allow the fishery manager right there on the spot to close off the particular limited area where the endangered stocks are, while leaving the rest of the area open for fishing.

Does the Hon. Member prefer the existing blunt instrument of opening or closing entire large management areas? Does he want these decisions taken quickly and effectively on-site or does he want to preserve the current lengthy process of enactment by order in council?

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Hon. Member's intervention is perhaps a good place to start. He said that the Government did not want to infringe upon provincial jurisdiction and there would be a consultative process. Any infringement upon provincial jurisdiction is really subject to an interpretation of the courts. The same is true with respect to infringement upon federal jurisdiction.

For example, with respect to infringement of rights, it is quite possible for a court judge to interpret these amendments, once they are enacted, as being an infringement upon provincial jurisdiction. The first amendment, 1(a), is to include "portions of fish" under the definition of fish. That is a new section of the Act. The explanatory notes say that portions of fish would allow control in management of fish which has been processed to some degree; for example, headed, gutted or filleted fish.

It is a well known article of law that once fish are captured they become real property. We also know that according to the Constitution, provincial jurisdiction comes under property and civil rights. Once a fish is captured it becomes real property. Therefore, it could eventually be interpreted by a court judge that this section cannot be implemented under the Fisheries Act.

Let us look at the clause in terms of the Hon. Member's comment about not wanting to infringe on provincial jurisdiction. Clause 1(b) includes in the definition of fish marine plants and portions thereof. The explanatory notes say that marine plants were formerly not included in the definition of fish. Anything attached to the seabed from headland to headland—in fact, out to three miles in some provinces—is provincial jurisdiction according to the interpretation of the courts.

In other words, as a result of decisions made by Supreme Court judges in the past, a provincial Government could not only control what is attached to the immediate seabed in every bay and cove on the East Coast of Canada, it could also be interpreted to mean under that law that the provincial Government could issue lobster licences because lobsters are on the seabed. If a net were attached to the seabed, then that could be interpreted to mean provincial jurisdiction.

These issues have been discussed between ministers in provincial jurisdictions. However, they do not issue lobster licences or licences for nets that are attached to the seabeds in their bays and coves because they know that according to federal law the federal Government has the rights to open and close seasons and limit the extent of that season for protection and conservation purposes. There would be no purpose for a provincial Government to issue lobster licences because the federal Government, under federal law, would have to shorten the fishing time.

The two additions to the Act which we are debating today could be perceived by a court judge to be an infringement upon provincial jurisdiction. This is not to say they should not be in the Act because we have seen provincial laws enacted that are really an infringement upon federal jurisdiction. I recall a couple of years ago the Province of Nova Scotia enacted a law that unilaterally seized control of the continental

shelf off the coast of the Province of Nova Scotia, and the wording went "and extensions thereof"; and the wording further went "to the extent of exploitability".

● (1420)

The drafter of that Bill in the Nova Scotia legislature took that section out of some charter of the mid-50s in Europe when there was an International Law of the Sea meeting. "To the extent of exploitability" meant as far as the technology would carry a drill ship, or whatever the case is, for the purpose of drilling for oil. In 1980 terms "to the extent of exploitability", meant you could drill an oil well in the middle of the Atlantic Ocean. By passing a law in a legislative jurisdiction, you are passing it for a purpose, but although it is on the books, it does not really mean anything. If you went by the Nova Scotia law, "and extensions thereof" and "to the extent of exploitability" mean right across the Atlantic Ocean. If somebody walked out in the water off the coast of Africa, he could be charged with trespassing on Nova Scotia soil. It operates both ways in response to the hon. gentleman's question. Look at the ongoing disputes between provincial and federal Governments.

I have with me today a recent discussion paper passed to this new federal Government, the Mulroney Government as it is commonly known outside this Chamber, on behalf of the provincial Government of Newfoundland, by the Hon. A. Brian Peckford. The Minister of Fisheries and Oceans (Mr. Fraser) should know this. I notice his Parliamentary Secretary is here. I only wish the Minister of Justice (Mr. Crosbie) were here. The Premier on behalf of the Newfoundland Government says in this paper delivered to the new Conservative Government:

> Newfoundland believes that it must have a prominent role and in certain cases the paramount voice in the management of the fisheries resource in those areas which are adjacent to the province.

In other words, Mr. Speaker, the Newfoundland Government wants a prominent role to manage the fishery off the coast of Newfoundland. The Premier does not stop there. He said that to achieve this goal "we have proposed a constitutional amendment to the federal Government".

I wonder what the response to that will be from the federal Minister of Fisheries. The Premier of Newfoundland goes on on behalf of his Government to say that in particular, resource allocation policy—which is what we are talking about in this Bill—for the northern cod way out in the Atlantic Ocean, hundreds of miles north of Newfoundland and east of Labrador, must grant priority access to the Newfoundland inshore fleet. In other words, toward the east, the north, the northeast coast of Newfoundland, out into the ocean, the Premier says first priority must be granted to the Newfoundland fleet.

Then he says that the second priority for access to this stock should be Newfoundland offshore vessels which land their catch at resource-short seasonal plants in communities adjacent to the stock. That is a further division, Mr. Speaker.

Then the Premier says that the third priority is for the remainder of the offshore fleet based in Newfoundland, and the fourth priority is for the Maritime Provinces respectively.

It would be interesting in this great time of consultation and of trying to appease the wishes of the provinces to find out what the Prime Minister (Mr. Mulroney) thinks of the Premier of Newfoundland's submission to him, given to him since he was elected. I bring this up because it is relevant to this Bill before us today. You get to the actual purpose of the Bill when you get to the section that outlines the purposes under this new Act.

An interesting question has been raised here. Right now according to the justice who made this decision in the court in British Columbia—and I would say that justice was absolutely correct in the decision that he made—the federal Government does not have the right to distinguish between gear types. It has been illegal all the way along for the federal Government to say in the case of a salmon fishery or a herring fishery: "All right, the big boats can have x amount of fish; the small inshore boats can have x amount of fish. That was always illegal but it was never tested properly in the courts.

The case presented before the federal Government said that we should have this power because there are the small boat fishermen or another group of fishermen who are really not getting enough fish to keep themselves alive. Therefore, we have a social and an economic responsibility toward fishermen. Nowhere in the present Act does it outline that the federal Department of Fisheries has a social and economic responsibility toward fishermen. Why, Mr. Speaker? Because that problem was never supposed to occur. In other words, it was not historically the duty of the federal Government to look at the socio-economic breakdown within the fishery and make resource allocations accordingly. It was not necessary. All of a sudden it is necessary. It has been necessary for the last eight to ten years. It is necessary because we have not, as the Government of Canada, devoted enough money toward research. We have not devoted enough money and now we have the recent cuts introduced by this Government into this Parliament which are laying off research people right across the country in fisheries, closing down research stations and cancelling expansions to research stations. These cuts are aggravating the problem. The duty of the Department of Fisheries now will become a socio-economic problem.

If you are going to get into that territory, Mr. Speaker, then you had better do it all and have a policy that says: "All right, what happens to the fish once it is landed? That is within provincial jurisdiction, but we have a socio-economic responsibility. Let's can the fish. Let's make sure it is going to the best use". Then you really get into it because of the waste that happens in the fishery today.

Let me outline what happens to capelin that is caught off the coast of this country. When you realize that 60 per cent of it is thrown away once it is caught, you begin to realize what a socio-economic problem we have, and that there is a number of things that would be required to be done by this Government to solve that problem. The fact is that you can sell only female

capelin because that is what the Japanese want. You have a Japanese shaker in every fish plant. The female herring continue along; the male herring go down a chute into the salt water and are thrown away.

Some Hon. Members: Shame!

Mr. Baker: When you get into trying to solve socio-economic problems, you had better be prepared to address an awful lot of problems associated with this fishery, Mr. Speaker.

In dealing with the actual legislation, it deals with definitions. It makes a new definition for fish, for fisheries, and for those people who are engaged in the fishery.

I have with me a copy of the telex from the Premier of Newfoundland which he sent to the Prime Minister on March 6, just two days ago. In that telex the Premier of Newfoundland, the Hon. A. Brian Peckford, said to the Prime Minister:

> I wish to bring to your attention the terrible plight of approximately 210 fishermen in the Bonavista North area of the Province.
>
> Due to a payroll computer error, dating back to 1983, these fishermen are being assessed UIC overpayments on an individual basis anywhere from $72 to $6,000. The overpayments occurred in a purely accidental manner—

The Premier is requesting the Prime Minister to intervene with the Minister of Employment and Immigration (Miss MacDonald) to have that assessment cancelled. I have another telex from the Hon. Charles J. Power, Minister of Career Development and Advanced Studies, requesting the same type of assistance. It all goes back to what we are talking about today—the definitions of fishermen and fish.

● (1430)

Thousands of cases come before the courts every year, yet when there is a problem with legislation, that is a problem for the Government of Canada whether it is this one, the last one or the one before, and we are very quick to respond with amendments to the existing Act. People are faced with ongoing problems wherein they have to pay back between $20,000 and $40,000 which they cannot afford. They are faced with having to pay it back over coming years. Why is this the case? It is because simple amendments have not been made to the regulations and under law the process for fishermen is that once one has been judged to have received an overpayment by the Department of National Revenue, not by the Department of Employment and Immigration as one would expect, on behalf of the Minister, one is guilty until proven innocent.

I wish to justify the statement that one is guilty until proven innocent by referring to a position taken by a justice in British Columbia. I am referring to a decision of Justice Labelle, who I believe lives in Ottawa. He made a very good decision. I have not as yet seen a decision of his which has been off the mark. He said that there was no evidence to prove that the Minister was wrong in his determination and that the onus of proof that the Minister was wrong in his determination is upon the appellant. Then he cited *Anderson Logging Company v His Majesty the King,* 1925, and went on to cite Justice Duff and Justice Rand. It is an accepted fact in the courts of the land that a fisherman has to prove the Minister of National Revenue was wrong.

Why do I raise this point? It is because the Premier of Newfoundland has asked the Prime Minister to intervene in a case which is widespread. Why did the case arise? Because the Government in its so-called wisdom said that it would do checks on unemployment insurance recipients. There is nothing wrong with that. One might say that those people who deserve to be on unemployment insurance will remain on it and those who do not will not receive it. Again it gets back to the definitions of fishermen and fish.

I know this Act very well. I believe I know it just as well as anyone. I know the Unemployment Insurance Act as it relates to fishermen. The problem arises when an audit of a fish company is ordered. The audit goes back over the years and looks at the formula for issuing employment stamps. They can only look at what is on the books, but we have to realize that what is on the books may not necessarily be the case. Fishermen could have iced their fish on Saturday and sold them on Monday. In other words, they could be given credit for two weeks of fishing but the books show only one. Maybe the weather was bad at the end of the week and a fisherman could not get over to sell his fish. The books in 1982-83 would show that he had one shipment when he really had two. When the fisherman goes before the judge he has to try to prove, for example, that on a Saturday in 1982 he iced 50 cents worth of fish and therefore is not guilty. However, he does not have any proof.

That is what is wrong with the system. We see this over and over again. In the case of Justice Labelle to which I referred earlier, I represented the appellant. I realized that the people may not be wrong, that they may be absolutely right. However, the system says that the fisherman must prove wrong an audit of what was done back in 1982-83.

I notice Mr. Speaker indicating that my time is coming to an end. I had so much to say on this question. The Minister is not in the House, so I will not congratulate him.

Some Hon. Members: Oh, come on!

Mr. Baker: All right, I congratulate the Parliamentary Secretary and the Minister. We will see down the road just how good he is. He has been making fine statements, but I do not like his cuts. It is unfortunate that I do not have the time to deal with them. This is an incredible problem with which we are dealing. This simple action on the part of the Minister is not good enough because of actions taken by the Government since it came to power. Also it is not good enough because of the appeals which will undoubtedly arise as a result of the inaction and audits of the Department.

Mr. Skelly: Mr. Speaker, the Hon. Member referred to some of the dilemmas in the fishing industry, notably the unemployment which has come about and the problems with the Unemployment Insurance Act. I hope the Parliamentary Secretary will listen to this comment as well. It is important to the topic raised.

In the process of trying to address the question of unemployed fishermen on the West Coast, the Conservative Minister of Employment and Immigration (Miss MacDonald) appointed a committee to oversee the disposal of $5 million. That particular committee was appointed by the Minister on the recommendation of the Minister of Fisheries and Oceans (Mr. Fraser). As I understand it, they have hired a group of former Conservative organizers from the last federal election. Certainly there are elements of serious concern in terms of patronage and propriety. I would note, for example, an individual by the name of Stan Hagen, a prominent organizer; Jim Lorney, a prominent organizer; and Thor Petersen. They have been named as individuals to oversee this committee. Has the Hon. Member had any experiences of a similar nature in his riding where political patronage has been similar?

Mr. Baker: Mr. Speaker, I cannot point toward any political patronage which has occurred so far. I notice they changed the board of directors of Fisheries Products International since the Minister of Justice took office. His brother was removed from the chairmanship of the board. I cannot see any influence being exerted there by the Government of Canada as far as appointments are concerned.

I am not too concerned about political patronage, but when we have a Government which professes to do certain things which are perceived to be for the public good, what should be examined by the Chamber and by its committees is their impact on ordinary people. For example, when we decide to try to cut back on unemployment insurance and just do audits, as I mentioned in my speech, we have to realize the ramifications; people who are innocent could end up being found guilty and having to pay back enormous sums of money. We have to look at what happens down the chain. We cannot, as the Government announced, close a $30 million laboratory facility or cancel vessels for research at $18.1 million. The technological laboratory in Vancouver will be closed. It is intended that the technical and scientific staff will be reassigned within the Department. Really that is not an excuse; we have to look at the long term. I notice that the Minister says:

● (1440)

The recently-created task force headed by the Hon. Erik Nielsen intends to consult with the provinces and the private sector to determine which other areas of activities or programs might need restructuring.

The point is that the Minister of Fisheries and Oceans really does not deserve the treatment that he is getting from the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret). This Minister is trying honestly to do his job. He has been associated with the fisheries for years. Now he is being frowned upon by the fishermen. He is being chastised in practically every home in certain parts of the country, all because of the actions of the Minister of Finance, the President of the Treasury Board and other Cabinet Ministers. I do not really think it is fair to treat the Minister of Fisheries in that manner.

Mr. Dingwall: Mr. Speaker, for the benefit of the House, I am wondering if the Hon. Member for Gander-Twillingate (Mr. Baker), because of his long-established knowledge of the fishing industry and particularly some of the various federal departments associated with that industry, would share with us his views with regard to other possible conflicts between the Fisheries Act and these amendments. While we are attempting to assist the present Minister of Fisheries and Oceans (Mr. Fraser), it is important that we know what those conflicts are so that we can try to resolve or reconcile them to the benefit of the people we are supposed to serve. I would therefore ask the Hon. Member that question.

Mr. Baker: Mr. Speaker, in the short time available I will deal with definitions. I could go anywhere in the Act. When you look at the Act, you see that the regulations under the Unemployment Insurance Commission describe kelp. Let us get down to the catch, the fish, the natural product or by-product of the ocean. It includes Irish moss, kelp and whales, but does not include fish scales. It includes kelp and Irish moss. That is a definition of fish under the Act. Somebody who walks out into the water and catches a capelin which drifts ashore is not insurable under the definition of fisherman, but somebody can walk out and rake up kelp on the ocean floor or in a river basin and he is a fisherman. That person is a fisherman, but somebody who does it from the shore is not. There have been innumerable cases before the courts.

Fresh catch is defined as a catch that is not cured. There have been cases which arose from that because cod liver is listed as cured fish but shark liver is not. You go back and you judge that somebody should not have received unemployment insurance because the division was wrong.

The definition of "fisherman" is a person engaged in making a catch, but it also includes people doing incidental work related to that catch. In other words, let us look at judges' decisions in the Province of Nova Scotia, where the Hon. Member who asked the question is from. There was the case of *Phyllis Karsten and Catherine Stevens v. The Minister of National Revenue*. In that judgment, the Chief Justice said that by reason of performing the tasks, these tasks include cutting bait and baiting hooks. The point is that it was not done in the boat. It was done on the shore.

There are these problems within the Act. Women in this case are saying that they bait hooks. So does somebody in the boat. You need do only one thing to cure that problem. You need just put in one line that says you must have been in a boat. You would not then have these appellants having to pay back $10,000 to the federal Government. There are many other cases. I do not have time to go into them because my time has expired.

My original point is this. When a problem arises, MPs from this Chamber have to go to their districts and defend constituents who must repay money to the federal Government. We have been doing that for years. When you look at other judgments that have been made, it could be a massive problem. However, no changes are made to the Act. When the Department of Fisheries has been slighted, changes have been brought before the House of Commons and they have been

passed forthwith. That is what the Minister of Fisheries and Oceans should be examining.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, sometimes when a Member is going full flight, he should be allowed to carry on. I appreciate the comments being made by the Hon. Member for Gander-Twillingate (Mr. Baker) regarding UIC and the fact that there are problems. I agree almost 100 per cent with the Member when he talks about the problems of UIC and Revenue Canada. I have had the same experience with the previous Government and the administration of the Unemployment Insurance Act with regard to the Minister of National Revenue making the final decision. With a new Minister, I hope some changes will be made and some of the problems with UIC will be corrected as they relate to fishermen and the fact that the Minister of National Revenue has the final say after the fact. I know from experience where five years after the fact people have had to pay back money because the Minister of National Revenue said the person was not eligible as a result of some circumstance that happened four or five years previously which the person could not prove.

I am off the point I am supposed to be speaking on, namely Bill C-32, an Act to amend the Fisheries Act.

The Minister of Fisheries and Oceans (Mr. Fraser) made special mention of the roe herring industry in British Columbia. He has pointed out its great importance this year. For those Hon. Members who are not from the Pacific coast and who may not be familiar with the roe herring fishery, it may be difficult to visualize the challenges and rewards that management of this fishery involves.

Certainly in terms of its tempo and its intensity, the roe herring fishery is unique. The prize in this fishery is not the fish but the roe, the eggs. Herring roe is a gourmet item in Japan. It is, so to speak, the caviar of Tokyo. The price fishermen get for the catch depends on the maturity of the roe. The trick is to catch the herring at precisely the right moment, figuratively speaking, at the eleventh hour and fifty-ninth second before spawning.

The herring season has opened on the West Coast. We had two seasons, one on Wednesday which lasted four hours and ten minutes and one that started at nine o'clock this morning British Columbia time. It will end when the quota is reached in that area.

A large British Columbia fleet takes part in this fishery, 241 seiners and more than 1,300 gillnetters. To succeed in this fishery, timing has to be exquisite. The stakes are so high that many boats take up position on the fishing grounds well in advance of the opening. That is in case the herring show up a little earlier than expected. If they show up late, that means higher costs and dead time. If they show up very late or not at all, it could be a catastrophe. February and March are tense months for herring fishermen in British Columbia.

The roe herring fishery starts very early in the year in San Francisco Bay. Then it moves north with the spring to other parts of the coast. The first Canadian roe fisheries off the west coast of Vancouver Island and in Georgia Strait began, as I said, yesterday. The last one before the stocks pass on into Alaskan waters is at the end of March on the north coast around Prince Rupert.

The intensity of this fishery is legendary. There have been years when a roe herring fishery in a given area has been opened for just 15 minutes. The competition in this limited fishery is tremendous. One of the management challenges is to balance the interests and efforts of the two gear types used in this fishery, gillnetters and seiners. It might be interesting to note that of the two seasons that began this year, one was for seiners and one was for gillnetters. The seiners generally work in deep water. They are powerful harvesting machines. It is not unusual for a seine boat to take 600 tons in one set. The gillnetters work closer to shore with fixed gear and their capacity is much lower: about 1 per cent of the seiners. Part of the problem is to balance the interests and impact of these two different gear types. To do that we have to be able to regulate by gear type and by area.

• (1450)

There is another aspect to the challenge that also demands precise fishery management. Herring stocks have a reputation for instability. In 1965 there was a massive stock collapse that put an end to the fishmeal industry. In the long run, things turned out well. In 1972, when Japan's herring stocks were in decline, the B.C. industry was able to get a foothold in a much more lucrative market. Fishermen had been getting $11 per ton for herring used for fishmeal. In recent years they have been getting as much as $900 per ton for the roe. In fact, the price this year is $812 per ton.

The basic volatility is still there, however. As the Minister pointed out, some of the stocks are depleted. The fishery off the west coast of Vancouver Island has been closed and the fishery in Georgia Strait has been curtailed. This is a prudent and necessary action. We do not know all of the reasons for the ups and downs of the herring. Some scientists think it may be related to the infusion of warm currents known as El Nino. Whatever the cause, we know we have to be doubly careful not to over-fish the stocks.

It comes down to this, Mr. Speaker: we have a resource of immense value. We have an industry built on that resource which in B.C. is second in size only to the salmon industry. We have a complex fishery concentrated in time and location, conducted by competing gear types. We have a resource that requires careful management.

If, as this fishery gets under way, the Department of Fisheries and Oceans' authority to manage the fishery or the validity of the fishing plan developed with the industry is challenged because of a possible deficiency or lack of clarity in the wording of the Act, there may be very serious consequences for fishermen, for the industry and for the resource. With the salmon industry in difficulty, an efficient roe herring fishery is

essential. We should make sure that its performance is not hindered by uncertainties in the Act. We can remove that danger by making the revisions proposed. I hope Members will do so without further delay.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Foster: Mr. Speaker, I heard the speech made by the Hon. Parliamentary Secretary. While we are dealing with a fisheries Bill, I would like to comment on the tremendous importance not only of the fishing harbours in eastern Canada and the West Coast but as well of the small craft harbours and fishing harbours on the Great Lakes system. In fact, in the Ontario region there are some 450 or even close to 500 fishing harbours and small-craft harbours.

I would like to draw attention to the fact that the Department of Fisheries and Oceans and the small craft harbours branch have done an excellent job in maintaining these harbours. They not only do a good job of maintaining them under very arduous conditions but they see that they add greatly to the economic activity throughout the Great Lakes Basin.

In my own constituency there are some 45 small craft harbours, representing about 10 per cent of the small craft harbours in the Ontario region. There are a number of harbours used for fishing but a great many are used for small craft activity and provide access to the north channel of Lake Huron which is the best boating and cruising area in North America.

I would call on the Parliamentary Secretary, the Minister who is present in the House and other Hon. Members to add their support to providing financial assistance for the maintenance of small craft harbours and fisheries harbours in the Great Lakes Basin because they are very, very important. I agree completely with what the Hon. Member from Newfoundland who just spoke said, and that is that the Minister is totally dedicated to his Department and to improving and upgrading the harbours. However, he needs the support of the Fisheries Committee and he needs a strong resolution from the Fisheries Committee and from Members of Parliament in order to get adequate funding.

Funding for the Ontario region runs to slightly over $3 million per year. That is simply not adequate to ensure that there is proper maintenance of the small craft harbours. There has been very massive expansion due to the special recovery capital projects in the last two and a half or three years.

There is a main entrance point from Michigan into the north channel of Lake Huron on Meldrum Bay. An iceflow seriously damaged the harbour there and it will require some $70,000 or $80,000 to repair it. I know it is difficult for the Minister to get that kind of funding but I appeal to him to provide that assistance.

For the Minister to have adequate funding not only for the Great Lakes Basin but for the entire country, we as Members must speak up and support him in the Fisheries Committee and in the House to ensure that there is adequate funding to repair and upgrade all our harbours and particularly those like Meldrum Bay, a main entranceway into the north channel area. As I said, that area is not only a fishing area but a very important boating and sailing area.

Mr. Gass: Mr. Speaker, in answer to the Hon. Member's comments, I can only assure him that we on the Fisheries Committee and we who represent fishing communities on the West Coast, on the Atlantic Coast and on the inland waters of Canada realize that ports, harbours and wharves are essential to fishermen. Fishermen must be able to depart from a safe port and return to a safe port with their catch. I can assure the Hon. Member that that is something about which we are all very concerned even in these times of restraint.

We have to try to be conscious of the dollars that are spent because of the fact that the previous Government wasted so many dollars and set us on a course of no return. We have to cut back everywhere we possibly can, but we must maintain if possible the harbours and wharves that are so essential to the fishermen from one end of the country to the other. In fact, as early as Monday night we are bringing people before the Standing Committee to talk about small craft harbours.

Mr. Skelly: Mr. Speaker, I would like to ask the Parliamentary Secretary about a serious matter of which I gave him warning by way of a question, and that is the matter of patronage. I mentioned the individuals concerned and the fact that prominent Conservative organizers now handle jurisdiction over the approximately $5 million that is intended to be spent on projects to aid unemployed fishermen. I would like to ask the Parliamentary Secretary if—

The Acting Speaker (Mr. Charest): That is a point of order. The subject matter brought up by the Hon. Member is not related to the Bill. I am stopping the Hon. Member at this point because it is obviously not related to the Bill before us today. It is neither related to the speech made by the Hon. Member nor to the Bill itself.

Mr. Skelly: Mr. Speaker, I would rise on a point of order and take a moment to point out to you that the previous speaker mentioned serious economic concerns of fishermen. The point I am coming to is that that particular group has been charged with the responsibility of dealing with the economic concerns of fishermen by using this money, and that the Minister failed to conduct any meaningful consultation with fisheries groups, community groups or any other groups that may be affected. This particular point of order is vitally important because we do not want to see this kind of thing happening. I hope you will recognize my right to ask the Parliamentary Secretary a question, Mr. Speaker. Will the Government continue to appoint political hacks rather than move ahead to widespread consultation? That consultation is not happening.

After I have made my point of order, may I have an opportunity to ask a question of the Parliamentary Secretary on a matter directly related to this issue?

The Acting Speaker (Mr. Charest): I will permit the question. However, as I have pointed out, I have reservations concerning its relevance in the large interpretation. I will permit the question but I would hope that the Hon. Member will bear that in mind.

Mr. Skelly: Mr. Speaker, perhaps I might just correct the record by indicating that the individuals who are involved are experienced, knowledgeable and have integrity. The point of the matter is that consultation is a factor which is important. I do not wish to criticize those people in any way, but the way in which the Minister of Employment and Immigration (Miss MacDonald) went about this appointment was absolutely wrong.

● (1500)

Mr. Gass: Mr. Speaker, I cannot take responsibility for appointments which are made by the Minister of Employment and Immigration (Miss MacDonald). Neither can I take responsibility for the appointments which are recommended by the Minister of Fisheries and Oceans (Mr. Fraser). I have no knowledge of the appointments which have allegedly taken place. However, if members of the Liberal Party and members of the NDP would let this Bill out of the House today, they could put those questions to the Minister in the standing committee next Tuesday.

Mr. Schellenberg: Mr. Speaker, I wanted to direct a question to the Hon. Member for Gander-Twillingate (Mr. Baker). However, we ran out of time, so I will bootleg it to the Parliamentary Secretary.

In his speech, the Parliamentary Secretary mentioned that not enough money had been devoted to fisheries research. I presume he was speaking about the last 16 years. As I am a new Member, I wonder if he could tell me if it is indeed a fact that not enough money has been devoted toward research in the fisheries. Second, he wondered whether socio-economic grounds should come into play in the Fisheries Act. Is it not true that the majority of legislation in the House of Commons is based on socio-economic grounds? If so, why should the Fisheries Act be an exception?

Mr. Gass: Mr. Speaker, I realize it is an important question and one which would take a long time to answer. Again, I would remind the Hon. Member that the question could be more appropriately put to the Minister of Fisheries and Oceans. If this Bill could be given second reading today, the Minister of Fisheries and Oceans could be before the committee as early as next Tuesday and he would be able to answer those questions. Then we could get on with this Bill, which is very important to the fishing industry of Canada because of the uncertainty which exists due to the two decisions which were rendered by a judge. The intent of this Bill is to remove uncertainty in the minds of Canadians as to whether or not the Minister of Fisheries and Oceans has the right to allocate fish stocks to different sectors of gear type and different areas.

Fisheries Act

The Acting Speaker (Mr. Charest): In resuming debate, I will recognize the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to speak on Bill C-32, although I regret the haste with which the Government is attempting to push this legislation through the House. The Government says that the legislation must be passed in a hurry because of the herring season. The herring season opened two days ago for seiners on the West Coast and it is open today for gill netters. The rush and fury of the herring season, which the Minister and Parliamentary Secretary described, seems to have infected the Government. It is introducing this Bill in a similar manner of rush and fury, expecting the legislation to pass very quickly. I do not think the Government is going to do that. I think it is in for a long haul, unless it is prepared to give certain assurances to the House. This last minute tabling, and the Government's indicating that we are up against a deadline, is the sort of activity that we used to get from the Liberal Government. It encourages a degree of cynicism and makes parliamentarians look somewhat irresponsible. Our Party does not intend to submit to that kind of blackmail.

Bill C-32 will increase the power of the Department to control the fishery but, at the same time, the Estimates which were tabled a week ago decreased the ability of the Department to manage the fishery in a rational manner.

Incidentally, we do have some good news. I think the Minister has been too modest in some of the things which he has done. He is responsible for a net increase of one-third in the fisheries habitat over the last week. If we looked at the Estimates which were tabled on February 26, we would see that there are 1,500 rivers on the West Coast which are capable of spawning salmon. However, in the Minister's speech a week later he indicated that 2,000 rivers were capable of doing that. The increase of 500 rivers within a week is the first sign of any real activity we have had from the Minister since his appointment.

I would like to ask a question in a rhetorical way, and maybe the Conservatives would like to answer it in a rhetorical way. If Roméo LeBlanc or Pierre De Bané had brought in this legislation in the previous Government, would members of the Conservative Party have supported it? I suspect the Hon. Member for Vancouver South (Mr. Fraser) would have been among the first, after the New Democrats, to oppose it.

Bill C-32 is as arbitrary and high-handed as the salmon treaty which was recently concluded with the United States. As my colleague has pointed out, that treaty was rushed through Cabinet in half an hour. The Prime Minister (Mr. Mulroney) had not read it, but he knew that he wanted the treaty so he would be able to sign it with President Reagan on St. Patrick's Day in Quebec City. That illustrates the arbitrary nature of what is happening.

We could look at what that treaty has done in relation to the sports fishery. There are 300,000 to 400,000 sports fishermen in British Columbia. The treaty indicates that within the Strait

of Georgia there will be an annual catch of 275,000 Chinook. That catch has to be shared between the sports fishery and the trollers. Sports fishermen were previously entitled to four Chinook a day, or a total of 30 Chinook per season. When the Department was first studying the treaty, it considered a limit of one Chinook per day, or a total of five per season. However, under pressure from the sports fishing industry, the number was increased to two Chinook per day, or a total of 20 per season. That seems to be a reasonable compromise.

We recognize the importance of the sports fishing industry, but we must recognize that that compromise is not without some very serious problems. There is still an upper limit of 275,000 Chinook which must be shared between gulf trollers and sports fishermen. Not all 400,000 sports fishermen are salt-water fishermen, and not all of them fish in the Strait of Georgia, but that is where the bulk of the fishing takes place. The official designation for the Strait of Georgia includes everything from Sherringham Point on the west coast of Vancouver Island, to Chatham Point, which is located north of the Campbell River. If there were only 150,000 sports fishermen in that area, the total allocation would not give them one day's catch of two Chinook each. That does not leave anything for the gulf trollers. Gulf trollers generally have small boats and cannot fish on the dangerous west coast of Vancouver Island, so they require a share of the Chinook in the Strait of Georgia.

Because of the mild climate on the coast, sports fishing has year-round potential, not only as recreation but also as an industry. Once the 275,000 Chinook limit is reached, the industry will be closed down. That limit includes both natural and enhanced stock. In a letter to me, the Minister said that the limit could be raised "if there is an improvement in the strength of runs of natural Chinook stocks". But how about enhanced stocks? If there is a great improvement in enhanced stock over the next few years, the 275,000 limit will remain. If there are more fish, it will take much less time for the sports fishermen and the trollers to reach the total allocation. When total allocation is reached, the sports fishery will be closed. That will mean financial ruin for marina operators and others who depend upon it.

● (1510)

The treaty has now been approved by the United States Congress and is ready for signature on March 17. It is worth nothing, Mr. Speaker, that the United States administration has not put any dollars on the table to make sure that it is able to live up to its part of the bargain. This fact was brought out by Mr. Don Bonker, a Washington State Democrat, who is concerned that the United States might fall short of its obligation with regard to the salmon fishing treaty.

The arbitrary means by which the Conservative Government approved the treaty is fully consistent with the arbitrary nature of this Bill. There was no consultation. We recognize the necessity of management and of allocation. We recognize that there is great pressure on a limited resource. But we raise the question of how that management should take place. This is an important question, Mr. Speaker. On February 3 of last year, when the present Minister of Fisheries and Oceans was in opposition, he raised that question when he moved a motion of non-confidence in the Liberal Government. Throughout his speech on February 3 of last year, he stressed the need for industry involvement and management. He said, and I quote from page 1055 of Hansard, February 3, 1984:

> The third imperative is industry participation in fisheries management. This must be something much more than mere consultation.

The present Minister of Fisheries and Oceans went on to say:

> What we have in mind is an industry management board appointed by the respective user groups to determine policy and to report directly to the Minister. Policy recommendations, with the rationale for them, should be made public. This is the only way the difficult decisions, impinging on one group or another as they will under current circumstances, can ever be made to work. The immediate advantage to this is that those who know the most about the industry and the impact of decisions on the industry will be formulating the policy. The insistence that their deliberations be made public will guarantee accountability.

Later in his speech he said:

> —we would recommended that the Government establish an industry management board with representation from all segments of the industry, including the sports fisherman . . . If we are going to do that, as I have urged, that industrial management board must have some clout. It must be respected. The policy options that it works out must be treated seriously by the Government.

The Minister also called for buy-back and building habitat. He talked about the importance of the salmonid enhancement program. He said that second stage salmonid enhancement program funding should be brought forward immediately for this purpose. There is no reference in the speech of the Minister last year to increasing the berthage fees for vessels at the docks of the Department of Fisheries and Oceans. There is no reference to privatizing the fishing vessel insurance plan. These are two things about which we now hear.

There is nothing in this Bill, Mr. Speaker, and nothing that the Minister has done since taking office last fall, that has addressed the urgent problems which he outlined last February. Where is the commitment to open Government about which we heard so much last spring and during the election campaign? Where is the commitment to real participation in management of the fisheries which the Minister talked about when he was in opposition? Where are the decisions which are going to be made by different user groups? Where is the buy-back to reduce the excess fishing capacity in the industry? Where is the increased habitat protection? Where is the salmonid enhancement program?

It is interesting to note, Mr. Speaker, that shortly after the Minister was appointed he was interviewed by the United Fishermen Allied Workers Union and he said that he was committed to a buy-back program as soon as possible, and to increasing funding for salmonid enhancement. He said that if the buy-back program could not get legislative approval in short order, he would proceed without it. One of his first announcements after taking over his new post was to call for an industrial board to advise the Minister on fisheries matters. However, details of the board structure have not yet been worked out. That was back in September, Mr. Speaker, and the board's structure has still not been worked out. We find

To provide, in co-operation with the provinces, for the proper management, allocation and control of the inland fisheries of Canada.

that this Minister, who had and still has a good reputation as a progressive within his own Party, is going right along with the cut-back mentality of his Government. I believe that some of the progressives within the Cabinet are going to have to sit down together at some point and ask their consciences how long they can continue to go along with the general direction of this Government, which runs completely counter to the sort of things they in their hearts believe in. Although the Minister is from the Pacific coast, 4.4 per cent was cut from the budget of the fisheries on the Pacific coast as compared to 1.5 per cent cuts to the fisheries of the Atlantic coast. We do not expect patronage just because the Minister is from the Pacific coast but we would like to see at least some equity.

On the Pacific coast the fishery research has been cut almost 30 per cent, from $17.5 million to $12.5 million. That is a loss of 31 person years. Fisheries management will have 18 fewer people to do the kinds of jobs which are needed if the fishery is going to be properly looked after. At the very time that the Bill is giving the Department more responsibilty to regulate the fishery, the Minister is reducing its capability to do so in an informed and intelligent manner. The salmonid enhancement program remains stuck in second gear of the transition phase.

Without any regulations which require input from user groups, the Department will be given the right to regulate the industry in the most minute ways and in a manner which can spell economic life or death for the people who are involved in the fishery. The Minister made a commitment that there was going to be involvement of user groups, but now we see that there is an arbitrary power being given to the Department and its employees. The Minister asked for this power so that he could treat all segments of the industry in a fair manner. However, I am sure that the Minister would not have wanted to give this kind of power to his predecessor. I am sure that he would not want to give this power to any successor from another Party because it places too much power by far in the hands of the Minister and his Department without any kind of checks or balances.

I would like to say a few words about the rights of the aboriginal people. There is nothing in this Act which speaks to their needs or reassures them with respect to their aboriginal rights. Hon. Members of this House should know—they have been told a number of times in the last couple of weeks—that the reserves in British Columbia were very small when created because government officials recognized that Indian people in British Columbia depended for their livelihood upon the ocean and rivers and upon the regular runs of salmon and other fish. For that reason the reserves, when created, were very small. They have very little economic viability apart from their access to the fishery, yet there is nothing in this Bill which recognizes their right. Several British Columbia aboriginal tribes look out to the ocean and stake some of their claims there, but this Bill does not recognize or deal with that.

We have concern about Clause 2 of the Bill which alters the purposes of the Fisheries Act. Clause 2.1(d) reads:

This opens the way for provincial involvment and control of inland fisheries, which can have a very negative impact upon some of the rights of the Indian people who live upstream. The sweeping nature of this clause leads us to request that the Minister either delete it or else bring in some kind of acceptable amendment.

I understand that there is also some question about the congruence of the English and French version of this Bill. I am neither a lawyer nor an expert in the French language so I do not intend to go into any detail on that. I simply want to flag it. I hope that the appropriate people will study that and ensure that the English and French versions are brought into line with each other.

● (1520)

In conclusion, before we give the Minister the power for which he has asked in this Act, we want to have some reassurances from him that there will be regulations ensuring a proper allocation to the native people, some guarantee of their right to fish. We want assurances that there will be commitments to the different communities on the coast so that allocations will not discriminate against one community in favour of another to ensure that all parts of the coast are treated fairly. We want assurances that there will be guidelines tabled to enable us to understand how allocations will take place. We want assurances that there will be some mechanism for co-management as the Minister promised. I urge the Minister to be forthcoming in these respects as soon as possible so that, as he requests, this Bill can get out of the House and into committee where it can be properly addressed.

The Acting Speaker (Mr. Charest): The Hon. Member for Comox-Powell River (Mr. Skelly) on a question or comment.

Mr. Skelly: Mr. Speaker, I was very interested to learn, from the remarks of the previous speaker in his excellent presentation, that the Prime Minister of Canada (Mr. Mulroney) had not even read the treaty when he urged that it be signed and dealt with very quickly. I recall the time when we discovered that the Cabinet had passed this very complex, important document in 30 minutes, that the Prime Minister accused the NDP of trying to force the country backward. I am now shocked to learn that the Prime Minister had not even read the document. The second thing that amazes me is that they spent most of the time in that Cabinet meeting discussing where they would get the $8 million to pay for the administration.

Would the previous speaker give the House an indication of whether the Prime Minister has read the document to this date? I know it is on record that he wanted that document very badly, as it appears in the news release. Yet, until the point in time when the Cabinet approved it, he had not even read the document. Does the Hon. Member know whether he has read it to this day?

Mr. Manly: Mr. Speaker, I cannot say whether the Prime Minister has read the document. However, I would like to point out that while there has been some discussion as to whether the $8 million would be forthcoming, there has been no indication in the United States that the money they need to implement the treaty will be forthcoming.

My hon. friend has just pointed out that the increase in moorage will match exactly the $8 million needed to administer the treaty. Therefore, fishermen, who are facing a very difficult economic time right now, are being charged extra moorage costs which they cannot avoid in order to pay for the administration of this treaty, which, as my friend has pointed out at different times, seriously impinges upon the sovereignty of Canada.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I would like to begin my remarks on Bill C-32 with a very unusual statement coming from this side of the House. I would like to congratulate the Minister of Fisheries and Oceans (Mr. Fraser) and the Parliamentary Secretary to the Minister (Mr. Gass). I would like to wish them well in carrying out their responsibilities of administering a fisheries program for all of Canada. I say that very sincerely because I want the Minister of Fisheries and Oceans for Canada to be successful. It is important to my region of the country that the fisheries and the fisheries programs instituted by the national Government be successful. I do not think that any Member of Parliament, regardless of his or her political affiliation, would want to see the Minister or his very able Parliamentary Secretary not be successful. We want the complete opposite. I hope he will be successful. I will indicate some areas, Mr. Speaker, in which Members in this Chamber, including Members of his own Party, can be beneficial and very helpful to the Minister and the Department in assisting them in carrying out their mandate.

In reading through this short Bill I was interested to read its purposes. One of the purposes stated in the Bill is worth bringing to the attention of all Members. It is a far-reaching purpose acknowledged solely because the Minister of Fisheries and Oceans understands the complexities of this particular Department and the linkages which that Department has with the economies of the West and East Coasts. It is stated in Clause 2.1(c):

> The purposes of this Act are
>
> (c) to ensure a continuing supply of fish and to maintain and develop the economic and social benefits from the use of fish to fishermen and others employed in the Canadian seacoast fishing industry,

That is a very far-reaching purpose in a federal statute. The Minister has said that the reason for these amendments is that:

> The Fisheries Act itself does not clearly provide the federal Government with the powers for full fisheries management. Bill C-32 will confirm the ability of the federal Government to fulfil such a full range of modern day responsibilities.

He went on to say that:

> —the amendments to Bill C-32 are needed to confirm and to clarify our authority under the Fisheries Act to make decisions reconciling all these competing interests.

And I emphasize the word "competing", Mr. Speaker. The Minister went on to say that:

> Fisheries management involves not just resource goals but also social and economic goals.

Very clearly, Mr. Speaker, as stated in the clause on the purposes of the Act and by the Minister responsible for the Act, social and economic goals are part and parcel of a fisheries policy for Canada. I want to flag that because it is important. When one looks at the other agencies and Departments of the national Government, there seems to be a void. They are not, in my opinion—and I stand to be corrected—fulfilling the substantive portions of the enactment and of the Minister's statement.

I will give you an example. What about the provisions of unemployment insurance? My colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), made mention of some of the changes and other things which are tied to the Unemployment Insurance Act and how that affects fishermen. The Minister of Finance (Mr. Wilson), sent out signals across the country that he wants to haul back on the Unemployment Insurance Commission payments. For a fisherman living on UIC, $150 a week is not much. These signals sent out by the Minister of Finance are different from those sent out by the Minister of Fisheries and Oceans. It is one thing to tell the middle class of Canada, who make $25,000 or $30,000 a year, that there are going to be changes. They can provide for their food and lodging. However, it is a different matter for the Minister of Finance to tell those receiving $150 a week in unemployment insurance that he is going to shorten their period of insurable earnings and they will get less money. Do you know what that means to someone who must buy the milk and pay for the rent and heat? It is a devastating feeling to sit in your home, available and ready to work but unable to find work, and to have the Minister of Finance say on the floor of the House of Commons that the Government is considering and will ask questions about how it can save more money on unemployment insurance. I say to the Minister in all sincerity that that is certainly not in the best interest of the recipient of UIC, whether it is a fisherman or someone else. It is a devastating feeling. The Minister of Finance and the Minister of Employment and Immigration (Miss MacDonald) are sending out many different signals throughout the country which have a real effect on the fishermen on the East Coast and the West Coast.

● (1530)

Another agency that has a competing interest working against fishermen rather than for their benefit is the Department of National Revenue. Perhaps it is acceptable for Members of Parliament, some of whom may be legal scholars, to talk about audits conceptually. However, for those who make a small amount of money, often below the poverty level, it is tantamount to harassment to have some bureaucrat, at the instruction of the Minister of National Revenue (Mr. Beatty) or in co-operation with the Minister of Employment and Immigration, say that the Department will do a lengthy and detailed audit of their earnings over a period of time. This may

be acceptable conceptually, but the reality is that those individuals are facing harassment. There can be nothing more distasteful or repugnant than to have a national Government zeroing in on the unemployed—fishermen or anyone else. We can agree that abuses must be corrected, but National Revenue, in its attitude to fishermen in auditing their claims, has gone too far. I hope the Minister of Fisheries and Oceans, the Minister of National Revenue and their colleagues will consider that issue.

The Minister talks about social and economic concerns. The Department of Regional Industrial Expansion is a substantive and very important body in terms of the lifeblood of Atlantic Canadians. We are worried in Atlantic Canada that the Minister responsible for that Department is not acting in co-operation with the Minister of Fisheries and Oceans. Some weeks ago, I brought to the attention of the Prime Minister (Mr. Mulroney) that a fire destroyed a fish plant in my constituency. Of course, there were musings from the Minister of Employment and Immigration that help would be forthcoming to rebuild that plant, but nothing has taken place except for a few studies.

My point is that the intent of this legislation cannot be left to one Minister of the Crown to carry out. There must be a collective will to do so, and I urge Members of Parliament, particularly government Members, to impress upon their colleagues and respective Ministers to take cognizance of the purpose of the Act.

The Minister of Fisheries and Oceans has pledged his support for the fishermen and their interests. However, notwithstanding his comments about unemployment insurance, the Minister of Finance has made substantial cut-backs with regard to the Deparment of Fisheries and Oceans. I suggest that a Government that strongly supports a resource industry would not implement cut-backs as the present Government has done. For example, with respect to capital expenditures alone, there has been a deferral of phase 3 of the construction of the Northwest Atlantic Fisheries Centre in Saint John's. This is a substantial cut, although it may seem insignificant to those who are not familiar with the fishing industry. I urge government Members not to allow the Minister of Finance or the Prime Minister to hang the Minister of Fisheries and Oceans out on a limb, because that is what they are doing. They are not permitting the Minister of Fisheries and Oceans to have the tools to do his job, as evidenced by the deferral of the construction of the new fisheries lab in West Vancouver and the deferral of the construction of a new district fisheries building in New Brunswick.

It is time for Government back-benchers to speak up, because I firmly believe that the Government cannot state a certain intent in a federal statute and then do the exact opposite. Another example is the Scotia-Fundy Fisheries Centre which will be deferred for four years. That is a facility which would greatly contribute to the enhancement of opportunities for fishermen and people in the industry. There are many more cuts.

The President of the Treasury Board (Mr. de Cotret) wants to cut the deficit. Rather than go to Bay Street to cut the deficit, he singles out the fishermen. He will not build more wharves or give them the much needed infrastructure when the livelihood of the fishermen depends on a good facility. However, neither the Minister of Finance nor other Ministers of the Government have a vision of this country. He does not share, as we in this party and, I am sure, certain Members on that side of the House, the view that the fishing industry of Canada is important to the Canadian economy and absolutely vital to the regions of this country. The Minister of Finance has taken actions which are completely opposite to what the Minister of Fisheries and Oceans has stated publicly, and they are also opposite to what is stated in the Act.

Again I say to government Members that if they are going to vote in favour of this legislation and its objectives, I suggest that they advise the Minister of Finance to live up to those objectives.

Finally, in the last number of years we have seen a proliferation of regulations both at the provincial and the federal levels. There are approximately 17 statutes which are administered by the Minister of Fisheries and Oceans. It is one thing to enact a piece of legislation, but we must remember those whom we are attempting to serve. What is this legislation for? It is to have regulation after regulation after regulation made by the vehicle of Order in Council, much of which is not known by many individuals. Yes, we have the argument time and time again that a regulation is gazetted and that it goes out to the regions, and if anyone wants it they can call up and get it. The fact is that there are a lot of confused individuals who, through no fault of their own, are not aware of the regulations nor of their effects and how they operate. I will quote one individual talking about regulations, a professor of law at Dalhousie University, who said that great administrative discretion allows federal officials to alter fishing regulations and policy almost overnight. A lack of a legislative mandated consultation process allows officials to chart a fishery management policy virtually on the basis of plans of their own design subject only to the advice of their own choosing.

● (1540)

I think that tells it all, Mr. Speaker. We do not want a proliferation of regulation for the sake of regulation. If there has to be regulation, it ought to be meaningful. Before you arrive at that level of legislation—because that is what it is, let us make no mistake about that—there ought to be a meaningful consultation process. It does not have to be a process which is long and cumbersome, but there has to be a process, both to communicate the intended result about what the regulation is supposed to achieve and also for the general knowledge of the active players in the fishing industry. It is important for them to know first hand both the content of what regulations may be and the effects of that legislation.

I want to conclude because I have a gentlemen's agreement with my colleague, who no doubt will get up and support

everything I have said. I want to have the record show that I agreed to speak until a quarter to four—

Mr. Gass: It was twenty to four.

Mr. Dingwall: My understanding was that it was to be a quarter to four.

An Hon. Member: It is now eighteen minutes to four.

Mr. Dingwall: Maybe I will go on until ten to four. I had a gentlemen's agreement with my colleague that I would speak until a quarter to four.

I want to thank Members opposite for giving me an opportunity to participate in this debate. Unlike the Parliamentary Secretary to the Minister of Fisheries and Oceans, this is the only area on which I have disagreed with him up to now. I think it is good we are having this debate in the House of Commons. I would not be in a hurry to pass this legislation through this Chamber. Let us give each and every Member an equal opportunity to say what he or she believes, particularly the Members who come from the east and from the west where the fishing industry is so vital to our economy.

Mr. Heap: Mr. Speaker, I was interested in the Hon. Member's assertion that the Minister is trying to do a good job. That fits with my recollection of the Minister speaking on this matter in the House last year in his role as Fisheries and Oceans critic, but whether he was the critic or not, he was certainly active on this subject. I remember that at that time the Minister was very interested in having the greatest amount of consultation possible with the fishermen before the legislation was passed. Could the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) comment on whether there has been the kind of consultation to his knowledge, because he knows a great deal more about this than I do, that would enable this legislation to be more practicable, or would he suggest that that consultation might still be obtained?

Mr. Dingwall: Briefly, Mr. Speaker, I do not believe there has been any meaningful consultation. I believe there has been consultation by the Minister in terms of his travels across the country in meeting with the various provincial Ministers of fisheries and the various interested groups. In terms of actually debating and having briefs which will be submitted on various points, hopefully we will be able to get some of that information through the process of committee. I would say in cursory fashion that if there had been consultations, then why were there such devastating cut-backs in the November 8 economic statement to the Department of Fisheries and Oceans? I do not find too many fishermen writing to me saying that they agree with these cut-backs, both in terms of the capital and the operating expenditures of the Department of Fisheries and Oceans. There is not a fishermen that I know of in Atlantic Canada who will write and say, "Yes, we want to have our special recovery program terminated", whether it is to build a wharf or something else. There was no consultation.

The answer to the Hon. Member's question is that I do not believe there was meaningful consultation. Hopefully, because of the attitude of the Minister there will be much more meaningful consultation in the future.

The Acting Speaker (Mr. Charest): Resuming debate. The Hon. Member for Nanaimo-Alberni (Mr. Schellenberg).

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it is customary for a Member of Parliament during his maiden speech to sign the praises of his or her particular riding. Far be it from me to break this tradition.

Nanaimo-Alberni has been called Canada's paradise, with its temperate climate and inherent scenic beauty from Nanaimo on the east coast of Vancouver Island to the rain forest of the Pacific Rim National Park on the west coast. It is also a very busy place, Mr. Speaker. It is the scene of the world famous Nanaimo to Vancouver bathtub race. It is said that Nanaimo has the cleanest politicians around. The salmon capital of the world is located in Port Alberni. Parksville-Qualicum is the site of the world croquet championship. It is also the former riding of one of the world's great statesmen, Mr. Tommy Douglas.

There is a dark side to the beauty of Nanaimo-Alberni, and it is one of the main reasons I would like to speak today on Bill C-32.

In an area dependent on the resources sector, the logging of trees and the harvesting of fish, unemployment is as high as 30 per cent in Nanaimo-Alberni. That, Mr. Speaker, is unacceptable. The fishermen in my riding are counting on our new Government to manage the resource properly and to improve the economic prospects of the West Coast fishermen, or fisherpersons as one Hon. Member has stated. Unfortunately, many of our fishing methods have been around for the last one hundred years. They are very much out of date and changes have to come. This Bill represents a modest change.

I am pleased to have the opportunity to participate in the debate on second reading of Bill C-32, an Act to amend the Fisheries Act. We on this side of the House had hoped we could still get speedy consideration at all stages. This Bill is housekeeping legislation. I am quoting the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). It is a straightforward, unambiguous Bill intended, first, to confirm the Minister's powers to manage the fisheries in all its dimensions and, second, to refine the on-site management powers assigned under the Act to fisheries managers.

I was rather disturbed by some of the objections raised by members of the two opposition Parties in Wednesday's debate. I think they are labouring under some misapprehensions about the implications of the Bill—misapprehensions which I hope to dispel this afternoon. I am equally concerned when they say they cannot pass this urgently needed legislation until the whole gamut of issues affecting the fisheries on both coasts has been aired.

Let us establish at the outset what this Bill is about. Essentially, it has two thrusts. First, it removes any statutory ambiguity concerning the Minister's powers under the Act to undertake the full management of the fishery. It does this by

spelling out clearly the purposes of the Act and by up-dating the definitions of fish and fishery in the Act to make them more comprehensive. It confirms what people who know the fishery have always known, that is, that true management of our fisheries means management for social and economic benefit and not for conservation alone.

Second, the Bill refines the on-site management powers available to local fishery managers to allow them, among other things, to open or close portions of a management area where now they must open or close entire areas.

Let us be clear. There are no vast new powers conferred by this Bill. To quote again the Hon. Member for Grand Falls-White Bay-Labrador, this Bill "simply enshrines in law what the Department felt it could do all along".

Mr. Redway: It sounds like an excellent Bill.

Mr. Schellenberg: It is. Many of us were surprised that these powers were disputed in a court of law, but since they have been disputed, that shadow of doubt must be lifted. These amendments do just that.

• (1550)

None of the three Parties in the House has questioned the need for these powers. The Hon. Member for Comox-Powell River (Mr. Skelly) in a speech in this Chamber on Wednesday indicated, in terms of the denial of these powers to the Minister, the following:

—to me spells complete chaos in the fisheries management regime, not just on the West Coast but on the East Coast as well . . . We must amend this legislation to provide an orderly management regime in the fishing industry.

Mr. Redway: That makes sense.

Mr. Schellenberg: It does. The second major provision concerning on site management powers for fishery managers similarly refines existing delegated powers rather than conferring new ones. As I just remarked, currently fishery managers must make judgments about opening or closing entire management areas to fishing. If a particular endangered stock is found in one small corner of a given area, the entire area may have to be closed and fishermen denied access to fish stocks throughout that area, just to conserve the endangered stock.

Opening and closing sub-areas is possible under the current Act, but the decision cannot be taken on site. It requires a lengthy process of enactment by Order in Council a slow and cumbersome process which inhibits effective fisheries management. The process can take weeks, and we need decisions in hours or even minutes. The provisions of the Bill simply ensure that a fishery manager can act right there on the site, right where a highly changeable situation is unfolding, a situation much like the one the Parliamentary Secretary talked about earlier today in the herring season.

The final point I should like to make about the over-all package is its urgency. The West Coast roe herring fishery has begun. Confirmation of the Minister's management powers is required to ensure the smooth progress of that brief, very lucrative and very competitive fishery.

Members of the NDP have said that these powers are not needed for the herring fishery because the major groups have agreed to be bound by the management plan worked out in advance. The Department can take some credit for this, because the Minister and his officials devoted time and energy to developing a workable fishing plan in consultation with the industry. We hope the fishery will proceed without disruption, but it could take just one unhappy fisherman to disrupt that densely packed race for a precious harvest. NDP Members acknowledge that the Minister must have these powers to do his job. Where we part company with them is when they say they will not allow this House to confirm those powers—the framework for fisheries management—until they have a complete accounting of how he plans to allocate among gear types between commercial, sports fishing and native fishermen, of how he plans to address native constitutional and economic issues, and so on. They want to know every detail of how the Minister plans to discharge every facet of his responsibilities now and forever.

They have demanded details on the proposals for a voluntary vessel buy-back, on the next phase of salmonid enhancement, on the settlement of native land claims, on small craft harbours, and on habitat management. If we get into that, we will be discussing this Bill for many days to come. I can tell them that the answers are not available because we are still working them out co-operatively and in close consultation with all affected groups, in line with our commitment to open government.

The opposition Parties claim that we have not adequately considered the people and Parliament on all these issues. That is incorrect. Let me deal with these points in turn. Fisheries management is a consultative process. In the end, Government has to take tough decisions. That is what we are elected to do. Those decisions are tough. They affect the lives and livelihood of literally tens of thousands of individuals in hundreds of communities. They require the reconciliation of closely competing interests of diverse groups, all vying for the same limited resource. But because the issues are so tough and their impact so deep, they have to be resolved collaboratively. On the East Coast, there is an elaborate bottom-up consultative process involving the industry and the provinces. This year the federal groundfish management plan developed by the industry was approved enthusiastically and in a timely fashion by all Atlantic Ministers. Moreover, since taking office, the Minister of Fisheries and Oceans (Mr. Fraser) has consulted the industry exhaustively on a range of long-term issues.

The Minister has met with the Ministerial Advisory Committee, commonly known as MAC, a body which brings together gillnetters, seiners, trollers, natives, sports fishermen, unions and processors. He has also met groups individually—the Native Brotherhood, the Prince Rupert Fishermen's Co-operative Association, several native bands, the Sports Fishery Advisory Board, and so on. He has met several times with the Fisheries Ministers of the Atlantic provinces and with numerous provincial fishermen's organizations. There is no alternative to putting time and effort into these consultations. This

commitment to open decision-making will be preserved and strengthened.

The Opposition alleges that the new Fisheries and Oceans Minister has not sufficiently consulted Parliament. That charge is unfair. NDP members of the Standing Committee on Fisheries and Forestry had numerous opportunities to bring the Minister before the committee, but they have never availed themselves of those opportunities. The committee had before it the Freshwater Fish Marketing Corporation amendments, the Saltfish Act amendments and the departmental Supplementary Estimates, but they have never invited the Minister to appear on one of those items.

I urge my colleagues—let us put the essential statutory framework in place. If the Opposition has concerns about the specific provisions of this Bill, let them be put on the record of the House. Let us get down to the business of the Bill, let us leave the rhetoric aside.

I see that I am almost out of time. I should like to point out quickly, as I said earlier, that fishermen on the West Coast have been fishing that way for over a hundred years now. Not everyone likes change, least of all radical change. The fishermen's whole economy is based upon how things are now, so radical change could disrupt many of them. Thus we must be very careful in the measures we initiate in the House and how those measures are initiated.

I have been listening to the comments of my hon. colleagues in the Opposition over the past two days. I know they have a great deal of faith and respect for our new Minister of Fisheries and Oceans. It is not too presumptuous to say that the future of an industry in trouble rests in the hands of the Hon. Minister of Fisheries and Oceans. It has suffered from neglect for too long now. Through this Bill, we are simply asking for the tools to get the job done.

In view of the fact that it is five minutes to the hour, I wonder whether we could simply get the job done and pass this Bill into committee.

Some Hon. Members: Hear, hear!

Mr. Skelly: Mr. Speaker, I join with other Hon. Members in the House in congratulating the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) on his maiden speech in the House. Most of us have had that experience. I know he lives in an area which is dependent upon fishing. Would he be in a position to elaborate on a number of issues which he touched upon?

On the Gulf of Georgia there is a serious allocation problem which has been exacerbated by the fact that the Government signed a treaty limiting the total number of Chinook which can be taken. However, it appears that there is a conflict between the gulf trollers and the sports fishing group in the gulf. There appears to be the question of a very serious threat of removing the gulf troller fleet from the gulf entirely. Would the Hon. Member be prepared to go on record as stating that he personally supports the continued existence of a commercial fishery in the Gulf of Georgia?

Mr. Schellenberg: Mr. Speaker, obviously I am a relatively new Member of the House, but the Hon. Member who has just spoken and several of his colleagues who have been in opposition for years know that the West Coast fishing industry has been in trouble for decades. Very little has been done. We are simply asking for the tools to get the job done. The Pacific salmon treaty was one of the first measures which we could enact to give us the framework so that fishermen could plan for the future. This Bill is another measure or action to enable the Minister to get the job done. We fully support what he is doing in that matter.

As I said earlier, we are running out of time on this. The Minister is prepared to appear before the Standing Committee on Fisheries and Forestry next week to answer those kinds of questions. I simply ask my colleagues and the Hon. Member's colleagues to pass this Bill at second reading today.

Mr. Skelly: Mr. Speaker, I have a supplementary question for the Hon. Member. He certainly indicated his support for the salmon treaty. Does he support the process by which that treaty came into force in Canada, the fact that Members of Parliament were not allowed to deal with the issue in the House, unlike the American Senate where representatives of the people had a chance to make a judgment on it? Does he in fact support a process wherein Cabinet approves a matter and denies the opportunity for elected representatives to consider it?

Mr. Schellenberg: Mr. Speaker, I would be pleased to tell the Hon. Member what kind of process I support. I support any process which actually results in action after 18 years of dithering on the salmon treaty. We actually brought action into the House and on that treaty. This Government stands for action, whether it is on this Bill or on the treaty. We stand for action on this Bill today. Again I ask the Hon. Member for Comox-Powell River to assist us in passing this Bill into committee.

Mr. Tobin: Mr. Speaker, I had an opportunity in the lobby to see the Hon. Member making his speech, and I congratulate him on it. I thought it was well crafted. I know of his obvious intergrity and sincere interest in fisheries matters. However, I want to say to the Hon. Member that we cannot stand—

• (1600)

The Acting Speaker (Mr. Charest): Order. It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

* * *

BUSINESS OF THE HOUSE

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I am wondering if the House Leader can confirm the business for Monday. He did hint last Wednesday what we would be looking at. I wonder if he could give a stronger hint today of what we will be doing on Monday.

Mr. Hnatyshyn: Mr. Speaker, if I were a betting man, I would say that we will probably be doing the same thing on Monday as we are doing today, but I hope we will make progress on the fisheries Bill. Then we will deal with the Bretton Woods Agreement. There is an element of urgency to get that legislation passed. The business of the House will be in essence in the same sequence as I announced for today.

I am in the process of monitoring and of consultations with respect to the progress made in the House on these pieces of legislation. I will advise the Hon. Member and his Party and all Hon. Members if there is any change in that sequence on subsequent days next week.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Charest): Is there unanimous consent for the House to proceed to Item No. 59?

Some Hon. Members: Agreed.

* * *

THE SENATE

ADVISIBALITY OF REFORMING

Mr. Reg Stackhouse (Scarborough West) moved:

That, in the opinion of this House, the Government should consider the advisability of introducing a motion to amend the Constitution Acts, 1867 to 1982, in order to provide for a major reform of the Senate, so as to ensure that this House is able to fulfil the mandate it was elected to implement without undue interference.

He said: Mr. Speaker, this motion is vital because, as it is now constituted, the Senate has no place in a democracy. To be a valid democratic legislature, the Senate needs a mandate from the people, and it has no such mandate. The Hon. Stanley Knowles told this House in 1965, and I quote:

We ought to ask ourselves whether there is any place in our parliamentary institution for a group of people who are not responsible to the electors.

In defence of the Senate, there are those who point to the quality of its Members. Of course, Canada is not a meritocracy governed by an elite. It is a democracy whose laws are passed by men and women who have one source for their authority. The Members of this House have a right to determine the direction of Canada. Regardless of our individual talents or lack of them, regardless of our Party strength or lack of it, each of us has the same legislative authority. We have been chosen by the people. We have been given an authority no Senator can ever claim.

Defenders of the Senate have tried to make it acceptable by defining it as a kind of legislative refinery, designed to improve

legislation that emanates from the one democratically authorized house, namely the House of Commons.

Bagehot, the 19th century authority on Parliament advocated an Upper House as "a revising and leisurely legislature". In this country, John A. Macdonald wanted it available to check what he called "hasty or ill-considered legislation", to be the so-called "chamber of sober second thought". Let us appreciate, in fairness, that often the Senate has been that in terms of amending and improving legislation, but when we try to defend the Senate as the bulwark of defence for the regions, for the minorities, for the oppressed, we do not have that kind of impressive history to cite.

Let apologists for the Senate admit that it has not been the bulwark for justice they claim. They say the Senate is needed to protect regional interest, but where was the Senate when the national energy policy eviscerated the economy of western Canada? They say the Senate is needed to protect the people's freedoms, but where was the Senate when the War Measures Act was used in 1971 to override civil liberties? They say the Senate is needed to protect minorities, but where was the Senate when Canadians of Japanese origin suffered injustice at the hands of their own Government? The fact is that the Senate has been effective mostly when it has defended privileges, like the privileges of the chartered banks and of the Liberal Party.

Its Liberal majority in the Senate, the only Liberal majority left in the western world, and that solely because it is appointed, has just given us another example of its passion for privilege. Its delay of the borrowing Bill was not a necessary defence of the taxpayers. If that had been necessary, why would the Official Opposition in this House ever have supported passage of the Bill? Yet, it did give support for its passage. I wish to quote from a letter sent by the Prime Minister (Mr. Mulroney) to the Leader of Opposition (Mr. Turner):

This Bill was not forced through the House by the use of our majority. It passed following an all-Party agreement that had passed the scrutiny and approval of your Caucus.

I cite correspondence from the Government House Leader to his counterpart:

This Order was the result of an agreement made in good faith on behalf of the three parties represented.

The action of the Senate violates the unanimous decision of the House of Commons. The decision was made after full consultation with yourself and your Party's finance critic, Aideen Nicholson, MP, on behalf of the Liberal Caucus.

There was, therefore, no need for the Senate to resurrect its long-neglected power of resisting and vetoing so that it could protect the people of Canada against the tyranny of a majority in this House. The Senate's objective was clear to see for anyone with memories of the Coyne affair. It was to begin a Fabian-like guerrilla war on this elected House and this elected Government, this in spite—

The Acting Speaker (Mr. Charest): I remind the Hon. Member, and I say this for the benefit of all Members who will intervene in this debate, that the Senate, as the House of Commons, is part of the legislative body of Canada. Therefore, as other Speakers in this Chair have done from time to time, I

remind distinguished Members of this House that they must be treated with respect. I would carefully remind all Members at this point to act accordingly.

Mr. Stackhouse: Mr. Speaker, I just point out that I have the utmost respect for Fabius in the ancient world. In likening the Senate majority to Fabius, I was not showing disrespect, but simply pointing out a historical parallel between his ancient style of warfare and what is now being initiated in this Parliament. The action of the Senate—and in no way does this reflect on any individual Member—occurred in spite of the Leader of the Opposition saying to this House words that were permitted by the Speaker in the Chair at that time "I recognize the primacy of the elected House of Commons over the Senate."

This motion was introduced in the hope that it can be passed and that it will not be talked out, for the time for Senate reform is overdue. No one should acknowledge this more than members of the Official Opposition. Senate refrom was a plank in the Liberal platform at the 1919 convention. It was advocated by the Right Hon. W. L. Mackenzie King in the elections of 1925 and 1926. In 1925, King said that reform of the Senate was a necessary bulwark for the preservation of democracy in this country.

I come closer to the present. In 1961, the current Leader of the Opposition in the House of Commons, writing an article entitled *The Senate—A Political Conundrum*, said:

> The Senate, in terms of current facts, no longer plays a useful part in the Government of Canada. Its historical purposes have been lost. It no longer operates (albeit through forces beyond the control of its own Members) as a restraining influence on legislation. Its initial historical function, that of representing and protecting the rights and interests of the provinces, were never discharged; and it is scarcely equipped with the necessary mandate for that role today. Consequently, the argument for its abolition is difficult to resist.

● (1610)

The Leader of the Opposition wrote that in 1961. Let him act on it now.

Some Hon. Members: Hear, hear!

Mr. Stackhouse: His Party has endorsed Senate reform since 1919. Let it use its opportunity now.

Some of us may think that there is little or no hope of action replacing discussion. We count on the support of the Opposition in this Parliament. As the late Right Hon. John Diefenbaker said, Senate reform has been a continuing subject of conversation throughout the years, "something like the weather".

The time for major reform is here as never before. This House has to face the possibility of a Senate using its veto power over legislation. An article in *The Toronto Star* of February 3, 1985, reads as follows:

> Liberal Senator Royce Frith, Deputy Leader of the Opposition in the Senate, says his Party "will not ignore the fact we have a majority . . ." if legislation is important enough to warrant defeating a Bill.

He is reported to have said that examples of such Bills could be Investment Canada and the reinstatement of capital punishment. That some Members of this House are equally opposed to those measures does not justify an unelected Chamber thwarting the will of this elected House. Certainly, Liberal Members of Parliament should not want it to happen because their Leader has already affirmed the primacy of the elected House of Commons over the Senate. If that primacy is to be taken seriously, the Senate must be reformed. Its potential for vetoing this House must be checked.

We all know the argument for defence which goes that the Senate has not exercised its veto for so many years that only parliamentary historians know when the last time was. Surely that was in part because since 1935, the Liberal majority in the Senate had a Liberal Government to follow in the Commons for 43 of those 50 years. Now there is a Progressive Conservative Government, and since the Thirty-third Parliament opened, this House has heard rumbling sounds rising from the usually dormant Senate. To quote a Member of the other place, Senator Hartland Molson, an independent Senator, has observed:

> It's perfectly obvious that what is happening is purely political.

Hubert Bauch in the Montreal *Gazette* of February 20 reports Senator Molson as saying that with the appointment of so many Trudeau loyalists to the Senate during past years, the Liberals have extended the heated partisanship of the Commons to the Senate.

Now is the time for reforms that can change that situation. One possible change is the proposal that the Senate be elected. This proposal was supported by the Joint Committee on Reform of the Senate in the previous Parliament. According to Senator Michael Pitfield, the Senate cannot perform its function of representing the regions because it is not elected. He has written:

> As an appointed Chamber it simply does not carry the credibility to perform the role in this day and age.

If an elected Senate would be, as some people fear, an example of the cure being worse than the disease because it contradicts the principle of Cabinet Government, then we must attempt another kind of reform, namely, one that will spell out clearly and definitively that the Senate's role is not to hold a veto over this House but to assist it precisely by refining its legislation and making major studies of current problems. If that is what history has shown the legitimate role of the Senate as an appointed body should be, then let the Constitution say so. Let us make a reform that spells out in words and legislation the way history has evolved.

I plead that Hon. Members of the House see that reform of the Senate should not stop there. The Senate can never have credibility with the nation, with the House of Commons or perhaps even with itself as long as it is, as so many members of the public have thought it to be, a happy hunting ground for hacks, a plantation for patronage plums, a Shangri-La for sinecure seekers. If an elected Senate is not acceptable, then let us use the opportunity of having a new Government and a new Parliament to give Canada a new method for appointing Senators, one that will give them the same public respect

enjoyed by Justices of the Supreme Court who are appointed without reference to partisan criteria.

To quote the Hon. Robert Stanfield on the Senate:

> We should do whatever is in our power to increase its credibility and that has to come basically through reform of the appointment process.

I put it to you, Mr. Speaker, that the time has come for this House to endorse a resolution calling upon the Government to initiate a process that will lead to legislation reforming the Senate and making it a more viable, credible, effective and acceptable institution in our parliamentary system.

I must conclude by saying that if such reforms are not possible, then I as one Member of Parliament would have to believe that abolition is the only reasonable alternative. An unelected legislature exercising powers to make and unmake laws has no place in a democracy. As the Leader of the Opposition in this House has written, "... the argument for its abolition is difficult to resist". Only legitimate and adequate reform can resist it.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate this afternoon on a motion to reform the Senate. One cannot help but wonder if this is not indeed a motion rather to abolish the Senate, a move which seems to be a late bluff of some of the Conservative Members of this House.

When the Senate is accused of not doing its job, we say it needs reform. When it is accused of doing its job, we say it needs to be abolished. It is that kind of schizophrenic behaviour on the part of some Conservative Members of the House that makes me wonder if we know what we are speaking about.

I do not purport to be an expert on constitutional matters in this country, but it seems to me that throughout the years, the Senate of the country, nothwithstanding the fact that it does require reform, has indeed performed a very unique and useful role. Let us look at some of the history of that institution.

When the Provinces of Canada East and Canada West joined together along with Nova Scotia and New Brunswick, there was fear in Canada East, which prior to that was called Lower Canada, that through representation by population, the parliamentary structures would create a circumstance under which the Francophone group of Lower Canada may eventually lose its reprensentation through sheer numbers. Therefore, the people of Canada East wanted to have a structure by which there would be a guaranteed representation, and that structure of course was the Senate. It is also interesting to note that in the Province of Quebec, unlike any other province, the Senate has electoral districts or Senate ridings, if we can call them that.

Again, looking at this matter historically, we also note that the maritime provinces wanted to have some guarantees that they would not be part of the conflict that was raging at that time between Canada East and Canada West. There were linguistic conflicts and a constant deadlock after the Act of Union of 1840, and there seemed to be a new Government about once a year. The maritime provinces felt that difficulties could arise from the union because they felt they had more stable parliamentary institutions at that time. Again, they wanted a structure which would guarantee some uniformity, consistency and regional representation. That structure, of course, was the Senate.

We are discussing here today whether or not the Senate accomplished any useful role in providing regional balance to this country.

● (1620)

[*Translation*]

If I remember correctly, Mr. Speaker, the previous speaker said that he thought the Senate had not fulfilled its mandate to represent the regions of this country. I would like to remind my Conservative colleagues how, after the 1979 election when the Clark Government had only one Member from Quebec, a Francophone, who could be appointed to Cabinet, how the then Prime Minister decided to have a Francophone presence from Quebec in Cabinet. Mr. Speaker, I would remind the House that Messrs. Asselin, Flynn and de Cotret were appointed to the Senate to guarantee the Province of Quebec representation in Cabinet, because there was no other way to do so at the time.

Perhaps the Hon. Member for Scarborough West (Mr. Stackhouse), who spoke earlier, feels that those Senators did not do a good job in Cabinet. That may be his opinion, but I think that although the Government of that day was short-lived, it was essential that Quebec be adequately represented in Cabinet, and that is the mechanism that was used at the time.

[*English*]

We are told that as an institution of sober second thought the Senate has not been useful. In the opinion of the Hon. Member who has just spoken, it was the fault of the Senate that the War Measures Act was invoked. I would like to remind the Hon. Member that his Party voted for the War Measures Act as well as did the Government of the time.

Mr. Stackhouse: They did not stop it.

Mr. Boudria: Well, I have not taken the time today to verify how Conservative Senators voted on that Bill, but I know that the Conservative Members of the House—who, the Member claims, were pure and holier than thou—voted for that Bill. In hindsight we might say that the measure was unnecessary, but we are not debating that today. We are debating the fact that the Conservative Members of the House of Commons also voted for that Bill, and now the Conservative Party is accusing Liberal Senators because they voted for it.

I think I have just described what is wrong with the Government. It is trying to find scapegoats for its incompetence. Conservative Members have indicated that the War Measures Act was the fault of Liberal Senators, even though Conservative Members of the House voted for that measure. Today,

because of the Government's inability to run the country, to keep interest rates down, and to find employment, it is creating a new debate—the debate of the Senate.

The Senate does need to be reformed. We have probably looked at Senate reform in Canada since 1868—just after the institution was established. There have been Liberal and Conservative Governments since that time. There is no reason for the Member who has just spoken to stand and say that the Leader of the Opposition (Mr. Turner) should act on it now. Since when is it the initiative of the Leader of the Opposition to initiate government legislation? Introducing government legislation, in my short experience in the House, was, I thought, the responsibility of the Government. That is why it is called government legislation. Perhaps the Hon. Member should become familiar with that fact. What we have today is nothing but a red herring. Conservative Members of the House are attacking another institution because of their own inability to govern.

The Government House Leader (Mr. Hnatyshyn) was quoted in *The Globe and Mail* of today as having said:

> You can't abolish the Senate without unanimity, the reason being that it affects the amending formula under the Constitution.

He also said that it would require the consent of all ten provinces, as well as the consent of the House. But the Member opposite just told us that it required the initiative of the Leader of the Opposition. Need I remind that Hon. Member of the feelings of the ultra-conservative Premier of British Columbia? How does the Premier of B.C. feel about abolishing the Senate? How do the other Premiers in Canada feel about abolishing the Senate? They do not feel that it needs to be done away with—

Mr. Stackhouse: How does your Leader feel about it?

Mr. Boudria: I am glad the Hon. Member asked how I felt about the Senate. I feel that our parliamentary institutions need to be enhanced, protected and, first and foremost, they need to be respected by each and every one of us.

[*Translation*]

And that, Mr. Speaker, is where the Members of this House have been extremely remiss. We must remember that senators are Members of Parliament as we are. We are Members of Parliament as Members of the House of Commons, and Senators are Members of the Parliament of Canada by the very fact they have been appointed to the Senate.

An Hon. Member: That is not true!

Mr. Boudria: One of the Members opposite says that a Senator is not a Member of Parliament. He is entitled to his opinion, but I would strongly advise him to read the Constitution of our country and to become a bit better acquainted with our parliamentary procedure. If he has ever presented a petition in this House or in the past read up on the history and traditions of the Parliament of this country, Mr.Speaker—The Parliament of Canada is not the House of Commons, it is the Governor General representing the Queen, the Senate and the House of Commons in assembly. I want to mention and emphasize that for the information of the Hon. Member opposite who has just stated that a senator is not a member of Parliament.

Mr. Speaker, some claim that the Senate has not played an important role, especially over the past few years, and that it has not carried out its duties in the best interests of the Canadian people. I could mention a number of achievements and reports . . . For instance, "Soil At Risk" is an excellent report which has been prepared by the Senate and which several Hon. Members of the House have publicly described as being a well-documented paper of major significance. There have been in the past many such documents. The Senate of our country has done quite a lot of work in many areas.

[*English*]

The Senate has acted as a Chamber of sober second thought.

Mr. Skelly: Prove it.

Mr. Boudria: There are some New Democratic Members who say that it is not useful and that it is unnecessary. Perhaps they should review some of the Bills which have been passed by the Senate to see what they missed when the Bills were in the House. Then they will know that their shortcomings are sometimes corrected by the expertise which exists in the upper Chamber of our Parliament.

• (1630)

In conclusion, Mr. Speaker, I will say that I feel it is somewhat ironic that we are debating this motion today. We have today, very appropriately, discussed women's issues in this House. I live in the same village as the first woman Senator of this country, Senator Cairine Wilson, who was appointed to the Senate in 1930 and whose statue is right here in this building. I just thought that on this particular day it was appropriate to pay a special tribute to the first woman ever to have sat in that illustrious Chamber, namely, the Hon. Senator, Cairine Wilson.

[*Translation*]

Mr. Speaker, I would like to remind my Progressive Conservative colleagues that the steps taken by the Senate in recent weeks were aimed at delaying an unreasonable initiative on the part of the Government. Unreasonable indeed, for the Government came before this House to ask the Canadian Parliament to approve expenditures for a fiscal year yet to begin, a fiscal year for which the estimates had not even been tabled. Mr. Speaker, we have seen today why we do need the Senate, if only to remind the House and, particularly, the Progressive Conservative Party that Canada is not under a dictatorship and that respect must be shown for our parliamentary institutions. So it was the Senate which reminded the Progressive Conservative Government about the respect which our parliamentary institutions command.

Mr. Speaker, one of the NDP Members was wondering why the Bill left this House in the first place. I thought that any NDP Member would know and recall that, on December 21, when the Bills came up for debate in the House on the last sitting day, we reached a compromise and agreed to hold a debate on universality and another one on a Conservative Measure which threatened a tradition and something important to this country. On that day, the House had to debate that measure and, once this was done, the Bill was read the third time and sent to the Senate.

I would remind my NDP colleague that Liberal Members rose to speak in the House on many occasions, and I challenge him to check that in *Hansard*. He will find out that it was not only in the Senate that Liberal Members or rather members of the Liberal Party stressed the importance of seeing the Government's estimates before passing the Bill, for I said so myself in my speech when the Bill was under consideration.

As usual, we see that the preconceived ideas of the New Democratic Party and of the Progressive Conservative Party, which of late seem to have been drawing closer than before—

[*English*]

We are seeing, Mr. Speaker, more and more members of the Conservative and New Democratic Parties sleeping in the same bed. On this particular issue it is quite obvious again. We are seeing this incestuous relationship, and let me tell you, Mr. Speaker, that it is becoming obvious that the two Parties are playing the same game in this House.

The New Democratic Party does not want a Senate. Perhaps it does not feel that the regional interests of this country are important. I accept that as the policy of those Hon. Members, if that is the policy they wish to have. But I don't like it and I feel that that is why that Party will never get anywhere. But Hon. Members of the Conservative Party should know better. They are in government. They should have more respect for our parliamentary institution. If they do not realize the value of our institutions, Mr. Speaker, then let them consult with the provincial Premiers across the country. Let them ask what those Premiers think of this initiative, and we will see that that idea will be soundly defeated. Reform of the Senate, Mr. Speaker, yes; abolition of the Senate, definitely not.

Mr. Dan Heap (Spadina): Mr. Speaker, I welcome the opportunity to speak on the motion of the Hon. Member for Scarborough West (Mr. Stackhouse). It is a possible sign that there might be some action at last on this subject, which everyone says has been talked about for the whole history of the entity known as Canada, then a semi-independent country and now a "maybe" independent country. It depends on whether we can run our own affairs without interference from across the border.

This motion only calls for reform of the Senate, but I would like to support it in the hope that an exploration of reform might lead sooner or later—I hope sooner—to the discovery that reform is neither possible nor really useful and that the only real alternative is abolition.

Mr. Weiner: Hear, hear!

Mr. Heap: Of course, that has always been the policy of the Party I represent, including its predecessor since 1933. The Hon. Member opposite who said, "Hear, hear!" reminded me previously of his history in that connection.

Mr. Keeper: He must be a red Tory.

Mr. Heap: The CCF adopted this policy in 1933. I was not at that convention. I was a little too young, but I will admit that that was one of the many attractive features of the CCF when I joined it in 1957. Since then I have never had any occasion to reconsider or have second thoughts about the proposal to abolish the Senate, to reform it right out of existence.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), said that the Senate has done many good jobs on legislation, but he did not say what jobs. I am not aware of any Bill which came out of the Senate any better than it went in. There have been some Bills, such as Bills concerned with regulation of the banks, which came out from the Senate worse than when they went in. That is not surprising considering the ties and directorships which many members of the Senate have.

There was a Bill put forward by the Liberal Government last year to impose the secret service on us, the CSIS, which did go to the Senate and did get a superficial proposal for reform. However, it was clear by the actions of the Liberal Government that it was not interested in having that Bill improved. It was only interested in playing for time. It only used the Senate as a smoke-screen in order that it could ram the Bill through the following year with only superficial and cosmetic changes. Some of the changes which in fact the Senate committee suggested were ignored by the Government. It was clear, therefore, that the Government of the day did not intend that the Senate should actually improve the Bill. It only intended that the Senate be part of a charade in the pretense of the Government that it was consulting the public on a Bill to impose a secret police on us that was utterly irresponsible, that is to say, it has absolutely no obligation to report what it is doing to any elected representative of Canada.

The Senate made no change in that essential irresponsibility of the Bill in its proposals, so the whole charade of putting it to a Senate Committee was, as I say, only a way of keeping it out of public view for some months, then bringing it back with deceptive changes made. They changed nothing fundamentally. So I am very pleased that there are no New Democrats in the Senate. There are certainly New Democrats who have been respected enough by the Government of the day that they might have been appointed to the Senate, but if they were ever asked, they declined. There are now no New Democrats in the Senate, and therefore, as *The Toronto Sun* points out, we are in a very clear position in saying it should be abolished. I hope there never will be New Democrats in the Senate. There will

be New Democrats on the other side of the House in due course, but not in the Senate.

● (1640)

It is very interesting to note that *The Toronto Sun* is with us. It surprises Paul Godfrey, the Editor. It even surprises us a little bit, but not as much as it surprises him, because we believe that our position was sound and that some day even publications such as *The Toronto Sun* will recognize that. Evidently some Members across the way are beginning to recognize the soundness of our position. They were probably encouraged to do that by the extreme action in the opposite direction of the previous Prime Minister, Mr. Trudeau, in entrenching the Senate into the Constitution and then loading it down with his buddies just before he left and just after he left with the little deal he made with his successor. That certainly left a bad taste in the mouths of many Canadians. That, of course, is no reflection on the individual merits of the Members of the other place, but it is a reflection on the function that that body has served, intentionally or unintentionally.

I congratulate the Member for Scarborough West for having introduced this subject. I would be very interested to know whether he and his colleagues, who have votes in this place, are serious about what the Prime Minister (Mr. Mulroney) has trumpeted in the media in the last few weeks, what many of his colleagues on that side of the House have supported, and what the Hon. Member for Scarborough West advocates in his motion. Are they really going to try to make changes?

The Hon. Member for Scarborough West reminded us that a former Prime Minister, John Diefenbaker, said that everybody talks about Senate reform like the weather but nobody does anything about it. In that case, John Diefenbaker himself was one of the nobodies, that is to say, he did nothing about it. He had a term of office in which he could have addressed the matter, but apparently he did not choose to do so. Now the members of this Party are talking about the need to do something. The question is whether they are serious or whether this is just horseplay. I am sure the Hon. Member for Scarborough West is serious, but he is a back-bencher. He sits as close to the back-benches on his side as I do on my side. It is not clear whether those who sit on the front benches share his seriousness of purpose.

Is the Cabinet willing to proceed or is it just stalling? Is it going to put forward a definite, concrete proposal, or perhaps even a Bill as a beginning? If not a Bill, will it make a report to Parliament? Will it put a motion to the appropriate committee of Parliament to have this matter opened up? In the alternative, will it hide behind the Leader of the Official Opposition (Mr. Turner)? Is it going to say that with 211 votes in the House it cannot do it because 40 people on the opposite side of the House in the Liberal caucus are not going to co-operate?

If the Prime Minister takes that stand seriously he will make himself the laughing-stock of the country. Everybody can count. Everyone knows that if the Prime Minister wants to put that through the House of Commons, he can do it. There is a constitutional question which he might have thought of before he spoke, but perhaps, as is his custom, he is better at speaking than at thinking, and he does not always know which he should do first. The fact is that he said he was going to make changes, and then the next day he and his colleagues began to wonder whether it was possible to make the changes. The fact is that there are colleagues of his Party in most of the provincial Governments of Canada. If there is agreement within his Party, they can act.

I can assure him, on the basis of more than 50 years of consistent policy by the NDP and the CCF, that he will not find the Government of Manitoba difficult to work with on this point. I can assure him that he will have co-operation from the Premier of Manitoba. There is evidently the potential for near unanimity among the provincial Governments of the country. Changes in the Constitution have been accomplished before with even less unanimity than that.

The question raised by the motion of the Hon. Member for Scarborough West is whether this talk by the Prime Minister and others of his Party about reforming the Senate is merely a dodge to take the minds of the public off the fact that the Conservative Government is doing nothing about jobs and tax reform, or whether it is a serious concern that will be followed up in the next week or two by a substantial proposal from the Prime Minister or one of his colleagues in the Cabinet for actual reform of the Senate. We will soon know whether the Conservatives are serious about it or are just leaving a back-bencher out to dry.

Mr. Alan Redway (York East): Mr. Speaker, it is a real pleasure for me to have the opportunity this afternoon to speak in support of this motion on Senate reform which was put forward by my colleague and roommate, the Hon. Member for Scarborough West (Mr. Stackhouse). This is a subject on which I personally have felt very strongly for a long time. In my very first year of university, I took a Canadian political science course. After having taken that course, I was convinced that we needed some very drastic changes in the Canadian Senate. Therefore, I am delighted to have this opportunity to speak today on that very subject, which takes me back a few years.

The subject of Senate reform has been discussed very broadly and in a great deal of detail over a number of years. The pace of that debate has been speeding up, particularly in the years leading up to our new Constitution, our new amending formula, and our new Charter of Rights. Since that time, there has been a great deal of debate on what we should do about the Canadian Senate.

There are a variety of thoughts which I believe break down into four main choices. The first choice is that of making some modifications in the power of the Senate. The second choice is that of changing the method of selection of appointees to the Senate, or changing the method of appointment. The third choice is the possibility of actually having an elected Senate, as my friend the Hon. Member for Scarborough West suggested.

The fourth choice is, as both the Hon. Member for Scarborough West and the Hon. Member for Spadina (Mr. Heap) indicated, that of abolishing the Senate altogether.

With regard to modification of the Senate, or any of these choices, the key to the issue is accountability, that is, whether the Senate is an accountable body now or whether it can be made an accountable body and whether, in a democracy, we can have a body which is not accountable to the people of the country.

With regard to the first option of modifying the powers of the Senate, there is no question in my mind that no matter what is done with the Senate, whether its power to block legislation is limited or whether a time limit is imposed on its debate, it still cannot be made accountable to the people of the country. Therefore, I personally reject the idea of tampering with the powers of the Senate.

● (1650)

The second possibility is to have another method for Senate appointments, that is, based on propositions put forward by provincial Premiers that the provinces be allowed to appoint people to the Senate. Once again, this raises a very basic and fundamental issue about the accountability of the Senate to the people of the country. Tampering with the powers of the Senate or finding another method to appoint Senators, be it by the provinces or anyone else, does not deal with their accountability and responsibility to the people of Canada.

The third choice that is possible, which has been suggested today, is that of electing the Senate. I reject that proposal because it would bring about a very fundamental change in the concept of our democratic government and Canadian parliamentary system. As the Hon. Member for Scarborough West has pointed out, our system is a Cabinet system in which the Cabinet is responsible to the House. If there is more than one elected body, there will be two bodies claiming to have equal accountability and responsibility to the people of this country. They will be vying to represent the authority of those points of view as far as Canadians are concerned. I do not believe that will work and I think it would simply create a stalemate. It could very well happen that an elected body in this House and in the other House could have differing views on how the country should be run, and if so, both these elected bodies could claim to have the right to follow their respective course, based on the mandate they received from Canadians. I suggest that we do not want that.

What we have had in the past in this country is strong government. When the Government must act, it has had the ability to act because of the Cabinet and the parliamentary system. That is not the case in every democracy. France went through many republics before de Gaulle became President. The main reason that France could not come to grips with its problems was the instability of the constitutional system under which it was operating. We would not want to move from a system with one unelected, unrepresentative House, to a system with two, which would create a completely unstable government in this country. Personally, I believe we would be extremely foolish to adopt such a system.

It has been suggested that perhaps we could modify the powers of the Senate in relation to having an elected body there. At the same time, Senator Pitfield, whom my hon. friend quoted, also said that it would not be possible to limit the powers of another responsible and elected body for long because it would also have a mandate from the people.

The fourth choice, which I believe is the only choice, is that the Senate must in fact be abolished. It seems to me that when we look at the history of Canadian parliamentary democracy and try to find the isolated events when the Senate played a role of which we can be proud, the only one I can think of is the James Coyne affair. He is the former President of the Bank of Canada who came into conflict with the Government of the day. The Senate took his side in that argument and there was a great controversy in the country about whether or not the Government had the right to tell the Governor of the Bank of Canada how to run the monetary policy of the country. As a result of that Coyne affair, the Governor of the Bank resigned from his position. The question of whether the Government had the power to direct monetary policy was left in Limbo temporarily. Subsequently, a new Government with a majority in the Senate decided that the Government should have that power, and it changed the Bank of Canada Act so that it is now clear that Mr. Coyne's position was not the one we wanted in the country and that the Government of Canada should have that power.

Many people in various provinces have said in recent days that it would be foolish to abolish the Senate. There was a day when many provinces of this country had a second House of Legislature. Today, there is not one. In fact, the provinces abolished all of their legislative second Houses, and if they believed that the second legislative body was so essential to their proceedings it is almost inconceivable that they would believe we should not abolish the Senate of Canada.

Therefore, I am led inevitably to the conclusion that our Senate should be abolished and that this motion should be passed to call upon the Government to take some action in this manner.

What action can the Government take once the motion is passed? The Constitution Act sets out provisions for amending the Constitution of the country and the method for dealing with the Senate and any motion to abolish, or otherwise reform, the Senate. Those provisions are set out in Section 38(1) of the Act, as well as in Section 41 and Section 42.

Section 38(1) provides the power to pass a motion of the House of Commons. The remaining procedure is outlined, but my time is drawing to an end. I want to ensure that this motion comes to a vote this afternoon, and with that in mind, I urge you, Mr. Speaker, to put the motion to a vote right now.

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Senate

The Acting Speaker (Mr. Charest): Mr. Stackhouse, seconded by Mr. Redway, moves:

That, in the opinion of this House, the government should consider the advisability of introducing a motion to amend the Constitution Acts, 1867 to 1982, in order to provide for a major reform of the Senate, so as to ensure that this House is able to fulfill the mandate it was elected to implement without undue interference.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Charest): The hour provided for consideration of Private Members' Business is now expired. It being five o'clock p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 4.59 p.m.

APPENDIX

ADDRESS

of

HIS EXCELLENCY JAVIER PEREZ DE CUELLAR

Secretary-General of the United Nations Organization

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on Thursday, March 7, 1985

His Excellency the Secretary-General was welcomed by the Right Hon. Brian Mulroney, Prime Minister of Canada, and thanked by the Hon. G. Charbonneau, Speaker of the Senate and the Hon. John W. Bosley, Speaker of the House of Commons.

[*English*]

Hon. John W. Bosley (Speaker of the House of Commons): Mr. Secretary-General, we are highly honoured to have you address this joint session of the Senate, and the House of Commons. Before calling on the Prime Minister, we want to welcome you and Mrs. Perez de Cuellar warmly to our Parliament.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Your Excellency, Mr. Secretary-General and Mrs. Perez de Cuellar, Hon. Members of the Senate and the House of Commons, it is a special occasion in the life of the Canadian Parliament when we gather to hear a distinguished visitor address a joint session of the Senate and the House of Commons. Today, we have the honour of receiving the head of the world's pre-eminent international organization, the Secretary-General of the United Nations, and we bid you a warm welcome.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In his presence let me reaffirm, on your behalf, Canada's commitment to the United Nations and to the values and aspirations it was created to serve.

Mr. Secretary-General, there has been no war on our soil in more than a century and a half. In that respect, Canadians are among the most fortunate people in the world. Yet three times in this century young Canadians have put on uniforms and, leaving all they love behind, have gone overseas to war. Six hundred and twenty thousand did so in the First World War; 550,000 in the Second World War; and 25,000 in Korea. More than 100,000 Canadians died in those wars. Most of them were younger by far than any of us in this Chamber today, and they lie in graves in Europe and Asia. Those who came back to Canada gladly turned to peaceful occupations and to the building of this country. Some of them sit in this parliament. Some have raised sons and daughters who sit in this parliament with us today.

[*Translation*]

Canada has not forgotten those days and the lessons of those days. So long as there remains etched in our national memory the sacrifice of our youth and the trauma of war, peace will be, Mr. Secretary-General, the paramount objective of this nation, of its Parliament and of its Government. I mean a lasting peace, a just peace, a universal peace.

[*Applause*]

Forty years ago the terrible memories were new and hopes were high that the United Nations could ensure international order and world peace.

On many occasions and in many parts of the world, the United Nations system has in fact helped prevent the worst from happening. Your predecessors, sir, have played an honourable and a memorable part in those events. Your own very tenacious efforts have contributed to the easing of tensions in such areas as the Falkland/Malvinas Islands, Cyprus, the Middle East and Africa.

[*English*]

Yet, as we meet today, the most tragic and brutal wars are laying waste to the lives and resources of human beings and

nations in many parts of this world. These wars and their continuance mark the failure of our world organization to make peace prevail. This failure is a reproach, not to the United Nations, but to each and every member state.

As you know, Sir, Canada is a member of the North Atlantic Alliance. That Alliance has for more than 30 years helped prevent war in Europe. We believe in a strong defence as a deterrent to war. We believe further that a country such as ours can make its best contribution not only to defence but to peace and stability by participating in organizations such as these.

You will also be aware that the Canadian Armed Forces have taken part in almost every United Nations peace-keeping force that has been formed. We are particularly proud of the fact that we have never failed to respond as a nation to a call to serve the United Nations. We have heard that call in the past and it is with great pleasure that we meet with you today in the quest for peace.

[*Translation*]

The wars that are still raging in various parts of the globe do not seem ready today to respond to peacemaking or peacekeeping initiatives by the United Nations.

Is there a more effective way for the world community to anticipate and avert such wars?

That is a complex question. But I want you to know, Mr. Secretary-General, that Canada agrees that a good part of the answer lies in a stronger United Nations Organization.

In particular we support your personal efforts to play a more active role in the Security Council in dealing with critical world situations—and to pursue the task of peace-keeping and peacemaking as the *sine qua non* for significant progress in the social and economic spheres.

[*English*]

We welcome the steps you are taking to ensure that the machinery of international co-operation is serviced by an efficient and solid secretariat. Your actions have restored a strong and central role for the Secretary General in the management of the international system and in the conduct of world affairs. For that and for many other things, Sir, we salute you as we welcome you to our Parliament today.

Canada strongly supports this pivotal role within a renewed and revitalized United Nations system.

No less than the waging of frequent war in every part of our world, the threat of nuclear war and the danger that life on this planet will be extinguished by nuclear war is a reproach to member states and a disgrace to the ideals of the United Nations.

In every forum that is open to us, Canada will pursue arms control and disarmament with vigour, commitment and patience.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: In this connection, Mr. Secretary-General, I want you to know that your remarkable intervention, at the last General Assembly, on the dangers of nuclear war, struck a responsive chord here in Canada.

Mr. Secretary-General, if the multilateral system is, at worst, under siege or, at best, in a weakened state, then we pledge to strengthen the system.

We know that continued prosperity in Canada cannot be realized except in a healthy and growing world economy.

That is the meaning of interdependence. The world community must address with renewed seriousness the issues of trade and aid, of social and economic development, of raising living standards everywhere.

Up to now, those issues have been addressed intermittently. They must be addressed relentlessly or we shall constantly lose ground, all of us, especially the poorest.

[*English*]

Canadians have come to know you, Sir, for your determined and reasoned leadership of the United Nations. The leadership of the United Nations in co-ordinating the massive response of the international community to the emergency in Africa is a tribute to your personal commitment, a commitment which is shared by the Canadian people. At such times, we see vividly something of the immense possibilities for good when the nations of the world are mobilized to that end. We see manifested also, the solidarity of millions of individual human beings around the world, their sense of fraternity, their willingness to help. That, Sir, is a powerful force for the betterment of mankind.

Under your leadership, the international community must rededicate itself to the realization of these objectives and to the rule of law in international affairs. You can count upon the Canadian Government, the Canadian Parliament and the Canadian people in this formidable pursuit. Welcome, Sir.

Some Hon. Members: Hear, hear!

His Excellency Javier Perez de Cuellar (Secretary-General of the United Nations Organization):

Mr. Speaker of the Senate,
Mr. Speaker of the House of Commons,
Mr. Prime Minister,
Honourable Members of Parliament.

Thank you, Mr. Prime Minister, most sincerely for your warm, generous, and stimulating words of welcome.

It is a great honour for me to address this joint session of the Canadian Parliament. I regard your invitation and kind welcome as another expression of that deep concern for the

success of the United Nations, which has motivated Canada's role in the world Organization.

It has been an exemplary role, based, of course, on your sincere dedication to the aims of our Charter. But I believe it has also derived much of its vitality from this great country's distinctions: the rich diversity of your culture, the wide range of your international contacts and the understanding of world affairs which you command.

It has been suggested to me—from your side—that I should speak to you about the possibilities relating to Canada's future role in the United Nations and not deliver an encomium on your contributions in the past. The suggestion reflects an appealing modesty and generosity, yet it would be inappropriate for me to omit a reference to all that Canada has done to help the United Nations meet the difficult challenges facing it.

The break-through in 1955 in the deadlock which had frozen the composition of the United Nations, the innovative response in 1956 to the situation created by the Suez Canal crisis, your participation in almost all peace-keeping operations launched by the United Nations, your positive contributions to the work of every committee or commission set up since 1945 to deal with the issue of disarmament—these are only the most outstanding instances. Long before the issue of achieving greater balance in the world economy assumed its present prominence, Canada was among the pioneers of the idea of technical assistance programs for developing countries being undertaken by the United Nations.

Let me, therefore, pay my heartfelt tribute to Canada's loyal and consistent support of the endeavours of the world Organization. Solidly based as it is on a national consensus, sustained as it has been through your successive administrations, it provides a graphic illustration of the capabilities of countries, other than the permanent members of the Security Council, to advance the work of the United Nations. I might parenthetically mention here that it has become conventional to call countries such as yours the medium-sized ones. The phrase is hardly descriptive of a number among them. Canada, for one, is large not only in territory but also in spirit and intellect, in its resources of statesmanship and in its philosophy of practical co-operation in international life.

As I stand before you today, looking ahead in this year of the fortieth anniversary of the United Nations, I feel that the future appears to hold even better prospects for the decisive role of countries such as yours. A dynamic United Nations system provides you with a unique instrument for wielding a collective influence on the resolution of outstanding global issues. It is true that major decisions relating to the maintenance of international peace and security depend on the agreement of the permanent members of the Security Council. But in our age of interdependence, other countries have an equal stake in peace and cannot, therefore, be bystanders. A privileged position is conferred on a few, but responsibility rests with all.

[*Translation*]

Ladies and gentlemen, I am sure you are aware of the increased dissatisfaction being expressed in certain circles with the way the United Nations operates. It is said, and there is some truth in this argument, that the UN has been steadily losing credibility. I have said as much, if not more so, myself. However, can the world afford to sit back after making such a judgment? Credibility requires that we provide purpose and direction to the multilateral dialogue on issues that give rise to tension and threaten to cause conflicts between nations.

Since in the world forum that is the United Nations, the dialogue is an international one, it is incumbent on those who express dissatisfaction to bring to this forum the requisite practical and methodical approach and appreciation of urgency and consistency which together may be expected to produce concrete results. An organization like the UN cannot afford to maintain a purely rhetorical stance. It cannot afford to prevent the free expression of the aspirations, fears and grievances of the peoples of this world. It is important that each Member State consider the success or failure of the UN as the success or failure of a personal undertaking. Small- and medium-sized powers have various avenues open to them for making good use of the capability of the UN to promote negotiations leading to lasting agreements. These countries can influence the climate of debate and play a moderating role in international conflict. They can formulate specific and realistic suggestions and put them on the agenda of the international community. Through discreet diplomacy they can help fend off threats to peace. The United Nations offers many opportunities for consultation and contacts between ministers of Foreign Affairs and heads of government, which can be used to seek a meeting of minds, to explore avenues that may lead to an agreement on major issues and to analyze the world situation.

[*English*]

I have mentioned earlier the idea of peace-keeping by the United Nations and the part that Canada has played in its conception and development. Peace-keeping operations have conclusively shown the resilience and responsiveness of the United Nations and its capacity for conflict control. The very idea of launching a peace-keeping mission with the help of member states that are not permanent members of the Security Council puts a focus on the responsibility of these states for the maintenance of international peace and security.

But the responsibility does not end with containing a conflict; it extends to resolving the underlying cause of the conflict. Peace-keeping without peace-making can be but a palliative. The cooling-off period which peace-keeping operations manage to secure is of little avail if it serves only as a prelude to a more violent eruption.

I do not have to cite any particular regional conflict: the proposition holds true of all that, without a credible movement toward a just and lasting settlement of an international dispute, pent-up passions accumulate and distrust mounts.

Frequently, such a situation runs the risk of dangerous escalation on to a global plane, with immediate ramifications for the entire international community.

The Charter of the United Nations lists all conceivable means for the pacific settlement of disputes. At present, in situations where direct negotiations are difficult or impossible for one reason or another, states rarely feel encouraged to avail themselves of such means as mediation, the good offices of an impartial third party, or adjudication. This is one of the cardinal manifestations of disorganization in international affairs. However, the failure is by no means terminal. Member states of the United Nations can exert a collective and benevolent pressure for the rational settlement of international disputes.

In this regard, the bulk of these states, compared to the world powers, have the advantage of greater flexibility because they are less entangled historically in the causes of the conflict. Alone, none of them can expect success in mediating a dispute: together, their voice can be persuasive and may well prove irresistible.

I would urge influential states like Canada to use the opportunities afforded by the United Nations for giving a fresh impulse to encouraging the comprehensive and durable settlement of regional conflicts. I do not underrate the difficulties involved but, even with the small signs of realism and fluidity that can be discerned in certain situations, the climate may be more propitious now than it has been in recent years. In some situations, the United Nations or the Secretary-General remains essential to communication between the parties. I think, for example, of Cyprus, over which at the moment I am engaged in a new personal effort to find a solution, of Afghanistan, the Iran-Iraq war and South-East Asia.

Another very important area in which a country like Canada can play a most useful role is the promotion of the North-South dialogue. I do not believe that there is a primordial or inherent conflict between the interests of the developing countries and those of the industrialized ones: all will benefit from a more efficient, less unbalanced and less crisis-prone global economy. If the positions respectively formulated by the two sides seem irreconcilable, a more imaginative approach can help to bridge the gulf. What is important is that the dialogue should be free from the tone of confrontation.

Canada has been second to none among the industrialized countries in acknowledging the necessity of making the world economic system more responsive to poverty in large parts of the globe. Your statesmen have urged a less fractious approach to the process of giving a more balanced meaning to the idea of economic interdependence. The objectivity and breadth of vision that inspired their appeal can be most helpful in stimulating some progress in the North-South dialogue.

[*Translation*]

One of the main concerns of our society today is the existing situation with respect to human rights. Paradoxically, at a time when the United Nations, after tremendous efforts, has succeeded in giving the provisions guaranteeing the protection of human rights force of law internationally those very rights are still being violated on a wide scale. For the first time in history, the states that make up the international community and are signatories to the Charter of the United Nations are committed to work together to promote and foster respect for human rights and basic freedoms for all. Such instruments as the Universal Declaration of Human Rights and related convenants prescribe those standards against which the international community can judge the behaviour of a state in that context. Various procedures have been established to make it easier for the states to adhere to those standards. Unfortunately, many regions of the world still violate them, and that is one of the most disturbing characteristics of mankind. This problem ought to be tackled with tact, and the method most likely to give positive results ought to be adopted. In my opinion, countries such as Canada can contribute to strengthening the means available to the United Nations to allay the great sufferings caused by the denial of human rights and dignity.

In conclusion, may I allude to the concern which, in the minds of people the world over, overshadows by far all others: the apprehension stemming from the unrelenting expansion of the nuclear arsenal. Here again Canada has the advantage of being a country which, however advanced in the realm of nuclear technology, is not equipped with nuclear weapons.

In that capacity, you are in a position to give invaluable assistance to overcome the technical obstacles which stand in the way of the implementation of effective measures to limit and, ultimately, eliminate nuclear arms. Mankind's foremost objective must be to reverse the trend towards nuclear overarmament. This is not the proper forum for me to attempt to analyze the various reasons why no progress has been made to that end. However, it seems to me that the human mind has now become a prisoner of a new form of determinism, even more paralyzing than fatalism: a belief in predestination, to which the fall of the glorious civilizations of the past has been attributed. I am speaking of the submissiveness to the ruthless advance of military technology.

Technology should be at the service of mankind and not be the ruler of its destiny. If private corporations can maintain control over their industrial technology and use it sensibly in their own financial interests, there is no reason why states cannot maintain control over the technology of destruction in the interests of peace. However, such control requires reciprocal agreements to put an end to the arms race. Without these agreements, science can play the role of the sorcerer's apprentice as far as armaments are concerned; if we want the gnome to stop before all of us are swept away by the flood, we need an order from our political leaders.

As a matter of fact, the arms race among the major world powers was prompted by their serious concerns about their own security. However, the concept of security cannot be solely military; its other aspects, whether economic, social,

cultural or philosophic, are infinitely more important today than in the past. Moreover, there is no reason to believe that our quest for security must always lead us to outbid each other as far as armaments are concerned rather than agreeing to a mutual reduction of arms levels. Without an armament limitation agreement there can never be a fixed point at which one of the parties can feel assured of equality or of an advantage in armaments. Viewed only in terms of armaments, total security is a goal which always recedes further as we close in on it and which is always just out of reach. Humanity cries out to escape from this vicious circle.

[*English*]

Distinguished Members of Parliament, I have touched on only some of the more important problems facing the international community today. I am convinced that if these and other difficulties are to be tackled squarely, we must all concentrate more on what unites us as human beings than on the often transitory factors that pit nations as adversaries one against the other. Few nations know better than Canada the need to recognize fully and accommodate differing voices in a representative forum.

Such recognition is the secret of your success as a people. Success for the community of nations cannot be complete while so many of our fellow human beings languish in deprivation. Ultimately, we must all advance together, and I am convinced that the United Nations is by far and away the best vehicle for doing so. I am gratified indeed to find here in Canada such frank and fair recognition of these truths and I look forward to continued close co-operation with you as we proceed to our common goal.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau (Speaker of the Senate): Mr. Secretary-General, being aware of your reputation, I knew you would be sharing with us today some profound thoughts on the current problems of a divided world. As we sit upon a huge powder keg, the detonator of which could be activated from the four corners of the world, we find solace in the assurance that the Secretary-General of the organization whose mission is to unite all the nations on earth is endowed with such a positive understanding. As a matter of fact, you carry out your duties with the realism of an experienced politician and the generosity of a confirmed humanist.

As we commemorate this year the 100th anniversary of Victor Hugo's death, allow me to quote one of the biting comments for which this great man was deservedly famous and which reflects on the nearly superhuman dimension of your quest: "Universal peace is an hyperbola and the human race is following its asymptote". In other words, we are trying to bring together two parallel lines which can never meet.

In spite of this age-old evidence, you fervently persevere in your efforts to foster appeasement throughout the world, efforts which we, as Canadians, both admire and support. In your achievements so far we find grounds for hope because, like us, you constantly proclaim the priority of right over force, of reason over blind passion, and of dialogue over violence.

Through your untiring and omnipresent action, you appear to us to have acquired a sense of ubiquity which is the distinct characteristic of a universal assembly. You must be everywhere at once because nations all over the world need a peacemaker.

[*English*]

When things go wrong, it is easy to join the chorus criticizing the United Nations. But we should never lose faith and throw our hands up in exasperation. You know as we in Canada know that the United Nations system can be no stronger than the collective will of its member states. We cannot treat the United Nations as a handy scapegoat.

It is not surprising that the United Nations is having more difficulty carrying out its responsibilities in the maintenance of peace and security. The drift toward political conflict and war between nations is never easy to reverse. You, Mr. Secretary-General, have continued to work assiduously in the centre of these conflicts in the highest traditions of your office. I need only note that where all others have failed to date, you have successfully chipped away at the inhuman edges of the war between Iran and Iraq. In Cyprus, you are bringing the leaders of the two Cypriot communities together to promote a settlement. You must not lose hope. You should draw your encouragement from quiet successes and the support of nations like Canada for the long road ahead.

We are honoured by your presence among us. Canadians support you in your vital work. We are proud of the contribution we shall continue to make in strengthening the United Nations so that it can rise to the new challenges. Thank you, Mr. Secretary-General.

Some Hon. Members: Hear, hear!

Hon. John W. Bosley (Speaker of the House of Commons): Mr. Secretary-General, on behalf of the Hon. Members of this House of Commons and the people of Canada, I wish to thank you for sharing your thoughts with us so eloquently.

Twenty-one years ago, U Thant spoke in this Chamber and brought to Canadians a message that still rings with relevance and importance. He said to us that "for all its moral authority and good intentions, the United Nations, like any peaceful agent of order and justice, cannot be effective without some co-operation, some give and take, some effort to move forward, on the part of the peoples primarily concerned". Today, you gave us a message that will stay with Canadians for at least another 21 years.

[*Translation*]

We are compelled by your masterly review of the current global situation to ponder seriously over the problems faced by

the international community and over the impact on each of us of the "multilateralism crisis."

You have explained why it is of the utmost importance that the United Nations Assembly should remain strong.

If there is a lesson to be drawn from recent history, it is the global interdependence of nations.

Without such a dynamic mechanism for international co-operation, the conflicting interests of nations would lead to chaos. In a world of increasing complexity, the United Nations is an essential body.

[*English*]

Canadians know this, and as you have heard in the Prime Minister's introduction, Canada remains committed to the United Nations, its principles and its objectives, in both word and deed. As you have indicated, what is needed is a revitalization of the U.N. system. What better or more effective way could there be to celebrate the fortieth anniversary of the United Nations?

[*Translation*]

During the thirties, certain countries turned their backs on the League of Nations, and the consequences were disastrous. If in a nuclear era a new cataclysm were required to have us realize the importance of mankind's heritage, we might very well find that we have nothing left on which to rebuild the world.

This is the reason why your message to us today is of unparalleled urgency and import.

[*English*]

For Canadians, peace is an urgent matter, as it is for you. We too hope that leaders around the world will find the way to make peace last forever throughout our planet. For Canadians, the blue beret that has been worn with pride by thousands of Canadian peace-keepers is a constant and positive reminder of Canada's partnership with the United Nations. You, Sir, by your presence and your words here today have reinforced this partnership. For this we are truly grateful. Again, Mr. Secretary General, thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: This meeting is now adjourned.

HOUSE OF COMMONS

Monday, March 11, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Friday, March 8, consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to rise in my place today to speak on Bill C-32. I am pleased for a number of reasons. This Bill gives us an opportunity to address some outstanding issues in the fishing community, both on the east coast of Canada and, in particular, on the west coast of Canada.

Mr. Speaker: May I interrupt the Hon. Member for just one second. I would like to ask a simple question. I understood when we interrupted this debate on Friday that the Hon. Member wanted to rise and ask questions at that point. Is the Hon. Member now asking questions or is he resuming debate?

Just for the formality, may I see if there are any Members who wish to ask questions in the question time remaining. There being no such questions, we will resume debate with the Hon. Member for Humber-Port au Port-St. Barbe.

Mr. Tobin: Mr. Speaker, I would have been delighted to ask questions today but the Hon. Member who spoke last is not in the House.

Mr. Hnatyshyn: The Hon. Member is not supposed to refer to that fact.

Mr. Tobin: I do not think it would be proper, given such an excellent first effort by this Member, who is sincere in his concern about the fishery, to question him seeing that he is not here. I am sure the Hon. Government House Leader would agree that is a very proper attitude for a Member from Newfoundland to take.

As I said, I am pleased to have an opportunity to address this Bill. I do not think there is anyone in this House of Commons who does not support a request by the Minister to clarify his powers with respect to his ability to allocate fish, be it on the west coast or on the east coast of Canada. I think all of us recognize that, given the court cases that have occurred and the fact that the Minister's powers are very fuzzy at this time, there is a need for him to be certain what his powers are with respect to the allocation of fish.

That is not the problem, Mr. Speaker. We support the thrust of the Bill. What Members do not support is the notion that the Minister of Fisheries and Oceans (Mr. Fraser) should have the right to allocate fish unimpeded by any body, by any court, by any user group, without first telling Members of this House and, more important, telling the user groups on the west coast and on the east coast what the guidelines and parameters should be respecting the allocation of fish.

On the west coast of Canada, Mr. Speaker, you would appreciate the tremendous value of the salmon fishery worth many hundreds of millions of dollars, some estimate as much as a billion dollars, and you would know there are conflicts between various user groups, between native and non-native fishermen, between commercial and sports fishermen—

Ms. Mitchell: Fish people.

Mr. Tobin: The Hon. Member for Vancouver East (Ms. Mitchell) reminds me I should say fish people—and between fish people of whatever sex.

Some Hon. Members: Oh, oh!

Mr. Tobin: These conflicts are real and the bottom line is that they affect people's ability to make a living. They affect their livelihood, their ability to put bread and butter on the table and their ability to protect, in many cases sometimes, decades of investment by way of gear and vessels and the most modern technology the industry can offer at this time. We have a Minister asking us for approval to clarify his role and his powers to allocate fish without first telling us what the parameters and the guidelines should be with respect to the conflicts between the various user groups. That simply is not acceptable, Sir. We must have a clear statement from the Minister before this House can give approval to a Bill knowing what the consequences of giving the Minister that authority will be.

In my own Province of Newfoundland, there are a number of outstanding issues. I represent a riding, if Members of the New Democratic Party are interested—

Some Hon. Members: Oh, oh!

Mr. Tobin: —on the great northern peninsula of Newfoundland. It is a riding with 500 miles of coastline consisting of 90,000 souls and several hundred communities. In over 50 per

cent of those communities people live in small villages or towns with populations of under 1,000. I know Members will appreciate that in that kind of environment, the fishery, the health of the fishery, the sensitivity of the Minister of Fisheries and Oceans, his knowledge and his commitment to the fishery, is critical. It is the difference between having a life of dignity, a life which, if not prosperous, is at least decent, and having no life at all.

The people along that 500 miles of coastline have been trying to organize a meeting with the Minister of Fisheries and his officials in a community called St. Anthony which is located on the tip of the great northern peninsula right on the edge of the Cabot Strait. They pulled together every development association, every fisheries committee and every economic development group along that coastline to have a meeting with the Minister to discuss the establishment of a northern fisheries development corporation. The meeting was scheduled for the end of last month but the Minister, being a busy man and despite the many weeks of preparation, could not attend. Thus the problems and aspirations of the people living on that rocky coastline of the great northern peninsula were put on the shelf. Being the decent people that they are, they did not complain; they simply came back and asked the Minister whether they could schedule another date.

● (1110)

The Minister of Fisheries and Oceans, I am sad to say, as busy as he is, responded last week in the House of Commons by indicating that he could not commit himself to any such meeting or to being in St. Anthony—the outer perimeter of the world, it sounded like to me—but that he would be glad to send some officials. When 30,000 souls along 200 miles of coastline take the trouble for weeks to organize a meeting about the very lifeblood which puts bread and butter on their table, they do not want to meet some official. They know the buck stops with the Minister of Fisheries. They know, because I have told them even though I sit on this side of the House, that the Minister of Fisheries is a good and decent man, if one can simply get his ear. He wants to be an effective Minister of Fisheries. However, they do not know that the Minister has his hands tied by a Minister of Finance who has already slashed in November $31 million from the fisheries budget, by a Minister of Finance who cancelled the $15 million which had been allocated to negotiations between the Province of Newfoundland and the Government of Canada for the establishment of a northern fisheries development corporation on the great northern peninsula.

Hon. Members are probably wondering why we need this northern fisheries development corporation. It is because on the northern peninsula, north of the fiftieth parallel, from the community of Port au Choix all along the peninsula to the Labrador coast and on to the Quebec north shore, historically fishermen and fish plants, as humble as they are, have been nothing but a feeder plant, exporters of raw material. Fishermen bring in some of the best product in the world from some of the richest fishing grounds in the world to a small fish plant. The fish is simply cut, put on ice, loaded on a truck and exported to Boston. There the product is finished, filleted, packaged and frozen, and it comes back not only to Ottawa, Toronto, Montreal and Vancouver, but to the great northern peninsula as a finished product.

The people on that coast realize that there is something wrong. When they export raw fish, they are not only exporting that product but they are exporting jobs which could and should exist on the great northern peninsula. Each small feeder plant is part of the chain of either a national or international fishing conglomerate. Even though the majority of fish is landed on that coastline in the north, it suits the objectives of multinationals to ship it raw off the northern peninsula and south of the border for packaging.

Fishermen have the raw product and the determination. Given the assistance, the time and the attention of the Minister and of both Governments, they would have the ability within their grasp to take hold of their destiny, to fasten their own sail, to be masters in their own house and to be captain of their own ship. Jobs could be created where they should be, on the great northern peninsula, but that will take our help. If we are going to help, we have to listen. They cannot come to Ottawa. The Minister has to take the time; he has to see it as a high enough priority to go to the great northern peninsula and give these people the fair hearing that they deserve.

● (1115)

There is another matter that upsets me greatly. In the November 8 financial statement by the Minister of Finance the Minister announced that in future berthage fees will be charged to fishermen right across this country. A fisherman who ties up to a public wharf will have to pay a parking fee.

We have the spectacle of this Government having practically put a freeze on small craft harbours funding right across this country, an end to upgrading, maintaining and building new facilities for fishermen on the one hand. On the other hand we have the announcement that fishermen will have to pay to tie up to a wharf. There is a disparity in facilities not only across the regions of this country—some regions have fairly good facilities, some have hardly any—but the disparity within the regions is such that no fair and just berthage fee can be charged to fishermen.

When I was Parliamentary Secretary to the Minister of Finance, I had the pleasure of travelling to the great west coast of Canada. At a public wharf, I saw boats lined up 10, 12 and 15 deep. Who will pay the berthage fee? Will it be the fisherman who actually gets to tie up to the wharf who will pay the fee? Will the fellow 15 boats out have to pay when he is not sheltered and protected? According to this regulation, they will all pay.

On the northern peninsula of Newfoundland there is a wharf in the community of Anchor Point where $25 million in fish is landed and taxes are paid. The wharf is falling into the water. Will those fishermen have to pay a berthage fee to tie up to that dilapidated structure? I do not think so. This Government should first establish a basic level of service, a basic quality or standard of harbour facility before deciding to

charge fishermen to tie up to facilities which in many cases, if they exist at all, are poor.

Members who were here during the last Parliament will recall the many hours of debate on the bail-out of Fisheries Products International in the Province of Nova Scotia and in the Province of Newfoundland. Some $200 million of government funds was injected to save Nickerson's, National Seed, The Lake Group and Fisheries Products. A new company was formed, Fisheries Products International.

During the time of that debate, the position taken by the Party opposite and by the like-minded Premier of Newfoundland, the Hon. Brian Peckford, who Members opposite will say is a good Conservative, was that no fish plant that was owned by the new conglomerate, Fisheries Products International, could close. Every job had to be saved in every single community. At the time I thought that was a bit ambitious. In fact, I knew it was.

I am bothered now by statements of the Minister of Regional Industrial Expansion (Mr. Stevens) that Fisheries Products International is for sale. Having injected $200 million of taxpayers' money into that company, having revived the company, having put the company back in operation and beginning the process of making it productive, it will be passed over for a song to private enterprise. They are going to take it back as well as the taxpayers' $200 million. More than that, we are now being told by the federal Government and the Government of Newfoundland that the non-productive plants of Fisheries Products International, and there are several dozen, can be closed. Those communities can be consigned to the dustbin of history. The productive plants, those that are showing a profit when it is sold, will be kept open. I would use an unparliamentary word, Mr. Speaker, but you would simply interrupt my line of thought. Exhibiting concern before September 4 and being brutal immediately afterward is not worthy of the members of the Government.

• (1120)

There are communities both in Nova Scotia and Newfoundland that have been fishing communities for 500 years. There are isolated communities and small towns that have only become accessible by road in the last 15 years though it still takes a drive of a day or two to get to them. There are small towns in which the culture and the way of life have revolved around the fishery. These communities are now being told by the Government, without its offering any alternative suggestion as to how they may provide for themselves otherwise, that their history has been long and colourful but they are about to be consigned to the next chapter of the book on ghost towns in Newfoundland and Nova Scotia. The Minister of Fisheries and Oceans will have to address all of these questions before he finds that members of my Party are prepared to give him the ultimate power to assign quotas for the fish that is available to fishermen and fishing companies.

Let me say in closing that I know the Minister of Fisheries. I have had the pleasure of working with him for the last five years. I know him to be a decent man, a caring man and a sensitive man. However, I know as well that he is a member of a Cabinet that will slash the fishery with no forethought of the consequences in human terms and in terms of isolated communities which have no other options.

On behalf of the Minister and the people I represent, I beg the Minister's Cabinet colleagues to listen to the Minister of Fisheries and Oceans because he understands. Because I know the Minister understands and cares, I say to him that if his colleagues will not listen and if the kind of brutal "bull-in-a-china-shop" approach that has been taken so far continues, I would ask the Minister to find the courage and integrity required to do the right thing. He knows that that right thing is to stand up on behalf of his first constituency as Minister of Fisheries and Oceans and to expose the brutal approach to fishermen, their families and their communities that has been taken so far in the brief six months in which this Government has been in power.

Mr. Deputy Speaker: Questions or comments?

Mr. Baker: Mr. Speaker, I must congratulate the Hon. Member on his speech. I would like to ask him a question. The Minister of Fisheries for the Province of Newfoundland has stated publicly that the Government of Newfoundland has made representations to the federal Government about the province's concerns over the federal Government's announcement that it will be terminating the federal fishing vessel insurance program. The union in Newfoundland is also objecting to the termination of this insurance scheme. As of yesterday, the Government of Newfoundland has publicly opposed the cancellation of this scheme.

The provincial Minister of Fisheries has given a public indication that the federal Government is now rethinking this cancellation. He also claims that the federal Government will support the seal hunters and that the federal Government will do this, that and the other thing. I am wondering whether or not the Hon. Member could comment on those items.

• (1125)

Mr. Tobin: It is wonderful what the eminent call of a provincial election will do to wake up the provincial fisheries Minister to the problems which fishermen face in the Province of Newfoundland and Labrador. My fellow colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), may or may not know this, but the Premier of Newfoundland has reserved prime time on television and radio tonight. He is going to call an election. Lo and behold, his Ministers in each portfolio, and in particular the Minister of Fisheries, have discovered their clientele, and that all is not rosy and well with Ottawa.

I would say to the Hon. Member opposite that we have not heard a sound from the Minister of Fisheries and Oceans about the $36 million in cut-backs which were announced on November 8 by the Minister of Finance. We have not heard about the introduction of berthage fees, or the cancellation of the vessel subsidy program. Nor have we heard a sound from the Province of Newfoundland about its long-standing state-

ment that northern cod should only be used for the benefit of Newfoundland and no one else. As a Canadian and a Newfoundlander, that is a position with which I disagree. It has gone by the wayside.

If the politicking between federal and provincial Government was not so obvious, it would be hilarious. Unfortunately, the consequences of that kind of cynical view with respect to fisheries development and management is brutal, not for the politicians who sit in the House, but for the fishermen who live in small communities on the great northern peninsula such as Bear Cove, Anchor Point, Flower's Cove or Cooks Harbour. It is brutal to those fishermen and their families. It is not a laughing matter, it is rather sad.

Mr. Skelly: Mr. Speaker, one of the interesting things which I did not hear the previous speaker elaborate on was how the Liberal Party destroyed the fisheries in Canada. For years and years tremendous opportunities on the west coast laid fallow. I know that the Hon. Member touched on the incompetence of this Government. I wonder if he would care to speak to many of the former Liberal Ministers of Fisheries who did nothing constructive with respect to the West Coast fishery?

Mr. Tobin: Mr. Speaker, it is always interesting that fellows who go to hockey games, sit up in the stands and who have never had a hockey stick in their hands claim to be the biggest experts. We all know the NDP has never formed a government, and will never form a government, so its members are armchair experts in every field of endeavour.

Let me speak about the province which I know best. The reality is, in those districts where the fishing constituency is predominant, Newfoundlanders returned to the House of Commons the Hon. Member for Gander-Twillingate (Mr. Baker), the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), and myself, the Hon. Member for Humber-Port au Port-St. Barbe, despite the best predictions of the pundits. Let me say, in all humility, that I have great respect for the opinions and the decisions of the fishermen of Newfoundland. They decided to send three of us back to the House of Commons in the last election. When the NDP next has the opportunity to hold the hockey stick, its members may then make comments. He who has clean hands has no hands, and I guess the hands of the NDP will stay clean for a long time.

Mr. Baker: Mr. Speaker, I have a very short comment. I feel certain New Democratic Members will agree that never before in the history of the Government of Canada have we seen so many cuts in such a short period of time as we have recently seen in the Department of Fisheries and Oceans. Never before in the history of the Government of Canada have we seen as many cuts in every federal Department as we have seen in the last few months. There is no comparison—and one could go back to Sir John A. Macdonald—between any former Government and this present Government. It is unfortunate that the New Democratic Party at times is so preoccupied with trying to criticize former Governments that it sometimes loses sight of what is happening today in Canada, and that is what we are dealing with. I would hope that that Party would take aim at the real issues which face this nation and which have been created by this present Government.

• (1130)

Mr. Hopkins: Mr. Speaker, I would just like to follow up on what my hon. colleague has just stated. We have all seen the recent love affair carried on out west with the First Ministers' conference. My hon. friend from Newfoundland has really laid it on the line about the qualities of the federal Minister of Fisheries and Oceans (Mr. Fraser). I would ask the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) who spoke on this issue if he and the people of Newfoundland do not agree that although the Minister of Fisheries and Oceans might have all of those qualities which were mentioned, he has very little clout in Cabinet and has no influence against this "cut, cut, cut" committee which has been working within the Tory Cabinet? Would the Hon. Member not agree that because the Newfoundland Government has gone along with the love affair we have seen in western Canada, it is in no position now to go back to its own people and say that it fought for the people of Newfoundland? Indeed, it is my two colleagues from Newfoundland who are the ones standing up in this House and defending the rights, privileges and livelihoods of the fishermen in Newfoundland.

Mr. Tobin: Mr. Speaker, I thank the Hon. Member very much for his question. I have one brief comment to make to my colleagues from the New Democratic Party who now profess a sudden interest in the fishery. I noticed with great interest the fact that during the entire summer election campaign, neither the Leader of the New Democratic Party nor any other Hon. Member of that Party visited the Province of Newfoundland even once. Obviously they did not deem it important enough. They did not know enough about the province and they thought it was so insignificant and irrelevant that they didn't even bother to come and visit the province.

Our Leader got elected on the west coast. That Party's Leader did not even take the time to visit the Province of Newfoundland even once during an entire summer election campaign. There can be no more of a stinging indictment than that the New Democratic Party is more interested in holding up the proverbial carrot, promising everything to everybody, rather than taking a serious, mature and realistic approach to problems besetting individuals across this country today.

With respect to his question, I would like to tell my hon. colleague that I believe, as I said earlier, that this Minister of Fisheries and Oceans is a well-intentioned fellow. He is basically a good man. But I feel he is surrounded by Ministers such as the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) who have no knowledge of and, indeed, no sensitivity to the importance of the fishery to both the east coast and the west coast and are prepared to act with a hatchet in dealing with the fishermen on both those coasts. I hope that this Minister of Fisheries and Oceans will emerge as a strong Minister who has clout. I know he has more brains than all of the rest of the Cabinet put together.

What I do not know is whether the Prime Minister (Mr. Mulroney) has the common sense to recognize that fact. So far he has not. So far the Government has scuttled that Minister and held him up to derision in front of the fishermen of Canada. This Minister is taking flak he does not deserve. He is being blamed for program cuts which he did not initiate. We on this side of the House are trying to help this Minister do his job and be a good Minister, and if Hon. Members opposite cared and would listen, they would get behind this Minister and give him a hand because, basically, he is a good man. But that Minister is in with a crowd of people who belong on the saddle of a robber's horse.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, after the Hon. Member's last statement I feel a little winded, to say the least. There is a lot of hot air flowing around this Chamber.

In speaking to Bill C-32, an Act to amend the Fisheries Act, I want to express the concern which I believe other Hon. Members have expressed that it really is unfortunate that the Minister in this case has made a decision to again centralize the power of the fisheries in his office and in the bureaucracy which in the past have not had a great deal of credibility with the people who are doing the fishing and with the industry as a whole. He has taken it upon himself, without consultation with the people who are directly concerned, to allocate the fish supply.

The intent of the Bill, as I understand it, is to expand the authority of the Minister and the Department of Fisheries and Oceans and in particular to expand the proper management, allocation and control of the sea coast fisheries of Canada. In our view, the Bill gives far too much power to the Minister to allocate the fishery resource. It would seem that this will be controlled largely by the Minister and his staff and undoubtedly would lead to an increase in the bureaucracy which has been far too insensitive, at least at the central level, to the needs of the west coast fisheries in particular. This Bill expands the role of the Department of Fisheries and Oceans personnel and gives them greater authority.

Something I noticed in the Bill which I expect we will agree with is the intent to redefine the term "fish" to include plants. I would hope here that the intent is to expand into various types of fish farming and the farming of sea plants which we know have considerable nutritional value and perhaps export value as well.

The previous speaker remarked on the terminology of the Bill. In preparing for my remarks this morning I found myself once again struggling with the terminology of "fishermen" in view of our charter and wondering what would be a better term. Perhaps we should have a redefinition of that term in this Bill. I considered "fish people", which sounds a little silly, and "fish folk", which sounds a little folksy, but concluded that perhaps we should be using the word "fishers" as a generic term for workers in this industry.

West coast fishers on the whole are a very large community. In the past it has been a very large industry. I would like to give you, Mr. Speaker, a few statistics. The average wholesale value of the Pacific and Yukon fishery management resource between 1979 and 1983 was $45 million. There are some 17,000 commercial fishers and 350,000 to 400,000 recreational fishers. In addition to that, of course, there are many native communities whose main means of survival and potential for economic development is fishing. There are five species of salmon which constitutes the most valuable catch on the west coast. This makes up about 64 per cent of the value of the industry.

The herring and herring roe fishery is a particularly large industry in British Columbia. We are the prime suppliers to the Japanese market and, of course, we have concern about what is happening to our herring fisheries as well as a concern for the salmon fishery. There are many people who work in related industries as well. In my riding of Vancouver East there are many immigrant and native women who get up very early in the morning, while it is still dark, in order to get down to the port to work in the fish canneries and fish freezing industries. Those industries are big job suppliers in my riding and in many others. Potentially, therefore, we have a very strong fishing industry in the Province of British Columbia and potentially it is a self-sufficient industry. It is very important as a renewable resource, but we must take the steps which are needed and which have been so long delayed to have an adequate renewal program.

● (1140)

We know that in recent years there has been a very worrisome shortage of fish on the west coast. This indicates the very urgent need for a proper salmon enhancement program, adequate planning, and the development of new and related industries. I recently saw a very impressive program on TV showing the experiments going on in oyster farming off the northern coast. As the fisher people will tell us, there is a lot that can be done in catching, processing and exporting fish that Canadians do not eat but which other countries, particularly Asian countries, would be very pleased to get in greater numbers, dogfish and hake being two of them. Seaweed and other forms of sea plants are other areas that can and should be developed for a variety of purposes.

There has been an increasing rivalry, given a limited supply of fish on the west coast, between the various user groups seeking the resource. The reduction in available fish has been complicated and perhaps even affected by poor management in the Department of Fisheries and Oceans. I think most people on the west coast who are close to this industry would agree that the lack of adequate planning and consultation with the various groups involved has been a major problem.

My colleague challenged the Liberal Member to look back at the record of the Liberal Government. There is no question at all that the various experts the Liberals used came in with plans and the bureaucracy and the Minister himself just seemed to take their word without consultation with the user groups, and that added greatly to our problems. We had hoped this Minister would be different. As was pointed out, he is

from the west coast, he is sensitive and I think tries very hard for a just approach in most matters. In view of that, we are very disappointed in this Bill.

I would like to point out that any planning for the fisheries industry must consider human resources as well as the fish resources. The native communities up and down our coast have survived for hundreds or even thousands of years on fish supply. It is the main source of jobs for commercial fishermen and they are very worried. Many of them invested a great deal of money in very expensive vessels and it is critical that they obtain a certain amount of take each year. It is not just the individual fisher people who are affected, it is also their communities. We predict that if these kinds of cut-backs continue along the west coast, many coastal villages will almost disappear. Of course, this affects mothers and children, indeed all the people living in those communities.

We have found that the Liberals were inclined to be very biased toward the sports fishermen. Indeed, this is a big industry. I would not put it at the top of the list myself, but I do know that there is considerable room for expansion if we have more fish so that it is not taking jobs away from commercial fishers and food out of the mouths of native communities.

What is the present Government doing? This Bill was laid on us just as the salmon treaty with the United States was agreed on. There was no consultation with the people who are going to be directly affected and this is very difficult to understand. This Government has talked over and over again about consultation. The Minister himself should certainly be sensitive to this need. The Conservatives promised fair representation and co-operative management in consultation, but where is the consultation? Has there been fair representation in the process involved in presenting this Bill? Once again the Minister did not consult before presenting his plan. He has not gone to the groups most affected despite having promised a more open department. I think there is a considerable concern that again the bureaucrats will be in charge. While we know there are many fine workers in the Public Service, the central bureaucrats have tended to lay some pretty heavy trips on some west coast people and have not been sensitive to their views and needs. So we must ask the Minister to reconsider this and go back to a process which will involve people.

I am not an expert in this field, Mr. Speaker, but the creation of some form of independent board removed from the political sphere seems to make a great deal of sense to me. This was proposed by a lot of people concerned; indeed it was part of the Conservatives' election campaign promises. The board would be outside of political influence entirely and independent of the Department of Fisheries and Oceans. Such a board should consist of members of user groups such as the United Fishermen and Allied Workers' Union in British Columbia. It should include native representatives such as the Native Brotherhood, sports fishers and all those who have a particular interest in this industry, including management. The board should examine the Atlantic and Pacific fisheries stock and determine the size and quality. It should establish a recommended level of expected return and escapement and the catch levels. It should set quotas and make recommendations on allocations to the Minister. This would take the responsibility away from the Minister and his Department and place it in the hands of the industry.

About a week ago we had a job task force meeting in Vancouver and representatives of the United Fishermen and Allied Workers' Union made a presentation: They said:

> The fishing industry in British Columbia is not now nor has it ever been a welfare state for the people who produce its wealth. With our rich salmon resources, the industry has been able to stand on its own two feet although it has experienced its booms and busts. The potential for the industry is being smothered by the bureaucracy and government indifference. Incredible as it may seem, the Department of Fisheries & Oceans is staffed by some 6,000 people nation-wide, when our fishing industries from coast to coast, produce a landed value comparable to a country like Norway (pop. 4.14 million).
>
> Administration of the Pacific fisheries must be de-politicized. The Pacific Fisheries Development Board needs to be created, properly and adequately funded, to develop our fisheries to their fullest potential. The Board's authority would be:
>
> 1.) Arrange loans at reasonable rates of interest to fishermen to finance vessels and gear.
>
> 2.) Selectively reduce the fishing fleets that have an over-capacity for fishing and/or are over-capitalized. Fleet reductions must be voluntary and accomplished by attrition.
>
> 3.) A comprehensive and scientific salmonid enhancement program to concentrate on the enhancement of wild stocks.

● (1150)

> 4.) Conduct research with particular reference to coastal and high seas interceptions of salmon. Canada must lay claim to salmon spawned in its streams and rivers and assert ownership over our valuable and fragile salmon resources.
>
> 5.) Develop fisheries and markets for under-utilized or non-utilized species like dogfish and hake.
>
> 6.) Protection of fisheries habitat particularly that for salmon.

These are some of the measures that would be taken to ensure that the fishing industry remains a vibrant and viable part of British Columbia's economy and to ensure that sound management and development policies are being practised for the benefit of the owners of our Pacific fisheries resources—the Canadian people as a whole. I do not understand why there is nothing in the Bill that recommends the establishment of such an interdisciplinary board which would be independent from the Department of Fisheries and Oceans.

There are certain very important principles to the fishing industry that are being threatened by the amendments in this Bill. First, we believe that all users of the resource, including native, commercial and sports fishers, have the right to share in the resource and therefore be involved in the planning and decision-making relating to this resource.

Second, commercial fishers have a right to a fair and decent income for their labour. It is particularly important that they have enough catch and income each year to help pay off their considerable debts for the very expensive vessels that are required in today's fishing industry.

Third, natives have special traditional rights to the resource and to its use in furthering the economic development of their communities. This resource is not only important as a source of food for native people; it is important to their potential

development of economic resources in which they may do their own processing as well.

Fourth, while there is potential to develop the sports fishing industry, we hope that it is secondary to the priority of the other two fishing bodies.

Fifth, the protection and enhancement of the resource is paramount and must take priority in all deliberations.

We realize that there are many studies and proposals that have been made which indicate the need for action in this area. Most important is the question of consultation and the re-establishment of some kind of credibility between the Government of Canada and the people on the west coast who both manage and work in this industry.

The allocation of the resource between the various sectors of the industry must be negotiated and developed with the full co-operation and involvement of the industry. Allocation and who controls it is the key to an acceptable plan for fleet rationalization, income stability and resource conservation. Before allocation to the commercial fleet can be even considered, it is necessary to make a commitment to the continued existence of the fleet.

That fleet is very much threatened under the present circumstance. There are fishers who have spent much of last year collecting unemployment insurance. They do not want to be continually dependent on that for their existence. The present circumstances have left many commercial fishers unsure of either their personal future or the future of the fleet as a whole. There is a fear, particularly among smaller independents, that they will be pushed out of the industry. Many of them have already been pushed out of the industry.

There should be a guarantee that fishers, regardless of the type of gear, will have equitable access to the resource in order to maintain a decent income. Emphasis should be placed on the need for consultation and representation on any decisions affecting the industry. The expansion of the powers of the Department of Fisheries and Oceans without sufficient guidelines or curbs, as is being proposed in this Bill, is a common fear among the user groups. I hope that the Minister will meet with the people affected by this legislation and reconsider this Bill, which we and the people affected by it do not like.

Mr. Hovdebo: Mr. Speaker, there are many concerns about the fishery because the previous Government left it in great difficulty. It did very little for that industry over many years. Furthermore, the bureaucracy under the previous Government was insensitive and unwilling to address the problems facing that industry. The Hon. Member for Vancouver East (Ms. Mitchell) said that this board might be a better solution to the problem. She outlined some of the duties of that board, but would she expand further to indicate what powers that board should have in order to increase control over the industry?

Ms. Mitchell: Mr. Speaker, my colleague knows that I am not an expert in this field. However, I am very concerned about the situation because of its effect on people in my riding, in communities not only in British Columbia but on the east coast, and on those involved in the inland fisheries as well.

I understand that the function of the board would be somewhat different from that of a marketing board. My colleague and I attended a job task force hearing in Saskatoon. It was asked why there could not be a marketing board for the fisheries. It is my understanding that a marketing board would not be necessary because there is no problem with marketing the fish, particularly in our area. The problem is that there is not enough of the resource; it is dwindling and the management of the resource is ineffective.

The most important function of the board would be planning and renewal. Of course, that involves some allocation of the resource but, as I understand it, the problem has been that governments have concentrated too much on limiting the resource without trying to increase it. This is the complaint that I have heard very often. For example, commercial fishermen are not opposed to limiting their catch to a reasonable and fair amount but only want to do so in the knowledge that the resource is being improved and expanded. That would be one of the very important functions of this body. I suggest that the board would be interested in what is taking place in research while keeping close ties with the Department of Fisheries and Oceans in that regard.

I understand that one of the most important aspects of this board would be to bring together all the groups in order to achieve a compromise as a result of conflicting and competing interests due to the shortage of the resource. For example, seiners and gillnetters who have different methods of fishing and are sometimes in competition would have to sit down at the table to negotiate, as would commercial fishers and sports fishers. They would also have to recognize that native people have traditional rights which must be maintained. There would have to be compromise in determining the management and planning of this resource.

Mr. Skelly: Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) is our critic with respect to women's issues. One of the interesting aspects of this industry concerns the shore processing plants. It is very difficult for women who work seasonally and part time in those plants to earn a decent living. Would the Hon. Member outline some of the dilemmas that women face in this particular job ghetto area with part-time work, problems with unemployment insurance and, of course, the difficult question of secondary job area confinement?

● (1200)

Ms. Mitchell: Mr. Speaker, I hope Members of the House are aware of several cases, about two years ago, which went before the Unemployment Insurance Commission. These were concerns of women, equal partners in many cases, who go to sea in boats in very cold weather and carry an equal load in the job of fishing. They were treated as spouses or partners but were not treated equally with regard to paying into unemployment insurance. There was quite a protest. I believe that issue has now been resolved. Perhaps it is one on which we should

get an update to see how women feel about it at the present time.

I would suspect, just like family farming which involves women in several roles, that women in the fishing industry are the traditional homemakers and have responsibility for raising families. Women on farms work in the fields, particularly at harvest time, with their husbands and other farm workers. Most recently in the agricultural field, and I think the same could be said of the fisheries, they are having to take on extra jobs because there simply is not enough income. They are involved in full-time jobs quite often as well. This puts a triple workload on women. I hope the gentlemen in this House will realize that. This situation applies particularly to women in many resource areas.

I think my colleague is leading up to the question of part-time work as it affects women, because so often they are regarded as the secondary worker in a family. They are forced into part-time jobs, part-time jobs that do not have adequate benefits, that are not covered under the Labour Code. They should be covered under the Labour Code for pro-rated benefits. That is why we are pushing so hard for this provision for part-time workers, 73 per cent of whom are women. They are often the last hired and the first fired when there is a stress on jobs or when jobs are tight. I am sure this situation occurs in the fishery industry as well.

In my riding, as I mentioned, there are many women working in the fish plants. I have toured those plants. Those jobs are not very enviable in many ways. Quite often immigrant women are the ones who do these jobs. They do not speak very much English and often it is the only type of job they can get. It is important that they have decent pay, decently protected working conditions and job security.

In this industry the only way men and women and families can have job security is if the Government takes some positive steps to do more planning for renewal of stocks so we have more fish to fish and more fish to can and freeze. There will then be more opportunity for jobs in the processing of this particular resource.

Mr. Crofton: Mr. Speaker, I have a comment. I have been listening with some interest to the speeches this morning. The speaker for the New Democratic Party suggested that there is no consultation going on. It could be construed as a big lie; if you say something often enough, it takes on a life of its own. Certainly in the fishing industry there has been conversation going on for years, any amount of it, but what has been lacking is action. Finally we have a Government and a Ministry that are prepared to take some action. The consultative process is in place. The Minister of Fisheries and Oceans (Mr. Fraser) has advisory boards in place. Consultation will continue.

Concerning management of the fishery, let me speak about the herring roe industry where the fishing season is counted in hours, not in weeks or months. It is essential that Ministry officials have the opportunity to make decisions quickly.

There was conversation this morning about docks falling down in Newfoundland and in places elsewhere. There are a great many things that still need to be attended to in the operation of the fishery. The particular legislation before us is to give the Minister the opportunity to manage and to make decisions about allocation. That is a shortcoming in the present legislation. This is not meant to be a panacea for all the problems in the fishing industry. It is to address a particular aspect of it. It is long overdue and it is essential.

Mr. Deputy Speaker: The period for questions and comments is now terminated. The Hon. Member for Vancouver-Kingsway (Mr. Waddell) will resume debate.

[*Translation*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it was a pleasure to hear the comments made by my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), whose riding is next door to mine. I would like to start in French, because this Bill is of particular interest to the people of Quebec and to French-speaking Canadians on the West Coast who are affected by this legislation.

Mr. Speaker, in Clause 1 of the Bill, an addition is made to the definition of the term "fish". For instance, Clause 1.(1)(*a*) provides, and I quote:

(*a*) portions of fish,

(*b*) . . . marine plants and portions thereof,

(*c*) . . . shellfish, crustaceans and marine animals,

I see no problem with the definition and this addition.

In Clause 1.(2) the definition of "fishery" is also changed, and I quote:

"fishery" includes

(*a*) the places in Canadian fisheries waters where, and the times when, fishing and related activities occur, including such packing, transporting and processing operations as are within the jurisdiction of Parliament, and

(*b*) the persons engaged and the fishing vessels, fishing gear and other equipment used in the activities referred to in paragraph (*a*);"

Mr. Speaker, I have no problem with this definition, but there is a problem with "purposes" in Clause 2, and I quote:

2.1 The purposes of this Act are—

Mr. Deputy Speaker: Order, please. Might I remind the Hon. Member that the debate on second reading is to be on the principle of the Bill and not on specific clauses as the Hon. Member seems to be doing.

Mr. Waddell: I understand, Mr. Speaker. But the problem with this Bill's principle may be found in this passage, and more specifically, in Clause 2.1(b), and I quote:

(*b*) to provide for the proper management, allocation and control of the seacoast fisheries of Canada;

I have a problem with the word "allocation". The Minister of Fisheries and Oceans (Mr. Fraser) can only provide management for conservation, not for allocation.

There are many groups, including sports fishermen, commercial fishermen, Indians, etc. There may be as many as four or five different groups of fishermen, and that is the problem with this Bill. The Minister of Fisheries and Oceans (Mr. Fraser) said recently that the Bill is the result of two court cases on which I would like to comment for a moment.

• (1210)

[*English*]

As I said, the problem is with the addition of allocation. It gives power to the Minister to allocate. It is to this that groups especialy on the Pacific coast object. There are a number of groups. For example, there are sports fishermen, commercial fishermen and the Indian fisheries. Within the different groups, say commercial fishermen, there are seiners, gillnetters and others. As long as the Minister had power to manage the fisheries for conservation purposes, it was accepted by the groups. However, a year or so ago the Minister was involved in two court cases as a result of the problem of allocating. In fact, in those court cases the Minister said that he would step in and say that sports fishermen could fish instead of commercial fishermen, or seiners instead of gillnetters. That was like putting the cat among the pigeons. There were complaints and two court cases.

I should like to comment on the court cases. The documents of the Department of Fisheries and Oceans indicate that the current Act is deficient in that it does not clearly give powers to the Minister to manage the fishery for economic and social purposes.

[*Translation*]

That was in the other passage, Mr. Speaker, in Clause 2.1, under "purposes", and I quote:

(*c*) to ensure a continuing supply of fish and to maintain and develop the economic and social benefits from the use of fish to fishermen—

The words "economic and social benefits"—

[*English*]

Economic and social concerns are new to the Act. We are adding to the main principle of the Act. My colleagues are saying that this is not mere housekeeping legislation. Once the Minister of Fisheries and Oceans (Mr. Fraser) is given the power to allocate stocks for economic and social reasons, we open up a can of worms, or perhaps a can of sardines in this particular case. It goes beyond the powers the Minister had before and it has ramifications. All user groups or fisher groups on the west coast raised some concerns.

The last Hon. Member who spoke indicated that there had been lots of consultation and that we should get on with action. I am a man of action. I like that approach. I respect the Minister of Fisheries who represents the next riding to mine. I have respected and know him for many years. He is a man of action. But we must remember that this is a bureaucracy with 6,000 people in it. As one of the fishermen said, if we could produce as much fish as we produce bureaucrats in the Department of Fisheries, we would be the leading nation in the world in fisheries. We have to be careful about the power we are giving the bureaucracy. The thrust of NDP speeches is that we want the Minister to give us a commitment to add to the Bill or provide some other way for it to be done. Perhaps it could be discussed in committee. We want a consultative process to be written in so that the Minister cannot unilaterally or arbitrarily make allocations, especially when it is for social and economic purposes.

I am sure Hon. Members opposite admit that a lot can be done under those two words. We are saying that an industry consultative process should be set up. It would appeal to the Conservatie Party. As the Hon. Member for Vancouver East (Ms. Mitchell) said when she talked about what the United Fishermen and Allied Workers had told the NDP task force on jobs, Mr. Jack Nichol suggested that there should be set up a development board, which in fact would be the industry regulating the industry. I know that is difficult because in the past there have been disputes and different interests. However, they have one common interest: they are all in the fishing industry and they all want their fair share of it. It is a rich industry in Canada, especially on the west coast.

I should like to say something about the law in this respect. There were two rulings by Mr. Justice Collier of the Federal Court of Canada which indicated that the Department did not have the authority to allocate fish to various user groups, rendering management of the fishery in jeopardy on a national basis. In other words, Mr. Justice Collier's decisions show that the Department does not have the power to allocate fish to various user groups. If it is not possible to allocate to user groups, the Department's activities would be restricted to strictly opening and closing very global fisheries to all users. All it could do is open up the fishery or close it to all different users. It could not discriminate among users.

According to the Department of Fisheries and Oceans, this would result in the threat of overharvesting due to combined fishing power of users, and in hardship for many who would be denied access to the resources on the basis of specific allocation. The Department is saying that it cannot live with this situation because it opens it up too much and we could have overharvesting and so on. This has become more and more the argument of the Department.

I listened to the maiden speech of the new Member from Nanaimo. He said that we had to think about the fish—forget about the different users and preserve the fish. That is the basis of the new salmon treaty with the United States. When the Deputy Minister of the Department of Fisheries appeared before the Standing Committee on Fisheries and Forestry, we asked him who won in the salmon treaty, and he said "the fish won". Everyone applauded because everyone likes the fish and it is nice that fish can win. The only problem is that we cannot take instructions from fish. We cannot consult the fish. Therefore, the Department of Fisheries and Oceans can say "this is what the fish want", meaning what it wants. I am not trying to be supercilious; it is always safe to say that we represent the fish, because the fish cannot talk back. We have to be careful with that line of argument, just as we have to be

careful with the line of argument that we should stop consulting and get on with some action. Let us protect the fish, let us have some action and so on, but let us do it in the proper way.

Mr. Justice Collier's decisions are worth looking at. The first case involved the Fishing Vessel Owners' Association of B.C., the Pacific Coast Salmon Seiners Association, the Prince Rupert Fishing Vessel Owners' Association, and the Department of Fisheries and Oceans. Mr. Justice Collier granted an injunction preventing the Department of Fisheries and Oceans from setting separate salmon quotas for seiners and gillnetters, prohibiting the Government from allocating the resource between the gear types. This is a case where the Department wanted to allocate for the seiners and gillnetters, not so much for conservation.

● (1220)

In case Hon. Members do not know this, I understand that the seiners put down a big net and scoop up the fish from the bottom. The gillnetters have a net that spreads out. The net of the seiners is like one steaming vegetables; you close the steamer in order to steam the vegetables. That is how the seiners work. The gillnetters have a net that spreads out; the salmon swim into it and catch their gills on it. That simple lesson is the difference between seiners and gillnetters. Mr. Justice Collier gave this interpretation. He said:

> Strict interpretation of the Fisheries Act says all groups would have equal access to stocks over an equal area. The Act gives NFO the power to enforce regulations for the preservation and the conservation of the resource,—

As I said—

[*Translation*]

—to provide for the conservation and protection of fish.

[*English*]

The Act does not give preference to one user group over another, for example, the seiners over the gillnetters. This is the principle or the crux of the Bill we are now debating. According to Mr. Justice Collier, the Fisheries Act and the Constitution Act—I gather that is the Constitution Act of 1982 and the British North America Act of 1876—Sections 91 and 92, set out the powers of the provincial Governments and the federal Government. Looking at these laws, Mr. Justice Collier said that the Government did not have the power to distinguish between one user group; that is, between the seiners and the gillnetters. Therefore, the Department could not act to exclude one from the fishery at a particular time, even by arguing that they really wanted to conserve the fish. What they were doing was deciding between two different groups.

That is why we have this amendment to give power to control on the basis of social and economic reasons, to develop the economic and social benefits flowing from the harvesting of fish.

[*Translation*]

To develop the economic and social benefits from the use of fish to fishermen and others—

[*English*]

The second case involved the Gulf Trollers Association of British Columbia against the Department of Fisheries and Oceans. In August, 1984 Mr. Justice Collier, the same judge, upheld the association's application to quash seven Government orders dated April 16 which permitted commercial fishing between July 1 and August 31, at the same time allowing sport fishing to operate year round. In effect, the Department was allocating the resource by giving preference to one group over another. Here the sport fishers were getting a preference over the commercial fishery. The Gulf Trollers Association, which is one of the commercial fishing groups in British Columbia, went to court and challenged the Department of Fisheries and Oceans.

In that case the judge did not accept the Department's argument that it has a federal power to manage and control the fisheries for the benefit of Canadians as distinct from the argument of preserving the stocks. Perhaps my friend who intervened last might be interested in the arguments by Crown counsel. Mr. Gunnar Eggertson, a distinguished counsel against whom the Minister of Fisheries and Oceans and I have appeared in the Supreme Court in British Columbia at one time or another, was quoted by the Vancouver *Sun*. It quoted the court reported Mr. Eggertson's argument in court. He said:

> Parliament has a duty to the people of Canada to manage the fishery and for the benefit of society and not for the benefit of the people who are in it.

The argument was that we represent the fish, not the people.

> It was a decision made for a proper motive. The benefit of the fish and the people of Canada . . . insisting that the Fisheries Department's power to manage included the power not to allow any fishing at all—

How to get user groups angry: just say: "Well, Your Lordship, as a matter of fact the Department could outlaw the fishery completely". I again quote Mr. Eggertson:

> It is within the powers of the Government of Canada to restrict the troll fleet, even if there is no conservation consideration. There's no right for trollers to any season at all.

He said that we do not even have to bother about conservation, we can even tell them that they cannot fish at all. I do not know the right fishing analogy, but the farm analogy would be the red flag to the bull. No wonder they were angry at the Department. For court purposes, the Department took a pretty strong view, saying: "Forget it, we have complete power". Mr. Justice Collier said they do not have that kind of power at all. He said and I quote:

> The April 16 variations of the total closure were, on the evidence presented by the Crown, conceived on two bases; a need for conservation and the intention to favour the sports fishers. The conservation motive was at the ultimate expense of the commercial gulf trollers. The preference, Collier stated, was based on socio-economic consideration which he considered to be beyond DFO's permissible constitutional powers.

How much time do I have left?

Mr. Deputy Speaker: The Hon. Member does not have any time left.

Mr. Waddell: I will just wind up. I have outlined the two law cases. I have not been able to get into the constitutional

matter; the judge challenged the constitutionality. I am agreeable that these changes be made, frankly, with the consultation process.

Let us try and institute an industry consultation process so that the Department cannot do anything on the ground of socio-economic reasons. I do not think the Minister should take a reference on the constitutionality of the Fisheries Act. That would open up more problems. It is only a decision on an injunction, and I do not think he has to do that. I am replying to the debate I had with the Minister the other day. I hope he will read it in *Hansard*. In conclusion, our position is—

[*Translation*]

—simply to hold consultations with all groups involved in fisheries here on the West Coast and on Canada's East Coast.

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Baker: Mr. Speaker, I would like to ask the Hon. Member a question. There is a problem which the Hon. Member recognizes as far as stock availability is concerned in practically every species off the British Columbia coast. He said that he is in agreement with the federal Government making decisions on socio-economic grounds and not just on the grounds of conservation and protection. We are into a new area here.

For purposes of argument, suppose there were five groups of salmon left over which could be caught off the British Columbia coast. Would the hon. gentleman allocate one to the trollers, one to the gillnetters, one to the seiners, one to the sports fishermen and one to the native population? That is what we are getting down to here. We are getting down to the allocation of a resource among user groups because there is not enough of that resource.

• (1230)

I do not know whether or not the question I put to the Hon. Member is unfair. He is not a Government Member. I just wonder about his opinion. Should each user group get an equal share of the resource or, when we get to the point where there is practically nothing left, which one do we erase? Do we erase the sports fishermen, the trollers, the seiners, the gillnetters? I would like the hon. gentleman to comment on that.

Mr. Waddell: Mr. Speaker, hopefully we do not erase anyone and we do enhance the stock. This must be done through a consultation process with some fairness and equity in its management. I would ask the Hon. Member to be careful about how he quotes me. I said that the use of the phrase "social and economic terms" regarding allocation is very wide and that I have some real concerns about that which I would like to raise in committee.

Second, I said that if the resource must be allocated on the basis of the social and economic terms, then it must be done with safeguards, and the safeguard I suggested was to have the user groups decide co-operatively what should be done rather than have a distant Fisheries Department decide what should be done. I also said that I recognize that that is not easy. The different groups have different interests and they have a history of arguing among themselves because they have different interests. I think I cited the suggestion of Jack Nichol which is that a Pacific fisheries development board be utilized in which all these groups could take part and have some say in the allocations.

I am optimistic. Everyone on the west coast recognizes that we have a resource that is dwindling. We also recognize that we need a fishing industry. Just as it is for those in the great province of Newfoundland, fishing is a part of the culture of those of us from British Columbia. Where would the province be without its salmon? I represent the only riding on the coast of British Columbia that does not border on the ocean and even I feel fishing and fishermen are very much a part of our culture on the coast.

While the fishermen may have conflicts, they are not stupid. They understand that they must work together and they will work together. Our Party has been suggesting that the resource be allocated over all by the Department but with built-in consultation with the user groups. I think that makes a lot of sense.

Mr. Baker: Mr. Speaker, I do not want to be unfair to the hon. gentleman. After all, he is not a Government Member. However, perhaps his Party does have a view on this question. I would like to repeat the question and narrow it down.

Suppose there was not enough of the resource for all of the user groups.

Mr. Keeper: As a result of Liberal mismanagement?

Mr. Baker: The Hon. Member says that is the result of Liberal mismanagement. At this point in time, it does not matter who mismanaged the fishery; we have a problem on our hands. I would like to have an indication of the New Democratic Party's position on this important question.

Narrowing the question down further, if there is not enough of the resource left to maintain the user groups, would the Hon. Member and his Party advocate discontinuing the sports fishery? Does he regard the commercial fishery to be of more importance than the sports fishery in salmon, for example? I really would like to receive an answer to the question but I know that the hon. gentleman does not have to answer the question. Perhaps he does have some views on the issue of the sports fishermen versus the commercial fishermen when very little of that resource is left. Would he advocate a discontinuance of the commercial fishery in favour of the sports fishery?

Mr. Waddell: Mr. Speaker, I do not understand why Liberal Members are so negative about this matter. Perhaps it is because of their years of mismanagement of the fishery. As I told the Hon. Member, I am not negative. He asked me what I would do if I were, God forbid, Minister of Fisheries of the country. I would concentrate on things like salmon enhancement on a huge scale. I would look at some of the things that are being done in Europe in the fish farming sector. I would

look to developing our industry the way it has been develop in Denmark, a country which I visited this summer and in which I saw what an efficient fishing industry can do.

It is purely hypothetical to talk about allocating five fish. There will not be five fish. Hopefully, there will be a great many fish. I admit that the different fishery groups are competing and that they have different interests, but they share one over-all interest and that is that they all benefit from the fishery. As I said before, fishermen are not stupid. They understand that.

I see the system working with more than simply the influence of the Minister's advisory committee which he calls on whim to consult when he wishes to consult. I would like to see something written into the legislation which would indicate that a Pacific fisheries development board would be involved. That board would be composed of the people who are most affected, not of some bureaucrats who are 3,000 miles away in Ottawa. I trust the people who are involved in the fishery industry in British Columbia to ultimately come up with suggestions for enhancement, allocation and so on. Naturally I feel that there must be a Fisheries Department in Ottawa to take part in all the different interests.

It is not a question of allocating five fish to five different groups. It is a question of managing an entire industry and having the people who are involved in the industry participate. I invite my friend, who I know has an open mind, to come toward this new social democracy which believes in decentralization, participation and co-operation and is very positive and new and is looking to the future. I invite him to come to the era of the 1990s and to throw out all that old baggage. Come on over here. We will have a new beginning and we will develop the fishery industries on the west coast and the east coast together.

Mr. Skelly: Mr. Speaker, one of the interesting aspects of this Bill is the question of its constitutionality. We could allow this Bill to pass through the House of Commons and it could be put in place, but what would happen if, in the middle of the salmon season this coming summer, a dissatisfied fisherman on the west coast suddenly took the matter to court, said this is against the constitution and the Federal Court granted an injunction against the fishing plan and threw this amendment out of court? A judge from the Federal Court has indicated that this could happen and the Government has indicated that this could happen.

Would there be merit in putting this Bill through the House with the Minister's guidelines and mechanisms for consultation and referring it to the Supreme Court so it may make a judgment as to whether or not this Bill will stand up constitutionally? I wonder if my hon. colleague might give us an indication of whether it might be wise to do so at this point or wait until the season collapses this summer.

Mr. Deputy Speaker: Could I ask for a short answer from the Hon. Member for Vancouver Kingsway (Mr. Waddell)?

Mr. Waddell: Mr. Speaker, I draw the Hon. Member's attention to the statement made by the Minister on March 6, 1985, as reported on page 2789 of *Hansard*. To be very fair to the Minister, this is a problem with which the Minister must struggle. The Minister got out of these two court cases by having us amend this law but he cannot get out of the constitutionality question.

I do not think I would like to give a quick answer to this question. I think we should hear from the Minister in committee. As my friend pointed out, there will be problems if someone challenges this in the middle of the season. I think that must be considered in committee.

I have already given my own opinion as a constitutional lawyer. I would not like to see the Minister give this matter a quick reference to the court. I would prefer to have him wait, but I could be persuaded otherwise.

Mr. Deputy Speaker: The period allowed for questions and comments has unfortunately expired.

• (1240)

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

Mr. Deputy Speaker: The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) on a point of order.

Mr. Tobin: Mr. Speaker, my point of order has to do with the rule of relevance. I want to say, with respect to the rule of relevance, that the only relevant thing the Hon. Member said was God forbid he should ever become the Minister of Fisheries.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper) on debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I can understand why the Hon. Member trembles in fear at the prospect of my colleague becoming the Minister of Fisheries. Of course, there are real prospects that that will happen. The Liberals dread that. They have the notion that somehow they will automatically return to office. That is a myth of Canadian politics which is fast passing. Therefore, I can understand why my hon. colleague trembles in fear at the prospect of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) becoming Minister of Fisheries.

This legislation is important. I represent a constituency which does not have people who primarily make their living by way of the fishery, but it is still important legislation. It is important for a number of reasons.

One of the reasons is that this legislation gives a legislative mandate to a Minister and to the executive which will give them the power to allocate resources among competing groups. The legislation provides absolute authority over the economic well-being of people. Any time we give unfettered authority to an executive, it raises questions. Any time we give absolute power to anyone, it lights a red light. Perhaps at this point it is a yellow light, but it is telling us to wait a minute and examine what is being done by this legislation. The legislation will give

absolute authority to the Minister to allocate fish among various user groups; for example, sports fishermen, commercial fishermen and native people. To give that authority without guidelines or criteria upon which decisions can be made causes me to question the move which the Government has taken.

There is a principle of holding those wielding power accountable. That is the basic notion of democracy. It is the basic principle which underpins the existence of this place. The purpose of having Parliament is to hold executive power accountable. Originally, Parliaments were set up in an attempt to bring some accountability to the exercise of power by the kings of old. In fact, the arbitrary use of power in historical circumstances even led to the loss of one's head being taken by a king. It is a serious question. I am not suggesting that we should behead the Minister of Fisheries and Oceans (Mr. Fraser), but I think it is important to mention the absolute authority which is being given to an executive. We must do that with caution.

It is surprising that the Conservative Government has brought forward legislation which offers absolute authority to a member of the executive. Over the last number of years, the Conservative Party had a proud tradition in the House of speaking in support of parliamentary democracy. The Conservative Party, when in opposition, told the Government that it could not be arrogant and that it must be accountable to the people. It is sad that the Conservatives, now that they are in office, are changing their ways. They are no longer acting the way they did when they were in opposition. Surely, a Party which has a long tradition of concern about Parliament would draft legislation which clearly spells out the basis upon which the Government will act. This legislation fails that test.

There is another area in which this legislation is wanting; that is the whole question of meaningful consultation. Obviously, in order for government in this large country to work, it is necessary to consult with the groups which are affected by government decisions. It is also necessary for those consultations to be meaningful. It is not adequate simply to have conversations about fisheries; there must be meaningful consultation. The government must provide a real opportunity for groups which are affected by its decisions to have an impact on the direction of government policy.

The united opposition of the groups which are affected by this legislation—sports fishermen, commercial fishermen and native people—is testimony to the fact that the consultations which have taken place to date have not been adequate. I am trying to be fair in giving the Government some credit when it says that it has consulted with people. However, somewhere along the road those consultations have broken down and failed. If the consultations had been successful, there would have been support from people in the fisheries for the legislation. Surely, we must accept the proposition that the people who actually fish are just as concerned, if not more so, as the Government about the conservation of the fishery. Obviously, the legislation has been brought before the House on the presupposition that the Government needs authority to manage the fishery in order that the resources can be conserved. But we must accept that the people who are involved in the fisheries have, as their first interest, the conservation of the fishery. If the people who are committed to the fishery still find the legislation, in spite of its high aims, to the wanting, then there are some real questions which must be addressed.

When the Conservative Party was running for office it promised a new era of co-operation and it promised to go beyond confrontation in government. It is ironic and sad that it should be the Party which, now that it is in office, has failed to carry out the necessary and meaningful consultations with the groups which are affected. Again, this Government, when it was in opposition, said one thing, in the election campaign said one thing, but now that it is in office it is behaving in the opposite way. The Government is imposing policies and legislation upon a community, rather than having the legislation and policy develop out of the community and adopted by the Government.

● (1250)

As long as we are being asked to give this sweeping authority to allocate the various user groups to the Department of Fisheries and Oceans, I think it is legitimate to ask whether the people who are involved in the fisheries trust that Department to have such unfettered authority. Is there a basis upon which the people in the fishing industry could agree that they would like some guidelines for this Department to operate under, but in the absence of those guidelines they have experienced such a good working relationship with this Department over the years that they know it will only act in their best interests? I believe that most Canadians would find it difficult to bring themselves to a point where they could say to a government bureaucracy: "We will just trust that what you do will be in our best interests. We will just trust that the rules and regulations you make, which have a life and death impact on our incomes, will be fair and equitable and will allow us to continue to make a decent income".

Most of us have had experience in dealing with large bureaucracies, not only in the public sector but in the private sector as well. We have all been frustrated by the experience of trying to have our needs met and our voices heard. The Conservative Party, I must point out, Mr. Speaker, was a very strong critic of the abuse of bureaucratic authority when it was in opposition. Those Hon. Members were very strong critics of administrative fiat. I believe this Government deserves some credit in terms of the income tax area. It has made a number of commitments that Canadians would be treated more fairly in their relationship with the Department of National Revenue. I have some real doubts whether that is going to come about in practice, as I am sure most Canadians have, but at least the Government has said that there is a need to recognize the rights of citizens. It has announced and issued a Bill of Rights for taxpayers which is a commitment on behalf of the Government and the Department of National Revenue to treat taxpayers fairly. Wouldn't it be nice, Mr. Speaker, if the Government would take the same attitude in the area of the fisheries, rather than simply asking for a blank cheque for the

Department of Fisheries and Oceans to regulate the fishery and to allocate it among the various user groups, and to have this absolute power over the capacity of individuals and communities to earn a living. Wouldn't it be nice, Mr. Speaker, if government approached the area of the fisheries in such a way that it came before this Parliament and said: "We need authority to manage the resource, to ensure conservation and fairness in the allocation of the resource among the various groups, and to show you our commitment to fairness we will lay out guidelines under which the people in the fisheries will be treated fairly"? Why not have a Bill of Rights for fishermen, Mr. Speaker, instead of a request for a blanket authority?

When I was a child, Mr. Speaker, I lived on an island on Lake Winnipeg. The community in which I grew up was a fishing community. Everyone there made their living through the fishery, so I have some idea of what it is like to be dependent upon this resource for one's income. I also have some awareness, at least from a Manitoban perspective, of how the fishermen view the officials who are involved in managing the resource.

I mention this, Mr. Speaker, because I feel that if over the years a relationship of trust had been built up between the fishermen and the Department based on actual experience, it would be more credible for the Minister to come before this House and ask for such wide-sweeping authority for his officials to regulate this industry. But I know from my own experience that the perception—I will not make the case whether or not that perception is completely accurate—among small fishing communities, certainly in Manitoba, is often that the officials who are involved in managing the resource do it in a way that at least appears to be arbitrary and that they do not take into account the real and practical aspects of making a living from fishing. Often the regulations become obstacles to a person making his living.

In fact, in northern Manitoba up until now the community of Norway House, which is a small native community located right on the lake, has no access to the fishery and they have had no adequate explanation as to why they have not. Officials involved in the management of the fishery are often viewed in a less than favourable light, so to ask for complete authority for those officials to regulate the fisheries without laying out the guidelines as to how this will be done to ensure it will be done fairly is not reasonable. It is asking too much.

We would be willing to give this blanket authority to the Government, this absolute power to regulate the fishery in any way it wants, if the Canadian people could say with some confidence that they trusted this Government unequivocally, without question. If the Canadian people could say that their trust in this Government was such that they believed it would fulfil all of the promises it made, then perhaps we could say on their behalf: "We are glad to give you this blanket authority because we know from experience that you won't in any way abuse that authority".

But if we are to give the Government the authority to manage the fishery on the basis of trust, then we have to ask ourselves what has been our experience to date with this Government? Our experience has been one of constant reversals of positions, of broken promises and broken trusts. When those Hon. Members opposite were running for office they promised, "jobs, jobs, jobs". Now that they are in office, their priorities have been switched. Their priority now is cutting public spending. They are focusing all of their attention on economic policy, on the deficit, and they have forgotten about their commitment to provide employment for people.

When those Hon. Members were running for office, they said that universality and social programs, medicare, pensions and family allowances were a sacred trust. What have they done, Mr. Speaker? Shortly after those Hon. Members were elected to office they started to raise questions about universality, and they have raised so many questions about universality that the people across this country are very concerned about what the Government might do with pensions and family allowances. So there is no basis for trust in this Government when it comes to asking for broad, wide and sweeping authority without any limits or guidelines.

When those Hon. Members opposite were running for office, Mr. Speaker, they said they would reduce public spending by cutting out waste. Shortly after they were elected to office, November 8 to be specific, a series of cut-backs was started which affected the substance of various programs, including the area of the fisheries.

My time is running out, Mr. Speaker, but I would like to say that I appreciate the opportunity to enter into this debate because I believe it is important that when a Government asks for authority to act in any area, that that authority be limited and that the Government defines precisely what it wants to do before it brings legislation to this House.

It should not come here asking for a blanket authority and absolute trust.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

THE LATE KONSTANTIN CHERNENKO, PRESIDENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): On behalf of the Government of Canada and, I am sure, Hon. Members of this House, I rise to extend our condolences to the Government of the Soviet Union, the Soviet people, and the family of Mr. Chernenko, on the untimely death of the leader of the Soviet Union. Mr. Chernenko's death was not unexpected. He had been ailing for several months.

He rose from inconspicuous beginnings through the Soviet bureaucracy to the supreme position in the Soviet Government. While his style did not mark a departure from that of previous Soviet leaders, men and women of good will around the world will be hoping that the appointment of a successor from the new generation may mark a new approach to the contentious issues dividing East and West.

The hopes of the world for an easing of tensions and a step forward toward lasting peace are pinned on the arms talks now going on at Geneva. It can be regarded as a sign of hope that those in charge of the direction of the Soviet Union have seen fit to authorize the peace talks to continue. It may be that the world is on the threshold of its greatest opportunity for new approaches to the issues that have divided us since the end of World War II. I am sure that Members in this House, and Canadians everywhere, will share the conviction that the time is now for a concerted world effort to banish forever the dreadful threat of nuclear holocaust hanging over the world.

While it is unrealistic to expect a radical change in Soviet objectives as a result of a change in leadership, a new leader may bring about a change in style, and a more open approach which in itself would result in an easing of tensions. Many of us had the pleasure of meeting Mr. Gorbachev when he visited Ottawa, and were impressed with his readiness to discuss issues bluntly and openly. In his recent visit to England he created a favourable impression on the British public.

Regardless of who the new leader is, men and women throughout the world will look forward with hope to positive steps by the superpowers to back away from the abyss of nuclear confrontation. The arms control talks and the appointment of a new Soviet leader present an opportunity that should not be missed. It is an opportunity for positive steps at the world level to inject a new style in relations between East and West, and to place the future of the human family above sectarian interests.

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, it is with regret that the Official Opposition has learned today of the death of President Konstantin Chernenko.

Mr. Chernenko had devoted his life to the service of his country, and in the brief period that he was President of the Soviet Union he worked to improve the prospect for peace in the world by resuming peace talks with the United States of America, in Geneva.

The Official Opposition extends its sincere condolences to the Government and people of the Soviet Union and to the family of the late President. We wish to take this opportunity to ensure that the Government reaffirms our strong desire to work in co-operation and friendship with the Soviet Union to further the search for a true and lasting order of world peace and security.

The Soviet Union stands at an important threshold. A new generation of leaders will decide the future destiny of not only the Soviet Union but also possibly of mankind. It is our sincere hope that President Chernenko's reported successor, Mikhail Gorbachev, will continue the late President's efforts along the elusive path of peace. Mr. Gorbachev's visit to Canada and to other western nations will hopefully have given him a personal insight into our great desire for peace and co-operation with the Soviet Union.

I can assure the Canadian people that this Party will continue to urge the Government, no matter what the difficulties, to work with the Soviet Union to rid the world of the scourge of war.

[*Translation*]

Mr. Speaker, we were very sorry to hear the news of President Chernenko's death, and we wish to offer the people and the Government of that great country our sincere sympathy.

We were pleased to hear that Mr. Gorbachev has been appointed the new leader of the Soviet Union. We had the opportunity to meet him in Canada when he met with Members of Parliament. He appeared to have the makings of a modern leader with an open mind, and we hope that remembering the friendship he showed our country when he was in Canada, he will try to get to know us and understand us better. In fact, this may be an opportunity for the Government of Canada to show that we are an independent country, and that we may have a role to play between the two superpowers, so that a durable and lasting peace may be achieved in this very troubled world.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on behalf of the New Democratic Party I would like to extend our deepest sympathy to the family of Mr. Chernenko. I would also like to extend our deepest sympathy to the people of the Soviet Union who have now lost their third leader in three years. This is a cause for great sadness for any society.

We welcome the choice of Mr. Gorbachev to succeed Mr. Chernenko. He is a man of relative youth and vigour in terms of international leadership, as was displayed very forcefully to those of us who had the opportunity of meeting him when he was in Canada. Although here in his capacity of Minister of Agriculture, he did show a very deep understanding and concern about arms control matters. Those of us who had the opportunity to question him in committee found that he was relatively open to ideas emanating from a variety of nations, including Canada, on arms control and disarmament matters.

Unfortunately, Mr. Chernenko was not in office a sufficiently long enough time for us to be able to discern the degree to which he, too, would have pursued arms control and disarmament matters, nor the degree to which he would have pursued a greater opening up of Soviet society.

Mr. Gorbachev and those around him—and I hope one of these days we will see that number include a prominent woman—do, it seems to me, have a concern about Soviet society itself and the possible opening up of that society, particularly in the human rights field. So, while joining with the Soviet people in their grief at the death of their leader, we welcome an opportunity, and hope and trust that the Govern-

ment will take advantage of the opportunity to develop even closer relations with the Soviet Union, an even greater degree of understanding on our part, and help to promote an ever greater understanding on theirs.

Mr. Speaker: I seek to learn the disposition of the House. Normally at this point there would be three or four minutes left in the period for Statements under Standing Order 21. Should I assume that the House would like to have the regular amount of time for Statements under Standing Order 21, and Oral Questions?

Mr. Hnatyshyn: Mr. Speaker, we are quite prepared to extend the time to allow full statements and the usual Question Period. Under the circumstances this seems fair and equitable.

• (1410)

Mr. Speaker: Does the Hon. House Leader for the Official Opposition agree?

Mr. Gray (Windsor West): Agreed.

Mr. Speaker: Therefore I will call for Statements pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

CATTLE GRADING FEES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on Black Thursday, November 8, the Minister of Finance (Mr. Wilson) perpetrated his vicious attacks on the people of Canada when he presented his cut-back program.

One group who can least afford these cut-backs and increases in taxes and surcharges are the farmers of Canada. The Ontario Cattlemen's Association recently sent a letter to the Minister of Agriculture (Mr. Wise) indicating to him that the fees for grading to be charged by the Government are excessive and unfair, and were implemented without consultation.

Although the Minister says that the fee will be 67 cents per head of cattle, he failed to indicate that the smaller meat processing plants will have to pay some $125 service charge every time an inspector walks through the door.

The farmers involved in horticulture and other areas have also expressed strong disagreement with this measure.

Thanks to the previous Liberal Government, Canada had the best beef grading system in the world, and the Tories should not be allowed to dismantle it. The cattlemen of Glengarry-Prescott-Russell produce some 78,000 head of cattle. They are good productive farmers who only want a fair chance to make an honest living. I ask the Minister of Finance and the Minister of Agriculture to repeal the introduction of grading fees in the interest of good agricultural practices for this country.

* * *

SPORTS

MEN'S CURLING CHAMPIONSHIP—NORTHERN ONTARIO RINK VICTORIOUS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the *Times-News* in Thunder Bay this morning bore the headline "Switchman Derails Ryan's Express". This imaginative title aptly describes yesterday's victory by Thunder Bay's Al Hackner, a locomotive switchman, over Alberta's Pat Ryan, whose rink had curled 11 consecutive winning games at the Canadian men's curling championship in Moncton, New Brunswick.

The winning quartet of skip Hackner, third Rick Lang, second Ian Tetley, and lead Pat Perroud, came from behind in the tenth end after a brilliant shot by Hackner created a tie. They went on to win in a tie breaking 11th end after Ryan's last throw left hackner's the shot rock. This gave Hackner's Northern Ontario foursome a six-five win over Alberta.

This is the fourth time Hackner has appeared in the Brier, and the second time he has won. He was runner-up in 1980 and 1981, and then won the Canadian and world championships in 1982.

The citizens of northwestern Ontario are extremely proud of these fine amateur athletes. As New Democratic spokesperson for amateur sport, and especially as the Member for Thunder Bay-Nipigon, I extend my best wishes to these very talented young men as they leave later this month to represent Canada at the Silver Broom in Scotland. I also look forward to seeing them at the Olympic Games in Calgary in 1988.

* * *

TRADE

IMPROPER LABELLING ON CLOTHING IMPORTS

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, I am most concerned about the amount of imported clothing that is not properly labelled and is being sold to Canadian consumers. In a five-month period, Customs and Excise inspected 30 per cent of the clothing shipments to Canada. One-third of the inspected shipments had inadequate or misleading labelling.

I have with me an example of this mislabelling. It states "Top quality hosiery—genuine wool 51 per cent, polyester 19 per cent, nylon 30 per cent". Laboratory tests indicate that there is no wool, no polyester, and no nylon in these socks. What are Canadian consumers buying? I don't know, and they don't know either. What we do know is that they are not buying what is described on the labels.

This situation is most alarming when one considers that 243.6 million garments of every type and description, including pants, suits, blouses, jackets, shirts, and sweaters were imported to Canada in 1984. In January, 1985, import permits were up 40 per cent. This year, if 5 per cent of the imported garments are mislabelled, then half of the entire Canadian population could purchase mislabelled imported clothing. This could affect every Canadian family.

* * *

COMMONWEALTH DAY

ANNUAL CELEBRATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, today is Commonwealth Day. This is an annual event which owes its origin to a Canadian proposal made during the 1975 Heads of Government meeting that was held in that year in Jamaica. The proposal is that the second Monday in March should be so designated in order to underline, in Canada and all other Commonwealth countries, the importance we attach to this unique association of 49 countries of great diversity in terms of size, colour, race, creed, culture, and at all stages of economic development.

Across Canada today special programs have been planned, especially in schools and public libraries, to mark this special occasion. Yesterday, special inter-faith services were held in various centres across the country to mark Commonwealth Day in Canada. This evening, all parliamentarians are invited to a special reception hosted by the Commonwealth High Commissioners in the Confederation Room in the West Block, to mark this very important occasion. Speaking on behalf of the executive and members of the Canadian Branch of the Commonwealth Parliamentary Association, I want to say how pleased and honoured we are to be able to associate ourselves with the celebration of Commonwealth Day.

Commonwealth Day is an important institution to all of us—

Mr. Speaker: I regret that I must advise the Hon. Member that his time has expired.

* * *

ENERGY

FEDERAL-NEWFOUNDLAND AGREEMENT ON OFFSHORE DEVELOPMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to address some issues with respect to Newfoundland energy. Since 1978 the New Democratic Party has supported the view that the offshore belongs to the provinces. Therefore we applauded the recent deal respecting Hibernia, and I said so in the House.

We also suggested that it be taken further and enshrined as a constitutional amendment. However, we warned that Newfoundlanders should not forget about their fish, forests, their mines, and renewable resources, by putting all their eggs into the Hibernia basket. These other resources must be developed as well.

I am worried that the rate of development in Hibernia will not be controlled by the Newfoundland Government or the Canadian Government, but by Mobil Oil which is 100 per cent American owned. Mobil is very difficult to deal with on many issues. I have a suggestion for the Government of Canada. By chance, FIRA must approve the take-over by Mobil of Canadian Superior Oil. I suggest that Mobil should be forced to sell shares to a minority of Canadian shareholders so that it is faced with a minority share interest and must look after the needs of Newfoundlanders and Canadians. This can be done in the same way that the Government forced Texaco and Chevron to comply, in a previous ruling. That would be helpful to the interests of Newfoundland and Canada.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES NEGOTIATIONS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, this past weekend I had the opportunity to participate in an environmental day in Niagara Falls sponsored by Canadians for a Clean Environment. As the representative of the federal Government I was very pleased to be able to provide details of our new program to limit acid rain. This is the most comprehensive attack on pollution conceived in this country's history, and in that we can all take pride.

This new program is also timely in its announcement. We can now discuss environmental concerns with clean hands. In the past, our negotiations with the Americans have been hampered by our failure to take initiatives which would demonstrate our own commitment to deal with the environment. Today, that no longer can be said.

I am pleased that these issues will be first on the agenda at the meeting between the Prime Minister (Mr. Mulroney) and the President of the United States. I would urge the Prime Minister, the Minister of the Environment (Mrs. Blais-Grenier) and members of the federal delegation to impress upon our neighbours to the south the need for an all-encompassing attack on pollution, dealing not only with the air that we breath but also with the water that we drink.

The levels of toxic wastes in the Niagara River continue to be of major concern to the people in my riding and to those whose drinking water originates in Lake Ontario. We must do everything within our power to convince our American friends that together we should begin the long and difficult process of restoring the Niagara River to the state in which it should be. I know that the Prime Minister and the Minister of the Environment share those concerns as strongly as the people of my riding.

S.O. 21

NATIONAL PARKS

STAGING OF WOMEN'S WORLD CUP SKI RACES IN BANFF NATIONAL PARK

Mr. G. M. Gurbin (Parliamentary Secretary to Mininster of the Environment): Mr. Speaker, Banff National Park has been welcoming Canadians and people from around the world for over 100 years. This year Parks Canada is celebrating its centennial, and one of the events that all Canadians can take pride in was the last of the 1985 Women's World Cup ski races that took place in Sunshine Village, deep in Banff National Park. To keep pace with the moment, one of Canada's many bright and capable young skiers, Miss Laurie Graham, took first place in the women's downhill race.

● (1420)

This World Cup event draws attention and is a tribute to the success that our country can enjoy when we are able to maximize the co-operation between athletes representing our nation, companies like Husky Oil which sponsor them, the officials of Parks Canada managing our parks system, and the entrepreneurs in places like Sunshine Village, Banff.

The centennial of our National Parks system, Mr. Speaker, has been highlighted by this event, and it speaks volumes about what happens when we work together.

* * *

[*Translation*]

CANADA POST CORPORATION

JOB SECURITY

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Canadian Union of Postal Workers and its president, Jean-Claude Parrot, have been negotiating with Canada Post for eight months in order to obtain a collective agreement that will guarantee job security. A tentative agreement has just been announced, which although it has yet to be ratified, is certainly a major achievement. Canada Post, through the collective bargaining process, has been able to obtain the flexibility it was seeking as well as a reasonable monetary settlement.

[*English*]

Job security for postal workers means fewer Canadians on unemployment insurance or welfare. It means continued and uninterrupted postal service. It means that small business can get on with the job it does best, creating employment for people. This agreement establishes a precedent, that it is indeed possible to negotiate job security for employees without long drawn out work stoppages, when both the employer and the employees are prepared to negotiate in good faith.

Collective bargaining can work. Mediation can help. We have a collective agreement and a settlement in the postal talks. Thank you, Mr. Parrot. Thank you, Mr. Warren. We welcome this settlement.

Some Hon. Members: Hear, hear!

AUTOMOTIVE INDUSTRY

QUOTAS ON IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Joe Reid (St. Catharines): Mr. Speaker, by March 31 the current quota system on Japanese car imports will expire. The Minister for International Trade (Mr. Kelleher) has stated in this House that "when Canada reaches a decision, it will be a decision in the best interests of Canada".

Until we develop and implement an automobile strategy on our own, Mr. Speaker, the automobile manufacturers, parts manufacturers, and the auto workers of Canada warn us that thousands of automobile related jobs are at risk if these quotas are not extended.

We know that Canada's strong period of growth over recent years was largely due to major investments and sales in the North American automobile industry and the quota system.

We know that the importance of the automobile industry in this country cannot be underestimated.

We know, as well, that the American decision to end quotas on imports will put our manufacturers under severe stress and strain.

Two years ago the special task report on the automobile industry recommended that the Government pursue a trade policy that would require all vehicle manufacturers to make binding commitments in investment and jobs. We would need a much more open market in Japan, or substantially more investment from the Japanese, before we should even consider dropping the quotas.

Too much is at stake for Canadian jobs and the survival of the Canadian automobile industry for the Government not to make the best decision possible for Canadians—continue the quotas.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

DISARMAMENT

RESUMPTION OF U.S.-U.S.S.R. TALKS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, with a new spirit of hope and peace, all the world anxiously awaits tomorrow's resumption of arms control negotiations between the United States and the Soviet Union. The Geneva talks mark a new beginning in the long and often bumpy road to world peace. We in Canada congratulate both sides for re-dedicating their efforts to the peace process. The talks will not be easy. The issues involved are complex and very detailed, offering no simple solutions or quick answers, but it is the act of negotiating the world welcomes. Progress for peace can only be accomplished through practical dialogue and meaningful co-operation.

Canadians join the world in rejoicing at the prospect of lasting nuclear arms control between the two superpowers. We

share a dream with each and every person on this planet that our children will grow up and live in a peaceful, safe world.

* * *

RESEARCH AND DEVELOPMENT

ADDITIONAL FUNDING FOR NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Mr. David Daubney (Ottawa West): Mr. Speaker, I rise to commend the Government for its recent announcement that $20 million in additional funding has been allocated to the Natural Sciences and Engineering Research Council.

These additional funds will enable the Council to respond to some of the over 1,400 applications for research equipment currently before it.

The fact that the Government made this announcement despite the severe financial constraints confronting it, demonstrates the importance the Government attaches to university research.

The previous Government made no provision for dealing with these equipment applications, and had the new Government not stepped in, university researchers would have been seriously impeded in their work.

The previous Government's attitude toward university research and the NSERC Council is reflected in the numerous cuts it made to the Council's first five-year plan, a plan which was first approved by the Progressive Conservative Government in 1979. The new Government's approach is illustrated by last week's announcement, and by the statement of the Minister of Science and Technology (Mr. Siddon) when Supplementary Estimates for NSERC were brought forward in November. At that time he said:

> We recognize that R & D is fundamental to our over-all plan for economic and social development in Canada and that the success of NSERC's programs in universities is a prerequisite to that national effort.

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The Oral Question Period will last until eleven minutes past three o'clock. The Hon. Member for Saint-Maurice.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

REQUEST FOR EXTENSION OF EQUALIZATION PAYMENTS FORMULA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Minister of Finance. In view of the many changes in the policies of the Government, the transformation of policies, and a lot of insecurity this has caused in

many provinces, and in view of the fact that Quebec is talking about imposing a special tax on its citizens because of the difficulties that Province is facing at this time, is it not possible for the Minister to do what the previous Government did last year, that is, to extend for one year the equalization payment formula so that weaker provinces like Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island, Quebec, and Manitoba could use that money to soften the blows they are receiving with the big change in the economy at this time?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the problems which the various provinces are facing under the equalization program were established because of the equalization formula that was put in place by the Government of which the Hon. Member was a part, three years ago in 1982. That formula was not extended a year ago. It expires on March 31, 1985, and that was the original plan for transitional payments.

An Hon. Member: You are supposed to be smarter.

Mr. Wilson (Etobicoke Centre): There have been a number of discussions with people, the Premier of Quebec, the Finance Minister of Quebec, with the Province of Manitoba and other provinces, on this difficult issue. All I would say to the Hon. Member is that we have to face difficult financial problems at the federal government level, as he well knows. We are determined to face those problems, as was set out in the November 8 statement. I suggest the Hon. Member wait a bit before we get an answer on the equalization payments.

QUEBEC INDUSTRIES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am glad to see the Hon. Member has not given a final word, and that there is still hope.

I have another question in the same kind of economic sphere.

[*Translation*]

Mr. Speaker, today in the Province of Quebec, we are facing some major problems. We do not know what is going to happen to the Domtar project. We have had factory closings at Wabasso and Philips in Trois-Rivières, at Melchers in Berthier, Carbures in Shawinigan, Oxysynthèses at Bécancour, Pêcheries Cartier in the Gaspé and many others. The Department of Transport is about to close down VIA Rail in Montreal, and at Air Canada, hundreds of people are being transferred from Montreal to Toronto. Considering the major problems confronting the Province of Quebec, could the Minister consider the following: extending the equalization program for a period of one year, as I asked in my previous question, and helping Domtar as Quebecers are requesting, especially since the Minister's colleague, the Minister of National Defence, has just been allocated $100 million to send more military personnel to Europe?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not unmindful of the economic problems currently being faced in the Province of Quebec. We have negotiated the first Economic and Regional Development Agreement with the Province of Quebec since 1974.

Some Hon. Members: Hear, hear!

• (1430)

Mr. Wilson (Etobicoke Centre): Since then a number of subagreements have been negotiated. In addition, the Minister of National Defence has announced the purchase of some eight jet planes from Canadair. We are not unmindful of the problems in the Province of Quebec.

The specific question which the Hon. Member asked was whether we could move ahead with this agreement. The Prime Minister was in Quebec City last week and had some very extensive discussions with the Premier of Quebec on the problem. We should have an answer very shortly.

* * *

[*Translation*]

SHIPBUILDING

ABOLITION OF SUBSIDIES—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I think there is a difference between signing an agreement and the money involved. It is easy to sign documents that provide less funding for Canadians than the programs we introduced at the time.

I have another question for the Minister of Finance.

Am I correct in saying, for instance, that the Government, as the Right Hon. Prime Minister indicated at his press conference last Friday, has virtually decided to do away for ever with subsidies for shipyards throughout Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we do know how to sign agreements and how to put them into effect. That is what was done with the ERDA agreement which we just signed. Maybe the Hon. Member should explain to the House why an ERDA agreement was not signed for the last 10 years, if he is so good at signing things.

Mr. Axworthy: The program is only one year old.

Mr. Wilson (Etobicoke Centre): There was a new agreement signed on ERDA. If the Hon. Member doesn't know about it, I will send a copy of it over to him.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—NEGOTIATION OF SOLUTIONS BETWEEN PRIME MINISTER AND PREMIER LÉVESQUE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, whom I wish to welcome back to Canada. He must have thought there had been some developments in the Domtar case since he left. Mr. Speaker, for two weeks now, the Prime Minister has been stalling for time in the Domtar case. He was probably waiting for his senior Minister to get back.

I would therefore ask the Minister, now that the Prime Minister has met with his Quebec counterpart to discuss the Domtar case, whether he could inform the House today what kind of solution the Prime Minister has negotiated with the Premier of Quebec to rescue the Domtar project in Windsor.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, it is quite correct that there was a meeting between the Prime Minister and the Premier of Quebec, at which various economic issues in the Province of Quebec were discussed, including the Domtar situation, but there were certainly no conclusions. As my colleague, the Minister of Finance, has indicated, this type of thing will be commented upon in due course.

I can only say that as far as the forest industry is concerned, which of course the Domtar situation falls under, I will be meeting with the Forest Industry Advisory Council in about a week. They, in turn, will be bringing me up to date on what is their current attitude concerning the forest industry, any new modernization which may be required. Most specifically, I want to hear from them whether they still say that no grants should be extended to member companies in that industry for increases in capacity.

[*Translation*]

DOMTAR—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary.

If the Minister would bother to read the statements made by the pulp and paper producers association, he would realize that there never was any question of the association saying no subsidy should be given to pulp and paper companies, and according to what the Prime Minister said in the House, this clarification was provided by the association.

My question is as follows. We know there was a meeting on Friday. We know that work on the project must start before spring thaw. We cannot wait while the Minister consults for months on end. Every week, costs are increasing because of the Minister of Finance's policies. Interest rates are going up every week.

Is the Minister prepared to make the same undertaking as his colleagues from the Eastern Townships and promise the House that we shall have an answer by next Saturday?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I thought the answer was abundantly clear. Domtar's request for a $117 million grant has been refused. That is where it stands.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Churchill.

An Hon. Member: Now we know where the power is.

Mr. Speaker: Order, please.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. Is it the intention of the Government to continue the Liberal scheme on equalization which will result in Quebec, Manitoba, Nova Scotia, and Prince Edward Island receiving less money in equalization payments next year than they are receiving at the present time? Is it the intention of the Government to maintain that Liberal policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows that the Prime Minister and I have both had discussions with members of the Manitoba Government. That decision will be taken shortly. We are exploring ways of trying to meet the needs of the Province of Manitoba as well as those of the Province of Quebec, but he has to recognize that it is a larger problem. The federal Government has probably a more severe financial problem that the provinces affected have. It is for that reason we have to be very careful on how we address this issue.

TIMING OF ANNOUNCEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I find it ironic that the Minister of Finance pleads poverty versus the cases of the poorer provinces. My supplementary question is directed to him. When will those four provinces know whether they will receive less money than they receive this present year? When will they find out?

Hon. Michael Wilson (Minister of Finance): Shortly.

TRUST COMPANIES

PIONEER TRUST—SITUATION OF UNINSURED DEPOSITORS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the collapse of Pioneer Trust. The Minister will be aware of the fact that the Canada Deposit Insurance Corporation bailed out uninsured depositors in the Greymac, Seaway, and Crown Trust affair in Ontario. Will the Minister inform the House whether the CDIC is planning the same action for the uninsured depositors of Pioneer Trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I understand it, in the case of Greymac, Seaway, and some of the earlier companies, including Fidelity, CDIC entered into an agency agreement which it is allowed to do under a certain section of the Act, provided that there are savings to the corporation as a result. In the case of Pioneer Trust, those calculations were made and it was concluded that there would be no savings to CDIC, after careful examination. There is no agency agreement and the company is in liquidation. Therefore it is not possible for CDIC, under legislation, to pay off uninsured depositors.

* * *

REGIONAL INDUSTRIAL EXPANSION

APPLICATIONS FOR GRANTS—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, question is directed to the Minister of Regional Industrial Expansion. First I welcome him back from his magical mystery tour. I am sure, now that he has seen the programs of his Department unravel in the meantime, he probably wished he had never come back. In his letter to Domtar cancelling the project, he stated that the difficulty was the fear of U.S. retaliation. That was one of the reasons given for cancelling the grant. Is it now the policy of the Government on any industrial grant applied for by a Canadian company to take into consideration first whether the United States Government agrees or disagrees? Will that be the criterion by which we determine whether Canadian companies obtain grants? Does he not consider that to be a serious compromise on our sovereignty in determining our own industrial structure and how we should go about helping our own industry?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member who referred to my tour, I assure him that the results of it will be demonstrated in coming months and years as we develop new trade associations and relationships with the countries which I had an opportunity to visit. He will also find that investment flows will once again start coming back into Canada, partly from those countries.

● (1440)

In reply to the Hon. Member's question—do we consult first with officials in the United States before we can consider

making a grant in Canada—the answer, of course, is no, but I would say that as a consideration in making a grant, when a company such as Domtar tells you that the plant that it intends to build would have 49 per cent of the total Canadian capacity and you ask where are you going to sell that extra capacity, and they tell you substantially in the United States, certainly with the delicate nature that exists with respect to our trade in forest products with the United States, it is very natural to inquire from our officials what they feel would be a reaction in the United States if there was such a new exportation of this single product into that country.

CROWN CORPORATIONS—ELIGIBILITY FOR GRANTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would say to the Minister that this sounds like the new *Fortune* magazine philosophy of the Conservative Government, that we really do not want to export our products, we are afraid to export them, and we are going to establish involuntary restraints without even being asked.

I want to raise a question with the Minister on another aspect. He said in his Estimates that the Government would no longer give any grants to Crown corporations or any companies in which Crown corporations hold interest. The Prime Minister contradicted that statement on March 1. Is the Minister now going to rescind that policy that he made in his Estimates, that Crown corporations, federal and provincial, are no longer eligible for grants, or is the Prime Minister not telling it as it is in this House of Commons?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member who talks about some kind of voluntary restraints, the fact is we have no objection to Domtar through its own good resources building the plant and exporting to the United States. There is no suggestion on our part that it should not do it.

All we are saying is that a profitable company such as Domar does not have to turn to the federal Treasury for the funding that it requested. Bearing in mind the deficit position in Ottawa, that was part of the reason why we said we could not accommodate it. As far as the Crown corporations are concerned, if the Hon. Member would have one of his researchers, or even he himself do a little better homework, he would find that those statements are entirely consistent with each other.

* * *

SPACE WEAPONRY

UNITED STATES' STRATEGIC DEFENCE INITIATIVE—NORTH WARNING SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have questions for the Prime Minister on the forthcoming summit meeting that will take place between himself and President Reagan. He was not in the House on Friday. He is not here today. There may be good reasons for it, but we certainly hope that before that summit takes place the Opposition will have occasion to put directly to him important questions that concern the future of our country.

In his absence, I want to ask the Secretary of State for External Affairs a question that is going to be discussed at the summit meeting. It concerns, of course, the linkage that a number of American officials have made between the star wars project of President Reagan and the modernization of the radar facilities in our DEW Line. It was proposed by two officials before there was a linkage. A third was added to the list on Friday. Considering that Mr. Richard Burt, in his briefing of Canadian journalists, says there is a linkage, why does the Canadian Government continue to say the opposite?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know how long the Leader of the New Democratic Party will pursue this course of deliberate anti-Americanism by quoting half the statements of American officials. Mr. Burt made it clear that his initial statement was a mistake. The Hon. Member should know that the Department of the Secretary of State in the United States said clearly, and I quote from the statement:

> With regard to the upgrading of the DEW Line and its replacement with the North Warning radars, the Department can state clearly and categorically that the North Warning System being planned by Canada and the United States is not part of the Strategic Defence Initiative Program.

The Hon. Member knows that. He was told and read that statement on Friday. He raises it again today in a deliberate attempt to try to sour relations, and try to frustrate the development of jobs here in this country. I consider that to be unacceptable behaviour.

Some Hon. Members: Hear, hear!

STATEMENTS ATTRIBUTED TO UNITED STATES OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Secretary of State for External Affairs reveals his usual intellectual mastery of a complex subject. There is no attempt on this side of the House to be anti-American or anything else.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is normally proper to grant the questioner the right to ask his question. Will the House please do that?

Mr. Broadbent: Mr. Speaker, American official after American official, whether it is the Secretary of Defense, a senior policy advisor on defence matters, or an American who briefs Canadian journalists, are all saying there is a linkage between the two. The Minister has a lot of nerve saying that we are distorting the truth. He is doing it. Why does the Canadian Government continue to say the opposite to what the Americans are saying?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the reasons we differ from time to time with what the Americans say is that we are a sovereign

country, and we intend to remain that way. On this particular question, the responses by the Canadian and American Governments have been the same, because the fact is there is no relation between SDI and the North Warning System. That is well known. That has been established. I personally do not understand why the Hon. Member, representing a constituency that relies, as it does, upon good relations with the United States of America, would go out of his way to try to sour relations between his country and the United States.

Some Hon. Members: Hear, hear!

REQUEST FOR REFERRAL TO PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we can certainly understand why the Member is no longer Prime Minister of Canada.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Speaker: My goodness, it is only Monday. Question, please.

Mr. Broadbent: Mr. Speaker, considering that many Americans have said that there is such a linkage, and considering that the Government of Canada says there is no such linkage, will the Secretary of State for External Affairs do the honourable thing, produce the evidence by bringing any proposed agreement before the House of Commons so that people in this House and the people of Canada can actually see the agreement and make up their own minds?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the reasons why I am no longer Prime Minister is that the Hon. Member for Oshawa, as Leader of the New Democratic Party, did what he always does when he has to face a tough decision. He runs and joins the Liberal Party.

Some Hon. Members: Hear, hear!

Some Hon. Members: Joe, Joe!

Mr. Speaker: Order, please, Perhaps the House will now let the Minister answer.

Mr. Clark (Yellowhead): Thank you, Mr. Speaker. With regard to the question of the evidence being brought before a parliamentary committee, I remind the Leader of the New Democratic Party that I took the initiative which had not been taken by his friends and *copains*, the Liberal Party, for years, to put the North Warning System before a parliamentary committee. Members of his Party were there. Instead of asking questions of this kind, they asked about power generators in the north.

● (1450)

PETRO-CANADA

SALE OF COME-BY-CHANCE OIL REFINERY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, the Parliamentary Secretary to the Minister of Energy, Mines and Resources, and the Minister of State for Mines, my question is directed to the President of the Treasury Board. The President of the Treasury Board should know that, following an invitation to tender in January, 1985, six companies have posted $10,000 bonds to bid on the Come-by-Chance oil refinery. That invitation to tender has been submitted by Petro-Canada. Three of the companies that posted bands are in the business of dismantling refineries, and three are themselves refiners. Will the Minister confirm that Petro-Canada is in the final stages of concluding a deal with one of those six companies to dismantle the refinery and ship it out of Newfoundland?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be very happy to take this question under notice and make sure that an answer is given.

REQUEST THAT SALE BE HALTED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, will the Minister also take the following under notice and pass it along to his Cabinet colleagues? In view of the fact that there has never been a study done to determine the viability of that operation in Newfoundland, and in view of the fact that Clause 54 will wipe out Newfoundland's opportunity to have a petrochemical industry forever if that refinery closes, will the Minister and the Government agree to instruct Petro-Canada to freeze the sale of that Come-By-Chance oil refinery until such time as a viability or feasibility study has been carried out?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, again I will be happy to take the question under notice. As for the premises and hypotheses that are being tossed around, I will leave them up in the air. I will make sure that the Hon. Member gets an appropriate answer to the question.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES DISCUSSIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Secretary of State will recall that last week I asked the Prime Minister what he would be asking of President Reagan with respect to action on acid rain, and that at that time the Prime Minister refused to say what he would be saying to Mr. Reagan in this regard. In view of the action

taken by the Government on acid rain since the time I asked the question of the Prime Minister, I wonder if the House of Commons could not be told what the Prime Minister will be asking of President Reagan with respect to American action on acid rain when he meets with him in Quebec city.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member would want to have the House recall more precisely what the Prime Minister said. He said that if there were to be consultations with anyone prior to discussions with United States officials, he would probably choose someone other than the Hon. Member. The point that has to be made—

Mr. Deans: That wasn't what he said. It's interesting, but that wasn't what he said.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): He was a little more definitive than I was.

We hope that the actions that have been taken under the very strong leadership of my colleague, the Minister of the Environment, to demonstrate our determination to move on the acid rain question, will allow Canada to go to those meetings with clean hands so that we can increase the influence of Canada's arguments in order to try to reach an agreement that will reduce the danger to Canadian and American lakes and livelihoods posed by the threat of acid rain.

CANADIAN POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, given the former Prime Minister's occasional words about respect for Parliament and respect for Members of Parliament, I would have thought that he would have been the first to say that Members of Parliament have a right to know and ask about what position the Prime Minister will take.

May I ask the Secretary of State just what action the Government will be seeking from the Americans with respect to acid rain? Could I have the assurance that we will not simply agree to any kind of joint or mutual study of the problem? This would be to retreat from the position already taken by the Government that action is needed, and would involve conceding to the American view that more research rather than action is needed. Do we have the assurance that we will be seeking action and not mutal study?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is a member of the committee studying parliamentary reform and procedures. It will be making reports to the House. A question that it may raise is whether or not treaties and agreements should be approved by the House in advance of their signing, and another question it may raise is the rather unusual proposal the Hon. Member is putting forward now, that before we go into an open negotiating procedure we should tell the people with whom we are negotiating exactly what it is that we seek. I think that would very seriously undermine our negotiating stance, if not with the United States then certainly with other countries.

With regard to the acid rain question more particularly, the historic difference in views between Canada and the United States is clear. We believe there does not need to be more research. We believe there must be action taken. We believe that we can be persuasive in seeking action by taking action ourselves. My colleague, the Minister of the Environment, has shown leadership by having Canada take action. We hope that at the meeting between the President and the Prime Minister in Quebec city this weekend and next Monday, we will be able to get some solid progress against the threat of acid rain put into action.

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NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN COMMITMENT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of National Defence whom I would like to congratulate on his recent appointment. Today the Government announced measures regarding the strengthening of Canada's conventional commitment to NATO. Can the Minister advise the House of the implications of that announcement, and can he advise the House whether there will be any consideration of future augmentation to Canadian forces in Europe?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government has taken two immediate initiatives with respect to a commitment made by the former Minister of National Defence at the NATO meeting last December. The first of these will involve increasing the number of our troops in Europe by 1,200 military personnel, in order to strengthen the Fourth Canadian Mechanized Brigade group based in Lahr. The second measure will be to designate specifically an infantry battalion group in Canada to fulfil our commitment to AMF land. Both of these commitments have been announced today to the ambassadors of the countries of NATO.

With these initial measures, we hope to increase the effectiveness and contribution of our Canadian forces in Europe. The objective, of course, is to meet fully our commitments to NATO, as we have often said we would do.

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HUMAN RIGHTS

AFFIRMATIVE ACTION—ROLE OF CROWN CORPORATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to my Hon. friend, the Minister of Employment and Immigration. The Minister knows that the provisions of the Canadian Human Rights Act on affirmative

action have no teeth and that they are essentially permissive rather than prescriptive or mandatory, except when a tribunal rules. The Minister knows that the Canadian Human Rights Commission cannot order affirmative action. Will the Minister, in the proposed employment equity legislation, assure that there is an obligation on the part of Crown corporations and federally regulated companies to have consistent employment equity programs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, with regard to the Canadian Human Rights Commission, one of the reasons it has not been able to take action in the past with regard to inequities in employment was because it simply did not have the information available on which to initiate action. It has responded by following up on complaints. The measures that were announced the other day will make it mandatory for Crown corporations, firms doing business with the Government, and the federally regulated private sector, to file reports and returns giving the required information. If that information does not show that employment equity plans are being implemented and targets met, then the Canadian Human Rights Commission can take action on its own.

RESOURCES OF HUMAN RIGHTS COMMISSION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the goal may be fixed, and it is a laudable one. However, without legal and financial clout it simply will not work. If the Minister believes that the Human Rights Commission will be able to measure that action, can she tell me if she has made provisions to give it the kind of financial and human resources it will require to meet all her very laudable expectations?

● (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for her comments about these initiatives. I know they have received a great deal of support from women and minority groups across the country. I have already discussed this matter with the Commissioner of the Human Rights Commission and have assured him, if he feels he does not have sufficient resources, that he should come forward and put his request to the Government. I am sure that request will be received very sympathetically.

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CANADA LABOUR CODE

APPLICATION TO PART-TIME WORKERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. The Minister assured me last Friday that employment equity would apply to female part-time workers as it would to full-time workers, but she completely ignored the recommendations of the Abella and Wallace reports regarding benefits and protections for part-time workers. Will the Minister guarantee that the recommended changes to the Canada Labour Code will be made so that part-time workers, who now have little job security, will at least have prorated benefits and protections?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not have responsibility for the Canada Labour Code. I am sympathetic to the point of view which the Hon. Member has put forward, and I will be glad to undertake ongoing discussions about this matter with the Minister of Labour.

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EMPLOYMENT

EQUALITY IN THE WORKPLACE—AIR CANADA POLICY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the same Minister. What action will she take to counteract the anti-equity policies of Crown corporations, such as Air Canada, which wants to force women from full-time jobs into part-time work?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not accept that question. As of last Friday, we announced that there would be employment equity extended to Crown corporations. I trust that the Hon. Member will give them longer than a weekend to respond to that.

Some Hon. Members: Hear, hear!

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TRADE

STEEL EXPORTS TO UNITED STATES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister for International Trade, but in his absence I will direct it to the Minister of Regional Industrial Expansion. Last fall the United States exempted Canada from import quotas on steel. The steel market, the jobs, the steel produced in Canada, and the primary producers are very important. Since that time there has been a fairly rapid increase in the amount of steel which is exported to the United States, some of which is due to fabricators bringing semi-finished steel into Canada and subsequently selling it to United States markets. Is the Minister considering establishing a system to monitor steel movement in Canadian and United States markets?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I have no direct knowledge of any mnitoring which is taking place at the present time. Certainly in my Department there is no formal monitoring. Whether there is on the trade side I am not sure, but I will inquire for the Hon. Member.

REQUEST THAT MONITORING SYSTEM BE ESTABLISHED

Mr. Maurice Foster (Algoma): Mr. Speaker, I would point out to the Minister that a tonne of steel which is produced by a primary producer in Canada creates about eight hours of work, but if it is fabricated it creates about one hour of work. Would the Minister look into the feasibility of establishing a monitoring system, such as the one in the United States, so that we can take action and, in the long run, protect the value of the United States markets, and also protect the Canadian jobs of our primary producers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I said in answer to the Hon. Member's first question, I will certainly inquire if any such monitoring is presently done by the Government. If not, I will ask if it would be a desirable thing to do.

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EMPLOYMENT

ABELLA REPORT—ENFORCEMENT MECHANISMS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also would like to direct a question to the Minister of Employment and Immigration.

[*Translation*]

The Government's response to the Abella Report as announced last Friday does not contain any specific reinforcement mechanisms. Considering that Judge Abella said in her report that voluntary programs did not produce the desired results, I would like to ask the following question: Is the Minister prepared to inform the House today that she will set up a reinforcement agency to ensure that inequities suffered by the four groups mentioned in the Abella Report will indeed be corrected?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has yet to understand the statement which was made on Friday. As I said at that time, it is not voluntary, it is mandatory. By legislation, companies will be required to report annually on their employment equity plans. By legislation, they will be asked to gather this material and put in data systems. Crown corporations will be required to submit the same information annually. Companies doing business with the Government will be required to submit their reporting on employment equity, and if they do not meet the goals which they set for themselves, they will lose the right to contract. That is not voluntary. That is mandatory.

REQUEST FOR ESTABLISHMENT OF ENFORCEMENT AGENCY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I do not think the Minister understood the question. She spoke about the fact that it is now mandatory for them to report to Parliament. My question concerned an enforcement agency. Judge Abella said in her report that there had to be an enforcement agency and that a voluntary method of reporting would not work. Can the Minister now announce that there will be some enforcement agency in order that there can be equality for the four groups which were mentioned in Judge Abella's report? Without that, it does not work.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, again the Hon. Member does not understand. In her comments, Judge Abella welcomed what the Government had done. I think she was surprised that we had moved so quickly and seriously in implementing the recommendations which she had made. Nevertheless, I would tell the Hon. Member that if he looked at the human rights legislation he would see that the Human Rights Commission can initiate action if it feels there are shortcomings as a result of this information being tabled in Parliament and being made public, so that it will have some basis on which to work. It has not had that up until now.

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ENVIRONMENTAL AFFAIRS

FRESHWATER SALE INQUIRY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. I would like to ask him whether he supports the readiness which was expressed by his leader, as reported in *Fortune* magazine, namely, that he is prepared to sell Canada's supply of freshwater to the highest bidder, notwithstanding the warnings which were issued last summer by the federal water policy inquiry when it said that in parts of Canada we are already reaching the limits of supply.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have not read the article to which the Hon. Member refers.

NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Well, Canadians will have to wait and see if they receive a clear signal from Cabinet.

Again, I would like to ask the Deputy Prime Minister, in relation to the meeting which will take place in Quebec city next Sunday and Monday, whether he will ensure that the serious matter of the Niagara River and Lake Ontario water deterioration, which will be placed in a basin where there are five million people who are likely to face water shortages in a decade or two if toxic contamination is not eliminated, will be on the agenda?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will look into the matter raised by the Hon. Member and make every effort to ensure that it is given the appropriate consideration.

AGRICULTURE

SUGAR BEET INDUSTRY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that sugar beet growers in Quebec, Manitoba and Alberta are facing great uncertainty about the future of their industry, having watched their share of the domestic sugar market drop to something like 8 per cent. Does the Minister intend to keep the domestic sugar beet industry alive? If so, what actions will he propose to do that?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I share the Hon. Member's concern about the state of the sugar industry in Canada. Indeed, I hope to be in a position, possibly by the end of this week, to give some indication of what action the Government might take with respect to attempting to solve some of the problems which are currently being experienced by the people who are in that industry.

● (1510)

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Will the Minister put forward at that time the precise eligibility requirement in any levels of support, if that is the direction in which he is going at that time, or will it simply be a broad outline of what he sees for the industry?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I doubt very much whether I will be in a position to provide that much detail by the end of this week, but if so, yes. I caution the Hon. Member that I personally do not think that I will be in that position at least by the end of this week.

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CLERK OF PETITIONS' REPORT

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) on Friday, March 8, 1985, meets the requirement of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

THE SENATE

REQUEST FOR UNANIMOUS CONSENT TO INTRODUCE MOTION OF ABOLITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise to ask the unanimous consent of the House to waive the usual

requirement of notice to introduce the following motion and have it listed under Motions:

Whereas the fundamental purpose of the Constitution of Canada is to protect the basic rights of Canadians in a free and democratic Canada;

Whereas Canadians adhere to the principle of democracy and desire that their legislative institutions be democratic;

Whereas democratic rights of Canadians are protected in the Constitution of Canada and have their clearest expression in the House of Commons and the provincial legislatures;

Whereas the Senate of Canada enjoys legislative powers, but exercises these powers without popular mandate;

Whereas the Senate of Canada is a product of an earlier period when democracy had not yet matured in Canada;

Whereas adoption of this resolution would continue to allow for the creation of new and democratic legislative institutions by the Government of Canada and the provinces of Canada;

This House urges the Government of Canada and the Governments of the provinces to act as expeditiously as possible to abolish the Senate of Canada.

This motion is seconded by the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Speaker: The Hon. Member for Oshawa (Mr. Broadbent) seeks, I take it, to place a matter under Motions by unanimous consent. The question is whether or not there is unanimous consent.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to say on behalf of our Party that we are certainly prepared to give our consent to allow this motion to be debated provided that the debate will take place at a time when our Leader is able to be present and can speak on behalf of our Party.

I would also like to observe that it is my understanding that the Prime Minister (Mr. Mulroney) will be attending the Chernenko state funeral in Moscow and will not be back in the House until Friday. I am sure that the Hon. Leader of the New Democratic Party, and perhaps all Hon. Members of the House, will agree that it is very important that the House and the country know the Prime Minister's views on this important question.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I spoke to the Leader of the New Democratic Party just before Question Period and discussed with him the particular proposition he has put forward. At that time I pointed out that the Prime Minister (Mr. Mulroney) has spoken to each of the Premiers of our country with respect to the matter of Senate reform and that this process is required under our Constitution.

I pointed out as well to the Leader of the New Democratic Party that under those circumstances I thought he would be the last person who would want to take a position with respect to unilateral action while this important consultation is taking place. Accordingly, I told him that when we complete the negotiations and discussions with the provinces, we would be approaching the Leaders of the other Parties with respect to an appropriate resolution which would reflect the consensus in our country. That is the kind of government we provide, a

government of consensus and consultation. Accordingly, I am not prepared to agree to the proposal put forward today.

Some Hon. Members: Oh, oh!

* * *

COMMONWEALTH DAY

OBSERVANCE OF ANNIVERSARY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, today Canada and other Commonwealth countries encircling the globe are observing Commonwealth Day. It was a Canadian proposal made ten years ago at the Commonwealth heads of government meeting in Jamaica that one day should be set aside each year to mark our membership in this singular organization. The second Monday in March was chosen not to be a holiday but to be an occasion when most children would be in school and could participate in special projects to increase their understanding of the Commonwealth. Its continued vitality depends upon the interest and involvement of all of our citizens, but particularly of younger Canadians.

[*Translation*]

The United Nations has declared this year the International Year of Youth. The Commonwealth countries are planning to organize a number of special events, the main one being a gathering of young people from all Commonwealth countries who will be coming to Ottawa in June to discuss the challenges of the 80s.

The number of Commonwealth bursaries offered by Canada has been raised from 300 to 500. Since the program was established in 1959, when it was first suggested by the Secretary of State for External Affairs at the time, Mr. Sidney Smith, more than 20,000 Commonwealth students have been able to benefit from these bursaries.

Canada remains convinced that this program and other training programs are useful because our country sees the youth of the Commonwealth countries as a guarantee that the Commonwealth will remain in the same excellent condition it is now.

[*English*]

We live in an age, Sir, of hardening ideologies, of increasing economic disparities and growing cultural nationalism, yet the Commonwealth association cuts across all of these barriers. Its 49 members represent every geographical, political, economic and social group in the world. Nevertheless, it has many things in common; a shared working language, the heritage of common law and parliamentary traditions and, most importantly, the tradition of a frank and pragmatic approach to problem solving. The latter part of this century has been called the "era of negotiation" but it is witnessing a crisis in the world's multilateral system. We believe that the Commonwealth, with its special qualities, can be an example to other international bodies.

With this in mind, it is fitting, Mr. Speaker, that we commemorate this unique family of nations and reaffirm Canada's commitment to the future of the Commonwealth.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to join the Right Hon. Secretary of State for External Affairs (Mr. Clark) in stressing the importance of this anniversary for Canada.

[*English*]

As everyone knows, Mr. Speaker, the Commonwealth is a very unusual association. In that organization are people of different cultures, different languages and different political orientations; yet when we meet at the conferences there is a sense of fraternity which is very useful. It is another forum where we can play a different role.

I am glad to hear the Right Hon. Minister speak about the Commonwealth as a valid proposition because Canada should not think only in terms of being more or less the fifty-first state of America. I just want to use this occasion to remind the Minister that it was not very pleasant the other day in London when, at the same time as the Commonwealth was toasted, one of the Ministers toasted the United States of America, and this was done in front of British guests. I believe the Commonwealth is something we belong to. We must make sure that we keep our position in the world and not become more and more close to the United States, losing our traditions such as our association with the Commonwealth and with the francophone countries. We must make sure that Canada keeps its proper and definitive role internationally.

I am glad that the Hon. Minister took this occasion to talk about this organization which extends to some students of the Commonwealth the opportunity to come into Canada and to learn here. That is not only good for them, it is good for us, because when they go back to their respective countries they are in a position to know more about Canada. Very often they become leaders of these nations and this helps very much to establish political, social and economic links with Canada.

• (1520)

I am glad the Right Hon. Minister took this occasion to make a statement. It is very rare that we have statements in the House. The Minister had a private press conference at 1.30 in his Department today relating to important commitments on national defence. Making this announcement outside of the House did not give us an opportunity to comment on the Government spending another $100 million on national defence in Europe. I find it very awkward that the very day negotiations on disarmament are starting the Minister announces a greater contribution to defence in Europe. I think that when people start to talk about disarmament it is not the time to announce an increase in our contribution to armaments. But that will be for another occasion. I just want to tell the Hon. Minister that we would have liked to have an announcement in the House on national defence and external affairs too.

In closing, I am glad to talk about the Commonwealth. I had many experiences with this good association. My first international meeting was a Commonwealth meeting; but this question of national defence might well have been discussed in the House of Commons, too.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, we in the New Democratic Party join with others in the observance of Commonwealth Day. We are pleased to note that Canada has increased the number of scholarships from 300 to 500 for Commonwealth students. We, too, would have to say there is nothing particularly controversial about our recognition of Commonwealth Day, and while I welcome the Minister making statements in the House, as I have done before, I hope he will also make statements on somewhat more controversial matters, such as the proposed signing of a treaty with the United States relating to the northern warning system. I hope he will be encouraged to make statements on matters not only of fundamental importance but also of some real controversy. No matter how much we may try to slough it off, this matter is of great concern and the subject of controversy in Canada.

May I ask the Minister if there are other initiatives relating to the Commonwealth which he has in mind? For example, does he think it might be useful to follow up the New Delhi Summit, and perhaps he already has, of a year or so ago?

Mr. Speaker: With great respect, is the Hon. Member's statement finished and we are now embarking on a question? Should I understand it to be that way? Does she wish this to be treated as questions to the Minister?

Ms. Jewett: Yes, Mr. Speaker.

Mr. Speaker: Thank you.

Ms. Jewett: Would the Minister see Canada playing a larger role in the Commonwealth Pacific? Many of the island nations are only now emerging into a decolonization situation; does he see our playing a large role in the Commonwealth Pacific?

Does he not feel that at this time he might have addressed more the North-South issue? We have tended to forget that a bit. Many of the Commonwealth countries are, of course, developing nations. Would the Minister not soon be prepared to reinstate the $180 million which was removed from official development assistance and, indeed, increase that amount? Is that not as important as spending an additional $100 million on our troops in Europe?

Finally, does the Minister have any knowledge as to whether Radio-Canada International is going to suffer cuts within the CBC? If so, would he—

Mr. Speaker: I am forced to rise for two reasons. One, there are a large number of questions; two, the questions must be relevant to the statement made by the Minister. At least one or two of the Member's questions were directly relevant, but I am not sure about the others.

Commonwealth Day

Mr. Clark (Yellowhead): Mr. Speaker, in light of the latitute of the responses by my two friends on the other side, I might be permitted to say how pleased I am to note the new-found interest by the spokesman of the Liberal Party in Statements by Ministers in the House of Commons. I also accept the observations made by my colleague representing the New Democratic Party.

With regard to the Commonwealth, our first emphasis—because the issue arose there first—has been to try and bring some new vitality to relations between Canada and some of the Commonwealth members in the Caribbean area. We were pleased at the tone and the possibility of progress found when the Prime Minister of Canada (Mr. Mulroney) met with Caribbean Commonwealth Prime Ministers. There is, of course, a very significant job to be done in the Commmonwealth Pacific. I think it is an open question as to whether it is more appropriate for Canada or other Commonwealth countries with similar wealth to take a role of leadership in that region. That is an indication of my current attitude and I would be very pleased to discuss that with the Hon. Member and others.

I do not want this to be taken in any way as criticism of former Governments, but it seems to me that one of the aspects about the Commonwealth that we should bear in mind is precisely that it is so easy to take it for granted. I think there is some real advantage to having a day like this on which we can draw attention to an organization which has very real opportunities open to us, including reaching across lines which have traditionally been defined as North-South. Those do not always arise just in economic spheres. They arise, for example, with regard to the present crisis in UNESCO. It occurs to me that there may well be some opportunity to make better use of the Commonwealth connection in trying to bring progress and achieve real reforms in an organization of that kind.

With regard to overseas development assistance, I am not here to argue figures with the Hon. Member, as I seem to have to do with every statement I make at this time. There were reductions in the summer of last year by the former Government, some of which were reinstated. There was a statement made by my colleague, the Minister of Finance (Mr. Wilson), in November. There has been very significant spending on the fund for Africa, as the Hon. Member knows because she has encouraged us on it. I share her commitment to increasing Canada's activity in overseas development assistance; I think the Hon. Member for Saint-Maurice (Mr. Chrétien) shares that same commitment, and I will be looking for their help in years ahead to ensure that we are able to reflect that commitment in reality.

Mr. Speaker: I have time for one more question.

Ms. Jewett: Mr. Speaker, I expect the Minister will also comment on the New Delhi peace initiative.

My final question goes back to the scholarships for Commonwealth students. Would the Minister consider a grant system to compensate for the increased tuition fees now being

levied on Commonwealth students, as distinct from the scholarship system?

Mr. Clark (Yellowhead): Mr. Speaker, I am prepared to look at that approach but I am not convinced it is the best way to deal with the difficult problem relating to tuition fees; not simply in relation to Commonwealth scholars but others as well.

With regard to New Delhi, there is no specific initiative which is planned at this moment by way of the Commonwealth.

Mr. Speaker: I will allow one more question given the shortness of that last question and answer.

Mr. Keeper: Mr. Speaker, we on this side obviously welcome the increase in the number of scholarships and we welcome the Minister's statement on Commonwealth Day.

I would like him to comment with regard to the question of the cuts in aid the Government has undertaken and the consultations it is carrying on regarding our aid policy, particularly as it reflects the notion of tied aid. The document on consultation seems to proposed that aid should be tied to economic benefits for Canada. In order to demonstrate the depth of his commitment to development generally and in Commonwealth countries in particular, can he comment on the suggestion that aid should be tied rather than using the more effective route, which is to have aid which meets the priorities of the country receiving it?

• (1530)

Mr. Clark (Yellowhead): Mr. Speaker, I am not sure that it is appropriate for me, on Motions, to comment on aspects of consultation papers which are in circulation. Let me say that, in addition to the consultation papers that are now in circulation, there will be at least two parliamentary opportunities, of which I hope full advantage will be taken, to discuss fully the question raised by the Hon. Member for Winnipeg North Centre (Mr. Keeper). One will be when the Estimates of CIDA come before the standing committee. The other will be when the green paper, which I am preparing as a basis for the first public parliamentary discussion of international policy in our history, is available to Parliament.

* * *

PETITIONS

RELOCATION OF NATIONAL DEFENCE DEPARTMENT EMPLOYEES IN OTTAWA-CARLETON

Mr. David Daubney (Ottawa West): Mr. Speaker, I rise to present a petition on behalf of several hundred civilian employees of the Department of National Defence in the Ottawa-Carleton area. Approximately 2,200 members of the Department located at various locations in the city of Ottawa are scheduled to be relocated to the outskirts of Hull in the near future.

The petitioners are suggesting that insufficient attention has been paid by the appropriate authorities to the cost of this move and the effect on efficiency and employee morale, and ask that the House ask the appropriate officials to reconsider this move.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 39 and 131.

[*Text*]

COMPUTER CRIME

Question No. 39—**Mr. Howie:**

Did the Government undertake, or has it initiated in the current fiscal year, any studies relating to the effect of computer crime or measures to combat it and, if so (a) were these studies carried out by outside consultants (b) in what time frame were the studies to be conducted (c) was any amount allocated to the studies and, if so, what amount?

Hon. John C. Crosbie (Minister of Justice): In 1984, two bills containing proposed amendments to protect the integrity of computer systems were introduced in the House of Commons; Bill C-19 the proposed Criminal Law Reform Act, 1984, on February 7, 1984, and Bill C-18, the proposed Criminal Law Reform Act, 1984, on December 19, 1984. Following the tabling of both bills, consultations were held by the Department of Justice and public inquiries were received concerning these proposals. Costs were assumed within the normal fiscal and person-year allocations of the Department of Justice.

Following a recommendation of the Parliamentary Report of the Subcommittee on Computer Crime, June, 1983, a federal-provincial study on the legal protection of trade secrets and commercial information was initiated in February, 1984 to determine the type of legal protection that should be afforded in this area. Canada and the Provinces of Ontario, Quebec, Alberta and Saskatchewan are represented on the study, which is being chaired by the Province of Alberta. The study is to deliver its interim report at the next meeting of Deputy Attorneys General responsible for criminal justice. Costs at the federal level were assumed within normal fiscal and person-year allocations, except for the payment of $8,189.20 to an outside contractor for the preparation of a research report and consultative services on the criminal misappropriation of trade secrets. The report was prepared between June 4 to August 31, 1984 and a consultation occurred on November 19-21, 1984.

LEASED OR RENTED CARS FOR CABINET MINISTERS

Question No. 131—**Mr. Boudria:**

Since September 17, 1984, have any cars been leased or rented by the Government for the use of Cabinet Ministers and, if so (a) how many (b) what is the name or names of the companies providing cars (c) in each case, what is the make, year, model and price?

Hon. Ray Hnatyshyn (President of the Privy Council): (a), (b) and (c): The Table below lists 17 cars rented or leased by the Government for the use of Cabinet Ministers. Leasing arrangements may vary from one day to four years.

Company	Make	Year	Model	Price
Baillot et Fils Ltée	Chrysler	1985	New Yorker	$19,200.60
Budget Rent-a-Car System	Pontiac	1985	Parisienne	3,240.00
	Mercury	1984	Lincoln Town	115.45
	Chevrolet	1984	Caprice Sedan	696.50
	Chevrolet	1984	Caprice	1,043.00
	Plymouth	1984	Reliant	33.37
	Oldsmobile	1984	Delta 88	46.84
Hertz Rent-a-Car	Pontiac	1984	Parisienne	45.91
	Pontiac	1984	Parisienne	45.91
	Pontiac	1983	Parisienne	59.79
Mont-Bleu Ford Inc.	Ford	1984	Crown Victoria	400.00
Myers Leasing Service	Chevrolet	1984	Caprice	324.95
Ottawa Car Rentals	Chevrolet	1984	Caprice	1,929.49
Surgenor National Leasing Ltd.	Pontiac	1984	Parisienne Sedan	516.00
	Pontiac	1984	Parisienne	1,231.52
	Pontiac	1984	Parisienne	1,073.04
Turpin Pontiac Buick	Pontiac	1984	Bonneville	307.50

* * *

[*English*]

STARRED QUESTION

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, would you be so kind as to call Starred Question No. 212.

* Question No. 212—**Mr. Hopkins:**

What are the names and job designations of all the employees who are presently on the staff of the Minister of National Defence, including any seconded and exempt personnel from the Department of National Defence?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, Starred Question No. 212 deals with the staff of the former Minister of National Defence and contains nearly 30 names and job designations. I request that this response be printed in *Hansard* as read.

Mr. Speaker: Shall the response be printed in *Hansard* as read?

Some Hon. Members: Agreed.

[*Editor's Note: The answer is as follows:*]

Exempt Staff	Designation
Mr. Richard B. Logan	Chief of Staff
Mrs. Debbie Wright	Special Assistant
Mr. Paul L. Dunn	Senior Policy Advisor
Mr. Michael McSweeney	Special Assistant
Mr. Geoffrey Matthews	Press Secretary
Mr. Stephen G. Roman	Special Assistant—Policy
Mr. Darryl Harker	Special Assistant

Fisheries Act

Department (Public Servants)	Designation
Miss Micheline Sigouin	Administrative Assistant
Miss Madeleine Paré	Secretary to Chief of Staff
Miss Claudette Rice	Secretary to Administrative Assistant
Miss Micheline Hudon	Secretary to Special Assistant
Miss Anne Fisher	Secretary to Senior Policy Advisor
Mrs. Yolande Willis	Secretary to Press Secretary
Miss Cécile Hébert	Receptionist
Mrs. Louise Patenaude	Secretary
Mrs. Sharon Bazinet	Secretary
Miss Hélène Poirier	Secretary
Mrs. Marie-Paule Lafontaine	Secretary
Mrs. Cécile Lamoureux	Secretary
Miss Lynne Granger	Secretary
Miss Manon Giroux	Secretary
Mrs. Gilberte Lauzon	Clerk
Miss Hélène Bourguignon	Clerk
Miss Monique Morin	Clerk
Miss Nicole Benson	Clerk
Miss Carole Dubuc	Clerk
Miss Hélène Liberty	Clerk
Miss Jacqueline Newberry	Clerk
Mr. E. A. Davis	Clerk

Mr. Stewart: I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Speaker: Is the House ready for the question?

Mr. Keeper: Mr. Speaker, I rise on a point of order. Do I have a couple of minutes left in my speaking time?

Mr. Speaker: I am advised by the Table that the Member's time for debate has expired but the period for questions and comments has not expired. The Hon. Member for Gander-Twillingate (Mr. Baker) has a question arising from the speech of the Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Baker: Mr. Speaker, I listened very attentively to the speech made by the Hon. Member. He took exception to the intent in the part of the Bill that dealt with the authority of the Minister and fishery officers to make on-the-spot decisions relating to the opening and closing of seasons, if I interpreted his remarks correctly.

Why does he take such exception to those powers that will be given under this Bill, when those powers will be needed in certain circumstances locally and regionally by fisheries officers? They will be able to make value judgments on the spot as they relate to allocations to various sectors of the fishing industry. Would he expand on his objection to new powers being granted to the Minister and to departmental officials according to the Bill?

Mr. Keeper: Mr. Speaker, I welcome the question because if I left that impression, of course it is wrong. The Hon. Member has given me the opportunity to clarify what I said.

In no way was I objecting to the granting of authority to local officials to make on-the-spot decisions. I can imagine circumstances when that authority may be necessary. I was attempting to point out that we do not know how the Government intends to use the legislative authority it is seeking from us today. If the Hon. Member knows what the Government intends to do and would share that with us, I would be pleased to comment on the Government's policy.

Our Party is concerned about the unfettered and absolute authority to regulate the fishery which the Government is requesting in this legislation. We understand that there is a need for regulation of the fishery and that there must be local authority for fisheries officers, but we have not been told how much authority will be delegated to local fishery officers and how it will be used.

Furthermore, the Government is seeking this legislative authority, yet it has not given any details with respect to guidelines by which the Department will have to operate, or laid out any plans for management of the fishery resource. Is the Government considering some kind of co-management structure and, if so, what is it? Will there be a mechanism to allow adequate representations from those involved in the fishery? We recognize the need for authority at both the departmental and local levels, but will that authority be limited, will the officials be accountable and to whom? We want to have this information before the legislation is passed. We believe that the departmental officials should know what the rules and guidelines will be before the legislation is passed.

We do not want to give the Government unspecified authority when its record has been one of flip-flopping on its election promises and government action.

Mr. Baker: Mr. Speaker, the immediate problem facing the Department of Fisheries is that, according to a judicial interpretation, it is not legal for the Department to allocate the resource according to the users. Does the hon. gentleman believe that that part of the legislation must be passed by this Chamber before the season starts in the spring, particularly in B.C. but certainly on the East Coast as well, so that the federal Government can have this power which deals with socio-economic problems and not so much as it pertains to conservation and protection? Does the Minister need the power? If he does not need the power requested under the Bill, then certainly I would agree with the hon. gentleman's sweeping statement. But let me ask him specifically, does the Minister deserve to have the power to regulate the fishery and regulate the fish to user groups, power which he presently does not have and which has been, according to the justice of the court, illegal all along for the Minister to do?

• (1540)

Mr. Keeper: Mr. Speaker, the Hon. Member appeared to be shifting his question as he went along. I will start out with what I thought was the question in the first place. It seemed to be: what is the immediate need for legislation granting authority to the Government to regulate the fishing industry?

We are not saying there is not any need for legislation. We would be glad to sit down right now with the Government to have the Government spell out exactly what kind of authority it needs to do what precisely. There are a lot of fishermen who want to know what the Government has in mind for them.

The Hon. Member who asked the question is obviously very conversant with the fishery and speaks out well on its behalf. I can understand why he is asking these questions. Even if the case could be made for immediate action, that does not mean it has to be thoughtless action, unexamined action, or unconsidered action. If we were to act without thought and without all of the facts before us, the other place might call us up short.

Some Hon. Members: Oh, oh!

Mr. Keeper: Its Members might say that this is the time for sober second thought.

Some Hon. Members: Oh, oh!

Mr. Keeper: Who knows, Mr. Speaker? I do not want to give any provocation to the other place; with as much respect as I have for it, I do not want to give any excuse for its Members to be pouring over legislation of this democratic Chamber, to be looking at it, examining it, and asking, "How can we improve it? The House of Commons has acted without full consideration of the facts and we will put a stop to this". We cannot have an undemocratic body continuing to play that role.

If there is need for immediate action, then I think we could do what the American Congress does. When it has need for immediate action and it does not have agreement among legislators about what the action will be, members get together to forumlate an agreement. They have a conference. Perhaps this is the time to have a conference. This Government promises co-operative government. It promises consultation. It intends to be open. If we need immediate action, we would be prepared in this Party to sit down immediately and talk about what plan this Government has in mind for the fisheries and get it all spelled out. Therefore, when the Government comes before this House seeking authority, the authority is defined, limited and accountable and the people in the fishery will know what kind of Government regulation they will have to face. They will know whether they will be able to make a living, Mr. Speaker.

Mr. Deputy Speaker: We shall now resume debate. The period of questions and comments has terminated. The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we are talking today about one of the primary industries in this country. Within that category it is very important that we have the kind of legislation that allows those primary industries to develop in a way that the people who work in those industries want it to develop. It is important, therefore, that the Government take the kind of responsibility which allows it to put in place a structure which will not allow these industries to degenerate and to become less effective and less productive.

The industries I am talking about include the farm industry, the forest industry, and the fishing industry. I suppose one could throw the mining industry in there too as a primary production industry, except that the mining industry deals with a non-renewable resource. The other three can be considered to be producing products from resources that are renewable, although I am sure I would get into a considerable amount of argument with a number of people about the renewability of farm land. Basically what we are talking about here are primary industries and the kind of legislation that we need in place to make sure that the primary industries can produce the way they want to produce.

We have a case for concern. I know we are talking specifically about the fisheries, but we have a case for concern. Under the responsibility of the Liberal Government, which has been our Government for the past 16 to 20 years, it has allowed the degeneration of these primary industries in such a way that we are now faced with considerable amounts of trouble in each industry.

The farming industry is having trouble, the forest industry is having trouble, and today we have been talking about the fisheries and its trouble. It has become a kind of ongoing feeling on the part of these communities, the farming, the fishing and forest communities, to recognize that they are a long way from Ottawa, that Ottawa is pretty insensitive to their basic problems, and that they cannot expect the kind of legislation and understanding from Ottawa that would be relative to their importance in Canada's economy.

I think it is important to note that farming and fishing particularly are industries which are carried on in most cases by families and by whole communities. If we are going to keep the kind of traditional independence on the part of communities and families, we should make it possible, as far as we can, for these industries to be kept producing, allowing them to increase production and making them viable once more as part of the economy of Canada. That is something we have lost over the last two years. We have lost the primary industries as part of the viable structure of the economy of Canada.

We are talking today about the fisheries industry, which is not a minor industry. It could be a much greater industry. It is not a minor industry because if you take the structure of it, it has provided well over 100,000 direct jobs across the nation for fishers and plant workers and the other people who work in and around the fishing industry. These people produce 1.3 million tonnes of fish in 1983, valued at $874 million. Aside from those figures, they have derived products valued at $2.1 billion and an export value of $1.6 billion. We are not talking about a small industry or about a very few people. On both coasts of Canada there are fishing fleets comprised of 42,000 private fishing crafts.

• (1550)

Let us take a look at the particular communities affected, in particular in Newfoundland and along the East Coast. There are 1,300 communities which are entirely dependent upon the fishing industry. Consequently, we should have legislation in place which protects that industry as much as possible. The industry on the West Coast may not be as large. There are not as many communities directly affected by it. However there are 17,000 commerical fishers and approximately 500,000 people who are sports or recreational fishers. They provide a lot of indirect employment to people in the tourist industry. It is very important that what we discuss in the House in terms of the fishing industry take into account what is good for the industry, for the people and for the survival of the fishery.

The reason this Bill is before us is that the previous Government did a bad job in terms of husbandry in the fishery over the years. Consequently there is a shortage of fish and a problem with allocation of the fisheries. We needed this Bill to provide the Minister with what he thought was a proper amount of control. To a certain extent we agree, but we differ on the kind of control and who should have it. This is why we are suggesting a number of changes before the Bill goes to committee.

The Bill itself contains a number of very beautiful words. Aside from conservation and protection of fish and the waters frequented by fish, the purpose of the Act is "to provide for the proper management, allocation and control of the seacoast fisheries of Canada; to ensure a continuing supply of fish and to maintain and develop the economic and social benefits from the use of fish to fishermen and others employed in the Canadian seacoast fishing industry, to others whose livelihood

depends in whole or in part on seacoast fishing and to the people of Canada;" and so on. These are very beautiful words, but we have learned that these kinds of words are very easily forgotten. If we look at the words in the preamble to many Bills passed in the House, we find that, regardless of the beautiful words and statements of purpose, five years or even less down the road their purpose has been forgotten.

With the record of broken promises and mistrust before the fishers of Canada, is it any wonder they ask us to ensure that this Bill gives them the input they want? Sometimes what is written in a Bill has no real bearing on what happens in the industry. This is why members of my Party have risen and asked the Minister for an assurance that he will not put in place an over-all structure which would allow him to do anything he pleases without defining under what circumstances he will use the power.

We hope to bring forward in committee the fact that we would like to see a structure which is close to what the fishers are requesting. We cannot be sure that the beautiful words in this Bill will necessarily be the words the bureaucrats remember. They are more likely to remember the fact that the Bill gave them absolute power to do whatever they wanted or that it did not suggest that they had some responsibility for the social development of fishing communities. It is very important as this Bill approaches committee that we look at some of the background and basic principles which are important.

All the users of the resource—natives, commercial and sports fishers—have a right to share the resource. The Bill gives the Minister the absolute right of allocation. Should he have that right without any direction from the House?

Commercial fishers should have the right to a fair and decent income for their labour. That sounds very good within the context of the Bill, but we must have an assurance that we do not follow the more common position taken by the United States—"let us fish this out and when all the fish are gone, we will move some place else and fish it out." We want a continued development of a fisheries program so that we always have fish.

Natives, particularly those along the West Coast, have special traditional rights to the resource and its use in furthering the economic development of their communities. Across Canada many native communities depend upon fish as a basic food staple and as a cash crop, as farmers say. Fish were their main source of income, their main source of cash. Because of mismanagement, overfishing, pollution and a number of other things, they now find themselves without enough fish to eat and without fish to sell. The quality has gone down in some places, the quantity has gone down in many places.

The final principle is that protection and enhancement of the resource is paramount and must take priority in all deliberations. This follows what I said earlier. If we are to have a structure in place, it must recognize the needs of the industry. We are parliamentarians and the industry itself must be assured that it has an input into the programs and that they are continued, not only this year and next year, but for generations to come.

• (1600)

What is wrong with the approach of this Bill? The Minister suggests that this Bill is not all that important, but it gives him authority to control the fishing industry. Maybe it is the words he used that concern us. He suggested that because the Department of Fisheries was taken to court on several occasions and lost its bid, it should have this power. We are being asked to give the Department absolute power to make the kind of decisions that will control the industry.

A number of my colleagues have suggested that we recognize the need for control and redevelopment. We will support that, but it must be acceptable to the people. I suggest we put in place a board made up of people from the commercial fishery, natives, the packers and communities that depend on fish. We should give that board the kind of power and structure to make decisions on continued development and on how the fisheries will be used today. It should decide on how the fisheries will provide stock for the next hundreds of years. These are the people whose families are dependent on them now and in the years to come.

Let us deal with the question of resources. We should develop a structure which allows the people to provide this kind of food to the rest of the country and the rest of the world. We should ensure that we no longer have famines such as presently exist around the world. Canada should make a contribution to humanity within a structure that helps the Canadian fishing community feel that it is an important part of the community, an important part of the economy of Canada and will continue to be so for many years.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Keeper: Mr. Speaker, my question to my colleague has to do with the native fishery and aboriginal rights. The Party in office promised greater participation for native groups. The power it is seeking today has to do with the allocation of the fishery. This will affect resources at the disposal of native people involved in the fishery. Having examined the legislation, does my friend find any guarantees for aboriginal rights? Is there any protection in this legislation that would ensure that the traditional native fishery would be respected?

We are dealing with a piece of legislation that has to do with the regulation of a natural resource. I ask my friend to look at it from the perspective of native people, the aboriginal people's point of view, those who are struggling to have their rights respected and defined. Does he find in this legislation any provisions which would ensure the protection of aboriginal rights? Does he feel that this is a legitimate concern that should be dealt with by this House before this legislation moves forward?

Mr. Hovdebo: Mr. Speaker, to be fair to the Minister, I have to say that he did not say that this Bill would take care of the need that is there. If you look closely at the legislation, a native fisher may be a little worried, knowing the track record of the Department of Fisheries, the previous Government and

Governments as a whole toward the native community. I would be a little suspicious that maybe there are parts of this Bill which might give the Government authority to further disintegrate native rights, particularly in communities along the West Coast. That is one area that might be handled by a board which has representation from the native community. It would have the power to worry about conservation, future supply, something that has not been worried about in the past.

Many people blame the native community for overfishing. The Department of Fisheries has not in the past given natives the kind of security whereby if they do a good job of conservation in their area, someone else will not fish them out. That is not taken care of in this Bill.

Mr. Keeper: Mr. Speaker, I have another question for the Hon. Member with regard to this legislation. The legislation purports to seek authority to regulate the fishery in order to conserve a natural resource and, therefore, is obviously worthwhile and seeks a public benefit. Can the Hon. Member tell me whether it is possible under this legislation for the Minister to exclude from the fishery, for example, sports fishermen, commercial fishermen or native fishermen? This Bill seeks authority to allocate the fishery among various user groups, which includes at least sports, commercial and native groups.

It may not be likely, but is it possible under this legislation that the Government could say that in order to conserve the resource and meet the main objective, it will not allow any more sports fishery? As the legislation is written, is it possible for the Government to say to native people, "We would like to allow you to continue to fish, but we have to conserve the stock, so we are not going to allow you to fish any more"? Is it possible under this legislation, which allows the Government absolute authority to allocate the fishery, for the Government to say to commercial fishermen, "You will have to find another way to make your living. I am sorry, we have to conserve the fishery"? I would like to know just how much authority the Government is seeking under this legislation and whether or not the Hon. Member feels that this is a good idea.

● (1610)

Mr. Hovdebo: Mr. Speaker, I think I can best answer that by quoting directly from the Bill itself. Clause 2.1 reads in part as follows:

> The purposes of this Act are—
>
> (b) to provide for the proper management, allocation and control of the seacoast fisheries of Canada;—
>
> (d) to provide, in cooperation with the provinces, for the proper management, allocation and control of the inland fisheries of Canada.

We do not have the entire Bill before us and there are some restricting factors. Clause 3 describes another amendment to be made to the Act and makes the following substitution:

> (m) authorizing a person engaged or employed in the administration or enforcement of this Act to vary, in respect of any area or portion thereof, any close time, fishing quota or limit on the size or weight of fish that has been fixed by the regulations.

Therefore, if that is interpreted in the light of the over-all control that is being asked for by the Minister, it means that the Minister can say at any time that a fisherman's quota for this year is one fish. He could therefore close down a particular part of the industry through that kind of allocation. That is why we need to have some kind of a board which has some input into how the Minister makes his decisions and what kind of decisions he makes.

Mr. Baker: Mr. Speaker, I would like to ask the hon. gentleman whether or not he and members of his Party have any thoughts on how to overcome the existing regulations and powers of the Minister. Obviously the Minister has powers for conservation and protection. I would make specific reference to regulations that were brought in over the years indicating that incidental by-catches are not permitted by law. In other words, if a fisherman put out a net and the intent of that net was to catch cod fish and he accidentally caught a salmon, according to recent regulations made by the Department of Fisheries and Oceans, that fisherman must throw back that salmon if he does not have a salmon licence. The intent of the regulation is that if the salmon is alive, the fisherman will throw it back. However, by Canadian law, an incidental catch of salmon by a person who does not have a salmon licence must be thrown overboard, whether it is dead or not. One cannot keep it even for one's own consumption; it must be thrown overboard.

There is an incredible incidental catch in various sections of the country, particularly with regard to salmon, because the salmon normally follow the coastline fairly high up in the water and usually get caught in leaders of gillnets. I wonder if the hon. gentleman would have any suggestions regarding how to overcome that particular problem or how to stop a Minister from making an absolutely ridiculous regulation, something which has happened.

Mr. Hovdebo: Mr. Speaker, incidental catches in the process of fishing create a difficult situation. However, what we are worried about in this Bill is not those incidental catches but the absolute power given to the Minister to allocate fish stocks and to say who catches the fish, how much can be caught and when it can be caught. The absolute power that is given to the Minister is the problem we are having with this Bill, not those incidental catches, with which it is difficult to deal.

The Acting Speaker (Mr. Charest): Resuming debate.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to add my comments to the debate, especially as it concerns the people involved in this sector.

Mr. Speaker, we are talking about an industry, and although I come from an urban riding, and even if I am not directly involved, I am very much aware of the fact that there are 200,000 people in Canada who are involved at the commercial level, and all regulations and amendments to existing legislation will have some impact on the daily lives of these

people. Mr. Speaker, the fact remains that we must examine this industry more closely.

[*English*]

My concern is perhaps related to the fact that I am also a housewife, a mother and a person who is looking at this Bill from the perspective of an amateur sports fishing enthusiast. I am concerned about how this Bill will impact on those like myself. I do not pretend to be any kind of an expert in the field of fishing nor do I know as much about it as I would like to know. I do know that fish costs an awful lot of money in the store; yet fishing does not bring that kind of income to the fisherpersons—and I use that word advisedly because I will come to it in a moment—who are involved in the industry.

First I would like to know if we are dealing with a shortage and if that is the reason why the costs are so high. If we are dealing with high costs, it is because we have not implemented the kind of husbandry programs which would be necessary to ensure the stock in an ongoing way for future generations?

As a sports fisherperson, I went salmon fishing in a very beautiful part of New Brunswick. We were fishing in one of its famous salmon holes. After we went fishing, I spoke to some people who were on the shore discussing the problems surrounding the lobster fishery. I mentioned that I was as interested in eating lobster as I was in catching and eating salmon. The gentleman with whom I was conversing said, "Well, you had better eat those lobsters now because there will not be any in the near future". I asked him what he meant by that. He said, "Well, lady, do you know that they are allowed to catch either male or female lobsters and that they catch female lobsters when they are ready to lay their eggs?" As a result of the overfishing in the lobster fishery, we will not have lobster any longer and we will not have the joy of eating that delectable food. I felt that what I learned that day was very interesting and I added it to my list of concerns.

My concern regards the approach taken to proper conservation of lobster, and I am sure it relates to other fish, both in fresh and in salt water. I would hope that the Minister who will be getting some control over the fishery will exercise good judgment when it comes to protecting this resource for the future.

Another time, I was in northern Quebec fishing for pike and walleye. That experience was a great deal of fun. By chance we came across some Indian people who were fishing for sturgeon. My husband was quite intrigued by the method by which they caught this sturgeon. I do not know if you are aware of the way one fishes for sturgeon, Mr. Speaker, but one uses these long, hook-like things which go along the ground because sturgeons eat from underneath their gullets. The restrictions on the right to fish for sturgeon was not explained to us at that time. The next time we went fishing, my husband brought along one of these special fishing lines that are used to catch sturgeon. We wanted to catch some sturgeon because we had been given a gift of a sturgeon by the Indian we met in the area. We had taken it home and had it smoked and it was utterly delectable.

So, back we went on our next fishing trip, all prepared to catch our own sturgeon. At that time, the local warden came over and told my husband that he was contravening the law and that we, as non-aboriginal peoples, had no right to catch sturgeon. He told us that if we did not put away this particular form of fishing tackle our car would be impounded. This brings me to ask a question with respect to the kinds of regulations that the Minister will have at his disposal. Will the Minister be allowed to issue a regulation that will change the normal traditional rights of aboriginal people? Will they no longer have the exclusive right to catch sturgeon? In terms of custom within their own land and waters, I do not think that would be particularly to their liking. I wonder if there will be consultation in that regard, or if the Minister will use his discretionary powers in a non-discretionary way.

● (1620)

I would like to talk about another point which has caused me some concern. Under this new legislation with the right to issue certain regulations, will the Minister have the right to determine who is a fisherman? He will have the right to determine what is a fish when it is on the land, whether it is gutted, skinned, headed or todded but I would like to know if the Minister will have the right to determine who is a fisherperson. I use the term "fisherperson" quite deliberately. I do not know how many people are aware of the fact that a man, his wife and children may be in a boat fishing together, but if the man, his wife and children apply for unemployment insurance benefits, they have to be careful what the names of the children are and what the name of his wife is. If the wife's name is Sam, or any name which sounds like a male name, she will get unemployment insurance payments without question. However, if he is named June, Joan, or any other commonly known female name, her right to unemployment insurance benefits is questioned. The same is true for children.

I had a very interesting experience in 1978 when attending a meeting of the National Action Committee on the Status of Women. There were some women from Newfoundland at that meeting who came to ask for equal rights as partners in the fishing industry. With all due respect to my friends from Newfoundland, I did not completely understand the language which was being used concerning the greening of the fish and everything else. However, I learned to my absolute horror that these women, Frankie, Jackie and John, had a different kind of right to pay, depending upon the Government's interpretation of their names. The name gave them the sex and the right or the lack of right to receive unemployment insurance benefits. I think discrimination against fisherpersons is unacceptable. I do not particularly want to change the term from fisherman to fisherwoman, but if that is what we have to do in order to receive proper payment, then we will do that.

It concerns me that the legislation points to sports commercial and native fishing groups and the difference in those user groups. I have travelled along the banks and shores of the coastal waters in the East and have visited small communities. The Hon. Member for Prince Albert (Mr. Hovdebo) told us that there were 1,300 small communities along the coastline. It

seemed to me that there were hundreds, but I cannot account for 1,300. However, to avoid interference in what had previously been provincial rights, and to avoid causing federal-provincial concerns, I hope the Minister will be very cautious in writing up his new rules and regulations.

No one should have absolute power, because absolute power corrupts. I believe that when the Minister acts, it will be with limited and accountable powers. They would only be the norm and the expectation of House of Parliament in Canada. That is what I expect from the Minister when he studies this Bill.

What is good for the people I hope will be considered in the Bill and will be considered very carefully in the regulations. The Government has undertaken a few measures which make me rather sceptical. I hope this is a Minister of goodwill who has not only thought of cuts, but who has thought of consultation with the people who will be affected by the Bill. Giving the Minister ministerial control, with responsible controls and proper dialogue with all parties concerned on the federal-provincial level, I hope is what is behind the initiatives of this Bill. A British Columbia Supreme Court judge may well have ruled, and the Minister has come down with a Bill to try to redress that decision. I hope great care and caution will be taken.

Earlier I discussed the idea of husbandry and conservation. I believe that to be key, because if that is done, when I go back to being a housewife and a consumer in an urban area, perhaps, eventually, the cost of my food basket will decrease because the careful monitoring and developing of our fish stock will result in an abundance of stock which will be provided at a lower cost.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Baker: Mr. Speaker, I want to congratulate the Hon. Member for outlining the outright discrimination against women as it relates to the fishery and unemployment insurance benefits. I do not know if I would go that far, but I can see her point.

Historically, if we looked at the patterns of referring names to the Department of National Revenue from the Unemployment Insurance Commission as it relates to the fishery, one would have to agree, in looking at across the board decisions, that most of those decisions affecting the determination of a question related to women. I would like to cite as an example the squid fishery. When Japan bought dried squid from the East Coast of Canada, a great number of women became involved. The squid were dried and sold to Japan. All of a sudden, there was a request from the Unemployment Insurance Commission for the Department of National Revenue to do an audit to determine whether these people were actually fisherpersons. Consequently, hundreds of women had to appear before appeal boards, and eventually a federal judge had to attempt to prove that they were fisherpersons as it related to the Act.

Apart from the over-all problem, if we looked at the specifics of judgments from appeal courts in Canada, we would find that there were many requests which were made to the courts to determine whether a particular person was a crew member. As the Hon. Member has stated, if there is a husband, his wife and two sons in a boat, usually the woman's name will be referred to the Department of National Revenue for a judgment. Of course, the reason for that referral is that the Unemployment Insurance Commission is wondering whether the woman is a crew member or a fisherperson. A crew member cannot be someone who does work on shore, in other words, when the catch is brought in from the boat. A fisherperson baits and hooks on shore so that the crew can go out on the ocean. Certainly it is not accidental. Most of the cases which are referred to the Department of National Revenue for determination of a question end up being cases which involve women's names. If anyone doubts that, all they have to do is to look at the records of the appeal courts with respect to the definition of a crew member. Most of the decisions which were made related to groups of women. It is somewhat unfortunate that the Unemployment Insurance Act and the regulations which define a fisherman and a crew member are so loose and convoluted in their definitions. They define a fisherperson or someone who actually participates in the catch. A fisherman who comes in after the catch, who salts the fish, or cuts the fish, or does up the gear or fixes the boat, is still considered a fisherman. Of course, the distinction is made whether or not that person was actually in the boat and took part in making the catch. Then we note that someone who steers the boat is defined as someone actually taking part in making the catch, whereas someone who baits the hook does not take part in making the catch.

• (1630)

It is unfortunate that most of the referrals made to the Department of National Revenue for determination of a question are actually women. The Hon. Member who previously spoke made an excellent point, and I want to ask her one question. The Department of Manpower, in conjunction with the Department of Fisheries, in supporting fisherpersons—if I can call them that—has had employment programs in the last two years when the fishery has been bad. Could the Hon. Member tell us whether she has looked at the hiring criteria of those programs, which are commonly referred to as Canada Works as they relate to her particular area of critique in this House, and whether or not she finds that the hiring criteria of federal works programs utilized in this manner are discriminatory toward women?

Mrs. Finestone: Mr. Speaker, yes, I would say that I have looked at the hiring criteria and, yes, they are discriminatory. However, yes, they are allowed to be discriminatory under the Canadian Human Rights Act. Affirmative action programs are part and parcel of the employment equity about which we have been talking so that we can assure the right of not only women but of native people, visible minorities and the handicapped to enjoy the fruits of their potential in the marketplace. In order to get there, we require certain kinds of measures which allow them access. Given the same kind of

skills and same kind of background, but lacking the experience, yes, we are entitled to ensure them affirmative action programs.

I must tell you, Mr. Speaker, by the way, that I wish it had been the affirmative action program which had caused the squid jiggers—and that is what they told me they were—of Newfoundland not to have to go with a complaint based on discrimination before the Human Rights Tribunal. They were right about their benefits and rights, and the decision came through in that way.

I am really fascinated, Mr. Speaker, to see how an area like the fisheries—to which I had not given much thought, and I was remiss—touches men, women and children and all elements of our society in a very profound way. I would imagine that this thought, in the sense that you look at these industries in a very stereotyped way, would hold, if you were looking at mining or forestry as well as fishing—

Some Hon. Members: Oh, oh!

Mrs. Finestone: If you don't stop laughing, I am in trouble.

Mr. McCurdy: You are doing all right.

Mrs. Finestone: With respect to the question raised by my hon. friend, I would like to say that I hope he will understand that affirmative action is very much a point of priority for families in our society and particularly as it relates to the fishing world.

Mr. Skelly: Mr. Speaker, I admit that there was some element of tongue in cheek there for a moment, but the Hon. Member's speech was certainly one of the best non-traditional speeches which many of us have heard in the House. The Hon. Member expressed some excellent thoughts concerning the fishing industry about which, I am sure, many of us had not thought. It was an extremely good speech concerning the fishing industry.

I would like to put a question on the main thrust of the Bill. The Bill deals with the absolute power to allocate fish, and, of course, every fish represents a ten-dollar bill. We are talking about the Minister's unfettered right or absolute power to allocate money to different groups in a proportionate way, and that power is an extremely important part of this Bill. Under this particular legislation, there are a number of traditional groups which are entitled, on a traditional basis, to a share of the fishery. What we are now faced with is the Minister of Fisheries and Oceans (Mr. Fraser) having the right to throw some of—

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) (a) Government Advertising—Awarding of contracts. (b) RCMP—Request that Solicitor General seek immediate inquiry; the Hon. Member for York Centre (Mr. Kaplan)—Royal Canadian Mounted Police—Premier's trial (a) Internal investigation (b) Allegations attributed to Premier; the Hon. Member for Scarborough West (Mr. Stackhouse)—United Nations Educational, Scientific and Cultural Organization—Canadian membership and funding.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I am also delighted to speak on Bill C-32, an Act to amend the Fisheries Act, particularly as it affects the fisheries which is carried on in Canada's three oceans. I am happy to say that, like the previous speaker, I do have some personal experience of the industry and some personal viewpoints or perspectives which I feel I can offer in the debate on this Bill.

In 1972, just a couple of years after I came to Canada, I had the very distinct privilege of serving as a deck-hand on that great vessel, the United Church mission ship, the *Thomas Crosby V*, which sailed down the west coast of British Columbia. I considered it a real privilege to have the insight into the B.C. fishing industry, particularly the salmon fishery, which that working holiday gave me. I can recall being on cook duty during that cruise and coming up to the galley at six in the morning to be greeted by the sight of a beautiful fresh 15-pound salmon on the slab, a donation to the ship and its crew for the sort of work which that ship was doing among the fisherpeople of the B.C. coast. I also had the opportunity, and it was a valuable one, of meeting many of the people engaged in the fishing industry, users of the fishery who were not engaged on a commerical basis and people who utilized that fishery for recreation, subsistence and for earning a living, as a

very integral and important part of their life-style. I met the people who utilized that fishery for subsistence, that is, primarily native people, but also others, who took to the sea in small vessels and fished to help feed their families and supplement the rather limited employment opportunities and meagre transfer payments which they were receiving. I had the privilege of boarding a commercial vessel and looking around, and I am sorry that at this point I cannot remember if it was a seiner or a gillnetter, because I understand that the distinction is important. The distinction has caused considerable discussion and some disagreement on the B.C. coast. I also had the privilege of meeting people who were fishing for sport, as a break from work, as part of their retirement life-style, simply for their own enjoyment and recreation.

● (1640)

I can say that it was a way of life which made a profound impression on me, particularly as it relates to the native people involved in subsistence fishing. Although I represent a riding which has no significant salt-water fishery, I think it is a way of life which should be preserved and developed, as indeed the Act suggests in its objectives. However, without careful conservation of and attention to the fish stock as well as the breeding cycle, breeding grounds and breeding seasons of the salmon—I will not name the varieties for fear I fall into the trap of misdescribing them—this way of life and economic opportunity will not be passed on to the children and their children by the present generation of users of this very significant Canadian resource. Thus we have the introduction of the original Fisheries Act and thus we have the amendment before us in the form of Bill C-32.

I believe that this is another example of an inexperienced Government taking the hammer to crack a nut. We have, it is true, seen court decisions which the Government may feel go against the careful management of that fishery, but nevertheless we have to make the point that the remedy for an adverse court decision is not necessarily legislation, particularly not legislation of the very far-reaching and powerful nature embodied in what the Government tabled in this House on February 28.

I would like to draw a parallel to the salt-water fishery, which is of course the main topic of discussion, with the freshwater fishery experience in my own riding of Kenora-Rainy River. It would appear that the Government of Ontario, in its very questionable wisdom, has decided that certain user categories will have preference over others on the Lake of the Woods. This is based on an economic analysis of the return from fishing which employs some very seductive and somewhat gross measures which may not reflect, and of course cannot fully reflect, the various interests involved as well as the significance of the changes in the licencing and allocation regime. Certainly they do not reflect the wishes of a large number of people who live in that area and participate in that particular fishery. It appears that the Province of Ontario has decided that sport fishermen are to have first crack, so to speak, at the fish resource, primarily pickerel, and that the balance should be divided among the traditional commercial fishery interests. Let it be remembered that these were the people who established the Lake of the Woods as a major producer of protein for Canadians during the westward expansion of our country in the late 1800s and the early 1900s. Lest it be said I am painting a rosy picture of history, it should also be acknowledged that the sturgeon fishery on the Lake of the Woods was completely fished out in a very short number of years because of demand and the fishery died out shortly thereafter. Obviously that is to be avoided in the ocean fisheries of Canada. Equally obviously, that is the Government's responsibility and it is trying to meet that responsibility, but not in a way which I or my Party can approve of, certainly not fully.

Under the amendments to the Act, the Minister gets the unfettered right to allocate the resource. He is given full power over the fishing industry without any form of appeal or review process as would normally be expected given Canada's democratic traditions. Bill C-32 flies not only in the face of our democratic traditions, but also in the face of biology. The Bill says that "fish" includes:

(a) portions of fish,

Sensible enough. It also says:

(b) shellfish, crustaceans, marine animals,

That is stretching a point, playing a little fast and loose with the language, but it continues:

marine plants and portions thereof,

It says fish includes marine plants and portions thereof. We are being asked to look at legislation which is phrased in shorthand. Surely any biologist, as my hon. colleague seated right next to me could tell us, would say that fish does not include marine plants or portions thereof. What next, Mr. Speaker? Will there be a move to repeal the law of gravity in this Chamber along the lines that whatever the Government enacts becomes the case? I think not. I certainly hope not. But this objection, it must be admitted, is a small one compared to the objection to the power that the Minister is granted over the fishery. Again I quote from the proposed substitute paragraph for paragraph 34(m) of the Act:

(m) authorizing a person engaged or employed in the administration or enforcement of this Act to vary, in respect of any area or portion thereof, any close time, fishing quota or limit on the size or weight of fish that has been fixed by the regulations.

What this does, Mr. Speaker, is to give the Minister dictatorial powers over this particular industry. Under this clause he would have virtual power to dictate every parameter of the industry partically down to what time of day the fisherpeople could exercise their bodily functions. That is frankly an abuse of the legislative process. I would not propose that even an NDP Government should have such sweeping powers without any right of appeal or review.

The Conservative election promises of fair representation, co-management and consultation have gone by the way. Such is life. The Government, because of the size of its majority, appears to be tabling legislation which reflects a blind belief

that it and it alone has the knowledge to express the will of the people. That is manifestly not so.

We have another related issue. The Progressive Conservatives apparently have decided to privatize the fishing vessel insurance plan and have set the target date as April, 1986. Looking at some of the press clippings, we can see that the Government, by tabling this legislation, is basically trying to go around the courts that have said that the Government does not have total powers over the industry. It does not have the unilateral right to determine all the variables that govern success or failures in fishing. There has been no proposal made that that sort of power without review or appeal should only be exercised by a board or commission that is fully representative of all the parties involved in this industry.

• (1650)

Let us consider the matter of the tradition in the industry that has grown up over decades. I do not suggest that all of those traditions are operable in the 1980s, but they certainly should be considered in the determination of what powers the Government should exercise through the Minister of Fisheries and Oceans (Mr. Fraser) over the fisheries on Canada's coasts.

There are traditions and expectations in this industry. There are traditional user groups for the various areas. They have an expectation—I believe that it is a legitimate expectation in a democratic society—that the historic and traditional patterns of the industry be observed and the informal allocations that have grown up over the years be given attention in determining the allocation process.

The Minister has intimated that there is a pressing need to have these amendments passed quickly. User groups who have been consulted feel that there is no great rush to implement these changes. The other factor we must consider is that if these amendments are passed before a judgment is sought in the Supreme Court of Canada, one or more of the groups representing fisheries on the West Coast will challenge those amendments in the Supreme Court of Canada, which process I do not believe will operate in the long-run interests of anybody involved.

Most of those user groups want some sort of guarantee or floor under their participation in the industry. They want some assurance from the Government that the traditional fisheries and the traditional divisions in the fisheries will be respected. They want fair play. After all, fair play was one of the best selling themes in the election of last year. We in the New Democratic Party know that our emphasis and advocacy of fair systems in economics, in justice and in social relations was something that brought us back from the predicted brink of extinction to which we had been consigned by Canada's supposedly all-powerful media interests as recently as last February.

Frankly, I suggest that fair play has to be a major consideration in any allocation process of the fishery stocks, be it on the Atlantic, the Pacific or any freshwater lake in the country. There must be a recognition of that need and there must be a recognition of the historical patterns of usage of the resource by the people who have grown to depend on that resource.

I say that the legislation is flawed in its concept as it is flawed in its execution. It envisages powers that would fundamentally endow the Minister of Fisheries and Oceans with the right to say, "Sheep, goat; sheep, goat", in other words, "This group, this person will be successful in the industry; that group, that person will fail in the industry". The legislation is barbed with hooks. It is baited for the unwary. It will leave an entire way of life beached and gasping for air if it is allowed to pass in its present form.

Mr. Hovdebo: Mr. Speaker, the Hon. Member indicated a certain interest and knowledge about the relationship between the Indian community and the fishing industry. What protection would native people want contained in this Bill with respect to their traditional fishing rights?

Mr. Parry: Mr. Speaker, I believe I could offer some of the mechanisms that might go a long way to satisfying the need for protection of the traditional fishery that Indian people feel. I believe that they would want to be consulted in any form of allocation process.

Second, in the formulation of advisory councils, as we suggest, for the regulation and development of Atlantic and Pacific fisheries, I am sure that native people would be seeking representation on any such advisory board and commission.

From experience in my own riding I could offer examples of the sort of tragic consequences that can occur and would derive inevitably from the deprivation of the Indian people of traditional fishing rights and their traditional fishing resource. I met very recently in Ottawa with the Chief of Shoal Lake Band No. 40, who told me that whereas as recently as seven years ago there were 15 families in his reserve depending on commercial fishing as a very large part of their livelihood, because of the reduction in quotas the number had gone down to two families three years ago and now there are no families fishing in Shoal Lake. Those families are either on welfare or they are engaged in some other form of industry, mostly off the reserve, because they were deprived of this access to the fishery.

I am sure that if the Chief of Shoal Lake Band No. 40 were here to answer the question, he would say that representation in the decision-making process would have been a key mechanism for those people to protect their very valid and significant interest in the fishery. After all, that has been exercised by them since time immemorial.

Similarly, if I talked to members of the band council of Grassy Narrows and asked them to trace the causes of the tremendous social damage that has been done to that community, I know that they would have given instances of the destruction of their fishery by mercury pollution, which rendered fish dangerous to eat and has led to terrible consequences that have been very well documented. They would have said that had they been allowed to protect their fishery and indeed been in a position to determine where they might go to seek a substitute fishery, that would indeed have averted

some of the terrible consequences which afflicted their community as a result of their not having had a say in the determination of the allocation of fish resources.

• (1700)

Mr. Skelly: Mr. Speaker, I have a point of order. I notice the previous speaker had only two minutes to question and comment in the question and comment period. When the next session starts, would there be seven minutes remaining? Some of the material was very fascinating. Am I correct that the next time the Bill appears the Hon. Member will be allowed seven minutes?

The Acting Speaker (Mr. Charest): As the Hon. Member for Comox-Powell River (Mr. Skelly) knows, this is a question that arose last week in the House. May I just remind him that if the Hon. Member for Kenora-Rainy River (Mr. Parry) is present, at that time, it would be possible to complete the question and comment period.

Mr. Skelly: I rise on another point of order, Mr. Speaker. I notice that Mr. Speaker today, in the absence of the Member in the House, invited comments or questions. Could the principle be extended a little further?

The Acting Speaker (Mr. Charest): I do not intend to discuss a decision made by another Speaker in this chair which I have not seen. I just explained what the position is of the Chair now. There are other recourses for the Member if he wishes to take them.

[*Translation*]

Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

The Acting Speaker (Mr. Charest): Is there unanimous consent for the House to proceed to Item No. 164?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Agreed.

Training and Development Program

EMPLOYMENT

ADVISABILITY OF IMPLEMENTING HIGH TECHNOLOGY TRAINING AND DEVELOPMENT PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved:

That, in the opinion of this House, the government should consider the advisability of consulting the provinces, educators and labour representatives, for the purpose of implementing a modern high technology training and development program which would offer to many Canadians, and especially to youth, the possibility to find satisfactory employment.

He said: Mr. Speaker, the issue is a very current one. The motion was tabled last year on December 13, if I remember correctly, and although much has happened since then, I still think it is a very current subject and one that, I hope, interests the people of my riding and the Members of this House.

Mr. Speaker, you have read the motion, and I therefore assume Hon. Members have understood the purpose of this motion: to implement a national training program with the support of the provinces and the private sector. This will be a training program for our young people, for the jobless, and for those people who today are having trouble finding satisfactory employment.

Mr. Speaker, it is always wise to put problems in perspective and in this case it means that we should remember that since the end of the Second World War, there has been a spectacular development in technology. This development has meant a complete transformation of the kinds of machines and tools used by man. For over 2000 years, energy-producing machines have been evolving to the point that their development has produced a complete transformation of our society. It was the industrial revolution in the nineteenth century, which was to modify profoundly our social structures, radically change production techniques and diversify goods and create both new needs and new services.

These changes did not always occur smoothly, but after 100 years, we can easily perceive the benefits this revolution brought to western society. However, the technological changes did not stop there. With the discovery of increasingly powerful energy sources, we started to develop new tools which were themselves increasingly powerful. This was the advent of the data processing machine, the vacuum-tube computer, the transistor and microelectronics.

The changeover from energy-oriented technology to information-oriented technology is going to bring about changes in our society which, I think, could be equated with a second industrial revolution. The first revolution completely transformed society and social relationships, but the second revolution, by its very essence which is information, will bring about a transformation that will be so complete that we are hardly capable of imagining all the repercussions it will have. We need only think, for instance, of the tremendous potential the computer gives us in management, production, and planning and control of services. Our financial systems and international banking as we know them today will no longer be able to

operate without increasingly perfected computers. The same applies to the government and business sectors.

During the last thirty years, changes have been relatively gradual. Information processing invaded our daily lives without giving anyone much cause for concern. The 70s, for instance, were a time of considerable economic development. There were jobs for whoever wanted one and our standard of living was rising in a manner that was quite spectacular.

However, economic development was also visible in the information processing sector, and in an even more spectacular manner. While all other sectors were experiencing considerable price increases and inflation was gradually becoming a major problem, in the information processing industry, we witnessed a quite incredible drop in price, at a ratio of 10,000 to 1. I mean that what cost $10,000 in 1960 now costs only $1.00.

As a result, computer science and microelectronics have gained worldwide currency—from offices to industry, in private homes, invading sectors where man would find a job which is now done by a machine. Car assembly lines have been turned into computer-controlled plants monitored by a handful of men or women; a secretary using a word processor does the work which used to keep three employees busy. Many jobs disappear, traditional skills no longer exist—typography is a good example. On the other hand, completely new types of jobs appear. Newspapers are full of employment offers for programmers, computer engineers, systems analysts and designers, and electronics technicians.

Those factors have given rise to a paradox in Canada: a seasonally-adjusted national unemployment rate averaging 11.9 per cent, and close to 19 per cent among youths aged 18 to 24, yet at the same time—and that is the paradox—there is such a severe shortage of qualified workers in specialized sectors that in many cases we have to rely on immigrants to fill those jobs.

Mr. Speaker, the Parliamentary Task Force on Employment Opportunities for the '80s referred to that problem in its report entitled "Work for tomorrow". It even pointed out, and I quote:

> The existence of imbalances in many sectors of the Canadian labour market and the probability that such imbalances will grow worse in the '80s unless corrective measures are taken to set the situation right.

Well, just what are those measures? To anyone reflecting upon the situation, it becomes clear that a radical change is required in the training given to Canadians. This change is needed as much in traditional education and training sectors, colleges and universities as in manpower retraining. That is the challenge we Canadians must meet if we are to remain in the forefront and protect our international markets as well as our standard of living.

To achieve that, we must be creative and imaginative. The transition from a consumer society to a data-processing society forces us to devise new methods and to set up new, more dynamic and flexible structures. An ability to adapt to change will always be paramount in our new programs. Above all, the various interest groups at all levels of Government, industry and traditional education systems have to realize the extent of the problem with a view to working together towards a common objective.

All those efforts must be channeled. We must have a master plan to provide the basis on which these new training programs will operate. The problem is national in scope. It is a problem that should, in our national interest, be one of our priorities. It would seem that the federal Government would be eminently suited to playing the role of conciliator. Where occupational training is concerned, there is, of course, both a jurisdictional and ideological conflict between the federal Government and the provinces.

Let me explain. The Canadian Constitution gives the provinces the right to legislate in the area of education and training. This is a historical development and goes back to the time when this country was founded and it was felt that each province should have the means to preserve its cultural, linguistic and religious identity. On the other hand, the economic development of Canada as a whole is a federal responsibility. The occupational training issue is tightly wedged between these two sets of priorities, hence the jurisdictional problem. However, we must understand that the present situation no longer compares with the one that existed when our country was founded. Canadian society has changed and is now facing new challenges. It must turn towards the future and prepare for the twenty-first century.

The problem of occupational training is a national one, as I said. Whether they are from Ontario or Quebec, from the East or the West, all Canadians are affected. Our economic future as a nation is at stake. Therefore, there must be a definite federal presence, otherwise the federal Government will be accused of neglecting to fulfil its role. The participation of provincial governments is absolutely essential and it can only be obtained if we make them understand the urgency of the situation.

However, the situation is not entirely new. There is already a certain body of federal legislation that concerns occupational training. In 1960, the Parliament of Canada passed the Technical and Vocational Training Assistance Act, which received royal assent on December 20, 1960. This legislation made it possible for the federal Government to become more actively involved in this area, and the provinces have benefited from the attendant economic spin-offs. For instance, before 1960, federal spending on vocational training totalled about $110 million. From 1960 to 1966, it increased to $850 million. Most of that money—70 per cent—was earmarked for capital expenditures, which explains the phenomenal growth of educational insitutions. In those days, during the 1960-70 decade, Mr. Speaker, the provinces had a secondary school and

college construction program which was 75 per cent financed by the federal Government.

Then we established the Department of Employment and Immigration, the Canada Manpower Training Program, the Canada Manpower Industrial Training Program, the Critical Trade Skills Training Program, and a series of federal programs designed precisely to meet the challenge of training ill-prepared workers who needed special attention.

In January 1982, the federal Government announced a National Training Program and, on August 2, 1982, Parliament adopted the National Training Act. The Liberal Federal Government then made training a priority, as evidenced by the fact that $1.2 billion had been set aside for a manpower retraining fund. Those figures make it obvious that the Liberal Government's interest in that field was not new. But something new is the challenges we have to meet now. New challenges call for new solutions. When I say "new", I do not mean a $120.9 million cut-back in the National Training Program, as the Conservative Government has done in the estimates tabled recently. Indeed, Mr. Speaker, this program is costing us . . . in my riding I took advantage of the National Training Program.

• (1710)

[*English*]

The skills growth fund which was part of the National Training Act has been cancelled by the Government. This program gave money to industry and to community colleges for new training facilities. I had occasion to work closely with the high-tech industry in this area. We submitted to the Government of the day, in 1983, a program which was approved for funding under the skills growth fund of the National Training Act. It provided $1 million to the Kanata High-Technology Training Association for the purchase of a computer and $1.5 million for courseware development. Of course this program was a success. I am sad to see today that such co-operation with the industry has been cancelled because of the cutbacks decreed by the Minister of Finance (Mr. Wilson) in the order of $100 million. Indeed this makes it impossible the the skills growth fund to continue. That program has been cancelled.

[*Translation*]

Mr. Speaker, it seems to me that the time has come to create a kind of national manpower training institute as a federal entity bringing together the various training programs for improved coordination of them. Such an institute could become the perfect instrument enabling Canada to affect changes that are imposed upon us by the technological challenge. This federal institute could analyse the whole impact of the technological challenge on the Canadian economy, develop and implement better-adapted training programs, train managers and help us to meet the challenge of the century.

This national training institute could provide services to our young people who cannot find job opportunities as well as to scientists, and women who are affected by the training programs which, as clearly demonstrated today, are lacking in our communities. For instance, I became aware this week that there is in my own riding a community organization called "Comité coordonnateur en Alpha" which has decided to deal with the serious problem of illiteracy within the Ottawa-Vanier area, a problem which is becoming increasingly alarming because it is quite concealed, overlooked and wide-spread. As a matter of fact, the Ottawa-Vanier "Comité coordonnateur en Alpha" has submitted an application for a subsidy under the International Year of Youth program, and I hope the Minister of State in charge of this program will give a favourable response to this application from a group within my riding.

Mr. Speaker, I should like to conclude my remarks by saying that such a Canadian manpower training institute could generate interest within the provinces, provide the sense of purpose which we are all seeking in the area of education, and in the national interest, that there is a real need to encourage all individuals, organizations and levels of government concerned about this problem to work together and set up concrete and coordinated programs to help young Canadians train and prepare for the future.

Mr. Speaker, the training institute could work jointly with industry in providing on the job training, in helping industries midernize their production facilities, and in developing a robotics sector in Canada. God knows how much we need that! But mainly, a national training and manpower Institute could assume the leadership Canada needs to reorganize its manpower and economy. All participants at every level could benefit from its economic spin-offs, from its expertise. Finally, the Canadian economy, the labour market and the standard of living of Canadians would be better off.

Mr. Speaker, it is my hope that this motion will be supported by the House and that we can involve the Canadian Government, the provinces and the private sector, and implement for our Canadian workers a worthwhile program of manpower training and in-service training that is greatly needed.

• (1720)

[*English*]

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am pleased to have this opportunity to rise on a motion which, given the changes that are occurring which have been aptly described by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), is one that ought to be given very careful consideration. I was interested in hearing the review of the industrial revolution which may be variously estimated as having taken decades to proceed or a century to proceed.

One of the dramatic changes which has occurred is that changes that took a century to occur previously now take a matter of decades. For example, it has been estimated that the amount of accumulated knowledge in the field of biology has doubled in a half decade. Therefore, we are dealing with a very

dramatic change in the character of our environment, whether it be the national or international environment.

We talk a good deal about the technological revolution, the data revolution, the informational revolution. There is an inclination to see it, even though it is rapidly changing, in static terms. Certainly one of the clear results of what is occurring is a very dramatic change in the nature of the kind of workforce that this country is going to have to produce in order to compete internationally and to ensure economic survival.

I do not think anyone is unaware of the fact that in the past it was possible to produce abundant high-paying jobs which were based on the routine involvement in an assembly line that defined tasks in very narrow terms and allowed people with very little education successfully to fill a niche that permitted that individual and his family to have reasonable economic returns and comfort. Based on this accessibility to high-paying low-skilled jobs, we achieved a high level of standard of living in this country, as did many other western nations.

This dependence on the routine, narrowly prescribed jobs of the past is no longer possible for us. We are all aware now that many Third World nations on the basis of low wages are benefiting from a shift of production to those areas. We can no longer depend on that kind of engagement in industrial and economic enterprise to provide jobs for all our people. Nor can we depend upon the assembly line and that kind of occupation to guarantee our economic survival. Our strong suit in the future certainly must be based on the extent to which we have an educated, versatile, adaptable workforce.

One thing that concerns me about the prescription that has been described by the Hon. Member is the implications of the use of the term "training", as if in this day and age it were possible as it was in the past to provide individuals with little on-hand experience in a plant and thus make them adaptable to the new environment in which they live. If there is one lesson that certainly ought to have been gained by what has been occurring over the last few years, it is that every attempt to accord people an opportunity to fill new jobs by the static, old-fashioned approach to training without anything else being involved has ended with the realization that by the time they are trained, the jobs are gone.

We have to look for a new prescription. While I hate to use the current jargon, it is a prescription that must be based on the notion of a generic education that will provide individuals with the kinds of skills, whether they be writing, mathematical, communications or other skills, to permit him or her to acquire very rapidly the new knowledge that is required to succeed in a highly technological and informational society as previously described.

I have difficulty in seeing the solution being achieved within the narrow description of a national training institute. As a matter of fact, I have difficulty seeing a proper description being achieved through the establishment of any central body which would see the solution in terms of what is described as training, unless there is something implied in the use of this term which has not been elaborated in the presentation of the Hon. Member. Clearly, what we are talking about is the possibility that we may very well be faced with the impossibility of adapting large portions of our population to the new industrial age.

Unless we direct our attention to the entire educational system from the ground up, if we are to survive as an industrial nation, if we are to survive in the new economic climate, we will have to address the issue of providing an educated workforce that can be further educated on a continuing basis throughout their lifetime. I do not hear within the prescription that I just heard the answer to that problem. It is a complex one, there is no question about that. The motivation behind the motion is indeed a sound one, but there must be a little more care taken in elaborating the approach which must be taken to the solution of this problem.

True, it involves a number of jurisdictions and there must be co-ordination of the efforts of the federal Government, the provinces and the various sectors of the community within those two separate jurisdictions, but we must give a good deal more careful thought to this than was given in the presentation we have heard. I hope the Hon. Member will address this subject with a little more care, bring back a motion at some future time perhaps and after a little more widespread consultation on the problem that is to be addressed. Perhaps some process might be designed. We are living in a time of process. Perhaps a process might be arrived at which will permit this huge problem to be addressed. It is far too complicated to have been properly addressed in what we have heard. It is far more complex than what I regard to be a rather simplistic approach as suggested in the motion. Although well-motivated, it is destined to fail, as have all short-term approaches to training in the past.

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, I strongly doubt that the Hon. Member would have moved this resolution if he had understood the intent of the consultation paper on training released in December. The new labour market strategy announced by the Prime Minister (Mr. Mulroney) and the Minister of Employment and Immigration (Miss MacDonald) at the First Ministers' conference in Regina further develops the consultation process in the linking of training and employment initiatives. We have consulted very widely, not only with the provinces, educators and labour representatives, as the Hon. Member suggests, but also with employer groups, voluntary associations, community groups, native associations, women's groups and many more.

The Government does not need to consider the advisability of consultation now. It has made the consultation process the foundation of its approach to policy development before it even took office. The Hon. Member proposes a new program. The Government has developed an entirely new strategy which will go well beyond any single program.

● (1730)

The Government realized from the outset that the challenging conditions facing all Canadians at the present time provided a new and fundamental opportunity for Canada. This is

the time of invention and enterprise, the time for renewal and rebuilding. It is an era of new ideas, an era which calls for the full and equal participation of all Canadians in the economic life of our country. The restrictions of time and place no longer apply. Microtechnology is fully portable. The workplace of tomorrow may be a small town or a big city, the home or the office. Technology promises us new freedom and new avenues of participation.

The Government is fully aware of the problems facing the country. It has been obvious for some years that technological changes were accelerating and posing new problems. The previous Government did not seem particularly aware of these obvious developments and it moved slowly in doing anything about them.

When we initiated consultation, we put to the individuals and groups with whom we met a number of simple questions: Is there enough training going on in Canada? Is it the right kind? Are we training the right people in the right places for tomorrow's needs? The responses implied a long string of failures.

First, programs were so complex and ridden with bureaucratic barriers that business, labour and Canadians generally often just gave up on them. Training programs seemed to lead nowhere. Make-work job creation programs simply shifted people around like packages in a warehouse until they could requalify for unemployment insurance. Training and job creation, instead of being integrated into a package which could give an individual marketable experience and skills, generally operated separately from one another.

Programs tended to ignore regional diversity. Solutions were considered at the centre and imposed without regard to the plain fact that what was useful in one province could be pointless in another. Even programs which were specifically designed to overcome the failures and shortcomings of other programs did not seem to work. The separate initiatives for women ended less in affirmative action than they did in even further segregation from the employment mainstream.

The consultations provided some useful lessons which the Government has incorporated in the new employment strategy. We must have real development, not dependence. Programs and initiatives must prepare people for real, meaningful jobs.

Training and job creation must be viewed as an investment to help make the Canadian labour force fully competitive with others elsewhere in the world. Women and men must be encouraged to look at skills development not as a one time affair but as an ongoing experience, part of a life-long learning process. Labour market initiatives must be undertaken in co-operation with the provinces, the private sector and many other groups.

The First Ministers' conference in Regina showed that the Government is building a national consensus. There was full recognition of the importance of employment and skills development to Canada's economic renewal. There was also a concrete commitment to work together in the development and implementation of an entirely new labour market strategy.

The First Ministers agreed on the following points: Programs must respond to the varying needs of all regions. There must be flexibility and community participation. Responsibility must be shared between governments and the private sector. The role of small business is critical. Women, natives, youth and other groups must have equal access to training and employment. Programs must be simple and understandable. Training must bring an economic advantage. Training for training's sake is a thing of the past.

Two of the six thrusts of the new labour market strategy are particularly relevant to the Hon. Member's resolution. The first is the skill investment thrust to which the Government will be making an initial commitment of $80 million in 1985-86. The purpose of this thrust is to help people in occupations threatened by technological change to acquire skills and experience they will need for new jobs, new occupations and new careers.

A second thrust of the strategy is job entry to which the Government is committing an initial $125 million in 1985-86. This thrust is designed to help young people as well as adult women and others entering or re-entering the labour market. The training and employment development measures of this thrust will be carefully oriented to develop the skills and experience required in the future. This, of course, means that participants, notably including youth, will be exposed to training and experience in high technology activities.

In conclusion, the Government is way ahead of the Hon. Member's suggestions about the advisability of consultation. The Government's strategy has a specific thrust to help young people develop a productive, satisfying attachment to the labour force and to acquire the foundation in necessary skills and work experience.

In co-operation with the provinces and the private sector, the Government will be doing more than simply exposing young people to training in high technology. It will be seeking to ensure that the skills and experience acquired by Canadian youth will prepare them for the labour market which we have known for many years will be extensively altered by technological change.

[*Translation*]

Mr. Léo Duguay (St. Boniface): Mr. Speaker, it is with pleasure that I rise to speak on this motion. I would like first to tell my colleague from Ottawa-Vanier (Mr. Gauthier) that I am in total agreement with his historical outline. Clearly, he has supplied us with great food for thought and he has very clearly identified the problem.

But I have real doubts, Mr. Speaker, that the Hon. Member would have presented his motion had he understood the objectives of the consultation paper on training that was put forward in December last. I say this, because the consultation process we have already initiated is much wider in scope than the one he has just described.

The new labour market strategy announced by the Right Hon. Prime Minister and the Minister at the First Ministers'

Conference in Regina puts greater emphasis on the consultation process and the combination of initiatives, training and job creation.

Very stiff competition on the international level and technological innovation are now altering the economic situation faced by Canadian workers.

Over the next decades, developments of that sort will have their impact on the relative significance of various industrial sectors and will be affecting skill requirements in the Canadian work force. This is the background referred to by my colleague.

It is also true, Mr. Speaker, that technological change obviously cannot help Canada if our labour force does not have the training required to make use of it.

Furthermore, a well-trained and highly educated population would have the best opportunities to develop other innovations, which in turn will generate economic growth over the coming years.

[*English*]

It is absolutely correct that consultation is important. It must be clear to all of my colleagues in the House that the Government has undertaken the largest consultation of any Government in recent history. It must be clear that the Minister has gone to meet with officials in every province to discuss the entire matter of employment. It is also clear that there has been consultation with educators. The Minister of Labour (Mr. McKnight) held a meeting with the Canadian Teachers' Federation to discuss possibilities in terms of education. As well, it is on record that six or seven of the Ministers have had individual meetings with officials of the Department of Labour. This Government and its officers have nothing to learn from past Governments and their officers about consultation.

As well, I would like to agree that this resolution is one to which it is difficult for anyone to object. I think everyone would agree that it is necessary to consider the advisability of consulting with the provinces. However, I wish the framer of the resolution had placed it in a somewhat broader context. Training and the improvement of training programs is only one part of a massive undertaking of the Government. There are also broad economic considerations at which we must look regarding the matter of employment for young Canadians.

It is true that training for high technology is a crucial aspect of this resolution. It is true that that is important for all Canadians and especially for the young. However, in terms of broad economic considerations, it is not only a matter of training young people that is important but it is essential that there be jobs for those young people. There cannot be jobs when we do not attract capital investment. There cannot be jobs when we have a national energy policy that chases capital away. There cannot be jobs when we have a Foreign Investment Review Agency that chases potential business away. It is important to keep interest rates low. It is important to increase productivity. Those are lessons which we need not learn from the past. When my colleague spoke about the record of the Liberal Government, he should have mentioned those things. They are the reasons we have unemployment.

● (1740)

Having said that, I think the intent of the resolution is sound. Young Canadians must be ready for the future, and anything which we can do to help them is very important.

Our Government has done a lot more than just consider the advisability of consultation—it has acted. Anyone who has sat in the House during the last six months will know that the Government has announced the Challenge '85 program. That program will help young people in receiving appropriate training and in getting work during the summer in order that they can have the income to continue their university education. The Government has taken positive steps and initiated an ongoing consultation process with the provinces, educators, private sector employers and labour sector representatives. This Government has undertaken far more consultation in six months that did the previous Government in its entire mandate.

Co-operation from all sectors has resulted from the understanding that not only training but retraining must become a lifelong commitment for the labour force. It is true that the society of tomorrow will be very different from the industrial age in which most of us grew up. Inevitably, that makes the task of preparing for the information age important and critical. Nothing is more important than the way in which it will affect young Canadians.

[*Translation*]

Mr. Speaker, I would like to tell the Hon. Member who spoke earlier about communicating a certain sense of urgency to the Canadian public, that, after being until last September principal of a secondary school, I can assure him that this sense of urgency is already in the minds of the Canadian people. In my own school division in the West, a number of computer awareness programs have already been initiated. From the pre-school level to Grade XII in primary and secondary schools, there are already in Canada a number of programs to make students aware of the situation described by the Hon. Member.

[*English*]

It is clear that nothing is more important than the way in which this program will affect young Canadians. Young Canadians already understand the importance of the technological society. They live with it daily. I would not agree with my colleague that we need to remind them about the sense of urgency. Young Canadians need only get up in the morning and see the sophisticated gadgetry in their homes to understand that technology is already with them. Not only do they understand that technology is already here, but we only have to look at any school in Canada to recognize that it is the adults who are more often afraid of technology than the young.

The Hon. Member for Ottawa-Vanier (Mr. Gauthier) spoke about the Liberal record and its contribution to young people, education and money. On this side of the House, we categorically reject the notion that the answer to every problem in Canada is to spend more money. The consultation to which the Hon. Member referred is essential if we are to develop plans which will succeed, especially when we consider the limited resources we have.

[*Translation*]

Mr. Speaker, it must be pointed out that Canadians already have this sense of urgency and that young Canadians especially are well aware of the situation.

About the record of the Liberal Government over the years I do not think we have anything to worry about on this side because we have already had much more consultation in six months than the Liberals had during their whole mandate.

[*English*]

As the Government we are firmly committed to meeting the challenges with which this situation confronts us. The consultations which have taken place over the last six months have proven that this commitment is shared by all Canadians and that the spirit of co-operation is real and tangible. I attended the First Ministers' conference in Regina. When I returned to my constituency, I was stopped by hundreds of Canadians who told me over and over again how nice it was to do business with a Government that truly cares about what Canadians have to say. It is not a Government which spends more money; it is a Government which asks Canadians what they think should be done and shares with them the responsibility.

The commitment which we have seen from Canadians over the past six months is outstanding and essential. Canadians are proving that if asked they will be glad to co-operate. The spirit of co-operation is real and tangible. All Members of Parliament see it on a regular basis. The Government is striving to provide Canadians with the real training and employment opportunities they will need in a strong and competitive economy.

The resolution talks about consultation and training. That is important, but we must talk about a strong competitive economy. There is only one thing which will help Canadians more than better training, that is, an economy which will provide jobs. The efforts which the Government has made are part of a collective national effort which involve the federal Government, provincial Governments and the private sector.

In December, 1984, a consultation paper was released on training. As a result, concerned groups and individuals from across Canada shared their views with the Government on the very critical matter of training and retraining. It is incredible that when people are asked to, they come forward and provide opinions. Now that Canadians are being asked, they are responding in record numbers. The consultations which have taken place have indicated that a completely revised approach is necessary in the area of federal support for training and employment creation. We must match skills to the demands of the future, not to the outdated needs of the past. Our resources must be used effectively to ensure that youth, and all Canadians, will benefit from the training which will meet the needs of the economy and the ever-changing technology.

The new labour market strategy, which was announced during the First Ministers' conference in Regina, will meet the new objectives and provide a more positive and structured approach to training and employment.

[*Translation*]

Mr. Speaker, the initiatives of the Federal Government will be part of a collective effort, and because of this effort, the nature of the programs will meet the special needs of the regions and the labour force. We intend to be flexible. The balance between programs will be established according to regional needs. We are thus moving away from the centralized approach of the past. We shall join our efforts and share the responsibility to create an economic climate that can stimulate investment and long-term job creation for all Canadians.

[*English*]

Even though the programs are geared to all segments of the Canadian labour market, special efforts will be made to encourage women to forge ahead in new fields. The advent of the information age presents opportunities for women which they have never had before. It is the responsibility of the Government to ensure that training and employment opportunities are made available on an equitable basis so that Canadians will be adequately prepared to take advantage of the opportunities.

The Government has started on a categorical and straightforward plan to consult first, to plan, and then to put its actions into force. I think that is very different from what the previous Government has done, a Government which had the habit of spending first and thinking later. When the appropriate time comes, we on this side of the House will be very pleased to support this resolution.

• (1750)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate on the motion proposed by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). The topic of youth unemployment and the ability of Governments to ensure that the young people of this country are properly directed toward meaningful jobs, and jobs which exist, is one to which all Hon. Members of this House should pay a lot of attention.

Over the last few years I had the experience of being a member of the provincial Legislature of the Province of Ontario. During that time I was part of a Liberal task force on youth unemployment which travelled throughout that province and subsequently reported to the Legislature on the needs of our young people. One of the most disheartening facts we had to face was that thousands of jobs in the high technology area were not being filled while close to 20 per cent of our young people were unemployed. I feel that we as Governments and as a society are misleading our young people if we do not properly inform them and direct them to opportunities in the

proper areas. Upon interviewing young people primarily at high school age we found that the average student in grades 9 to 12 spends something in the order of 12 minutes with guidance counsellors. It is quite obvious that spending 12 minutes with a guidance counsellor when one has reached that very important formative age is clearly insufficient.

[*Translation*]

One of the problems faced by the young is that in high schools there are too few vocational guidance counsellors.

We know of course that in Ontario for instance, there is one counsellor for every 410 students although departmental standards call for one counsellor for every 350 students, and counsellors and teachers themselves claim there should be one counsellor for every 300 students.

Under such conditions it comes as no surprise, Mr. Speaker, that students lack the guidance needed to choose the skills they should develop in order to find jobs in the future.

Moreover, counsellors often have to provide emergency counselling whenever young people meet with personal difficulties and so forth. This means that our young are facing quite serious difficulties which this House should concern itself about to a larger extent than it has done in the past.

I would like to take this opportunity to commend the Hon. Member for Ottawa-Vanier (Mr. Gauthier) for his excellent initiative in calling the attention of the House to the motion.

Mr. Speaker, it should also be recognized that this very Government, since its election last Fall, when a lot of things were promised to a lot of peoples, as I said on a number of occasions, has let the young down after making all those promises. This is precisely the right occasion today to ask the young and the public at large to phone, to contact the Government Members and urge them to fulfil their election promises.

Mr. Speaker, it should be noted that there is a $120.9 million cut in the National Training Program, and this includes a $40 million reduction in the Industrial Training Program. As we know, that program did benefit the young.

[*English*]

I believe, Mr. Speaker, when we are speaking of where our youth are going in the future, we should remind ourselves of the ineptitude of the Government in providing meaningful summer employment. I am sure you will remember vividly, Mr. Speaker, the day the Minister of Employment and Immigration (Miss MacDonald) came into this House and, after much prodding by members of the Opposition, finally announced her youth employment program which she called "Challenge '85". In announcing this program she said that this would help out many young people.

Our office immediately thereafter received a little folder which explained to us how the program would function. My staff contacted the Minister's office and asked for several hundred forms so that we could distribute them to our riding. Of course, we wanted this program to function. We felt that this should be a non-partisan issue and we should do our best to make it work. It was in the interests of our constituents to do so. But the staff in the Minister's office told us they were awfully sorry but they could not give us forms for the Challenge '85 program, which I thought was rather unusual. I suggested to the young lady I was speaking to that perhaps I should go back down to the Chamber and have a little chat with the Minister and perhaps I will be able to receive some forms, and I did receive about 20 forms. I went on a few speaking engagements in my riding and distributed these forms. A few days later I received a phone call from a Conservative back-bencher who I will not name, Mr. Speaker, who asked my staff how we got our forms because he could not get any. We had used the forms we received in my riding and we could not give the Conservative Member any. We felt that he probably had enough connections with the Minister—or should have had—to get a bunch of forms for himself but apparently he did not. After we had distributed the forms throughout our riding we were told that those were the wrong forms. It seems that the Minister had changed forms after she had started the distribution of them.

Last week I had a little chat with the Minister in this House and she finally sent new forms to my office. The stack of forms was six inches thick. There were enough for everyone at that point, but it is important to realize that there are only a few days left in which people can apply for the program. So I believe we are seeing here a sample of just how high the priority of the Government is for youth employment.

I am happy to support this motion. I would like to congratulate again the Hon. Member for Ottawa-Vanier for his motion, which I feel should receive support from all Hon. Members.

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is as follows: Mr. Gauthier, seconded by Mr. Guilbault (Saint-Jacques), moves:

That, in the opinion of this House, the government should consider the advisability of consulting the provinces, educators and labour representatives, for the purpose of implementing a modern high technology training and development program which would offer to many Canadians, and especially to youth, the possibility to find satisfactory employment.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Charest): The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

GOVERNMENT ADVERTISING—AWARDING OF CONTRACTS. (B) RCMP—REQUEST THAT SOLICITOR GENERAL SEEK IMMEDIATE INQUIRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am very pleased to speak this afternoon on an issue which I have raised many times in this House in the past concerning government advertising contracts. On January 8, 1985, Mr. Speaker, I wrote a letter to the Commissioner of the Royal Canadian Mounted Police asking that an immediate criminal investigation be launched into the circumstances surrounding the Government awarding of advertising contracts to firms allegedly involved with the Conservative Party.

● (1800)

According to newspaper reports at the time, the firms in question were to be awarded or had been awarded contracts conditional upon their agreeing to return a portion of their fees to the Progressive Conservative Party. I was referring to two newspaper articles, one of which appeared on January 5, 1985, in *The Toronto Star*. The second article appeared on January 7 in *The Globe and Mail* making similar allegations. These of course are very serious allegations and there is really only one way we can clear the air. That is, Mr. Speaker, to have a criminal investigation to determine whether there is infringement of Secton 108 or Section 110 of the Criminal Code of Canada. According to legal advice which I and my colleagues have received, Section 108, dealing with bribery, and Section 110, dealing with fraud, could be offended if those allegations were proven true.

Again, this is a very serious matter, one in respect of which various people across this country want immediate clarification. As of this day I have yet to receive from the RCMP confirmation as to whether or not there will be a criminal investigation into this issue.

On January 9, 1985, *The Toronto Star* wrote in an editorial entitled "What's Behind the Ad Deal", the following:

> An immediate investigation is needed into all circumstances of a patronage deal that gives two prominent Progressive Conservatives the exclusive right to handle tens of millions of dollars' worth of federal Government advertising. Only a thorough, independent inquiry can determine the truth of serious charges that the arrangement with Roger Nantel of Montreal and Peter Simpson of Toronto—both solid supporters of Prime Minister Brian Mulroney—is perilously close to resembling a kickback scheme.
>
> Despite a good deal of back-pedaling by all concerned after the publication Saturday of an exclusive story about the contract by the Star's Diane Francis, this troublesome allegation has been left hanging. If it turns out to be true, this is a serious matter. When he was first asked about the deal with Ottawa, Nantel said his share of the profits from the handling of advertising for 39 federal departments "won't go to individuals, but will go to special events for the sake of the party like seminars with Quebec ministers so they can interface with the grass-roots." But later he insisted he doesn't remember saying any such thing and called that quotation "an honest mistake."

Perhaps Mr. Speaker, all of this is an honest mistake. I am sure that all of us would wish that to be the case. But, after more than two months of waiting for the RCMP to launch this criminal investigation, I asked the Solicitor General (Mr. MacKay) in this House to immediately ask for a criminal investigation into this matter. Exactly two months after I wrote the letter, and two months less four days after the editorial in *The Toronto Star*, the Solicitor General replied to me in the House on March 5, 1985, as recorded at page 2744 of *Hansard*:

> Mr. Speaker, the Hon. Member seems to suffer from the same misunderstanding that many on that side do, that the Solicitor General directs the RCMP to conduct investigations, or interferes with their operations.

● (1805)

I am not claiming that the Solicitor General should interfere with the operation of the RCMP but, as I understand it and have been advised by some of my colleagues, the Solicitor General of Canada can definitely, if he wishes, request from the RCMP that an immediate criminal investigation be launched into any matter. In this matter, when it could affect the credibility of some of his colleagues in the House, I suggest that an immediate criminal investigation was not only desirable but indeed necessary for the protection of all.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, on March 5, 1985, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) informed the House that he had written to the Commissioner of the RCMP two months ago requesting that a criminal investigation be carried out in respect to the awarding of certain Government advertising contracts. He also indicated that his colleague, the Member for York Centre (Mr. Kaplan) made similar representations to the Minister of Justice (Mr. Crosbie). In view of the fact that two months had elapsed since these actions were taken, the Hon. Member asked the Solicitor General to inform the House whether the requested investigation would be carried out.

As has been mentioned, the Solicitor General responded that as far as he was aware, the Commissioner had not made a determination that there was a need for such an investigation.

This reply prompted a further question from the Hon. Member as to whether the Solicitor General intended to ask the RCMP to immediately initiate a criminal investigation into those matters. The Solicitor General replied that the role of the Solicitor General of Canada does not extend to directing the RCMP to carry out investigations or otherwise interfering with the forces' operations.

The Hon. Member for Glengarry-Prescott-Russell in asking whether the Solicitor General intended to ask the RCMP to initiative a criminal investigation into certain matters, suggests that there is vested in the executive and political arms of Government the authority to require police forces in general, and the RCMP, in particular, to take direction as to how to

deal with individual cases. I can assure the Hon. Member that this is just not so.

While the Solicitor General is accountable to the Parliament of Canada for the over-all direction and control of the RCMP, his authority does not extend to directing that force to carry out investigations in specific cases.

It has long been recognized both in our statutes and in common-law, that the decisions as to whether investigations will be carried out in particular cases rests with the police. This is one of the most important principles upon which our criminal justice system is based. This is the principle which ensures that the rule of law takes precedence over political considerations. It is this principle which protects citizens in Canada and other western democracies from political tyranny.

The Solicitor General accepts the view of the McDonald Commission that:

—the government must fulfil its democratic mandate by ensuring that in the final analysis it is the government that is in control of the police, and accountable for it.

But the Commission continued by noting that:

—there is no inconsistency in asserting simultaneously that every member of the government, and above all the Minister responsible for the RCMP, has an essential obligation not normally to become involved in the decisions to be made by members of the Force, including the Commissioner himself, with respect to investigation, arrest and prosecution in individual cases.

The Hon. Member is asking the Solicitor General to subvert his principle of intruding upon the independent responsibilities of the RCMP. I have every confidence that the RCMP is considering the Hon. Member's representation and will take action as it deems appropriate in the circumstances. The Solicitor General can assure the Hon. Member that the RCMP will inform him of its determination and he is free to inquire of the Commissioner when he might receive a reply.

ROYAL CANADIAN MOUNTED POLICE—PREMIER'S TRIAL—INTERNAL INVESTIGATION. (B) ALLEGATIONS ATTRIBUTED TO PREMIER

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is interesting that my colleague, the Member for Glengarry-Prescott-Russell (Mr. Boudria), has risen once again to demand that an investigation be conducted. I have risen because in the situation that I want to talk about the Government has agreed to have an investigation into the way in which the Hatfield investigation and prosecution were conducted, and the decision about appeal. The Government has agreed to conduct an inquiry. But I have to rise because of the unsatisfactory way in which answers are being given about that inquiry and the lack of determination in that inquiry. I believe the inquiry must have been started some time in the fall after October 26, but I do not know for sure. It was certainly on during the month of January. But this is March and this is an inquiry that is very badly needed because of allegations that have been made in a number of places that reflect badly on the RCMP.

• (1810)

First there was the Solicitor General (Mr. MacKay) holding a meeting with a person under investigation. I think that reflects badly on the RCMP because of what might have happened at that meeting. The Solicitor General has not given a good account of the way in which he governed himself following that meeting. He has given us the assurance, which the Commissioner confirms, that he did not directly intrude into the investigation, but nothing has been said about what might have been done behind the scenes to influence the way in which the prosecution was conducted. That is an area which should be investigated, but which may not be part of the investigation that is supposed to be under way right now.

Also requiring investigation are Mr. Hatfield's allegations that somebody in the RCMP was out to get him and to bring down his government. These allegations were agreed with by a senior Cabinet Minister, the acting Minister of Justice in the New Brunswick government.

While an investigation was under way on that very subject, what did we note about the Ministers opposite? Were they sitting back, forebearing from commenting, waiting for the RCMP to do its work? Not at all, Mr. Speaker. The Minister of Justice (Mr. Crosbie) sought an occasion to announce that he disagreed with Mr. Hatfield, that Mr. Hatfield's allegations were wrong so far as he was concerned. That, of course, sends a kind of a signal about whether the investigation will be full and detailed. In my question I asked for an assurance from the Solicitor General that the allegations about whether the RCMP were out to get Mr. Hatfield and to bring his government down would also be the subject of the investigation.

What do we have in the answer from the Minister on March 5, found at page 2743 of *Hansard*? It reads:

Mr. Speaker, we shall have to wait until the report is received before we get into any such details, if in fact they are made public.

The Minister is the one who is going to make them public, or not. What I am calling for is a statement by the Minister right now that that report will be made public, substantially all of it. Maybe there are things in it that cannot be made public in that they identify individuals and deal with the force and with discipline, but certainly the Minister has to reassure the confidence of this House and the country in the RCMP by indicating now that that inquiry will be made public.

I would like to obtain from him an assurance that the inquiry has been extended not only to cover the way in which Mr. Hatfield was investigated and the way in which the Mounties behaved during the trial, but this very much larger and more serious allegation that members of the RCMP are a political force out to get a duly elected Premier and out to destroy a duly established government in this country.

I am not satisfied with the answers given. Editorialists across the country are not satisfied with them. There is a general demand from over a dozen of the leading daily newspapers that there be a public inquiry. Over half of them are asking for a public inquiry, and because of the attitude

expressed in the answers they are asking that the Solicitor General resign.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, on March 5, 1985, the Hon. Member for York Centre (Mr. Kaplan) questioned the Solicitor General (Mr. MacKay) concerning the internal inquiry by the RCMP into the RCMP handling of the Hatfield investigation. Specifically he asked the following questions: First, is that report ready? Second, if it is not ready, in what stage of readiness is it? Third, when does the Solicitor General expect to receive it? Fourth, will the report also cover allegations made by Premier Hatfield subsequent to the commissioning of the report by Commissioner Simmonds, that members of the RCMP were out to get him and to bring down his government.

In response to the first three questions asked of the Solicitor General, he replied at that time as follows:

• (1815)

Mr. Speaker, the report is not yet ready. It is substantially complete and, when it is ready, I will be informing him and other Members of that situation.

As of March 7, 1985, the RCMP advised that the report was not yet ready, although it was substantially complete and would be presented to the Solicitor General immediately upon its completion. Therefore, in response to the first three questions the Minister can only repeat what he said on March 5.

Concerning the Hon. Member's question about the content of the report, it is the Minister's understanding that the focus of the report will be the RCMP's handling of the Hatfield investigation and the specific allegation that members of the RCMP may have leaked information of the investigation to the press. However, the Solicitor General has no knowledge of the content of the report and does not wish to speculate about its details.

It must be remembered that it was the Commissioner of the RCMP who ordered this internal investigation to be conducted. While the Solicitor General supported him in that decision, he has in no way attempted to direct or influence that investigation. As the Hon. Member for York Centre well knows, the RCMP has a world-wide reputation for thoroughness in its investigations. The Solicitor General is confident that this high standard of professionalism will apply to this endeavour as well.

Concerning the Hon. Member's reference to the reported allegations of Premier Hatfield, the Solicitor General wishes to repeat that if the Hon. Member, or any of his colleagues, presents him with particulars of inappropriate or unlawful behaviour on the part of the RCMP, the Solicitor General will ensure that immediate and appropriate action is taken. In the absence of such particulars, it would be a serious affront to the long and proud history of the RCMP and the professionalism of its members serving in New Brunswick and throughout the rest of Canada for the Solicitor General to give credence to unsupported generalities.

Adjournment Debate

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION—CANADIAN MEMBERSHIP AND FUNDING

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I requested opportunity during the adjournment debate on UNESCO because the fate of the organization and Canada's participation in it should be a priority concern to all Canadians who value the United Nations. In recent times we have been made aware of major problems afflicting UNESCO. We have been made aware of the reactions by major member nations, particularly the United States and the United Kingdom. Therefore I directed a question to the Right Hon. Secretary of State for External Affairs (Mr. Clark) concerning the policy of the Canadian Government toward our continued membership in UNESCO and our continued funding of it. I appreciate the contribution of the Secretary of State for External Affairs in response to my question. Also I appreciate his indication to the House that he is carrying on a watching brief because it is eminently necessary. We will benefit as a House and as a nation by more public debate of the issue, including this brief discussion.

I sense the Minister and the Government are reluctant to reach the extreme conclusion that Canada should withdraw from membership in UNESCO. In view of the impressive record of UNESCO, especially in its early years, at combating illiteracy and raising the level of cultural life in so many underdeveloped parts of the world, I share that reluctance. However, in view of the United Nations as a whole facing an uncertain future and that future being made more uncertain by threats to the ongoing viability of UNESCO, it is imperative that we treat this as a high priority concern.

We have not only the declaration of the United States which led to its withdrawal from membership, but a few months ago we had the declaration by Sir Geoffrey Howe on behalf of the United Kingdom. In reviewing the policy of the U.K. toward the United Nations, Sir Geoffrey Howe said that one organization where they had not been satisfied that value for money was being obtained was UNESCO. Also he indicated that they were not satisfied the developing world was getting value from that organization.

There seems to be two reasons for the general dissatisfaction with UNESCO as it is now administered. One is administrative and budget extravagance. This has given priority to concerns other than the need to raise the level of life in the Third World and in the Fourth World. For example, we have learned of the very high salary and standard of living to which the Director General of UNESCO has become accustomed, as well as the very sizeable senior administrative staff. We learned that there are more administrative and support staff at the UNESCO headquarters in Paris than there are UNESCO field workers throughout the world.

• (1820)

As well as UNESCO becoming like an inverted pyramid with most of the strength and most of the budget being devoted to administration of the headquarters, we have to be impressed by the reliable reports of the indefensible, ideologi-

cal bias which has come to dominate UNESCO programs. Under the present leadership of Amadu Mahtar M'Bow, the program of UNESCO has gone behond beyond the paramaters originally intended. It has become a political more than a cultural instrument of the United Nations. It has become the advocate of policies and objectives not shared by the member nations that have supported it.

In the face of not only continued protests, but in the face of United States withdrawal, representing the loss of 27 per cent of UNESCO's budget, some gestures toward reform of UNESCO have been made. For example, a no-growth budget has been adopted. Economies of about $20 million have been effected to close the gap left by the loss of United States funding. However, as the Minister's answer indicated, the Government of Canada is not satisfied and should not be satisfied with these efforts. We therefore have to think about what Canada should do at the annual meeting of UNESCO at Sofia, Bulgaria, next fall. What attitude can Canada show that will do justice to the significance, seriousness and enormity of the situation?

I am one Member of Parliament who thinks that Canada's withdrawal from UNESCO should be the very last option taken. There is still a mountain of ignorance for humanity to climb, and we need to lend a helping hand to our fellow humans as together we try to climb that mountain. UNESCO offers us at least the opportunity of offering that hand. I also believe that passive acquiescence with what has been tolerated too long is not an acceptable option. We should not be satisfied with any gesture of wrist-slapping by Canada that will make no significant difference to the attitudes and policies of those in charge of UNESCO. It should be obvious that nothing short of changing the leadership of UNESCO will be adequate.

Last summer the Canadian people showed that they wanted this country to have a change of direction. They recognized the need for a change of leadership and hence this Parliament has come into being. We need to have the same realism in assessing the future of UNESCO. There is very little serious chance that UNESCO will make major reforms in its administration or in its ideological bias until there is a significant change in the leadership.

I therefore hope that in addition to the watching brief that the Minister and the Department are carrying on now, they will give serious consideration to Canada taking the initiative, with other supporting member nations, toward requiring that there be a change of leadership at the top of UNESCO. Only when we have that kind of change can we expect that UNESCO will show the kind of change that will prevent other member nations from withdrawing.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, it is my pleasure to reply to the question and to the concern expressed by my colleague for Scarborough West (Mr. Stackhouse).

The Canadian Government is still reviewing its participation in UNESCO, as indicated by the Secretary of State for External Affairs (Mr. Clark) in his letter dated October 1, 1984, to the General Director of UNESCO, Mr. Amadou M'Bow. The Secretary of State for External Affairs has also told Mr. M'Bow that our final decision will depend upon the results of the reform UNESCO is now undergoing. In the context of our review, we are establishing criteria to measure the extent of the reform and the improvements made to UNESCO operations. Our evaluation of Canadian participation will also take into account the objectives, interests and activities of Canada within UNESCO, including the interests of the provinces.

[*English*]

The recently concluded special session of the executive board had mixed results. The need to reduce the budget by 25 per cent because of the withdrawal of the United States' contribution was not adequately discussed. On the other hand, there were limited successes registered at the meeting: agreement to include the U.S. as an observer; determination that the director general and the U.S. Government should negotiate the assumed financial obligation of the U.S. for 1985; consensus on concentration of activities in UNESCO; and finally, agreement that member states should not have their assessments increased as a result of the United States' withdrawal.

[*Translation*]

The Secretary of State for External Affairs recently expressed to the Executive Committee of the Canadian National Commission for UNESCO his disappointment at the pace and the progress of the reform now underway. He especially emphasized the need to strengthen UNESCO as a member of the UN family in the interests of the international system as a whole.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6:26 p.m.

HOUSE OF COMMONS

Tuesday, March 12, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Monday, March 11, consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Manly: Mr. Speaker, I would simply like to make a few comments on the speech of the Hon. Member for Kenora-Rainy River (Mr. Parry) last evening.

Mr. Speaker: Questions, comments and answers.

Mr. Manly: I was very interested to hear the Hon. Member point out that at an earlier phase in his career he had served as a deck-hand on the United Church mission vessel, *Thomas Crosby V*. Although the Hon. Member has sat behind me for the past several months, I did not realize that we had that previous connection. I also have some fairly extensive connections with the *Thomas Crosby V* which serves the West Coast of Canada. It moves up and down along the north Pacific coast of British Columbia and visits a great many fishing communities which are very important and can be affected by the impact of this Bill. From the time I was associated with the *Thomas Crosby V* until now, a number of these communities have suffered a great deal because of different changes which have taken place in the fishing industry. I recall the opposition in many of these communities to the Davis licensing plan which forced many Indian fishermen out of the industry. It was an attempt, as the Government at that time said, to rationalize the industry. Many people were rationalized and pushed right out of it. Communities like Klemtu which used to have a cannery no longer has one. We find more and more that the industry has been concentrated at Prince Rupert and in the lower mainland. In the last few years, the Port Edward area has suffered a great deal as more and more of the industry has been concentrated in the lower mainland.

This is a very important consideration in terms of this Bill. We would like some assurances from the Minister that the provisions of the Bill, which give almost absolute and total authority to the Minister and his Department, will not be used in a way that will work against communities up and down the coast. The New Democratic Party is basically asking the Government to take a second look at the legislation. We are supposed to have a Chamber of sober second thought. We in the NDP do not really believe that we need that Chamber. We believe the Government can take a sober second look at legislation within the House of Commons. We do not need the Red Chamber to do it. This is why our Leader yesterday moved a motion to abolish the Senate. It is unfortunate that the Conservative Government backed down from its claims of last week that it was prepared to move on the issue. We are asking the Government to take a sober second look at the legislation.

We recognize that, as a result of the Collier decision last summer, there are certain things which the Government has to do to bring its fisheries legislation into line with what needs to be done. The Department of Fisheries needs to have the power to regulate the industry, but we say that if it is to have that power, it should be in a way that safeguards the industry. We do not want it to be an absolute power. It should be a power which the Department will be able to use to manage the industry consistent with conservation and social and economic goals that can be determined by the participants in the industry.

When the Minister spoke on this issue last February, he outlined a series of concerns. At the very top of the list was industry participation in management. He made some very tentative moves in that direction, but we have not seen the kind of assurances that this legislation is going to deal with that in a straightforward manner.

• (1110)

I see, Mr. Speaker, that you are motioning for me to stop. I commend the Hon. Member for Kenora-Rainy River (Mr. Parry) on his speech. I urge that the Minister take a second look at this legislation and give his assurance that our concerns will be met.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to debate Bill C-32, an Act to amend the Fisheries Act. This Bill has had a fair bit of debate in the last few days, I think with reason. The Fisheries Act has been criticized by some in my Party for not recognizing the need for full consultation by the participants in the industry. Our speakers have pointed out that the new amendments to the Act will rest a great amount of power with the Minister. In fact, he will have absolute power.

There is some doubt as to whether the powers that are being granted to the Minister are good for the industry. It is not clear how those powers will be implemented by the Minister.

There has been no past practice to provide for the very sudden changes in policy that will be permitted under the proposals in this Bill.

There are some questions as to the relationship between our fisheries and that of the United States, the particular agreements that we work out between our two countries and the means whereby we administer those agreements. We are not certain that those are fair. All of the industry people still are not certain that a consensus has been reached.

The process of Parliament and the activities of the fishery people would be best served if this Bill were given a hoist and if further study went into it. As a consequence, I move, seconded by the Hon. Member for Thunder Bay-Nipigon (Mr. Epp):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-32, an Act to amend the Fisheries Act, be not now read a second time but that it be read a second time this day six months hence."

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) may continue his speech.

Mr. Althouse: I think, Mr. Speaker, I have made my point that the Bill should be hoisted, and I rest my case.

• (1115)

Mr. Deputy Speaker: Is the Hon. Member for Comox-Powell River (Mr. Skelly) speaking on questions and comments or on debate?

Mr. Skelly: On questions and comments.

Mr. Deputy Speaker: Very well.

Mr. Skelly: Mr. Speaker, I believe the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) made a very wise decision to recommend to the House the hoisting of this legislation for six months. It is apparent that the Government is asking for some extremely wide powers, almost absolute powers, to allocate fish. For many, many years, we in the House of Commons have listened to Conservative opposition Members condemn the abuse of what was virtually absolute power by the previous Liberal Government, only to see them turn around and repeat the sins for which they cursed the other Party.

There is no doubt that we cannot allow a Bill establishing this kind of absolute power to proceed through the House of Commons without having the Minister of Fisheries and Oceans (Mr. Fraser) give the House in written form the guidelines by which this allocation will take place. Will he in fact ensure that each of the traditional fisheries now present in the industry will have a place? Will these fishermen be entitled to their traditional shares? Will the Minister make a commitment that there will be an effective consultative process before those shares of the catch are changed? Will this be done by consensus or through some acceptable form of agreement? These are the kinds of questions the Hon. Member for Humboldt-Lake Centre has provided the House an opportunity to consider.

In addition, it was a very wise move on the part of the Hon. Member for Humboldt-Lake Centre and the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) to allow the Minister of Fisheries and Oceans (Mr. Fraser) an opportunity to put on the record how the Government will honour the election promises it made and how it will develop a set of guidelines for a fair and equitable approach to allocation of the resource. It is surprising that the Government itself has not sought an opportunity to do this. After all, we have witnessed the mismanagement of the fisheries resource for years and years. Many people supported the Conservative Party because of the promises it made in the firm belief that Conservative Members would not repeat some of the sins of members of the previous Government who made decisions in a very arbitrary fashion, decisions which in some cases were very harmful. For many years, the loudest voice and the squeakiest wheel got the grease.

Just for the sake of argument, let us say that every fish is worth $10. We are taking a horrendous pile of $10-bills and allocating them. The Minister would then have the absolute right to allocate that money to the fisheries on the West Coast and even presumably to the fisheries on the East Coast. The Minister would then have the absolute power to determine who receives money, who has the right to earn a living and who has the right to acquire income. I believe the Government has an obligation to give to the House of Commons and the people of Canada an indication of how this will take place.

The Hon. Member for Humboldt-Lake Centre and the Hon. Member for Thunder Bay-Nipigon made a very responsible and serious move by placing this motion before the House because the track record of the present Government in two extremely important areas, the areas of keeping election promises and of treating people fairly, has not been good. This motion will give the Government an opportunity to justify its activities.

Just to make a few quick points in support of this hoist motion, we know that the Government promised a co-management mechanism. We know that it promised that there would be a $200-million salmon enhancement program. We know that it promised a buy-back program worth $100 million. Those promises have fallen by the wayside, or at least we know nothing of them because the Minister refuses to appear before the committee to lay any guidelines before us. He just allows this Bill to roll merrily along through the House. It is known far and wide that the Conservative Government has an overwhelming number of Members. Those Members can stomp into the earth any initiative which is taken by the Opposition to obtain some equity and fairness for the people of Canada. They can do that and they have demonstrated it.

• (1120)

There are three examples of broken promises in this one industry. I would like to speak about the question of fairness.

On the West Coast of Canada fishermen must pay moorage fees. Those fees are becoming excessive. The Government recently doubled those fees. However, on the East Coast of Canada there are very few fishermen who pay moorage fees.

We are debating whether the motion to hoist is appropriate. In the presentation of the Hon. Member for Humboldt-Lake Centre it was made very clear that the motion was appropriate. It will allow the Minister a chance to explain what guidelines and co-management mechanisms will be created. We have allowed the Minister and members of the Government an opportunity to explain why the lapses in fairness exist, such as the horrendous discriminatory situation of the moorage rates. It is absolutely untenable that an inequity which was placed in position by the previous Government would be continued by a Government whose sacred trust was fairness and openness. That does not exist.

On broken promises and fairness I believe the Government has failed very seriously. Government Members sit in shock wondering at the reason why a simple Bill such as this one would not be passed like fishery Bills have normally been passed. Normally there is a speaker from each Party, the Minister is open and forthright and we understand what the import of the Bill is, therefore, it goes to committee. Not this time. To bring to the attention of the House the recent salmon—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but I would like to check to see if there are other Members who wish to speak during this period, as only ten minutes are allowed.

Mr. Fraser: Yes, Mr. Speaker, I would like to make a comment.

Mr. Deputy Speaker: The Hon. Minister of Fisheries and Oceans (Mr. Fraser).

Mr. Fraser: Mr. Speaker, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has moved that this Bill be hoisted for six months. He knows absolutely nothing about West Coast fisheries, Atlantic fisheries or northern fisheries, but I understand he has several sloughs in his riding. He was brought in—

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

Mr. Deputy Speaker: The Hon. Member for Comox-Powell River (Mr. Skelly) on a point of order.

Mr. Skelly: Mr. Speaker, that is an assumption which cannot be sustained. I think it was an attempt to insult the Hon. Member for Humboldt-Lake Centre and the Hon. Member for Thunder Bay-Nipigon. I think the Minister should probably withdraw his reference to the slough.

Mr. Deputy Speaker: I think that is a question of debate and not a point of order.

Mr. Fraser: That remark was certainly not intended to cast a slur on the Hon. Member for Humboldt-Lake Centre, it was intended to cast a slough. Of course, that is what I mentioned.

The Hon. Member for Comox-Powell River (Mr. Skelly) has risen again in indignation—because that is what is mostly contained in that gentleman's thinking capacity—and has asked the House to delay passage of the Bill for six months. The Hon. Member ought to know—although it will not surprise me if he does not—that the powers which are being asked for are powers which have always been deemed to have been in the Act but were found not to have been there as a consequence of the Collier decisions. The Hon. Member for Comox-Powell River is playing games on a subject about which he knows extremely little.

He spoke about the fact that the Government has not been prepared to come to the House and lay down guidelines which will govern for all time the exercise of powers under the Act. The Hon. Member must be the most ingenuous of newcomers in his approach to the difficulties and problems of ordinary Government if he thinks that under any circumstance he or anybody else could submit a set of guidelines which, in all cases, would look after the concerns which he has mentioned. The proposal to hoist the Bill for six months is irresponsible and is done deliberately. I would hope that the motion has been put with the full knowledge of how silly it is. I am prepared to concede to my hon. friends in the NDP that it may well have been done out of plain silliness and lack of understanding. It reminds me, Mr. Speaker, of the silly member of the New Democratic Party in the Legislature of British Columbia who on Friday went to the press and said that we were cutting the salmonid enhancement program by $10 million. When it was pointed out to him what was in the Estimates, he, of course, had nothing to say. The disease of misconception, irrelevance, ignorance and foolishness, whether it flows from the NDP in this Chamber to the Legislature of British Columbia or whether it has spread from the NDP in the Legislature of British Columbia to the NDP in this Chamber, seems to be a communicable disease among our hon. friends.

• (1125)

Mr. Skelly: May I put a question or make a comment, Mr. Speaker?

Mr. Deputy Speaker: Unfortunately, the time for questions and comments has expired. We will resume debate.

Mr. Ray Skelly (Comox-Powell River): In speaking in debate, Mr. Speaker, I can say that I am actually extremely pleased that the Minister rose to his feet and commented on the fishing industry in this country. Before we proceed any further I can tell the Minister—and I don't know whether his officials have taken the time to inform him of this—that a prominent group of users on the coast of British Columbia, when asked in committee last night what they would recommend the House should do with this Bill; would they prefer that the House pass this Bill without guidelines or should it

remain in the House until the Minister rose in his place and explained what was happening, no matter how long it took, these people replied, yes, they would like to see it stay in the House until they know whether they are going to have a guaranteed place in the industry. It is regrettable that a Minister of the Crown can stand in this House and make such a blatant, I think, misrepresentation of what is actually happening and what the wishes of the user groups are, every one of whom has been contacted and everyone of whom has said unilaterally across the board, "Don't let that Bill go through until the Government gives us an idea of who is going to be pushed out of this industry and who is going to remain in it".

The Minister knows full well that he has made private deals—or suggested information which would have led people to believe they had private deals—on the allocation of fish. We are not going to tolerate that. No responsible legislator would tolerate that kind of thing.

Mr. Fraser: I rise on a point of order, Mr. Speaker. It is really a point of privilege. The Hon. Member for Comox-Powell River has every right to debate. He has no right to accuse me of making private deals which have not been made.

Some Hon. Members: Hear, hear!

Mr. Skelly: On the same point of privilege, Mr. Speaker, I would suggest that there have been groups who have come before the Minister and have left thinking there was a deal. It may not have been a deal in the Minister's mind, but certainly the kind of information which has been imparted to certain groups has left them with the impression that they do have a deal, something to fall back on.

Mr. Fraser: I rise on a point of privilege, Mr. Speaker. The Hon. Member for Comox-Powell River is compounding his sin. I say to you, Mr. Speaker, that I do not have to stand here and take accusations which literally call me a liar. That is what the Hon. Member is doing. I suggest that he withdraw his accusation, Mr. Speaker.

Mr. Deputy Speaker: The Chair rules that this is not a point of order. I would ask the Hon. Member for Comox-Powell River (Mr. Skelly) to continue on debate.

Mr. Skelly: Mr. Speaker, the point is that the Government must provide guidelines. The user groups are telling the Minister and the Government very clearly that they recognize the seriousness of this problem and that chaos could develop in the industry, but the chaos is not of their making. The chaos is of this Government's making because it has failed to adopt a base line of operations, some simple guidelines which would assure everyone a position in the industry, a guarantee that they could maintain the type of proportional shares which have been available in the past until a mechanism can be developed which would allocate that resource fairly and equitably.

That is the issue in the House. There is no attempt in reality to insult the Minister and no attempt to cast a slur on the Government. There is no point in standing up in this House and kicking opposition Members. What we want to see is co-operation. We want to see the Minister laying down guidelines from which user groups can benefit. We want the Minister to come before the committee to tell us what is going on, even if he is not prepared to tell other people in the public domain. That would lead to better communication in this House.

• (1130)

It is the user groups, Mr. Speaker, the people we represent, who are saying, "Hold this Bill". It is not an irresponsible move, it is something that any responsible legislator, especially in opposition, would do. When we asked some questions about the salmon treaty, when would we see it and get it before committee, the Government said it had already agreed to it. It was outrageous that the Prime Minister (Mr. Mulroney) should have stood up in this House and criticized the NDP for asking questions about this treaty and then, down the road, the Minister of Fisheries and Oceans admitted that there are serious problems with the treaty but that the Prime Minister wants it very badly. We then found out that the Prime Minister never even read the document. It went through Cabinet in 30 minutes so the Prime Minister would have something to give away to his new found friend in the United States. That is totally outrageous and unacceptable. I see the Minister is dancing around in his chair. I would love to have him jump to his feet and comment on that particular act of faith.

This motion to hoist the Bill provides the House with an opportunity to look more calmly at the question. There are other points of view which both government Members and the Opposition can put on the record. This motion is an excellent idea, it gives us some time. There is no point in taking the Bill before a committee until we have some idea of what the Minister's game plan for the fishery will be. We all know the Minister to be an honourable gentleman of good intentions, but he has been somewhat constrained and confined by his colleagues who have a philosophical fixation which is alien to this country. They want to cut money from a basic resource of the coastal provinces of this nation. They want to cut personnel from the departments involved. In reality, the Prime Minister simply wants to trade off with the President of the United States something which he sees as being of little value in return for something he sees as being of major value. But we as Canadians still do not know what that is.

Let us not forget, Mr. Speaker, that second reading of this Bill means approval in principle, and we will then not have a chance to change its elements substantially. Given the Government's overwhelming majority, it is very hard for the Opposition in committee to resist arbitrary changes. We know the Bill is out of the public eye when it is in committee. Time allocation is much easier to impose in committee. If we pull our finger out of the dyke, we might as well approve the Bill all the way through.

The Minister has said he will take all the responsibility for what happens on the salmon treaty. Well, we know there are some problems with the treaty. Could he come before the

committee to explain his intentions to us? We know that during the election there were some candidates from his Party who roamed the coast of British Columbia promising a salmonid enhancement program. Could he come before the committee to tell us what his intentions are? He criticized a provincial colleague of mine from British Columbia for possibly having a different interpretation of that program and the time frame in which it would operate. If he came before the committee, he could clear those problems up, but it seems he would rather sit here in his ivory tower.

What about the buy-back program? Allocation will be on the basis of the fishing vessel. Who will have fishing vessels and who will not? Is there a buy-back program costing $100 million or is there not? We have a serious dilemma because we do not know what is doing on in the fishing industry. We do not know what the new directions are. We know there are broken promises, we know this Government is adopting, maintaining and embellishing the sins of the previous Liberal Government in some fishing areas. We know there is some blatant unfairness. What is the Minister going to do to clean up those particular problems?

I raise again the question of moorage fees. There is no way in the world to justify the fact that fishermen on the West coast must have their moorage fees jacked up by 100 per cent when at the same time fishermen in the Province of Prince Edward Island and the Province of Newfoundland pay no fees. It was pointed out in committee by department officials that there are 40,000 fishing vessels in Canada. Some 32,000 of those are registered from Quebec east into Atlantic Canada. About 90 per cent of these vessels do not pay moorage fees, the bulk of which are under 45 feet in length. I see the Hon. Member for Victoria (Mr. McKinnon) is in the House. Why is he not screaming from the rooftops for equity and fairness in this matter? We are not advocating that eastern Canadians have their income further diminished. Trying to eke out a living on the East Coast of Canada is just as hard as it is on the West Coast. But why are people in the Government not on their feet telling the Minister to go before the committee to explain why he is doing this or else to get rid of the inequity. Let the people in British Columbia have a fair chance at earning a living. No one is getting rich out there, it is a tough time.

One of the most outrageous things I have ever heard in my life, Mr. Speaker, is the fact that the Government is contemplating getting out of the business of supplying insurance for fishing vessels. The Government knows that private companies will not insure all those vessels. It knows that in some cases insurance rates have gone up 100 per cent. Yet the deadline is drawing closer, April 1 is approaching. There are a large number of fishing vessels which, if we believe the Minister's officials, are going to lose their insurance. Yet the Government is going to wait until March 20 before it makes a decision. Someone who needs to go fishing on March 22 will suddenly find his insurance is gone. One of the conditions of the lending institution is that the vessels be insured. When the insurance is gone, the loan is foreclosed, he loses his vessel and the ability to earn an income. To go and find an independent insurer, the fishermen will have to pull their boats out of the water, have a marine surveyor come along, assess the boat for insurance purposes and then they have to wait to see whether they will be accepted or rejected.

It is not irresponsible to ask that this Bill be hoisted for six months, Mr. Speaker. Certainly there are other options. User groups want it postponed until we get the guidelines. The House wants the Minister to appear before the committee to tell us what the over-all game plan is. Surely that is not too hard to do in respect of the Estimates and the annual report, just out of courtesy to the committee. Fishermen are facing very serious deadlines with regard to moorage and insurance which will affect their livelihoods. The Minister has an obligation to tell them what is happening.

• (1140)

I would suggest that my language was certainly harsh. But the Minister knows that that is not a personal thing. It comes from a feeling of frustration. I know, as we all do, of the overwhelming task with which he is faced. However, there are certain things which must be done. In executing the duties that fall to him as Minister of Fisheries and Oceans, he has responsibilities to Canada, the Government and fishermen which he must live up to.

That is the reason the Hon. Member for Humboldt-Lake Centre and the Hon. Member for Thunder Bay-Nipigon moved the motion in the House. The Minister could stop this debate immediately by appearing before the committee, laying guidelines before the House on allocation, and giving us some indication on the record of what the game plan is to be. Unless this is done, he leaves us very little option. A responsible Opposition cannot allow a Bill such as this to be passed.

We recognize that when the Government wins a majority of 211 seats such as it has, it overwhelms the Opposition completely. We know that there are options. The Government can drag out any decision by having the Opposition talk it out until it has essentially bled it white and by not putting forward any opposition to a Bill such as this. We know that there is closure. However, in the past the Government has criticized that mechanism severely. It would be useful if the appropriate route to resolving this impasse were taken. The Minister must appear before the committee, give us some guidelines on how that allocation process is going to take place, and give us an indication of how the people who have used the resource are going to have a place in it. Will they maintain, as a base, traditional shares? Or has he in fact, through the salmon treaty, placed himself in an awkward position?

The Minister knows full well that there is a native dimension to this issue. There are a great number of native people on the coast of British Columbia who share in the industry. I will use rough figures as an illustration rather than absolute figures. Many user groups are saying that native people should have a participation rate at their traditional level. We all recognize that it is complex, but we want to know that the Minister is working on it and that he has a game plan to bring

people from a participation rate of around 5 per cent to a rate of 20 per cent. Further than that, native people at the 5 per cent participation level are in danger of losing their vessels. Will they be taken out of the native fishery? Will their participation rate be reduced? We do not know any of this. We must know what direction the Minister is taking.

There are communities on the coast of B.C. which depend on the resource. The previous federal Government was doing enormous harm to those communities that could have been prevented, or at least those communities could have been prepared for the shock of financial change. The Minister recognizes that communities on the coast of British Columbia are tremendously dependent upon the fisheries. When the Minister makes a decision on who will receive the fish and how those fish will be taken, he determines whether those communities will live or die. As he moves the fishing plant, the local bank does not receive business so it leaves town. Local businesses leave town and gradually there is an implosion which blows the community away.

I recognize that my time is nearly up, Mr. Speaker. I would just like to recap the last point, which has been made many times in the House. I hope that my colleagues from the Liberal Party will comment on this hoist motion and on the issue of promises and fairness as related to Atlantic Canada which I have not had an opportunity to develop in my presentation. I hope that they will rise and comment on this as well.

The Minister must appear before the committee on the Estimates and on the annual report to give us an idea of what is happening, what his intentions are, and what direction the new Government is taking. I am hoping that that will occur very soon. Let us have some indication of what is going on in there. Let him give us an indication, and perhaps on that basis this Bill can be moved to committee and we can get this legislation in place so that it can be applied to the fishing plan which is under development. We will see this summer whether it will hold up constitutionally.

Mr. Fraser: Through you, Mr. Speaker, I would like to say to my hon. friend from Comox-Powell River that I sensed in his remarks some softening of what he called the harshness of his earlier comments. I will accept that as an indication that perhaps we can have a dialogue. I will use this procedure to communicate with him through you, Mr. Speaker.

More than any Fisheries Minister in a number of years, I have met with all of the various groups on the West Coast. I see that my hon. friend is nodding because he knows that. I have been in his riding on several occasions and have accepted his invitiation to meet with groups which he co-operated with me in seeing. The Member knows that I have met with a great many groups on our West Coast. I am confining my comments to the West Coast except to say that I have been in every province in Atlantic Canada twice and in Quebec three times. I have been meeting equally there and will be returning there. Any suggestion that I have not been out and about where the fish and fishermen are is not valid.

Through the Minister's Advisory Committee in British Columbia, the Sports Fishing Advisory Board, the Vessel Owners Association, the Pacific Trollers Association, the UFAW, and a host of other organizations, I have spoken repeatedly in the last six months and given my views on the fishery in the Province of British Columbia. Put very simply, they are, first, the maintenance and re-establishment of the salmon runs. Second, the continuation in a viable form of what we would call the commercial fishery on the West Coast, keeping in mind the lifestyle there. Third, the recognition that there is a growing commercial sports fishing interest which must be recognized. Fourth, that never again after the treaty will any federal Minister of Fisheries be able to set down fisheries policy on the West Coast without consultation with the provincial Government.

There is now a realization that the fishery is of great economic value to the economy of British Columbia, especially in these dreadful times when we have 15 per cent unemployment. The Hon. Member knows also that I am committed to having the Minister's Advisory Committee evolve into an industrial board. He knows also that I have made a commitment that any recommendations that the Minister's Advisory Committee gives me, or the board if it is to be formed at the wishes of the Minister's Advisory Committee, will all be made public at the wish of the board or the Minister's Advisory Committee.

The Hon. Member knows all this, so the suggestion that I am somehow operating behind closed doors or behind some shield of secrecy is not accurate. It is not true, it is not my style, and it is not so.

My hon. friend has suggested that I could come before the committee. I have never refused to come before the committee for any reason at all. I will come before the committee on Estimates or any other matter that the Hon. Member wishes. He says that no one has talked about the fishing vessel insurance program. There was a delegation here from Atlantic Canada yesterday meeting with the officials of the Department. There was a delegation before the committee yesterday talking about this issue. An associate deputy minister will be on the West Coast on Tuesday discussing it. Contrary to what my hon. friend was suggesting—and I do not blame him for suggesting it—we are very much aware of the difficulty with the vessel insurance program if the federal Government should abruptly withdraw from it. As I have said to many other groups and I say to the Hon. Member—and I am sure he will accept this—I have no intention to proceed in such a way as to leave any fisherman in Canada unable to get insurance.

● (1150)

Coming back to what I take are some mollifying words from my hon. friends, if my hon. friend is suggesting that I come before the committee immediately to expand on what I just said, I am prepared to do so. If that would assist the Hon. Member and his Party in moving this legislation along, I will be glad to do that.

I do want the Hon. Member and the House to understand that in discussions with my hon. friend, in perfectly appropriate discussions before the Bill was debated and afterwards, my friend made the suggestion to me that I write down fixed guidelines within which any Minister would operate under the powers the Bill would have with these amendments. I even considered doing that until I heard my hon. friend talking about absolute guarantees of traditional percentages. The moment my friend says that, it puts any Minister of Fisheries in an almost hopeless position because traditional percentages have been adjusting and changing on the West Coast. They have been adjusting and changing by agreement among the different user groups. There will have to be some adjustments in that. I say to you with all frankness, Mr. Speaker, that I cannot come in front of the House and write down a guideline that makes promises that I think will be almost impossible to fulfil in their exactitude.

If my hon. friend wants me to come before the committee and be questioned—it is an unusual procedure, ordinarily this would happen only when this Bill goes to committee—but if my hon. friend is asking me to speed up the process by adjourning this debate and going before the committee to be questioned, I am only too ready to do that.

I want to say through you, Mr. Speaker, that I know the Hon. Member well. We have a high regard for each other, I believe. It was necessary for me, perhaps, to be a little bit acerbic this morning, but myhon. friend has, in the best traditions of the House of Commons, come back with a soft answer and now perhaps he can consider the comments I have made. I will be very interested to hear what his Party and, of course, what my friends in the Official Opposition have to say to that.

Mr. Skelly: Mr. Speaker, I think progress has been made. I would like to make a brief comment on the guideline situation. We were not looking for fixed guidelines, in the sense that they would bind the Minister forever, or to have a totally fixed framework. What we were looking for is the acknowledgement that traditional user groups in the industry would continue to exist and that their rough percentages of involvement would be maintained until by agreement with the user group committee, that could be changed. Therefore, no one would be forced out and they could anticipate, in the short term at least, an acceptable level of presence based on the historical frame.

I do not hear a lot of difference in what the Minister is saying. The other suggestion is that maybe this debate could be adjourned for a period of time, leaving the Government to move on to the Bretton Woods Agreements Bill or whatever its second order of business is, so we could move this Bill to committee and take a quick look at what the Minister has in mind, might be a very useful process.

Mr. McKinnon: Mr. Speaker, the Hon. Member for Comox-Powell River (Mr. Skelly) referred a couple of times in his remarks to my being in the House and he wanted to know why I had not objected to the policies concerning fishing of the Minister of Fisheries and Oceans (Mr. Fraser). I would like to remind the Hon. Member that the Minister of Fisheries and Oceans is the most available Minister of Fisheries and Oceans I have ever seen in my experience in this House. I have spoken to him so often during the past six months about fisheries matters on the West Coast that he used to pick up the phone and say "Hello, Allan" every day. He has been co-operative to a very reasonable degree.

The Hon. Member for Comox-Powell River comes from a commercial fishing area and knows little about sports fishing, I suppose, although he should know because Campbell River is in that region as well as a lot of our commercial fishing fleet.

Around my area, the Victoria constituency, there is mainly sports fishing. We came to what seems to me to be a reasonable compromise between the first cast at the rules for sports fishing this year, which were pretty unacceptable to sports fishermen in my region and the compromise with which the Minister eventually came up that we will be allowed to catch two Spring salmon or Chinook fish each day and 20 per year. I had hoped that during this debate someone would state or be able to question the Minister as to whether that rule would supersede the rule about the 285,000 pieces that can be caught by the trollermen plus the sports fishermen in a year. When that 285,000 has been achieved, does it mean that the person who then has bought a sports fishing licence for $10 can still go out and catch two per day and 20 for the balance of the year?

The purpose of this Bill, which the NDP has been filibustering for several days now and which it now wants to hoist for six months, has been simply to bring some order out of the chaos in the fishing regulations at the present time. The NDP, as is its wont, objects to order. Members of the NDP prefer chaos. They do much better if they can find a chaotic situation about which to complain and grieve and so try to engender some support.

If you look at the clauses in this Bill, Mr. Speaker, each item here is simply to correct a very woolly part of the existing Fisheries Act. I certainly think that the Bill—it is not the end of the legislation—cannot provide a thriving and totally orderly fishing industry, but it goes a long way toward that laudable aim.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall now resume debate. The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I understand the official critics in the Opposition are now meeting with the Minister of Fisheries and Oceans (Mr. Fraser) with the hope of arriving at some mutual agreement on the progress of this Bill. In the meantime, perhaps I could address some of the questions that have been raised. The hon. gentleman who spoke a few moments ago put to the House the problems of the sports fishermen that perhaps by the time the fishermen had obtained their licences, all the pieces of salmon would be gone. That is precisely the problem, Mr. Speaker. It also applies to the commercial fishermen who are saying that when the time of the year has arrived for them to go fishing,

perhaps the sports fishermen will have caught all the fish, and as the Minister of Fisheries and Oceans says he is going to abide by the U.S. agreement, the season might have to be closed.

I would like to take some exception to the remarks made not only by the Minister of Fisheries and Oceans a few moments ago, but to the remarks made by the official critic of the New Democratic Party. Perhaps this is an appropriate time to do so since it appears that we are reaching an agreement behind the curtains.

First, the official critic of the NDP was talking about the moorage fees, as he called them. I believe the Minister of Fisheries called them berthage fees. Fishermen call them wharfage fees. There is quite a difference. A berth is an area where you usually fish, or an area that you have reserved for purposes relating to the fishery. Moorage could be out in the middle of the Atlantic Ocean. Wharfage is when you are tied up to a wharf, either directly or indirectly. In other words, a boat could be tied up to another boat which is tied up to a wharf or to several boats which are tied to the wharf, or a boat could be tied to the wharf itself. I just wanted to clarify the terminology. We are actually talking about wharfage, not moorage, as the NDP says, or berthage, as the Minister of Fisheries and Oceans said.

● (1200)

When the official critic of the NDP spoke a few moments ago, he said that the doubling of moorage fees or wharfage fees, which is actually what he was talking about, was unfair because in certain provinces no fees were paid, and that this came to light last night in the standing committee. He is correct that it came to light last night in the standing committee, but I have to take exception to the reasoning. I do not believe there should be any wharfage fees at all. Perhaps that is what he should modify his position to be. There should not be any wharfage fees across the country. I understand what he is talking about. He is angry because fishermen in British Columbia have to pay to have their boats tied up. For the life of me I cannot understand why fishermen in B.C. ever put up with it in the beginning. We heard evidence which indicated that a fisherman had to pay $60 a month to tie up his boat, and it was not even tied up to the wharf. It was his home port. The fees will now become $120 per month for him to have the right to tie up his boat to a wharf. I do not understand the fishermen in British Columbia or the unions representing them, I do not understand how it was put into place in the beginning.

I take exception to the Minister saying that he is looking into the question of the fishing vessel insurance scheme. He has said to several people, I believe behind the scenes, that he will make sure no fisherman will be in a situation where he cannot get any insurance at all. That was the general tone of the Minister's remarks. The fact of the matter is that any fisherman can obtain private insurance on his boat. There is no doubt about that, but the problem is how much he will have to pay for it. The leakiest boat in Canada, the oldest boat in Canada with a rotten bottom, could be insured, but how much will the premiums be? That is the problem. When the notice went out to fishermen that the fishing vessel insurance scheme would be cancelled, that is the government-sponsored scheme, they had to look ahead. March 31 is coming and many of them will have to renew their insurance. They will go to private insurance companies and will have to pay perhaps three times the premiums they paid last year. In some cases, for large boats it will amount to $20,000 or $30,000. The Minister's argument has to be one way or the other, either he will cancel the scheme or he will not.

I should like to give the Minister a word of advice. He cannot cancel the fishing vessel insurance plan which was instituted for a particular purpose. It is serving its purpose well. The Government says that it will save money by doing away with the scheme. It should look at the facts, at the balance sheet which shows a $5 million profit in the scheme since it was instituted in the early 1950s. Where is the saving? Yes, the Government will save in salaries, because everyone who works with that particular Department will be laid off, but it will not be gaining in the long run. Yes, the scheme lost money last year and the year before, but as witnesses from British Columbia pointed out to the committee last night, over a period of time it does not lose money on the scheme. The Minister of Fisheries and Oceans should announce immediately that the ill-advised policy inflicted upon him by the President of the Treasury Board (Mr. de Cotret) will be reversed and the fishing vessel insurance scheme will be reactivated. He should tell the fishermen of Canada that they need not worry, that they will not have to pay two or three times the amount they paid last year for insurance.

I have heard certain Hon. Members point out that fishermen can obtain insurance at the same rate and sometimes even at a lower rate. Those fishermen are free to do so. There is no argument there. If they can obtain just as good a deal from a private insurance company, they would be crazy to stay under the federal scheme. Let them get the better insurance. However, the fishing vessel insurance scheme was put in place for people who could not afford the insurance schemes of private companies. It was put in place so that there would be a fast turnover of money in case of accident. It was put in place for many boats in northern areas of the country, in far-flung areas. It was extremely difficult for those owners to obtain insurance from private firms because the boats would have to be inspected up north in small communities. The Minister should announce the immediate cancellation of that policy statement of the President of the Treasury Board.

The motion before the House today moved by the NDP deals with the authority of the Minister. Of course, matters such as the fishing vessel insurance scheme and wharfage fees being imposed and doubled across the country were mentioned in this debate as they relate to the authority of the Minister. We should not forget that other things were done under the authority of the Minister since the Government came into power which were really not good at all. I refer to the outrageous cost of charts to fishermen. This was imposed by

the President of the Treasury Board upon the Minister of Fisheries.

I will refer to another matter which we should never forget. It was brought home last night by fishermen from British Columbia. I asked them whether they realized they would have to pay for telephone calls to the weather office. They said that they did not have to pay for them. I indicated that it was a new policy of the Government of Canada, the Minister of the Environment (Mrs. Blais-Grenier), and they said they had to call the weather office every day for updates. it is an example of something which will have an effect right down the line. That charge is being imposed upon the Canadian public, supposedly to increase revenues to the Government of Canada by some $2 million. The fact of the matter is that fishermen in British Columbia, in Newfoundland, on the East Coast, in the Great Lakes and in the freshwater systems, will hesitate to telephone the weather office when they know they will have to pay. That is what is wrong with this policy. We do not want to discourage them from telephoning for weather updates because their safety is involved. If they pause before making that telephone call because they have to pay for it, and perhaps cannot afford it, we are into a very dangerous area. However, that subject has not been discussed to any great degree in this Chamber. Perhaps it is one of the most important matters relating to fishermen.

The authority being requested by the Bill is not a new one. It is an authority which the Minister of Fisheries thought he always had. There are some new areas included in the Bill, but its general thrust is to give the Minister authority for something he has always done but did not know he could not do legally. As members of the Standing Committee on Fisheries and Forestry know, fishermen appearing before them are not happy with the Federal Department of Fisheries and Oceans or with the Minister. They are not happy with resource allocation or with the distinguishing between gear types which brought on this Bill. The court judge said, "Minister of Fisheries, you cannot allocate fish according to gear types". That is a sore point with fishermen right across this country.

• (1210)

For the benefit of the Minister of Fisheries and Oceans, let me say that it varies from area to area. It has been a big problem over the last 10 or 15 years. That is why the Ministry of Fisheries is asking for authority under this Bill to impose quotas on gear types of social and economic reasons, not for conservation and protection of the stock. It is a very unusual area with which the Minister of Fisheries and Oceans is dealing. Fishermen right across this country will bear out the truth of that statement. I will give just two short examples.

A few years ago when you talked to fishermen dealing with the cod fishery, they said that the Government of Canada and the provincial Governments were saying that they should have a new gear type, commonly referred to as the Japanese cod trap. They were saying that because it gives better quality fish. It is a trap with a bottom, a side and a top. The fish come in and swim around continually. They are alive. When you open the top of the net, you just tip the fish into the boat. Regardless of how long that net is in the water, the fish are alive.

This was promoted. The Japanese cod trap in the early 1970s cost $8,500 made up. Some fishermen were given nets by the Government. They were given to fishermen in selected areas of eastern Canada. It was a great thing for fishermen to have, no doubt about it. Better quality fish were caught.

But along came the problems associated with that gear type. The mesh was small. The holes in the net were small. When the fish got in, they could not get out, not even the small ones. When the salmon got in, only the very small ones could get out. Along came the problems of the salmon fishery. Fishermen were not allowed by law to keep the salmon in the net. They discovered that they were not allowed to sell any fish under 18 inches to a fish plant. The fishermen said, "We were told that this was our salvation, that this was the best way for us to get good quality fish and to get a better price for them".

When you talk about gear types today, you are not talking about Japanese cod traps, which were heralded as being better than a gillnet on the bottom of the ocean, which killed the fish by drowning them. We do not talk about Japanese cod traps any more. They are now a bad thing. Every conservation group, every fisheries officer and the fishermen agree that it is a bad thing because it catches small fish that cannot be sold. In some cases it kills fish in the leader of that Japanese cod trap.

Where has the Department of Fisheries gone now? Now it has gone to trawls. They now tell the fishermen the gillnet is no good any more because it drowns fish. The Japanese cod trap catches small fish which cannot be sold. It traps salmon, sometimes kills them, and they have to be thrown away. That is a bad gear type. Now the fishermen are to go to trawls.

Trawls are hook and line. That is bait. They say you get a better quality fish with a trawl. The fisheries people across this country today are being told that the salvation is the trawl. They have gone from this gear type to another gear type to another gear type.

This Bill talks about gear types. The Government of Canada was promoting different gear types and asked fishermen to catch herring through the ice. They were paid $4.20 a hour. That was only four years ago. They were encouraged to put out gillnets. In those same areas of Canada today, there is no quota. The scientists claim that all the herring are gone. However, it was only a short time ago that the Department of Fisheries was paying people to catch herring. They were encouraged to catch that particular species.

When you talk about gear types and the allocation of a resource to gear types to fishermen, and the fact that this Bill gives this authority, the fishermen say, "What about this and what about that? Why was this mistake and that mistake made? Don't talk to me about gear types. Don't talk to me about the Minister of Fisheries allocating gear types to fishermen in this country because the Government has a pretty poor record to go on".

I notice, Mr. Speaker, that you are indicating that I have run out of time. In conclusion, the authority being sought by the Minister in this Bill is suspect to fishermen in Canada. That is the first point. I do not see anything wrong with the Minister getting that authority. Obviously he has to have some authority. The new authority which he will get under the Bill, according to some Members in this House, is not a good thing. I cannot see that much wrong with it. I simply point out that in legislation such as this, the Minister of Fisheries and Oceans should remember that the fishermen of Canada have some very legitimate points to make. Those points should be taken into consideration when dealing with new legislation in this Chamber.

Mr. Deputy Speaker: Questions or comments?

Mr. Skelly: Mr. Speaker, I just want to remove any suggestion that we were not asking for fairness in the question of moorage rates in British Columbia. If the previous Government and other Governments which preceded it did exempt people in the fishing industry in eastern Canada from moorage rates, those exemptions should apply on the West Coast of Canada the same as they do in Atlantic Canada. No person in this House would disagree with that statement. After the incredible statements that came to light in the committee last night, I am sure that justice will be done and that that in fact will happen on the West Coast. I am convinced if this does not happen quickly, there is going to be a very rough fight over this issue.

I think the Hon. Member will be with us fighting that cause, the whole principle of fairness which I talked about with regard to those moorage fees being lifted on the West Coast of Canada. In many respects that infrastructure is like that of the highways. Commercial activity has to be viewed in that manner. I just want to pick up that one small point. I enjoyed the Hon. Member's speech very much. I expect he and his colleagues will be fighting with us to have that principle of fairness observed.

Mr. Baker: Mr. Speaker, it is not a question of fairness. The question is one of abolition. It should not be in place. Wharfage fees should not be charged in this country. I agree with the Hon. Member that a fisherman with a 38-foot boat will now have to pay to tie up. If it is a rickety old wharf or a brand new wharf in the Province of British Columbia, he will have to pay $120 a month. It is not fair that he has to pay that money. That is what I dispute. It is true, as the Hon. Member says, that all fishermen should have to pay the same, regardless of what province they are in, if it is a federal Act. My point is that it should not be charged at all. There should be no fee.

I wish to say something for the benefit of the Hon. Member from New Brunswick who is about to speak in the Chamber. I always refer to this Hon. Member as being the Hon. Member from New Brunswick because of the speeches he has made over the years in this Chamber. He is going to take exception to something that I said and I will not have a chance to reply until the end.

• (1220)

Last night, some fishermen appeared before the Fisheries Committee. I wish the Member from New Brunswick had been there to listen to those fishermen. They explained why we must keep the Fishing Vessel Insurance Plan. They said that there are groups of fishermen who go to private insurance companies but that there are other groups of fishermen who cannot afford to go to those insurance companies because they cannot get comparable rates. The Fishing Vessel Insurance Plan of the federal Government is much better than the private insurance plan because of the turn-over time involved in settling accounts and because the fees are much cheaper.

The Member from New Brunswick will say that there is this group of fishermen and that group of fishermen who go to private insurance companies and have no problems at all and if they can do it, then why can the rest of the fishermen not do so as well. I only wish he had been at the committee meeting last night. He could have had a good argument with the fishermen from British Columbia who were present.

Mr. Gass: Mr. Speaker, the Hon. Member from Newfoundland has referred to the Hon. Member from New Brunswick. The Hon. Member from New Brunswick wanted to speak but unfortunately, because of an agreement that we made to adjourn this debate and move the subject matter of the Bill to committee, I think the time has come when there will be no more speakers on this Bill.

Mr. Baker: Mr. Speaker, I would just like to make the comment that that is unfortunate. The Hon. Member to whom I was referring, the Hon. Member for Carleton-Charlotte (Mr. McCain), is probably one of the most knowledgeable Conservative Members in this Chamber regarding fishery and forestry matters. He is the most knowledgeable Member I have seen on that side of the House in the past 10 years. I would suggest to members of the Conservative Party that when they are arranging debates on forestry and fishery, they make sure that that Hon. Member speaks.

Mr. Henderson: Mr. Speaker, there has been an agreement made today to adjourn this debate and to put the subject matter of the Bill before committee. The Minister has guaranteed us in the House that he will meet with us regarding the Bill itself. We in the Official Opposition agree with that and would like to show the necessary co-operation.

We realize that the Bill gives to the Minister powers that he thought he already had until the ruling of Mr. Justice Collier of British Columbia. However, there are a great many unanswered questions that can be asked of the Department of Fisheries. That is why we wanted the Minister to meet with us before this Bill went through second reading in the House. The Minister has agreed to do that, and we in the Official Opposition agree that we should now adjourn this debate, move the subject matter into committee for further discussion, and then return it to the floor of the House of Commons to complete second reading.

Mr. McCain: Mr. Speaker, I would like to make a comment. Some of us in this House have particular industries at heart, and as the Hon. Member for Gander-Twillingate (Mr. Baker) has stated, this is one of the industries I have at heart as it is one of the industries he has at heart. However, I would like to point out one thing. The position in which the Minister of Fisheries and Oceans (Mr. Fraser) presently finds himself is one which he inherited. Many of the things with which he must deal are things which I have opposed.

On the other hand, I must say that the Hon. Member for Gander-Twillingate, whose positions and opinions I very highly respect and for whose kind remarks I am thankful, found himself voting for things which put the fishery industry in the position in which it presently finds itself. How this will be corrected, I cannot say.

I do not have an idea of how the errors of the ways of 15 years of Fisheries Ministers under Mr. Trudeau can be corrected in any short period of time or how one can get the people in the Department to recognize that there has been a change and that some of the old methods do not work. For instance, the appraisal of stocks must be revised so that when there are fish in the sea to be caught, our processors do not have to go to the Baltic to buy fish while our own fish swim away under uninhibited fishing restrictions.

These are the things with which the Minister finds himself faced. He inherited these things. I hope that the Hon. Member for Gander-Twillingate and the Hon. Member for Egmont (Mr. Henderson) will be as helpful in trying to reconstruct a fishing industry and a Ministry with a progressive and constructive program as they were in supporting the legislation which put the present Minister in the position in which he now finds himself.

Mr. Baker: Mr. Speaker, in the limited time available, I have two brief comments to make. It is quite correct that the present Minister of Fisheries and Oceans did inherit certain things. He inherited the fishing vessel insurance scheme with which he is now doing away, research stations which he is now closing and scientific fishery experts whom he is now terminating. I would have to agree with the hon. gentleman in that respect.

Mr. Skelly: Mr. Speaker, I think one of the constructive things that has come out of this rather arduous debate is the development of a new method. In the short period that I have been here, I do not recall too many other occasions on which we have managed to find a way around an impasse. I think the Government has made a unique and very constructive offer to find a way around this impasse. I know my Liberal colleagues are interested in co-operating with the Government to see if we cannot begin to work on the problems away from the Chamber while allowing the House to continue its business. I am extremely pleased by the offer that has come forward from the Government and we certainly appreciate the opportunity to look at the matter in committee.

Mr. Hnatyshyn: Mr. Speaker, I have been apprised of the situation which has developed during the course of debate. There have been discussions with the Minister of Fisheries and Oceans (Mr. Fraser) and the critics of the opposition Parties. I have heard them address the issue of how we may deal with this Bill. Therefore, although I believe it requires the unanimous consent of the House, I am quite prepared, on the basis of that understanding, to propose that we adjourn debate on this matter and deal with Bill C-30.

It is the undertaking of the Minister to appear before the appropriate committee to have a full discussion with members of that committee regarding the questions that have been raised by members of the Opposition. After the appropriate committee hearings, I will then take the advice of and consult with opposition House Leaders about further discussion on this Bill.

I therefore propose that, on that understanding, we adjourn this debate and move on to Bill C-30. The Minister will indeed appear before the members of the committee and discuss the points that have been raised during the course of this debate.

Mr. Deputy Speaker: Is there unanimous consent to agree to the House Leader's proposition?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well. It is agreed.

Some Hon. Members: Hear, hear!

* * *

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (President of the Privy Council) (for Mrs. McDougall) moved that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the Minister of State for Finance (Mrs. McDougall) is unavailable at this time so I call upon the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) to make an address regarding second reading, and then we can carry on with debate.

• (1230)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have the honour of presenting Bill C-30 on second reading. The purpose of this Bill is to amend the Bretton Woods Agreements Act, and it does so in three ways. First of all, it provides the necessary legislation to authorize participation by Canada in the International

Finance Corporation, a branch of the World Bank whose activities are directed toward the private sector; second, the Bill consolidates legislation relating to all member institutions of the World Bank group; and third, it modifies the procedure for obtaining the approval of Parliament for financing these institutions.

The Bill's main objective is therefore to legislate the necessary authorization for Canada's participation in the International Finance Corporation, usually referred to as the IFC.

The IFC was created by the World Bank in 1956, with a special mandate to promote private sector investment in less developed countries by seeking out investment opportunities and bringing them to the attention of local and foreign investors. Using its own staff and consultants, the IFC seeks out and promotes investments that are not only commercially viable but will also contribute to the overall economic development of the country in question. In this respect, the International Finance Corporation complements very considerably the World Bank's development activities.

The International Finance Corporation, which has a capital base of $1.3 billion, expects to invest $4.5 billion over the next five years in projects estimated at a total value of $30 billion. Although the majority of the Corporation's investments will take the form of loans, the IFC also uses part of its resources to acquire an interest in a company when there is a lack of private venture capital. Since the IFC is able to underwrite part of the investment, it has also been possible to set up joint ventures and to help investors obtain commercial loans. Furthermore, the IFC has been active in promoting the expansion of capital markets in developing countries to create both national and foreign sources of investment capital.

Although Canada has been a member of the IFC since its inception, our legislation does not provide any authorization for Canada's participation in the Corporation. As is the case for many other programs, the necessary authorization was considered to have been given by tacit agreement when Parliament approved the payments after the Estimates were tabled. In 1982, the President of the Treasury Board decided that legislation would have to be passed in the case of each program. Last year, another increase in the Corporation's capital, totalling $650 million in U.S. funds, was negotiated to enable the IFC implement its new investment program. If Canada is to be able to contribute like other member countries towards increasing the capital of this important development institution, official approval must now be obtained through legislation.

The second change I am proposing would consolidate, in a single Act, the legislation concerning the three institutions that constitute the World Bank group. Besides the IFC, these institutions include the International Bank for Reconstruction and Development, better known as the World Bank and the largest institution in the group, and the International Development Association—the IDA—which is responsible for providing the poorest countries with loans on more flexible terms.

The World Bank was created in 1944 to help finance the reconstruction of a Europe destroyed by war. Once the reconstruction of Europe had become a reality, the World Bank shifted its attention to the economic development of the Third World. Today the World Bank, which has over $80 billion in subscribed capital and some 143 members, is the largest single development agency in the world. Together with the International Monetary Fund, it plays a vital role in maintaining international economic and financial stability. In 1984, the World Bank approved some 130 loans valued at about $12 billion to more than 43 developing countries.

The World Bank finances its loans through two kinds of contributions it receives from member countries. A small amount, recently just 8.75 per cent of the Bank's capital, is provided in cash and in the form of demand notes. The remainder 91.25 per cent of subscribed capital is available in the form of callable capital guaranteed by the governments of member countries. The World Bank borrows funds, usually by selling long-term bonds on the international capital market which are guaranteed by its callable capital. The funds are then lent to developing countries on terms that enable the World Bank to recover 100 per cent of its costs and to constitute a prudent level of adequate reserves.

Although World Bank loans are granted under the best possible commercial terms, some countries find that even these rates would place an undue burden on their resources. Since as a result of loans granted to countries with a low solvency level, the World Bank's AAA credit rating might suffer, in 1960 World Bank member countries set up the International Development Association in order to expand the World Bank's activities in the poorest countries. Unlike the World Bank, the resources of the International Development Association are provided directly by governments of member countries in the form of regular replenishments. The IDA then uses these funds to grant long-term loans on very concessional terms to developing countries with annual per capita incomes below $790. However, IDA projects must maintain a very high quality and provide a high economic rate of return. The IDA—excuse me, Mr. Speaker, but this is of course the English abbreviation and although I realize that the French abbreviation would be in order, I shall continue to refer to the Association as the IDA—therefore, the International Development Association also finances technical assistance to ensure that the objectives of the projects are achieved.

In 1984, IDA approved 106 loans valued at over $3.5 billion to 43 countries. About 32 per cent went to African countries south of the Sahara. In future, the proportion of IDA loans directed to Africa will be increased to 37 per cent, as the World Bank is now concentrating even more of its attention on the very serious problems confronting this region. An increasing proportion of IDA resources is being used to help revamp

policies and institutions, to ensure that the resources provided by Canada and other donor countries within the framework of emergency measures and long-term development financing are indeed utilized as efficiently as possible.

● (1240)

To enable IDA to renew its efforts, Canada recently advised the World Bank that we would contribute $100 million in Canadian currency to the American $1.1 billion special assistance fund for sub-Saharan African countries. The fund is administered by IDA whose specific purpose is to implement political reform and structural adjustment programs to correct the weakening trend which now besets African nations. More particularly, IDA is attempting to boost agricultural production in that region.

The third amendment introduced would change the way Parliament approves Canadian financial assistance to those institutions. Instead of providing exact figures in the legislation itself, as the practice has been so far, the amount of Canada's contribution to each institution would come under parliamentary scrutiny each year after the estimates are tabled. Parliament would no longer be required to amend the legislation everytime we want to make an additional contribution under special agreements such as the special assistance fund for sub-Saharan African countries. At the same time, Parliament would be legally authorized to assess the payments made to each institution along with those made to the World Bank Group as a whole and other aid mechanisms, with a view to judging their advisability when the estimates are tabled.

This amendment would also make it possible to standardize the over-all process of payments made to the World Bank Group, along the lines of a special process approved by Parliament in 1982 in the case of regional development banks.

Canada was party to recent negotiations on a selective increase in IBRD capital stock—the International Bank for Reconstruction and Development—whereby Canada may acquire additional shares.

The total cost of additional shares would run up to about $320 million in current Canadian currency. However, only 8.75 per cent of the shares' norminal value—roughly $28 million in Canada dollars—are to be paid over a four-to-five-year period.

The remainder of our subscription is callable and represents a real debt of and a possible disbursement by the Canadian Government. Acquiring that interest will make Canada a shareholder of 2.92 per cent of the total capital stock of the International Bank for Reconstruction and Development, as such entitled to appoint a Canadian to the World Bank board of directors. This will enable us to scrutinize World Bank policies and projects, and make sure that its financial standing remains high.

Under the recently concluded agreement to double the capital stock of the International Finance Corporation—it must be paid in full—Canada is entitled to buy enough shares to maintain its interest at the current level of 3.85 per cent. This increase would cost Canada $25 million in American dollars payable over the next five years.

The seventh IDA replenishment negotiated last year calls for a payment of $9 billion for the three years from 1985 to 1988. Canada has agreed to contribute $500 million, or 4.5 per cent of the resources.

Most payments to the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association will be made through callable non-interest bearing notes issued by the Minister of Finance (Mr. Wilson) in the coming four years. However, the notes will be called over a longer period of time, as the institutions finance projects and programs in developing countries. That is why the replenishments and increases in capital stock will have a minor impact on our annual budgets. The latter appear in the Government estimates and will be submitted to Parliament for approval when the annual budget is introduced.

Mr. Speaker, since the above-mentioned amendments require a change of title in the Act, a number of consequential amendments must be made to five other acts under which the World Bank is granted authority to make borrowings in Canada.

Since those acts needed to be amended anyhow, we also brought forward other changes in order that the International Finance Corporation be allowed to make borrowings in Canada to the same extent as the World Bank is. Just like the International Bank for Reconstruction and Development, and as provided for in its Articles of Association, the International Finance Corporation is required to obtain official approval from the Government of Canada before it will borrow Canadian dollars or make borrowings on the Canadian markets. Since the International Finance Corporation does not make significant borrowings on the international money markets, there is little likelihood that it will attempt to arrange borrowings in Canada in the near future.

Before concluding, Mr. Speaker, we would like to point out that we are proposing in Clause 7 to amend the requirement for the Minister of Finance to submit to Parliament an annual report on aspects of the World Bank operations that directly concern Canada. That amendment tends to further specify the contents of the report, including the procurement of Canadian goods and services for World Bank funded projects.

With respect to those procurements, although Canada's help to member countries of the World Bank Group is predicated on the efficiency of those development institutions, we have to make sure that Canadians have access to that very significant market. Until now, Canadian suppliers of goods and services

have actually received payments amounting to 75 per cent of Canada's contributions to those institutions. The share of procurements in Canada that have been financed by the World Bank is equal or greater than our share in OECD exports to developing countries. Nonetheless, we believe we can do better. Therefore, Canada's trade office in Washington has been strengthened and our procedures in Ottawa streamlined to better help Canadian firms cope with the World Bank's procurement needs.

Mr. Speaker, we are experiencing trying economic times, but the sad conditions which are particularly severe in developing countries and what actually goes on in those countries have a direct impact on Canadians with respect to our exports, our employment situation and the stability of our financial structures. The world economy has never been so closely interrelated.

Some of the recent incidents have made it crystal clear to us that we simply cannot ignore those problems. Television screens brought into our living rooms telling and striking scenes of hardships caused by drought and the resulting famine. Canadians reacted with unprecedented generosity, fully aware that we cannot remain indifferent to the woes which are the lot of other human beings.

The Bill under consideration today confirms once again that Canada does not intend to let developing countries fend for themselves when they most need assistance. It reaffirms as well Canada's strong support for multilateral endeavours—the World Bank Group is a shining example—which have done so much to maintain peace and guarantee the well-being of nations through these trying times.

With that in mind, Mr. Speaker, we urge all deeply concerned Members to support the Government and confirm the sincere Canadian commitment to those international institutions. We hope they will quickly and efficiently consider this very important piece of legislation.

• (1250)

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, this particular Bill will consolidate legislative authority for Canada's participation in three affiliates of the World Bank group. Thus the Bretton Woods Agreements Act is to become the Bretton Woods and Related Agreements Act.

Bill C-30 also proposes a change in how Parliament is asked to approve Canada's participation in these international financial institutions. It is proposed that authority for expenditure be sought annually through the Estimates. The practice until now has been to amend the Act, that is to bring a Bill before the House. So with the new proposal the House will lose an opportunity each year to debate a Bill dealing with international development, but Members will be able to see from year to year in the Estimates that Canada is indeed meeting its obligations to these institutions and that our commitments remain strong. Of course, there will be opportunity for discussion of these matters in committee. In 1982, a similar provision was adopted by this House with respect to the regional development banks, the Asian Development Bank, the Inter-American Development Bank and the Caribbean Development Bank.

We in the Official Opposition see no particular reason for a long debate of this Bill. Canada is a co-founder and major player in the institutions with which the Bill deals. The World Bank and its affiliates are the most important multilateral institutions in the world dedicated to fostering economic health and well-being, and we would like to see Canada's contributions go forward in a timely fashion. But because we have relatively few occasions to bring the subject before the House, we would like to talk about these institutions today and while the Bill remains before the House.

International finance is a complex subject indeed, but Canadians are entitled to know where their money is going and why. Our own well-being is closely linked to the economic security of other countries in the world. Behind the technical language of a Bill, we see evidence that Canada is truly interested and committed to helping alleviate if not resolve the problems of a large number of developing countries in varying degrees of financial difficulty. In this Canada has had a long and honourable tradition.

As Hon. Members will know, the name Bretton Woods refers to the village in New Hampshire where, in the summer of 1944, representatives of 28 nations, including Canada, met. All were deeply concerned about the adequacy of the international monetary system after the chaos created by the Great Depression and World War II. Following that war, Europe and Japan found their economies in a shambles. The capital needed to maintain even a minimal standard of living was lacking. Countries which had not experienced massive wartime destruction still had to face the difficult task of converting wartime economies into peacetime and consumer-oriented economies.

A number of economic conferences took place in the immediate post-World War II period to address these problems. The Bretton Woods conference is significant because it established the key institutions of a new international system. GATT, the General Agreement on Tariffs and Trade; the IMF, the International Monetary Fund; and the IBRD, the International Bank for Reconstruction and Development, also known as the World Bank, were born at Bretton Woods. The founders of these institutions recognized that the prosperity of the world would depend on an orderly and flexible trading system. The IMF was created to provide stability to the global monetary and financial system. The World Bank was created to provide long-term financing to member states in need of it, first, to help in rebuilding post-war Europe, and then to promote economic development in developing countries. GATT was instituted to bring a more liberal trading system to the world after the insular and destructive beggar-thy-neighbour policies of the post-World War I years.

This new international monetary system had as its task to provide exchange rate stability and a greater degree of mone-

tary co-operation among member states. For a number of years this was accomplished. By the mid-1970s, however, the post-war practice of fixed exchange rates had given way to a new system of floating exchange rates, a response to the growth in world trade and the entry of major new players in the world trading picture. Being far less structured than the previous system and therefore less easy to control or operate, the floating rate system has all the advantages of flexibility and all the disadvantages of volatility. The search for a happy medium, more stable than at present and less rigid than the Bretton Woods system, has been seriously complicated by two phenomena; the energy shocks which resulted in extreme fluctuation in balance of payments movements, and the world recession. So what we have had in the last decade or so is an imperfect system operating in very difficult circumstances. What we also have, however, are institutions that have come to be acknowledged as extremely effective multilateral bodies dedicated to helping raise the standard of living in developing countries. That is the very essence of development assistance. Development assistance does not mean handing out money. What it means is that we in Canada, as members of an international community, living in a country which is one of the more privileged trading nations, have a stake in fostering the stability of the international financial system.

In a time of international financial stress we have a responsibility and an obligation to promote multilateral co-operation. The practical application of this obviously is a reaffirmation of our commitment to these multilateral financial institutions.

The World Bank group, with which Bill C-30 is concerned, is composed of the IBRD and two affiliates, the International Development Association and the International Finance Corporation. All three have the purpose of raising standards of living in developing countries, and this is done by channelling financial resources from developed countries to developing countries. The IBRD's capital is subscribed by its 147 member countries, and the Bank's lending operations are mainly financed through its own prudent borrowings on the world's capital markets. Every so often the Bank carries out general capital increases in order to expand its lending programs. Most of the Bank's subscribed capital is in the form of guarantees by members and only a small portion is actually paid in. IBRD loans are made on commercially related terms and only for productive purposes where economic growth would be stimulated. Projects are carefully chosen and evaluated by the Bank's staff with local authorities and client countries to ensure that they will be effective and that the repayment prospects are high. IBRD's loans are made to Governments and must be guaranteed by those Governments.

I note it is almost one o'clock. May I continue after the recess, Mr. Speaker?

Mr. Deputy Speaker: The Hon. Member has 30 minutes left in her speech.

[*Translation*]

It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p. m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CITIZENSHIP COURTS

PRESS REPORT OF COMMENT ATTRIBUTED TO SECRETARY OF STATE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Secretary of State (Mr. McLean) is quoted this morning by the *Canadian Press* as saying that Citizenship Court Judge Geraldine Copps of Hamilton was denied her appointment by him because: "You check the record. What her daughter had to say about this Government", referring to my distinguished colleague, the Hon. Member for Hamilton East (Ms. Copps).

This disgusting comment is an insult, and an infringement on all of the rights of elected officials in this country, whether they be federal, provincial or municipal. This vicious attack by the Secretary of State on the right to freedom of speech, which is protected by Canada's Charter of Rights, is a totally unacceptable abuse of the public trust the Minister has sworn an oath to defend.

The rights and privileges of all Hon. Members in this House are under attack today by the Secretary of State. The very foundation of Parliamentary democracy is being undermined by the degrading and humiliating comments of this man who is the Prime Minister's (Mr. Mulroney) personal appointee to oversee the status of women in Canada. In the absence of the Prime Minister, I ask the Deputy Prime Minister (Mr. Nielsen) to demand immediately the resignation of the Secretary of State who is unworthy of the high office that he holds.

* * *

RAILWAYS

GRAIN TRANSPORTATION—USE OF ALUMINUM HOPPER CARS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, there are 3,000 aluminum grain hopper cars available for use on light rail branch lines in the West. The use of these cars increases the movement of grain from those branch lines by almost one-third for the same number of cars loaded, as well as having other advantages. In the last few years the railways have not switched out the aluminum cars for particular use on the branch lines which need them.

I call upon the Minister of Transport (Mr. Mazankowski) to insist that railways use these cars for the purpose for which they were purchased, and so increase returns to farmers for their grain sales.

S.O. 21

In the process of rehabilitation of branch lines would the Minister also assure us that upgrading will include heavy steel so that all kinds of hopper cars can be used without the inconvenience and extra cost of switching? The Henribourg-Paddockwood branch line in my constituency is a good example of the need for such assurance.

* * *

[*Translation*]

ACID RAIN

NEW GOVERNMENT POLICY

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the new government policy on acid rain announced last week by the Minister of Environment (Mrs. Blais-Grenier) is an historic step. Canada thus becomes the first industrialized country to take concrete action to show a firm intention to control acid rain.

I am especially pleased to see that the Minister will allocate up to $150 million for research and the modernization of plants.

Mr. Speaker, the co-ordinator of the Canadian coalition against acid rain has welcomed the news that Canada has finally assumed its responsibilities. In my constituency, Mr. Guy Leclerc of the standing committee on environment in Rouyn-Noranda said on the CBC that the federal government has done its part and that the province and Noranda Mines should now act with the same determination.

Mr. Speaker, during the last election campaign, I had promised my fellow citizens that the Progressive Conservative government would promptly react to improve the quality of life in our environment. After only six months in power, the Progressive Conservative government has shown that the protection of the environment is indeed one of its priorities.

This is, Mr. Speaker, a clear signal that our government is abiding by its election commitments made to the Canadian people.

* * *

[*English*]

POLITICAL PARTIES

LIBERAL PARTY FUND RAISING LETTER

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I have received a communication from the Right Hon. John Turner, Leader of the Liberal Party of Canada, with the salutation "Dear Friend". In the same envelope a memo was enclosed from one John N. Turner which reads: "As a valued Party supporter your opinion is important to me and to the Party as a whole". He goes on to say that my answers will help him to gauge opinion on several of the key issues, and will provide him with valuable direction. He assures me that my reply will be kept in the strictest of confidence and he will see to it that I am kept informed.

This is confusing, Mr. Speaker. I am delighted that the right hon. gentleman considers me to be a "Dear Friend", but become concerned when he tells me that I am a "valued Party supporter". Of course he does not say which Party I am a valued supporter of, so perhaps that explains it. Nonetheless, as he has asked me as a friend to provide him with my opinion of what he should be doing, I am pleased to do so. Throw away the cue cards, be nice to the Prime Minister (Mr. Mulroney), expand your peripheral vision to your right, and learn to enjoy being Leader of the Opposition.

Sorry I didn't have the $30 you seek to bail you out, but that is your predecessor's fault. Do keep in touch, and don't worry about keeping this confidential.

* * *

[*Translation*]

EMPLOYMENT

EQUALITY IN EMPLOYMENT PROGRAM

Mrs. Lucie Pépin (Outremont): Last Friday, Mr. Speaker, the Progressive Conservative government demonstrated its propensity for prospective. In its Equality in Employment program, it has indeed failed to impose mandatory compliance on companies and Crown corporations. With initiatives such as this, equality in the workplace for the handicapped, the visible minorities, the Indians and women generally will certainly not be achieved within the 21st Century.

The aim of this program is certainly commendable, Mr. Speaker, but the means to achieve it are certainly debatable. It has been demonstrated many times that voluntarism does not produce much. To this day, the voluntary programs implemented within the Civil Service for women have hardly changed the manpower structure. The fact that Crown corporations will only be required to report on their progress in the promotion of the four groups identified within the workforce comes down to making public opinion the ultimate instrument of control.

The lack of penalties for non-observance of the Equality in Employment program makes it voluntary, for all practical purposes. That is the impression the government left last week. That is unfortunately the message which it has sent to Crown corporations and companies which compete for government contracts.

[*English*]

PUBLIC SERVICE

EMPLOYMENT OF RACIAL AND ETHNIC GROUP MEMBERS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, on Friday the Government gave its first response to the Abella Report on Equality in Employment. The response promises that a degree of employment equity is to be achieved in the federal Public Service and in some companies entering into government contracts.

At the same time the President of the Treasury Board (Mr. de Cotret) announced that a survey is to be conducted in April to examine the employment situation within the Public Service of members of ethnic and racial groups. Such a survey was first announced in June, 1983. The previous Government said last June that it would collect and analyse the necessary data by December, 1984. Clearly there have been difficulties within the Public Service in carrying out this essential survey.

As well, the President of the Treasury Board has said that he has advisory committees for women, native Canadians, and the disabled, but not for racial and ethnic minorities in the Public Service. This fact raises questions about the determination of the Government to address the employment concerns of Canada's multicultural community.

Fifteen years of implementation of the Official Languages Act demonstrates that the Public Service can respond to the public will. Members of our ethnic and racial groups expect that the Public Service will come to reflect the multicultural reality of Canada as it now reflects the bilingual nature of our country.

* * *

EXPO '86

A WORLD-WIDE INVITATION

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, Expo '86, next year's World's Fair in Vancouver, can be a tremendous economic, social, and psychological boost, not only for British Columbia but for our entire nation. The international spotlight will shine on the world's most beautiful city as Vancouver becomes a magnificent showplace for more than 30 nations and 50 provinces, states, and corporate exhibitors. Expo '86 can be a once-in-a-lifetime opportunity for Canada. It can be our chance to welcome the world to a new Canada, our chance to create a new prosperity.

The communications and transportation themes of Expo '86 "World In Motion — World In Touch" will provide a unique focus for Canadian technology and ingenuity. Our nation can reap tremendous benefits from this six-month extravaganza. A new era of economic growth can dawn in British Columbia.

I urge all Members in the House to take a real interest in this century's most spectacular Canadian event, and join with the people of Vancouver and British Columbia in inviting the world to Expo '86.

S.O. 21

[*Translation*]

INDUSTRY

ABITIBI-PRICE COMPANY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, very often and perhaps too often unfortunately, Members from remote areas, including my own constituency of Jonquière, are prompted to rise in this House to claim jobs and investments.

The case on which I would like to report today is a rather fortunate one. It is indeed a pleasure, Mr. Speaker, to inform Hon. Members that the Abitibi-Price Company has just decided to invest a total of $138 million in its Saguenay-Lac-Saint-Jean paper mills, of which $110 million will go to the mill in my constituency of Jonquière. Those investments will allow Abitibi-Price to undertake the manufacturing of specialty papers of a higher grade. Those new types of paper are in stronger and ever increasing demand on international markets.

Mr. Speaker, with the announcement of those strictly private investments, Abitibi-Price is asserting its determination to remain the world leader in newsprint manufacturing while improving the quality of its production. But Abitibi-Price did much more than that. It is showing the whole country its confidence in the social and economic future of our remote areas. It is bringing out the skill and expertise of our regional manpower by strengthening its presence and its employment platform.

Mr. Speaker, Jonquière welcomes that major investment and I am convinced—

Mr. Speaker: Order, please! I am sorry to interrupt the Hon. Member but his time has expired. The Hon. Member for Hamilton East (Ms. Copps).

* * *

● (1410)

NATIONAL DEFENCE

RENOVATED FIGHTER PLANES PROVIDED TO TURKEY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to point out to the House of Commons that there is a very major concern among all Greek Canadians in Canada. I would like to call the attention of the Secretary of State to a decision made by this Government to send planes to Turkey, contrary to the representations now being made across Canada by Greek Canadians.

[*English*]

I am rising on behalf of thousands of Greek Canadians who are extremely concerned about the decision of the Secretary of State for External Affairs (Mr. Clark) to send to the Turkish Government 20 renovated fighter planes when none in fact are being sent to Greece. I will have a chance later on following

S.O. 21

Question Period to present in this House a petition which reads as follows:

We, the undersigned Canadians of Greek descent, are very alarmed at the intentions, of the Canadian Government to give 20 renovate fighter planes to Turkey and none to Greece.

While there might be good reasons for Canada to support a NATO ally, Canada should not side with Turkey against Greece.

What we are seeking is in fact justice and fairness for all our NATO allies, and I think it is a petition with which the Minister would certainly agree.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE PROPOSAL

Mr. Alex Kindy (Calgary East): Mr. Speaker, the issue of free trade between Canada and the United States is as old as Canada itself. It has been proposed and rejected several times by previous politicians. However, within this last year there has been a renewal of interest in this subject.

Canada-U.S. trade is greater than that between any other bilateral trading partners in the world. Almost one-third of our gross national product results from our trading activities. Total trade between our great nations is likely to exceed $150 billion for 1984. Therefore, it is highly apparent that the time has come that this country's best interest may be realized by forging closer ties with the U.S.

As an Albertan, access to the U.S. market is most inviting. A relationship of this sort will allow for significant growth, both for Alberta and the Canadian economy. The benefits far outweigh any negative aspects.

A closer relationship with the U.S. will enable our industry to restructure itself, and consumers will benefit from increased product selection. Costs to Canadian businesses will decrease when purchasing in U.S. markets; and finally, the important sectors of our ailing economy, such as the oil and gas industry, will be given a new incentive.

The time is ripe for Canada and the United States to consider seriously the mutual benefits of a free trade arrangement.

* * *

FISHERIES

MOORAGE RATES PAID BY WESTERN FISHERMEN

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to call to the attention of this House a matter of serious injustice. This House has learned that moorage rates for fishermen in western Canada are already very high and that the Government has proposed to increase them by 100 per cent.

We have also learned that in eastern Canada in many jurisdictions fishermen pay no moorage rates whatsoever.

Although this serious discriminatory situation was put in place by previous Liberal Governments, it is clear that the Conservatives intend to continue the discrimination. In fact they intend to make it worse by charging western fishermen a 100 per cent increase in their rates, while continuing to charge fishermen in eastern Canada nothing.

The Prime Minister (Mr. Mulroney) promised this country that people in western Canada would be given a hearing by this Government. The Minister of Fisheries and Oceans (Mr. Fraser) made the same promises. The Tories have outdone themselves. They have taken a Liberal abuse of western Canada and made it worse.

The NDP calls upon this House to abandon and abolish changes for moorage in western Canada, and to give western Canadians some equality with their confreres on the East Coast.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

SEIZURE OF TURKISH EMBASSY IN OTTAWA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. I think the Canadian people would want to express outrage and sorrow at the tragedy at the Turkish Embassy today. All of us in this House are sickened by the despicable actions of terrorism and, indeed, cowardice.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I would be grateful to the Deputy Prime Minister if he would give the House a report on the matter as he understands it as of this moment.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as just a moment ago indicated, all Members of the House share the description of the incident at the Turkish Embassy that transpired this morning expressed by the Right Hon. Leader of the Opposition.

I think we would all wish at the outset to express our deep regrets to the Embassy and our deep condolences to the survivors of Mr. Claude Brunelle whose life was forfeited. Mr. Brunelle was single and 31 years of age. His next of kin have been notified of the tragedy.

Second, I think all Members of the House would want to join me in commending, to the highest possible degree, the RCMP, the Ottawa Police Force, and the various federal Departments that were involved immediately in dealing with the situation.

The Turkish Embassy itself has indicated that it expects the Canadian authorities to deal with the matter, which we are doing with determination.

The hostages were Ambassador Kirga, his wife, and daughter. The details of the incident are now under investigation by the police, and the suspects have been arrested. They are at this moment being interrogated. The RCMP, of course, and the Ottawa Police have been in close co-operation from the moment they learned of the incident and this co-operation is continuing in the on-going investigation.

PROTECTION OF EMBASSY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is the third incident at the Turkish Embassy. Is the Deputy Prime Minister yet in a position to tell us whether there was a gap in security procedure, and in the procedure for protection of that Embassy? Has the Turkish Government been in touch with our Government relating to this incident on the degree of protection afforded the Embassy?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the first part of the question, the Turkish Embassy has indicated that it expects Canadian authorities to deal with the matter.

With respect to security generally in that and other embassies in Ottawa, the question of the security arrangements of our embassies here was under consideration today, and it will be under intensive review at a very early time. That review will benefit from today's events in assisting the Government in coming to an assessment of its over-all security arrangements for all embassies in the area.

● (1420)

REVIEW OF SECURITY PROCEDURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I hope the Deputy Prime Minister will let the House have the benefit of what that review reveals as to whether there was a gap in the protection or the security in front of that Embassy. I second the Deputy Prime Minister in congratulating the police officers who quickly brought the situation under control this morning.

Would the Deputy Prime Minister tell us how that police effort was co-ordinated between the Canadian Security Intelligence Service, the RCMP, the Ontario Provincial Police, and the Ottawa Police Force? Was there co-ordination? Which police force or entity was in charge and in control?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I don't think it would be in the interest of security itself to engage in an exchange with respect to details of the security provided to our embassies, but I would be very happy to undertake to discuss that matter with the right hon. gentleman and the Leader of the New Democratic Party, at their and my convenience.

With respect to a gap, obviously there was a gap; it was penetrated. But, by the most excellent standards which we have been assured exist in Ottawa, the security arrangements were those that could best achieve security for the embassy. In light of the events of today, a review of those arrangements is obviously imperative. That review will be undertaken, assessments made and conclusions arrived at, at the earliest possible time.

ROLE OF CANADIAN SECURITY INTELLIGENCE SERVICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, in his commendation of police action, the Deputy Prime Minister made no reference to the Canadian Security Intelligence Service. I should like to ask him whether the Canadian Security Intelligence Service had a role and responsibility in relation to bringing this incident to a relatively successful conclusion.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yes, it certainly did. That was one aspect of the question of the Right Hon. Leader of the Opposition which I did not address. As the former Solicitor General well knows, there was a role played by that Service. As he knows, there is machinery within Government to assure central co-ordination of the responses necessary to meet emergency situations of this kind. That machinery went into action as soon as the emergency was known, and with very efficient and good results apart, of course, from the loss of life which occurred, and the injuries that I neglected to mention which were sustained by the Ambassador. Mr. Kirga who is alive and well and currently being treated for those injuries.

SURVEILLANCE OF ANTI-TURKISH TERRORISTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, as I understand it, the main role, in relation to this type of incident, of the Canadian Security Intelligence Service would be a counter-intelligence gathering role, a role which should be fulfilled before an event of this nature. I want to ask whether surveillance of anti-Turkish terrorism continues to be a priority of the Canadian Security Intelligence Service. I think that gap has been left in the answers of the Deputy Prime Minister.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it certainly has been left and, as I am sure the former Solicitor General will appreciate, it would not benefit the security process itself if I were to respond in detail and directly to that question. It does nothing to enhance the security of the Turkish, or any other embassy, if I discuss, on the floor of the House of Commons, what arrangements are in force with respect to surveillance, or any other activity concerning those whose interests might be inimical to the very security we discuss.

ARMENIAN THREATS—PROVISION OF SECURITY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question also concerns the events of this morning. I want to say

how happy we are that this incident has been concluded, at least with a lesser loss of life than might otherwise have been anticipated. With regard to our involvement in protection, and given that the international community has been aware for some time, at least since the recent trials, convictions, and sentencing in France, that Armenians had made threats against Turkish communities around the world, did we contact the Turkish Embassy here to discuss with them the possible necessity of additional security being provided for them during this rather high alert period?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the answer to that question is very short. Indeed there had been communication between the Government of Canada and the Turkish Embassy prior to this incident, at which time—that is the time of the discussions—the Turkish Embassy expressed satisfaction with the existing security arrangements in place at the direction of the Government of Canada.

EMPLOYMENT OF SECURITY OFFICERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that we were aware there were threats, was there any discussion between the Government of Canada and the Pinkerton company, which provides service to various embassies around Ottawa, to determine whether or not they felt their operative in that area was capable of dealing with the additional threats which were quite clearly in place over the course of the last three weeks?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think the prudent limitation to the response there, so as not to compromise security arrangements, would be to explain to the hon. gentleman and Members of the House that the arrangements made with respect to the employment of Pinkerton security officers are by way of contract with the Pinkerton organization and the Royal Canadian Mounted Police, at the direction of the Department of External Affairs.

EMBASSY ATTACKERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a double-barrelled supplementary question for the Secretary of State for External Affairs. Perhaps he could answer whether or not the Pinkerton agency was made aware of the rather higher alert situation which existed, particularly for the Turkish community at this point in time. Has the Government ascertained the nationality of the two individuals who were arrested at the embassy today and determined whether or not they are residents of Canada, or residents of some other country and entered Canada for the purpose of their attack on the Turkish Embassy?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to those who are now in custody, under arrest, I think the Hon. Member would agree at once that it would be quite inappropriate for them to be identified at a point in time when the information and charges being laid have not even been decided.

Mr. Deans: I am not asking for the names.

Mr. Nielsen: With respect to the details of any investigation which is at this very moment under way, it would be totally inappropriate to be discussing the nature, extent, and details of any such investigation, because that in itself would be inimicable to fair treatment of the individuals involved, having regard to our system of justice in this country.

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SPACE WEAPONRY

CANADA-UNITED STATES DISCUSSIONS—STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the forthcoming meetings this weekend between the Prime Minister and the President of the United States. We recognize that two hours of formal meetings are not sufficient time to cover all the vital issues, but I think the Minister would share with us the belief that, with the beginning of the Geneva arms talks today, the issue of arms control should be a matter of vital concern, particularly the position taken by the Americans.

● (1430)

With reference to that issue, I want to ask him about the statement made by the U.S. Undersecretary of Defense in front of Congress where he said that negotiators could discuss how to co-ordinate the deployment and phasing of strategic defence systems, but not negotiate about giving them up. This really runs very much against the policy of the Government that star wars should not go ahead. I would ask the Secretary of State for External Affairs whether the Prime Minister intends to raise with President Reagan the issue of arms control negotiations and the American position. In particular, will he make the case that the Americans should put the star wars proposal on the bargaining table and attempt to negotiate a ban on any star wars deployment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course the question of arms control will be part of the discussions at the historic summit to occur this weekend in Québec city. As the Hon. Member will know, if his concern is about weapons in space, that matter is already on the negotiating agenda in Geneva, put there explicitly by Mr. Gromyko and Mr. Shultz.

GENEVA ARMS CONTROL TALKS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it is important that the Secretary of State for External Affairs clarify this because it is quite clear, according to the

U.S. Undersecretary of Defense, that the most important, crucial, and dangerous part of development in space is the star wars defence initiative. The Americans say they are not prepared to negotiate it. I ask again, will the Government undertake at that meeting to pressure and press the President to have his negotiators discuss star wars and put it on the table, so there will not be any development of that initiative in outer space and so that we can come to an agreement that will provide further stability?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for all who wish to know the facts and wish to be guided by them, they are clearly on the table. If the Hon. Member is concerned about weapons in space, as we are, and as the Secretary of State of the United States and Mr. Gromyko are, he should know that that item is already on the agenda for discussion at Geneva.

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NORTH AMERICAN AIR DEFENCE

SYSTEMS MERGER

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also for the Secretary of State for External Affairs. The Government insists there is no connection between the Strategic Defence Initiative and the North Warning System. Why then are the U.S. Air Force and NORAD merging their missile, air, and space warning systems, under a new NORAD space command at Cheyenne, Colorado?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member would know that those arrangements have been in place for some long time, well before there was discussion of the Strategic Defence Initiative.

NORTH WARNING SYSTEM—REVIEW BY PARLIAMENTARY COMMITTEE

Mr. Derek Blackburn (Brant): Mr. Speaker, the only way that we can clear the air on this is not by putting questions back and forth in the House, but to follow the former Prime Minister's suggestion of five years ago that we beef up the committees around this place, as they are in the United States. Any foreign treaty in the United States has to be ratified by the U.S. Senate.

Will the Secretary of State for External Affairs ask his Prime Minister if all the recorded minutes of the negotiations with respect to the upgrading of the North Warning System and the outcome of those discussions will be placed before the Standing Committee on External Affairs and National Defence so that we, as the people's representatives, can find out exactly what is going on, the people of Canada will know what is going on, and they will be protected against any future entanglement with star wars?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the record should be quite clear as to the approach this Government has taken in practice by putting the facts before parliamentary committees. For years, the Liberal Government refused to let there be any public discussion of negotiations on the North Warning System. This Government took the initiative of putting the North Warning System publicly before a Standing Committee for review. This Government also agreed that we would accept the unanimous report of a Standing Committee of this House to allow a review of NORAD arrangements a year before the renewal of the treaty. That was our own example, not one we took from the former Liberal Government, which was not at all open to Parliament.

The Hon. Member talked about the reform that is under way under the chairmanship of the distinguished Hon. Member for St. John's East, with the Hon. Member for Winnipeg-Birds Hill, and others, on the committee. I believe that there will be reforms coming forward. Certainly we on this side of the House hope that, in designing reforms effective to this Parliament, we should not blindly follow the American example. We should establish Canadian examples, and not blindly follow the American example as the NDP want to do.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF PARKS AND RENEWABLE RESOURCES OF THE PROVINCE OF SASKATCHEWAN

Mr. Speaker: May I interrupt the proceedings to advise Hon. Members of the presence in our gallery of the Hon. Colin Maxwell, Minister of Parks and Renewable Resources for the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

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NORTH ATLANTIC TREATY ORGANIZATION

COST OF ADDITIONAL CANADIAN COMPLEMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the Minister of National Defence and the Secretary of State for External Affairs will know that we asked them to appear before the committee this week. In spite of the answer the Minister of National Defence gave me last week, he is not going to appear. He gave me a positive answer last week, and the steering committee requested his presence.

Yesterday the Minister made a statement about 1,200 Canadian troops going to Europe to join the Fourth Canadian Mechanized Brigade Group based in Lahr, West Germany. Unfortunately, the Minister did not choose to make a statement in the House, in order to give Members an opportunity to

clarify certain questions. I want to ask the Minister whether the $50 million to cover the cost in 1985-86 is already in the Defence Estimates, or in this new money? From where will the 1,200 military personnel be transferred? Will this require the purchase of more Leopard tanks and other support materiel?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the questions concerning cost, if the Hon. Member will refer to yesterday's press release he will have the answer. The measures will cost $50 million in the first year and about $100 million per year when the full complement has been transferred to Europe. I would think that the Hon. Member would be the last one to suggest that we should fly in the teeth of all established courtesy and make a statement publicly, with respect to this additional deployment of troops in order to fulfil our NATO commitments in Europe, without first having discussed the matter with, and having informed, the Ambassadors of our NATO allies. That took place yesterday. It was not until about 1.30, or thereabouts, that the matter was made public. Pre-distribution of the release was made to himself and his opposite number in the NDP. I really think he has nothing to complain about with respect to the manner in which the announcement was made.

PURCHASE OF EQUIPMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the Minister did not answer my question. I asked him if this is new money or whether it is in the existing Estimates. He chose not to answer. I want an answer on that question.

Some Hon. Members: Oh, oh!

Mr. Hopkins: Mr. Speaker, we are living in an open Parliament. We should have the answers. Can the Minister assure this House and all Canadians that no purchase of new equipment to which we have already committed ourselves will be adversely affected, and will the Minister put back into the Estimates, now that he is doing something about—

Mr. Speaker: Order, please. The Hon. Member has put two questions in his supplementary, and I suggest that is enough.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the equipment, I believe that the answer is in the affirmative. I will make doubly certain of that, however, and be in touch with him. With respect to the financing of the move, I have asked officials in the Department to determine what resources can be identified there in order to—

An Hon. Member: Do you know?

• (1440)

Mr. Nielsen: I hear a heckle across the way indicating that I do not know. I would invite the Hon. Member, if he were to have the responsibility of a Department with expenditures of some $10 billion, to identify at once where each dollar for each howitzer comes from. Where those resources cannot be identified within departmental references, yes, it will mean new resources.

* * *

[*Translation*]

AIR TRANSPORT

PREOCCUPATIONS OF LES GENS DE L'AIR DU QUÉBEC

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Transport.

We have been informed that the Minister has promised to look into the concerns of the Association des gens de l'air du Québec.

Could the Minister confirm, here in the House, that he will look into the matter of job transfers from Montreal to Toronto and ensure that Francophones are given a fair deal by Air Canada? What is his schedule for completing this investigation an when will the Minister be ready to submit his report?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, yesterday we met with the Gens de l'air du Québec, and we gave them the assurance that we were going to approach Air Canada and take the necessary steps to ensure that both aspects of the question are considered. We are asking Crown corporations to be viable, but we must also consider principles such as bilingualism. I believe this is something the Government is anxious to maintain.

In evaluating the matter concerning Air Canada, we shall consider all aspects and take the time the corporation, the Gens de l'air and the Government will need to negotiate and formulate the best possible response to a matter which I think the Opposition would do well to consider very carefully.

AIR CANADA—FRANCOPHONES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, we want to know when the Minister is going to meet his commitments. The matter of jobs being lost requires urgent attention, and fair treatment of Francophones by Air Canada is fundamental to maintaining our national unity. When is the Minister going to complete his investigation?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, bilingualism is not something that is going to disappear during the weeks it will take us to submit a report. We are going to give the House a full report as soon as we have the assurance that all parties have been consulted and that Air Canada has been acting without ulterior motives.

[*English*]

CANADA POST CORPORATION

DISTRIBUTION OF WORK APPLICATION FORMS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of National Revenue in his capacity as the Minister in charge of Canada Post. Will the Minister confirm or deny reports that, although Canada Post in Metro Toronto refuses to supply application forms to Canadians looking for work, those forms are obtainable by Canada Post employees for use by their friends and relatives? If this reported practice is in effect, will he assure us that this form of corporate incest will be stopped?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I thank the Hon. Member for asking that question. Since he first raised the matter with me some weeks ago, I have had the opportunity to speak to officials of the Canada Post Corporation who have informed us as follows. First, application forms for positions being filled through internal competitions are available only to existing post office employees; second, casual work is assigned through Canada Employment Centres for persons listed with them; and third, for members of the public who wish to obtain information or application forms, they may do so by contacting the Canada Post employment centre in each division. The employment centre for the York division is at 21 Front Street. In the Toronto area, forms may also be obtained from one of the three plants in cases of competitions that are open for outside intervention.

Mr. Speaker: The Minister could have written.

* * *

CITIZENSHIP COURTS

PRESS REPORT OF COMMENT ATTRIBUTED TO SECRETARY OF STATE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Scretary of State. Why are he and the Government attempting to intimidate Members of Parliament who use their rights of free speech by having the Government exert retribution on members of MPs' families as was done when the Government did not reappoint Citizenship Court Judge Geraldine Copps? The reason given for that to the press by the Secretary of State was, in the Secretary's words:

You check the record. What her daughter has had to say about the Government.

Why are the Government and the Minister operating in contempt of Parliament when it comes to the rights of Members of Parliament to speak freely in the way one has spoken in this particular case?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I would like to—

An Hon. Member: It's not funny.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I presume Hon. Members meant the question seriously and would like to hear the answer.

An Hon. Member: Yes.

Mr. Speaker: Then stop yelling.

Mr. McLean: Mr. Speaker, I would like to invite the Hon. Member to pose a serious question to which I could give a serious response. If the Hon. Member thinks that I am in any way about to restrict Members of Parliament, or cast any aspersions on their rights, then the Hon. Member would surely like to lay a charge of some sort. However, an innuendo which appeared in the news media is hardly a source on which to lay such a serious charge. Under those circumstances, I think that is the only response I wish to make.

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, when the *Kitchener-Waterloo Record* sent reporter Phil Bass to interview the Minister yesterday to see if he would clarify the remarks I have just quoted, why did the Minister add this comment:

—just have a look at her comments—

He was referring to the words of the Hon. Member of Parliament for Hamilton East. How can the Secretary of State find it possible to rise and speak of innuendo while I am speaking about his direct quotes, as reported in the papers, indicating that he and the Government are carrying out a policy of retribution against family members of Members of Parliament who use their rights of free speech, to which they are entitled as Members of Parliament?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member will be aware that there has been a campaign mounted and there have been a number of representations made from all sources regarding appointments which Government has the responsibility to make. In the process, in relation to the subject matter about which comments are made, a great deal is said. In the case at hand, I have indicated that the appointment of Judge Copps was terminated—or rather was not terminated but came to—

Some Hon. Members: Oh, oh!

Mr. McLean: If Hon. Members will allow me to continue, her appointment expired. On behalf of the Government, I thanked her for her services. I personally have seen the quality of her experience throughout the years and I feel that it is very unfortunate that, through the pages of the news media, such a fine record of service should somehow be impugned.

Some Hon. Members: Hear, hear!

● (1450)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. The Prime Minister said last week that he intends to help Domtar by means other than a direct federal subsidy. Yesterday the Minister ruled out any possibility of financial assistance. Can the Minister be more specific and tell the House whether his Government will help Domtar by purchasing company shares, or by other means, such as extending a loan?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure most Members of the House would agree that these questions are becoming most repetitive. I dealt with the subject yesterday. There is nothing further to add.

[*Translation*]

DEFINITION OF CROWN CORPORATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question for the same Minister. We will keep asking questions until we get answers.

Yesterday the Minister contradicted the Prime Minister when he said that his Department would not reconsider the definition of Crown corporation, a Bay Street-inspired definition which discriminates against Quebec.

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows that preambles are not permitted in supplementary questions. Would the Hon. Member please put his question?

[*Translation*]

Mr. Robinson: Can the Minister explain to the House the contradiction between his position and that of the Prime Minister with respect to this important question of the definition of Crown corporation?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would again say to the Hon. Member that there is no contradiction. I made that clear yesterday. I would ask the Hon. Member to please read *Hansard* before he poses the same question that another Member put yesterday.

Some Hon. Members: Hear, hear!

PETRO-CANADA

SALE OF COME-BY-CHANCE OIL REFINERY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. She will know, in response to an invitation by Petro-Canada, that six companies have posted a $100,000 bond to bid on the sale of the Come-By-Chance oil refinery. Will the Minister please tell us when Petro-Canada will decide on the successful bidder for the sale of that refinery? As well, will she confirm that Petro-Canada is in the final stages of negotiating the sale of that refinery to a company whose intention it is to dismantle the facility and take it out of the province?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I understand that this question was raised yesterday. I wish to assure the Hon. Member that the process of tendering will not close until May 1. Clearly, in a commercial transaction such as this, no decision would be made until Petro-Canada analyzes the bids after May 1. I can only assure him, at this moment, that all options are open for the Come-By-Chance refinery.

REQUEST THAT SALE BE HALTED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, until the provincial election is over, all options will be open. The fact of the matter is that six companies have posted bonds, and all of them will dismantle that refinery.

If all options are open, will the Minister consider—because every single bidder wants to dismantle the refinery—placing a freeze on the sale of that refinery until such time as a study has been done to determine whether or not it is feasible to rehabilitate that refinery to ensure that Hibernia oil is used, and refined, in order that jobs will be created in the Province of Newfoundland? As Clause 54 of the Atlantic Accord now stands, Newfoundlanders will see Hibernia oil lost forever to the province, just as the hydro power in Churchill Falls is now lost. Will she answer?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am rather at a loss to decide which question, of the three or four questions I was asked, to answer, and I hope that I have your indulgence in attempting to do that.

First, Clause 54 of the Atlantic Accord does not do what the Hon. Member suggests. It was negotiated at a time when, of course, the Come-by-Chance refinery was there. The word in the accord is "facility", which takes into account the capacity of Newfoundland to process 100,000 barrels a day. There is a facility.

In terms of the analysis about which he spoke, that has already been done by Petro-Canada. An analysis of the refinery has been done. On the basis of that analysis, Petro-Canada has invited tenders to determine the future of the refinery. As I have already said, there is no information which would indi-

cate that everyone wants to mothball the refinery. The information I have is that all options are open, and they will remain so after the Newfoundland election.

* * *

IMMIGRATION

DENIAL OF REFUGEE STATUS TO MR. ABDUL MUSSA OF SOMALIA

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister is aware of the public concern over the decision of Canada's immigration service to compel a Somali refugee claimant, Mr. Abdul Mussa, to return two days from now to Somalia, where he claims he will be persecuted. Will the Minister tell the House why—if Mr. Mussa's relatives in Somalia are recognized by Amnesty International as prisoners of conscience, and his tribe is known to be persecuted there, and he has demonstrated publicly against his Government—he has been denied refugee status?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, with regard to this case, the individual in question has been ordered deported through the normal processes. I cannot interfere with that deportation order. Therefore, the individual will be required to leave the country. He can reapply, from wherever he happens to be, to come back into the country. At that time, his application will be considered.

REQUEST THAT DEPORTATION BE DEFERRED

Mr. Dan Heap (Spadina): Mr. Speaker, will the Minister arrange for the deferral of his removal so that he can go to a third country, and not to Somalia, from which he could make his application?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, certainly that could be considered, and I will undertake to look at it.

* * *

AIRPORTS

TORONTO—THIRD TERMINAL PROPOSAL

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will know that he has been under pressure from the City of Mississauga, and others in the Toronto area, to increase terminal capacity at the Toronto international airport. Has he any plans to allow a third terminal to be built? If he has no plans for his own budget, will he allow private investors to build a third terminal on a lease-back basis?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that issue is currently being considered by officials of Transport Canada. As well, all options are being considered.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

AMERICAN OFFERS TO DOMTAR

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, and I may add that this time it is an entirely new question. As a result of his rigid and arrogant attitude, the Minister of Regional Industrial Expansion may be giving away $1.2 billion to the Americans. I would like to ask the Minister whether he is aware that Domtar is being wooed by its American friends who are promising the company guaranteed access to American markets, lower interest rates, lower construction costs and some very attractive inducement, as high as 20 per cent. Has the Minister considered the fact that Domtar has the option of investing in the United States if he persists in refusing to see the light?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member no doubt knows, that type of possibility was raised by Domtar. Domtar told us about the type of inducement which might be offered in various areas or States in the United States. Frankly, there is no reason for them to do that. As I indicated yesterday, we would welcome the plant being built. I would only suggest to the Hon. Member that he should be patient. If there is further news on the matter, we will certainly advise him. But, as of now, the matter is in the position which I indicated yesterday.

[*Translation*]

DOMTAR—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, there may be no connection, but the Minister must be aware of the fact that Great Lakes, MacMillan Bloedel Limited and Abitibi-Price have made considerable investments in the United States in recent years. I do not see why Domtar would not be interested.

Mr. Speaker, I have a question for the Minister. Could he give the House the assurance that his Government will never let Domtar leave Windsor to go to the United States, considering the fact that the Americans are offering inducements?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I can assure the Hon. Member that when there is new news on this question he will be one of the first to hear.

Oral Questions

VIA RAIL

MAINTENANCE AND REPAIR WORK

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will be aware of the concern of railway shop crafts regarding the present and future of VIA repair work. At one point it seemed that there was an option that VIA would contract repair work to Bombardier. Could the Minister of Transport confirm that that is no longer an option and that railway workers, who are concerned about the present and future of VIA repair and maintenance, can be assured that they will continue to do that work by an arrangement between CN and VIA?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think I can give the Hon. Member that assurance. The option of contracting service work to Bombardier was considered by the Rail Passenger Action Force and, indeed, the management of VIA Rail. But I believe it is fair to say that that option has now been dropped. It is clear that VIA Rail will want to take over a greater percentage of the maintenance work on its own. Clearly, Transcona is situated in an area, strategically and geographically, where the bulk of CN traffic is generated. As a matter of fact, 70 per cent of the tonnage which is shipped on CN occurs west of the Lakehead, so I think that Transcona has a promising and secure future. I share the concern of my hon. friend, but I can assure him that all steps will be taken to ensure that it remains a key maintenance facility in the CN network.

• (1500)

WINNIPEG REPAIR SHOP PROPOSAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): On the same topic, Mr. Speaker, I wonder whether the Minister could also indicate to the House whether it is his view that the building of the new VIA Rail repair shop, which at one point was scheduled to be built in Winnipeg, has not been completely foreclosed? Does it still remain a possibility down the road, if not immediately, that Winnipeg being the logical place for such a facility will eventually be recognized?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I believe I can assure the Hon. Member as far as the future of VIA Rail maintenance facilities is concerned. It is fair to say that the project originally scheduled has been deferred. That does not mean that it is cancelled for all time. I think the most promising and encouraging fact is that this Government is taking positive steps to expand the services of VIA Rail across Canada and to restore a number of the services which were cancelled by the previous Government. That should be the most encouraging signal which has happened to date.

CLERK OF PETITIONS' REPORT

RELOCATION OF NATIONAL DEFENCE DEPARTMENT EMPLOYEES IN OTTAWA-CARLETON

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. member for Ottawa West (Mr. Daubney) on Monday, March 11, 1985, meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

Mr. Speaker: I have received notice of two questions of privilege. I intend to take them in the order I received them. The Hon. Member for Notre-Dame-de-Grâce-Lachine East had a question of privilege. I understand that now the Hon. Member withdraws his question of privilege. The second question of privilege is from the Hon. Member for Hamilton East (Miss Copps).

ALLEGED THREATENING REMARK OF MR. McLEAN

Ms. Sheila Copps (Hamilton East): I am rising on a question of privilege arising from the attempt by the Secretary of State (Mr. McLean) to punish me for, or intimidate me from, the exercise of freedom of speech in Parliament, thereby committing what I believe to be a breach of the privileges of this House.

In today's Ottawa *Citizen*—an original of which I have here for your examination, Mr. Speaker—in responding to a question about the decision not to reappoint my mother to her position as citizenship judge, the Secretary of State replied, "You check the record. What her daughter's had to say about the Government". In other words, the Government has decided to punish me for my criticism of it in Parliament and has given this as a reason for me to avoid the same mistake in the future.

This is clear intimidation of the House, not just of one Hon. Member, but of any Hon. Member whose relatives may have dealings with this Government, in other words, every Hon. Member.

Citation 71 of Beauchesne's Fifth Edition is very clear, and I quote:

> Direct threats which attempt to influence a Member's actions in the House are undoubtedly breaches of privileges.

The Minister clearly stated his threat in a direct quotation. I believe his threat affected not only my privileges but those of the House as defined in Redlich and Ilbert's *Procedure of the House of Commons*', Vol. 1, page 46, which reads:

> The sum of the fundamental rights of the House and of its individual Members as against the prerogatives of the Crown, the authority of the ordinary courts of law and the special rights of the House of Lords.

I believe I have established a prima facie case of breach of privilege that the matter has threatened my free speech and that of all Hon. Members, and I await the Speaker's ruling. If

you find a prima facie breach of privilege, Mr. Speaker, I am prepared to move the appropriate motion.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on the question of privilege raised by the Hon. Member for Hamilton East. I think it is quite clear that while the Government certainly has the prerogative to name whomever they wish to positions which are Governor in Council positions, by linking an appointment, or in this case the termination of an appointment, to the actions or words of an Hon. Member of this House, the Government has overstepped the bounds of propriety. Indeed, Mr. Speaker, it has overstepped the long-standing rights of Hon. Members of this parliament to speak out without any fear of intimidation, whether that intimidation be direct or indirect.

It is not a question of dealing with the merits of any given appointment. Certainly the Minister himself has recognized that in this particular instance the appointee has served with distinction on the Citizenship Court. One can have one's own views with respect to the methods of appointment to that court but, Mr. Speaker, by linking, as the Minister has done, an appointment which is in the discretion of the Government, with the outspokenness of a particular individual, we in this caucus believe that the Government has potentially threatened the rights and privileges of all Hon. Members of Parliament. I support, therefore, the Hon. Member in calling for this matter to be referred to the Standing Committee on Privileges and Elections.

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the question of privilege which has been raised, I would like to indicate that I have at no time, in any way, threatened the freedom of speech of the Hon. Member or made a threat against her. In the process of taking words which are said in a new context, I would indicate that with respect to the subject at hand there were many representations. In fact, there was great freedom of speech surrounding the subject. The news media had been filled with it. There were ample opportunities for freedom of speech, including those opportunities in the House of Commons, and these representations had been brought to the attention of the Government. I would subscribe, however, Mr. Speaker, that far from threatening, one was affirming the open process around the appointments and the fact that these were brought to the attention of the Government.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise to support the request for a ruling that there is a prima facie case of privilege which was raised by the Hon. Member for Hamilton East (Ms. Copps). I quote from the article in question which appears in today's Ottawa *Citizen*:

> Asked in an interview whether the Cabinet decision to not reappoint Copps—

That is Mrs. Geraldine Copps.

> —was politically motivated, McLean—

That is the Secretary of State.

> —replied, "You check the record. What her daughter's had to say about the Government".

Mr. Speaker, in rising a few moments ago to comment on the request by the Hon. Member for Hamilton East that you rule that this matter involves a prima facie breach of privilege, the Secretary of State (Mr. McLean) was very careful not to deny the accuracy of the press report in question. If that is the case, Mr. Speaker, I submit that privilege is involved in this matter, but not as a result of the Government's decision as such not to reappoint Mrs. Geraldine Copps. As the Secretary of State has suggested, he received a lot of advice on the matter, including advice from the Mayor of Hamilton and the senior Member of Parliament from the area, the Hon. Member for Hamilton Wentworth (Mr. Scott). It arises from the statement of the Secretary of State—which he has not denied—to the effect that the decision not to reappoint Judge Copps was as a result of the judge's daughter's attempts to fulfil her responsibilities as she sees them as an Hon. Member of the House of Commons. In other words, Mr. Speaker, the Government has decided to punish the Hon. Member for Hamilton East for her criticism of it in Parliament and has given this as a reason for her and others to avoid the same mistake in the future.

I submit, Mr. Speaker, that this is a clear intimidation of the House, not of just one Hon. Member, but an intimidation of any Hon. Member whose relatives may have dealings with this Government, in other words, every Hon. Member of this House.

I would again like to draw to your attention, Mr. Speaker, Beauchesne's Fifth Edition, Citation 71. It is very clear, and I quote:

> Direct threats which attempt to influence a Member's actions in the House are undoubtedly breaches of privileges.

Mr. Tobin: I rise on a point of order, Mr. Speaker. It is important that all Hon. Members listen to the point of privilege being raised.

Some Hon. Members: Oh, oh!

• (1510)

Mr. Gray (Windsor West): Mr. Speaker, Redlich and Ilbert's *Procedure of the House of Commons* gives the accepted definition of privilege. It reads:

> The sum of the fundamental rights of the House and of its individual Members as against the prerogatives of the Crown, the authority of the ordinary courts of law and the special rights of the House of Lords.

Erskine May's Twentieth Edition goes on from this point at length to establish the ancillary nature of privilege and to develop the meaning of immunities.

Freedom of speech is clearly established as one of the privileges assigned through the House to its Members. Any attempt to punish or harm a Member for using this freedom of speech or to intimidate a Member from using it is a breach of privilege.

So I say, in conclusion, that the action of the Government, through the Secretary of State (Mr. McLean), taken on its own, may not look like a retribution regarding any activities in Parliament by the Hon. Member for Hamilton East (Ms.

Copps). However, the words of the Secretary of State, which he has not denied although he has been given opportunity to do so in this House, indicate that they were intended to be such. In making the statement on the record for the press, or even if he did not make it on the record, it was clearly intended that the Hon. Member for Hamilton East and all other Members should be intimidated from speaking in a negative manner about the Government. Therefore I submit, on the basis of the facts and, more important, on the basis of the precedents, that the Hon. Member for Hamilton East has in fact created an argument justifying your finding that there is a *prima facie* case of breach of privilege.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I intend to be relatively brief in connection with this matter because I think we all appreciate that the right of freedom of speech in this Chamber is paramount. I simply draw your attention to a couple of what are I think very germane points.

It has not been our habit, practice or tradition to base questions of privilege on newspaper reports. They are not affidavits. We all understand that they are interpretative pieces with respect to alleged statements and they are put into a certain context in an editorial sense. Having said that, I think nothing can be clearer than the statement made by an Hon. Member in this House, namely, the Secretary of State (Mr. McLean), a distinguished and Hon. Member of Parliament. In that statement he categorically and unequivocally stated, when confronted by this alleged statement, that it was not in fact true, and there was no statement made, either directly or indirectly, for the purpose of intimidating the Hon. Member.

Some Hon. Members: When did he say that?

Mr. Hnatyshyn: That is precisely what the Hon. Secretary of State has said. I am sorry this may offend the sensibilities of members of the Liberal Party, but I simply say that one has to listen to what the Secretary of State has said. He said that there was no intention to intimidate, the statement was taken out of context, and it was absolutely incorrect and false. Furthermore, the Secretary of State went to the unprecedented length of conveying directly to Mrs. Copps his congratulations for the manner in which she had carried out her duties. What could be a better and more direct example of the bona fide of the Secretary of State with respect to this whole matter? He had no intention of doing anything but praising Mrs. Copps for the work she had done. I think this is admirable.

The point I am making is very simple. In order to determine that there is a question of privilege, there has to be evidence of a direct attempt to thwart freedom of speech in the House of Commons by a Member of Parliament. Clearly this is contrary to the facts we have here. We have a Secretary of state who has clearly indicated that the matter was taken out of context and that he has done nothing. He stood in his place in this House and made that statement. As you will fully appreciate, the rule is that we are to accept a statement made by a Member when he stands in his place and makes a statement with respect to the fact they have taken a certain course of action and there was no malice intended and no malice in fact occurred. So I say to you that if an Hon. Member does stand in his place, regardless of which side of the House he is located in, it is a tradition of this House that we accept his word. We do not go around in a mealy-mouthed way to try to interpret him in a way which suits our purpose. This is an Hon. Member, he has stated his position, I stand behind him, and I think Members of the House should stand behind him as well when he has withdrawn categorically.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think Members will know from the length of time I have allowed these presentations to go on that I regard it as a serious matter. As Members would expect, I want to read and examine very carefully exactly what has been said in the House today prior to rendering a judgment. For that purpose I intend to reserve my judgment on this matter.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-3, an Act to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus, and Canada and the Federative Republic of Brazil for the avoidance of double taxation with respect to income tax, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*English*]

CANADA PENSION PLAN

TABLING OF REPORT ON FUNDING

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am pleased to table in both official languages a document entitled *A Report to the Minister of National Health and Welfare from the Canada Pension Plan Advisory Committee on the Funding of the Canada Pension Plan.*

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO PROVIDE SEPARATE REPRESENTATION FOR LABRADOR

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C-228, an Act respecting the Electoral Boundaries Readjustment Act (Grand Falls-White Bay-Labrador).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Murphy: Mr. Speaker, it is my intention today to introduce a Bill which will establish a separate geographic riding for the area known as Labrador. Labrador is a distinct geographical entity with clearly defined boundaries. It stands historically, culturally, socially, logistically and politically apart from the rest of the province. I believe that this legislation is supported by the people of Labrador and I hope this House will send it to committee for further investigation and study.

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

* * *

RAILWAY ACT

MEASURE TO AMEND

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved for leave to introduce Bill C-229, an Act to amend the Railway Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Manly: Mr. Speaker, the purpose of this Bill is to amend the Railway Act to require all railways operating within the provinces to comply with the environmental and safety standards of those provinces. Specifically it would require seeking provincial authority for any spraying that takes place on rights-of-way.

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

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 44, 215 and 264.

Order Paper Questions

[*Text*]

CHILD BATTERY SYNDROME

Question No. 44—**Mr. Howie:**

Did the Government undertake, or has it initiated in the current fiscal year, any studies relating to the effect of child battery syndrome and, if so (a) are the studies to be carried out by outside consultants and in what time frame (b) was any amount allocated to the studies and, if so, what amount?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of Justice and National Health and Welfare as follows:

The Department of Justice has not undertaken in the current fiscal year, any studies relating to the effects of the child battery syndrome. Nevertheless, the Department had allocated a contribution of $23,395 to the Canadian Council on Children and Youth for the purpose of conducting a national consultation on the Report of the Committee on Sexual Offences Against Children and Youth. The allocation covered the time period from March, 1984 to October, 1984.

The following projects have been carried out by private organizations in the fiscal year 1984-85:

1. A three-year $2.2 million National Study on Sexual Offences Against Children and Youth, (chaired by Dr. Robin Badgley), was carried out by an outside consultant from 1981 to 1984. The Department of National Health and Welfare's contribution in 1981-82 was approximately $22,000, and 1980-81, $68,000. The findings of this study were released by joint press release on August 22, 1984, by the Department of National Health and Welfare and the Department of Justice.

2. "Parent Enrichment Project". A project funded by the National Welfare Grants Program intended to demonstrate how support to parents can prevent the incidence of recidivism of child abuse. Duration: 1979-85 (approximately). Funding in 1984-85: $7,000.

3. "Intervention for Women Sexually Victimized in Childhood". Project designed to assess which therapeutic models are best suited to reinstate mental health and social functioning in victims. Funded by the National Welfare Grants Program. Duration: 1983-87. Funding in 1984-85: $50,400.

4. "Parent and Child Therapy". The purpose of this project was to demonstrate an intensive long-term treatment program for abusive parents and their pre-school children. Funded by the National Welfare Grants Program. Duration: 1979-85. Funding in 1984-85: $7,000.

DEPARTMENT OF AGRICULTURE—FEMALE EMPLOYEES

Question No. 215—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Department of Agriculture were women?

Hon. John Wise (Minister of Agriculture): 26.2 per cent.

Order Paper Questions

PROJECTS BUILT BY ROGER DAVIDSON

Question No. 264—**Mr. Heap:**

1. What is the total capital cost of the buildings Roger Davidson has built under Section 56.1 of the *National Housing Act*?

2. How many units did he build?

3. Did he specify a development fee in respect of each such project and, if so, what was the total of such fees?

4. Who are the members of the board of directors of each non-profit project?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

1. Roger Davidson has not personally built any projects under Section 56.1 of the National Housing Act. However, construction companies have acted as contractors on a number of projects sponsored by various credit unions on whose behalf Roger Davidson has acted as a consultant. The total capital cost of these projects is $177,119,445.

2. Three thousand, one hundred and fifty-seven units have been built or are being built in projects in which Mr. Davidson is involved.

3. No.

4. See list below. The board members shown are the most current listings available to CMHC, but may not represent the present board members.

Section 56.1, NHA
projects which have been built or
are under construction
involving Roger Davidson

Name of project and sponsor	Board Members
Ridgemount/Mountmuir Co-Op Hsg Corp. Hamilton	Original Members: Michael Fenner, Bernard Hinkley Sr., George Harrison, Dennis Marsell, Joseph Campbell
Ridgeleigh/Winkleigh Co-Op Hsg. Corp. Hamilton	George Harrison, Bernie Hinkley, Don Chapman, Ken Rogers, Margaret Bryanton, Dennis Heuser
Westleigh Gardens Homes/ Southleigh Charitable Foundation Kitchener	Dennis Marsell, George Harrison, Albert Whittinstall
Broadoak Charitable/ Ontario Teamsters Cr. Union St. Catharines	George Harrison, Dennis Marsell
Coral Co-Op/Barrie Community Cr. Union	Original Members: Paul Meehan, Donna Gamble, Tina Grant, Bruce McClean, Paul Shortheed
Pretty River Villas/ Collingwood Community Credit Union	Original Members: Eva Priscilla Beauprie, Been Reitsma, William Borrison Day, Lancelot Rivers, Jean-Paul Proulx
Domus Charitable/Credit Union Central, Canada Packers Credit Union Mississauga	Original Members: Bob King, Stanley Hall, George Harrison, Al Whittinstall
Domus Charitable/Halton Hills Credit Union Halton Hills	Bob King, Stanley Hall, George Harrison, Al Whittinstall
Archipelago Charitable/ National Defence Credit Union Ottawa	Norman S. Freeman, Kenneth A. Kearns, Donald J. O'Donnell, W. J. McIndoo
Artisan/Canada Packers Empl. Credit Union Toronto	Stanley Hall, George Harrison, Donna Gamble, Paul Meehan, Kenneth Barger, Robert King
Southover/Canada Packers Emp. Credit Union Toronto	George Harrison, Donna Gamble, Robert King, Stanley Hall, Faye Masson
Brenyon Way I & II/ Secul Credit Union Toronto	Alfred Strathdee, Paul Meehan, John Mackintosh, Kenneth Stewart, Lance Porter, Kenneth Webster, David Edge, Bob Crowe
Stanchester/Ontario Teamster, Our Lady of Victory Parish Cr. Un., Canada Packers Cr. Un. Toronto	Stanley Hall, George Harrison, Donna Gamble, Robert King, Lois Strong
Widworthy/Toronto Board of Education Credit Union Toronto	William Harper, Stanley Hall, Robert King, Patricia Todd, Dennis Drake
Kenfinch Co-Op/Toronto Board of Education Credit Union Toronto	A. Lwyn Gilkes, Willis Carter, Ruth Gopaul, Ken Transom, Yvonne McEwan, Nancy Pithwalla
Bruckland/Ont. Teamster Credit Union Toronto	George Harrison, Robert King, Stanley Hall, Donna Gamble, Joan Banning
Parkfarm Co-Op/IBM Toronto Emp. Cr. Un. Toronto	Original Members: Dorothy Ridley, Ariel Fordrey, Kimberley Colaccico, Wendy Scott, Clifford Boulch
Ridgeford/Secul Credit Union Toronto	Alfred Strathdee, John Mackintosh, Paul Meehan, Lance Porter, Kenneth Webster, Kenneth Stewart, David Edge, Jennie Mitchell
Heathercross/Toronto Board of Ed. Cr. Un. Toronto	Stanley Hall, Robert King, William Harper, Patricia Todd
Ashprior/Canada Packers Employees Credit Union Toronto	Original Members: Walter Currie, Isobel Henson, Margaret Carroll, Philip King
Compass/Jet Power Credit Union Toronto	Original Members: Merle Bodenham, Donna Gamble, Paul Meehan, Tina Grant
Churchstation/LCBO Credit Union Toronto	Original Members: Dorothy Ridley, Ariel Forsbrey, Kimberley Colaccica, Wendy Scott, Ruth Brockest, Dick De Mann
Yarford/Canada Packers Cr. Un., LCBO Credit Union, IBM Toronto Empl. Credit Union Toronto	Original Members: Robert King, Walter Currie, Isobel Henson, Dina Rumolo
Coral/Barrie Community Credit Union	Paul Shortheed, Bruce McLean, Donna Gamble, Paul Meehan, Tina Grant
Coral/Barrie Community Credit Union	Paul Shortheed, Bruce McLean, Donna Gamble, Paul Meehan, Tina Grant
Coral/Barrie Community Credit Union	Paul Shortheed, Bruce McLean, Donna Gamble, Paul Meehan, Tina Grant

[*English*]

Mr. Stewart: I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn for Mrs. McDougall that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when this debate was adjourned earlier today I was saying that loans made by the International Bank for Reconstruction and Development, otherwise known as the World Bank, are made on commercially related terms. In 1960, the International Development Association was established in order to enhance the work of the World Bank in the least developed countries of the world. Again, Canada was a founding member. The purposes of the International Development Association are generally the same as those of the World Bank, but because the assistance is directed at the poorest countries, the terms of IDA loans are more concessionary. Low income countries cannot afford commercial loans or the near-commercial terms of the IBRD, so IDA credits are made to member governments with a 10 year grace, a 50 year maturity, no interest, and a small service fee.

The International Finance Corporation was established in 1956 to assist the economic development of less developed countries by promoting growth in the private sector of their economies and helping to mobilize domestic and foreign capital for this purpose. The Bill before us will also allow the IFC to borrow in Canada on the same basis as the World Bank. As the world has changed, the activities of the World Bank have changed too. In the past, the World Bank financed capital infrastructures such as roads, railways, telecommunications, ports, power facilities and so on. Its present development strategy places more emphasis on investments that can directly affect the well-being of the poor people in developing countries by making them more productive and by integrating them as active partners in the developing process.

Since 1980, the bank has also carried on a program of structural adjustment lending. This program was developed in response to the severe economic difficulties in developing countries and supports specific policy changes and institutional reforms designed to achieve a more efficient use of resources in the client country, and thereby lay the basis for future growth while also contributing to a more sustainable balance of payments.

All this good work, like any human endeavour, does not go smoothly all the time. Under the IDA rules there is an agreement whereby if the United States does not meet its full share of the requirements of IDA, other countries do not have to contribute their full share. That is, they can cut back on a pro rata basis comparable to the United States. In 1982, the United States cut back very significantly. If other countries had cut back on a similar basis, the result would have been very serious indeed. However, the consensus at the World Bank meetings in Toronto in September of that year was that the amount IDA requested was appropriate, and so other countries scrambled to maintain the system.

I had the honour of being a delegate to the General Assembly of the United Nations in 1981. That particular session of the United Nations was on where the conflict between the views of the newly-elected Reagan administration and those of some underdeveloped countries was very sharply delineated.

The differences of opinion continued, and in September, 1983 when the discussions began at the IMF-IBRD meetings in Washington about the seventh replenishment of the International Development Association, the United States again contributed less than expected. Some American officials have expressed fears that if countries already in difficulty find it easy to borrow, this will distract them from making necessary changes to improve efficiency in their own domestic policies. On the other hand, the poorer countries which suffered particularly during the world recession became more frantic and angry in their demands that the industrialized countries help them. This indeed was sometimes difficult for people in industrialized countries to understand since they themselves were having a difficult time.

It has been said that a "dialogue of the deaf" is now going on between the so-called North and South, with the industrialized nations wanting to give less money—Mr. Speaker, I am having a little trouble hearing myself. I wonder if the gentlemen on your right could reduce the noise by a few decibels?

Mr. Deputy Speaker: I would ask Members to please listen to the Hon. Member's speech.

Miss Nicholson (Trinity): They don't have to do that, Mr. Speaker. They can just continue their conversation in slightly lower tones of voice.

It has been said that a "dialogue of the deaf" is now going on between the so-called North and South, with the industrialized nations wanting to give less money with more conditions and requirements while the less developed countries want more money and fewer conditions. I think that those of us who have travelled in Third World countries generally come back with the feeling that the need surely is for more money and more guidance and assistance in using it to their best advantage.

As the world emerges from a recession, recovery has been particularly slow for the heavily indebted middle-income countries and for the impoverished nations of Africa. Clearly the existing problems of debt and poverty will remain as long as capital flows to developing countries remain inadequate, trade barriers remain high, and inefficient domestic policies remain untouched.

Multilateral financial organizations are in particularly favourable positions to link capital flows to developing countries with performance requirements and assistance to meet

those requirements. Money alone will not help developing countries, although indeed they badly need additional financing. However, financial assistance without performance requirements and monitoring, as has happened both in commercial lending and with bilateral or country-to-country assistance, has led to inefficient investment. Sovereign nations do not usually easily accept attempts by other nations to influence their policies, hence it is difficult to put conditions on bilateral aid. Commercial bank lending to developing countries which increased so rapidly in the seventies, was also not sufficiently buttressed by performance requirements. Commercial lenders evaluated the credit worthiness of their borrowers for individual, often short-term, loans, but did not adequately monitor either how the funds were used or the countries' long-term policies and prospects.

The multilateral financial institutions, however, have proven that they can design, evaluate, and supervise adjustment in the developing countries in ways which are acceptable to the country concerned. Every World Bank loan and IDA credit has conditions and is also complemented by a more general macroeconomic dialogue with each borrowing country about its economic prospects and policies. Now when so many developing countries are struggling to revive economic growth, the Bank's dialogue with borrowers on broad issues of economic policy has become more important than ever.

The Bank today is keenly aware that attempts to revive economic growth without attention to income re-distribution can result in little improvement for the poor, and could lead to widening gaps between rich and poor in the recipient countries. In its lending and its research, therefore, the Bank has worked toward improving the situation of the poor. Approximately one third of all World Bank loans now focus on projects that especially benefit the poor. These loans too are stringently monitored and are subject to conditions.

● (1530)

In April 1984, I heard Munir P. Benjenk, Vice President of the World Bank address this issue at the Lisbon Conference of the Council of Europe as follows:

> Obviously conditionality implies hard, sometimes hot disagreements. But what makes World Bank conditionality work as well as it does is that our borrowing member countries consider the Bank a friend and partner in their development efforts. The Bank's conditions are associated with long-term finance, are a natural complement to the IMF's conditionality and its short-term finance. This is particularly true of the Bank's non-project lending for structural adjustment and sectoral development, which recognizes that major reforms in developing countries can only take root if they are implemented gradually over a number of years, and are financed in parallel with closely monitored implementation.

The World Bank's size, experience and global perspective give it some advantage in analysing a country's economy, and increasingly now we are seeing some other investors, the Regional Development Banks, and the Commercial Banks sometimes, use the World Bank's analysis to help in decision-making.

I would like to refer now to the debate on the Bretton Woods Bill in this House in 1982. The Present Minister of Finance (Mr. Wilson) who was then the Opposition critic, said:

> I believe the Government of Canada should assess its position very carefully on an on-going basis. Can we continue to play as large a role as we have in supporting these multilateral institutions. If our economic performance continues the same, if we continue to have a weak economy . . . we in Canada may have to cut back.

I have nothing against the Hon. Minister's suggestion that the Government of Canada assess its position very carefully on an on-going basis. Obviously situations change and it sometimes is necessary to modify policies accordingly. However, I sincerely hope that the Government will not consider cutting back on foreign aid at this particular time.

Nearly 800 million people are living in absolute poverty; more than 600 million will still be in this condition as the world enters the next century. We have a moral obligation to help tackle the problems of poverty, hunger, and lack of education, which are all too prevalent in our world. Not only do we have a moral obligation to help, but it is clearly in our own interests to do so.

Because of our interdependence, we need to work for recovery in the world economy so that the benefits of the recovery can spread to all countries. Clearly, resumption of sound, lasting growth among industrialized nations will help developing countries.

But we, too, are helped by increasing prosperity in poor and distant countries. The North-South Institute here in Ottawa, for instance, estimates that the economic malaise in Third World countries has played a large part in a drop-off of Canadian exports and a loss of 135,000 jobs here.

Finding the correct balance between aid, trade and investment is a matter on which the international community can and must work together.

Aid, whether bilateral or multilateral, is still essential and will be for some time.

Trade is at least as important as aid in the promotion of development. Export earnings account for the major part of most developing countries' international purchasing power. During the recession from which we are emerging, these earnings were particularly badly squeezed between a contraction of the market for exports and the fall in the prices of the commodities on which so many developing countries rely heavily. This squeeze, bad enough as it would have been by itself, took place at a time when high interest rates have been the norm and when, unlike their impressive economic performance after the first oil shock of 1973, the developing countries were finding it particularly difficult to cope with high oil prices prevailing since 1979. Many have been faced with mounting debt repayments.

We all recognize the importance of maintaining an open and orderly international trading system. This will be promoted by assisting the developing countries to build up their economies and invest in the future so that eventually they will be less dependent on external assistance. Foreign investment and bank lending are of course extremely important to many developing countries.

We must not forget, however, that no matter how helpful, and indeed invaluable, aid, trade, and investment are, there

can be no real and sustained economic progress in developing countries unless their own governments pursue appropriate policies. As I said earlier, it usually proves more acceptable for the multilateral institutions than for a donor country to discuss policy issues with a recipient but still sovereign nation. The process of negotiation is all important so that obstacles to progress are removed with goodwill by mutual agreement.

Finally, Mr. Speaker, I want to comment briefly on the interdependence between arms reduction and development. As the international arms race is brought under control, resources can be freed for international development and other productive uses.

I know that Hon. Members on all sides of the House will join with me in the hope that the talks in Geneva will be fruitful and that when we next discuss Canada's contribution to the World Bank it will be in the context of a world where progress has been made toward armament reduction and toward peace in the future.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I appreciate the opportunity to speak on Bill C-30, an Act to amend the Bretton Woods Agreements and to repeal and amend other Acts as a consequence.

The Bill actually deals with three closely affiliated international development institutions. One is the International Bank for Reconstruction and Development, commonly called the World Bank. Second is the International Development Association which is basically the soft window of the World Bank. Third is the International Finance Corporation.

In particular what the Bill is doing, and with this we really have no quarrel, is to provide legislative authority for Canada's participation in the International Finance Corporation. This legislative authority had never been provided before. Pursuant to the June 12, 1981, ruling of Madam Speaker Sauvé regarding budget items in the 1981-82 Estimates, it became necessary to provide legislative authority for the International Finance Corporation. Of course, we have no quibble with that.

A second purpose of the Bill is to consolidate legislative authority for the three organizations and the one statute, that is the World Bank, the International Development Association, and the International Finance Corporation. We have no difficulty with that. Indeed we are grateful that the Bill should be brought before the House at all. Therefore, we are happy for the technical reasons, for it being brought before the House. It provides Hon. Members with an opportunity to assess the value of our participation in the World Bank and other organizations, to take stock of their activities, and to determine to what extent they are providing real development assistance to developing countries and promoting a more equal balance between North and South.

● (1540)

We in this Party feel that this kind of reassessment is fundamentally important and particularly crucial now in view of the vast changes in the international economic order over the last decade. Because of these changes and the crucial importance of international financial institutions and Canada's role in them, we are very distressed by a third aspect of the Bill which will possibly make this the last occasion on which we will be able to debate these matters.

As was pointed out by the Hon. Member for Trinity (Miss Nicholson), although she does not seem as worried about this as I, the new Clause 6 alters the means by which parliamentary approval for providing funds to these organizations is obtained. Formerly, an amended Act had to come before the House of Commons for approval to be granted in the provision of funds for these organizations. These approvals would now be sought annually by virtue of Clause 6 through the Estimates rather than through amendments to the Act itself. I gather this would not apply to the International Monetary Fund. It is not included because there is no need to increase its special drawing rates in this legislation. What is included and is of particular concern to us is the World Bank, the International Development Association and the International Finance Corporation.

I wonder how many Hon. Members realize that this is in effect what was done with regional development banks back in March 1983. Instead of having to come every year or two years to the House of Commons for replenishment, enabling us to have a debate and enabling us to go to committee and discuss many aspects of the operations of regional development banks, after Bill C-130 was passed that was the end of Parliament having any opportunity to discuss the operations of regional development banks and such related funds as the International Fund for Agricultural Development and the Common Fund for Commodities. From that moment on, the provision of funds to the banks and other funds was through the Estimates, not through special amended Acts of the House of Commons. In retrospect it was a mistake. We should not have allowed it to take place in 1983. We should learn from that mistake and try to rectify the situation, not exacerbate it by making provisions, as the Bill we are discussing today does in Clause 6, that change the way in which moneys are approved for the World Bank and the IDA.

I have heard some people in finance and elsewhere argue that it is more efficient this way, that one can get the money more surely and rapidly. However, I think it must be tongue in cheek because they know the House cannot hold up this kind of Bill for very long. Compared with what goes on in other parliamentary systems, we give incredibly little attention in this House to international financial matters. We should not forego the small amount of influence we can exert through debates in the House.

I hope we will bring forth an amendment in committee which will ensure the continuation of periodic debate in the House on the World Bank and related institutions and bring back the possibility of debate in the House on other international financial institutions in addition to the World Bank, the IMF and, in particular, regional development banks.

The Government knows that we in this Party have always been very supportive of Canada's participation in multilateral institutions which share the burden of international develop-

ment. As a rule we have approved very strongly in the past all multilateral approaches. However, we are increasingly concerned about what has been happening in many multilateral institutions which most Members of the House have supported in the past.

For example, we are concerned about the trend to withdraw support from these institutions. We see it being initiated by the Reagan administration in the United States. I note with particular concern Canada's position at the recent UNESCO meeting in Paris at which, it seemed to me, Canada hardened its stance, hinting that it was following the U.S. lead and possibly giving some consideration to withdrawing from UNESCO. We would be very troubled if Canada should fall in line with the trend we see taking place in the U.S. administration. If it is, it is even more important that there be a full parliamentary and public debate on all legislation affecting our participation in multilateral institutions. If we do not have that kind of debate, specifically returning to international financial institutions, then we as a Parliament will not be able to address seriously reforms which are needed in these institutions, not only to enhance the stability of industrialized nations but, even more, to enhance the economic survival of the least developed countries of the South and the political stability of all.

I hope it is not the intention of the Government to avoid altogether public and parliamentary discussion of these vital issues. In making this change in Clause 6 I think that is effectively what it is trying to do. A part of my fears is engendered by some of the references of Conservative Members in previous debates in earlier years, including the Hon. Member who is now the Minister of Finance (Mr. Wilson), suggesting or implying that Canada did not need to give, should not be giving nor continue to give support to international financial institutions such as the World Bank, IMF and regional development banks. We certainly have many criticisms of the operation of these banks, but we do not want to see the Government move out of Canada's involvement in multilateral affairs.

● (1550)

We are worried about removing the possibility of any parliamentary debate after this debate. That is exactly what the Government may be doing. I would urge it to look at the comments of a former Conservative Member, Douglas Roche, in the House of Commons on March 25, 1983. He did not want Canada to withdraw from its international commitments. This was during the debate on the International Development Continuing Assistance Act. That debate related to the replenishment of the funds of the regional development banks. Mr. Roche said:

> One of the reasons for the importance of debating this legislation is the fact that it is a very rare occasion when the House is seized of any sort of debate on these matters, let alone dealing with legislation having to do with Canada's role in international development. As we know, CIDA has been operating through the years without an Act of Parliament. The only time we deal in any substantial way with CIDA does as the main proponent of Canada's role in international development, is at the time of the Estimates. I am afraid that all Members of the House are too well aware of the inadequacy of the rules concerning the examination of Estimates that preclude the full treatment that important spending programs require.

I recommend to the Minister of State for Finance (Mrs. McDougall), in whose name this Bill stands, that she look again at those comments of a former Conservative back-bencher.

Let me ask a very serious question. Is it the intention of this Government to abstain from addressing in any meaningful way the vital issue of international development, as it seems to be doing in failing to address our concerns about the North Warning System and star wars?

Is has been very clear for some time that reform of the international monetary and financial system is essential. It is long overdue. The creators of the Bretton Woods Agreements, could not, of course, have foreseen the extent of the changes in the world economy, the vast capital movements, the major imbalances and external payments, foreign debt, the operations of the multinational banks and corporations and the extent of global interdependence which now exists.

A great deal has been written on these matters. One book I found most interesting and helpful is entitled *Towards a New Bretton Woods*. The report is by a Commonwealth study group. I believe it came out in 1983. It is an excellent series of essays addressing the challenges for the world financial and trading system.

As I pointed out in previous debates, the activities of the commercial banks have undermined the developing countries through, in my view, the banks' totally irresponsible behaviour throughout the 1970s in the expenditure of their petro dollars, almost begging many of the developing countries to take easy loans, to the point of enormous over-spending with huge profits for themselves in the process. The resulting burden of debt, the effects of the world recession and the ultimate withdrawal of commercial lenders forced developing countries into almost total reliance on the International Monetary Fund and, for different purposes of course, on the World Bank.

According to the *North-South Institute Review*, an outlook for 1983-84, the outstanding external public debt of developing countries now exceeds $600 billion, more than double that of five years ago. Of this, 80 per cent is owed by 20 countries and fully one-third by the three largest borrowers. The balance of payment problems and the repayment of many low income countries are almost insurmountable. The debt servicing obligations and new financial outflows over the next three to four years is a net transfer of resources out of developing countries, threatening economic, social and political stability and making development and growth an impossibility.

The developing countries are now at the point where an IMF agreement has become a crucial seal of approval of credit worthiness. It has become a precondition for gaining access to other sources of finance. The growth of IMF quotas on which members' access is based have not kept pace with demand. Expressed as a percentage of world trade, IMF quotas have fallen from a peak of 13 per cent in 1959 to a low of just under 4 per cent in 1982.

Furthermore, the lending policies of the five major Canadian banks, with an estimated $10.3 billion outstanding in loans to Argentina, Brazil and Mexico, reflect this trend. All now attach high priority to restraining outstanding developing country loans and to expanding their lending activity in such high growth areas as the United States and the Pacific Rim. Also, and this is as important as either of the two previous points I have mentioned, no new issues of IMF special drawing rights have been allocated to members since January 1981. In fact, a decision not to issue special drawing rights in 1983 was taken due to U.S. opposition.

Along with inadequate IMF resources, more stringent conditions and performance criteria have been placed on developing countries seeking assistance. The IMF harsh stabilization programs are designed to correct chronic balance of payment deficits by reducing demand for imports while simultaneously boosting exports. Reduced internal demand is sought by demands to cut wages, reduce state subsidies on many goods, including food, thereby raising prices and a whole host of other measures designed to reduce living standards in the developing countries.

Measures to increase exports include, among others, currency devaluations to make exports more competitive and imports more expensive, concessionary tax laws for export industries and the creation of export processing zones designed to lure export oriented multinationals looking for a cheap, tightly-controlled labour force to exploit. In many instances, these conditions have led, as we all know, to severe social consequences such as high unemployment, as well as creating artificial distortions in the balanced growth of the domestic economies. There are many cases where less developed countries that were previously net exporters of food are now net food importers because the resources have been deliberately drained from the agricultural sector.

The austerity related unrest in Brazil is a serious threat to political stability in that country. The so-called IMF riots in Jamaica are also well documented. An uprising five years ago killed 800 people. A more recent public protest left several dead. In Jamaica, the current average wage is about $12 a week. Unemployment is close to 30 per cent and inflation is also about 30 per cent. Is this what we are supporting the IMF for? I would remind Hon. Members that IMF is an integral part of this debate. Undermining its own stated purposes of promoting international monetary stability and co-operation, is that what we are doing? The big question of the IMF today is, the development is for whom? It is most probably not for the developing or lesser-developed countries of the world.

This brings me to one of the lesser amendments in the Bill before us which so far has escaped previous speakers. It is the amendment to Clause 7 which adds certain words. This clause provides that the Minister of Finance shall table reports of the agencies covered by this Bill and details of their operations which directly affect Canada. The amendment adds:

—including the resources and lending of the World Bank group, the funds subscribed or contributed by Canada, borrowings in Canada and procurement of Canadian goods and services.

We have no objection to that addition to the clause, but I am curious to know why it applies only to the World Bank group, the IDA and the IFC. Why does it not also apply to the International Monetary Fund? Just because there was no need to mention the funding of the International Monetary Fund in this particular Act does not mean that the Government could not have included the IMF in that rather more detailed reporting system provided by the amendment to Clause 7.

● (1600)

Turning now from the IMF to the World Bank, criticisms similar to the ones I have just made about the IMF can now also be made of the World Bank, which formerly was not subject to this kind of criticism to the same extent. Now the World Bank seems to have underwritten the approach of the IMF.

Hon. Members will know that the World Bank has developed really innovative structural adjustment loans which are a form of balance of payments support. However, it now appears to be making these loans conditional upon a borrower's acceptance of an IMF adjustment program. If my understanding is correct, then it is basically underwriting the approach of the IMF.

Second, regarding the IDA window of the World Bank, it seems to me that replenishments to the International Development Association of the World Bank are becoming increasingly uncertain. In 1981, the Reagan administration reduced the U.S. contribution of $3.2 billion to the sixth replenishment, commonly known as IDA-6, by deciding to stretch payment over four years rather than three. This resulted in a 35 per cent slash in lending in 1982. Fortunately, the non-American IDA deputies agreed to bridge the shortfall until IDA-7, this year, by contributing an additional $2 billion. I should like to note that this $2 billion was actually placed in a special fund which restricted procurement to the contributors and other developing countries as a symbolic show of disapproval of the position of the United States. This was quite remarkable since IDA donors only contribute in proportion to the contribution of the United States, pursuant to the 1980 agreement.

Nevertheless, the U.S. breach of the principle of burden sharing continues. At the negotiations for the seventh replenishment, the U.S. proposed a replenishment of $9 billion in response to the Bank's stated minimum amount of $16 billion. Canada and other donor countries sought a compromise of $12 billion but without success. This has precipitated the creation of another special fund for sub-Saharan Africa of $1.2 billion with $100 million coming from Canada.

The downward pressure on IDA funding levels will continue to have its most severe effects on the countries of sub-Saharan Africa, countries in which the average annual income, excluding Nigeria, was only $330 in 1979 and has since fallen .5 per cent each year in real terms. The drought-stricken countries of Africa will have little chance of escaping the tide of famine that individual Canadians are now trying to stem.

Finally regarding the World Bank and IDA, it seems likely that a modest interest charge will be levied quite soon on IDA

lending, something which has never been done before, and that maturities will be reduced as a means of supplementing resources.

Surely the Canadian Government must see that the Canadian public is concerned, that many members of the Canadian public recognize the crucial nature of the problems of the developing world and the less developed countries and that they are anxious to see the Government take a leadership role by addressing these problems in Parliament. Just as Canadians have demonstrated their concern about the nuclear threat, they have also demonstrated their willingness to respond to the poverty of the Third World by donating millions of dollars to the starving in Ethiopia and the Sudan.

Another very important question relating to international lending is that of human rights. We in this Party have repeatedly urged this Government and the previous Liberal Government to require Canada's directors, and in fact all Canadian representatives at international financial institutions, to consider human rights abuses when handling loan requests. Just last month I urged the Secretary of State for External Affairs (Mr. Clark) to live up to the Government's recent endorsement of a U.N. resolution condemning human rights violations in Chile and by advising Canada's representative at the Inter-American Development Bank to vote against a $130-million loan to that country's repressive military régime. The Minister claims that he does not want to politicize the Bank's lending criteria. The fact is that he is politicizing it when he declines to look at the human rights record of the governments in question. The Government is effectively copping out on the human rights issue, as did the Liberal Government before it.

Interestingly enough, although I was earlier critical of the Reagan administration, even the Reagan administration, under congressional pressure, abstained from voting on the loan to Chile in compliance with its own human rights legislation on international lending. Canada voted in favour of the loan. Obviously there is a need for similar Canadian human rights legislation on international lending.

A major concern of the New Democratic Party is the increasing political interference in international lending. We are particularly concerned, as I have indicated, with the frequent role of the United States in pressuring the IMF, and indeed all international financial institutions, to take a harder line with countries whose political persuasions are deemed unacceptable to the Reagan administration. That is the kind of politicization about which we and the Government should be worrying. Surely this kind of activity is in clear violation of the fundamental principles on which the international financial and trading system was founded; multilateralism, non-discrimination and openness and special concern for poorer countries.

At the World Bank, the U.S. expressed concern not over these principles but over subsidizing utopianism in reference to a loan for collective farming in Tanzania. A confidential internal bank study recommended a squeeze on funds to Nicaragua until more concessions were made to the private sector. I was appalled to learn recently that the United States Executive Director at the Inter-American Development Bank recently threatened to walk out of any meeting that even considered a loan to Nicaragua.

An Hon. Member: Hear, hear!

Ms. Jewett: That is what worries us, Mr. Speaker, and I am sure it worries the Secretary of State for External Affairs who, I am pleased to see, is present in the House. A country which has just had a democratic election with the participation of opposition parties in which the Sandinistas received almost the same percentage of the popular vote as did President Reagan, President Reagan is now calling undemocratic and the Hon. Member from the Conservative back-bench is saying "hear, hear" when I point out that the Executive Director of the IADB threatened to walk out of any meeting that even considered a loan to Nicaragua. This $58-million loan to Nicaragua is one of the most investigated loans made in IADB history and one which every other country at the Bank has approved for consideration.

I was even more startled to learn yesterday that U.S. Secretary of State George Schultz has taken the unprecedented step of personally interceding to block this loan on the grounds that it might be used to finance aggression. This kind of intervention is setting a most dangerous precedent for all multilateral institutions and for the whole concept of multilateralism. Of course, the United States administration—though I would hope not the Conservative administration in Canada—would never admit that its $1-billion cover war against the democratically elected Government of Nicaragua, together with its economic blockade of that country, is what has undermined the real economic and social reforms the Sandinista Government has struggled to achieve.

• (1610)

Do Hon. Members not agree that Nicaragua's land reform and literacy programs are among the best examples of a developing country which is achieving significant economic progress for its people? I would say that the Secretary of State for External Affairs agrees with that. Indeed, as we all know he has been very concerned about Canada giving assistance to the possible peace plan in the region and the Contadora process.

Nicaragua is a country which deserves not only assistance from the international financial system, but an increase in Canadian bilateral aid, which continues to be paltry in comparison with other countries in Central America which Canada aids where human rights violations continue to be an enormously serious barrier to development. It is development in the less developed countries with which we should be concerned. I am still concerned about the restoration of Canadian bilateral aid to El Salvador, because there is no evidence that the human rights situation in that country has improved. In fact, most objective observers feel that the situation has worsened.

As I said at the beginning, the international community seems to be moving further and further away from the original

goals of the Bretton Woods Agreements. This, together with the weakening support for multilateral development institutions, must continue to be addressed, not only by Government but also by Parliament. I was beginning to detect that when the Conservative Party was in Opposition, and particularly in the words of the Hon. Member who is now the Minister of Finance. Of course, I do not detect that in the words of Ambassador Roche, and in the weakening support for multilateral development institutions on the part of the Reagan administration. Therefore, I would urge that this not be the last debate we have on any international financial institution.

The amendment—which I would say is the only one with which we are having serious problems—will no longer make it possible to replenish funds in international financial institutions by an Act of Parliament. From now on those funds will only be authorized in the Estimates. That is a backward step. I am sorry that step was taken in connection with the regional development banks in March of 1983. I would like to see that rectified. I hope when this Bill goes to the Standing Committee on Finance, Trade and Economic Affairs, that we will move to restore the Act to its earlier form, as far as parliamentary approval is concerned. I know that a member of the NDP will propose amendments to that effect.

There is not a lot we can do in this Parliament to improve the operation of the international financial institutions, the World Bank, the IMF, the regional development banks and so on. However, we can draw to the attention of Parliament some of the deficiencies which we feel exist in the operation of those institutions and some of the problems which they are creating for the developing world. In addition, we can urge the Canadian Government to do everything it can, not only to participate in and strengthen the institutions, but to ensure that those institutions are working for the well-being, growth, development and advancement of the less developed countries of the world.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Shefford (Mr. Lapierre)—Regional Economic Expansion (a) Domtar—Negotiation of solutions between Prime Minister and Premier Lévesque (b) Domtar—Minister's position; the Hon. Member for Egmont (Mr. Henderson)—Agriculture (a) Potato inspection fees (b) Request for postponement; the Hon. Member for Churchill (Mr. Murphy)—Federal-provincial Fiscal Arrangements (a) Size of equalization payments (b) Request for changes in formula.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Alan Redway (York East): Mr. Speaker, it is a pleasure to have the opportunity to address my comments in support of Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof.

The Bill has three main parts. The first part is housekeeping, concerning the consolidation of legislative authority for the three affiliates of the World Bank group; that is the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation, to be brought under one Act. In fact, this Bill repeals the Act which relates to the International Development Association and incorporates all the references and agreements to that association into the Bretton Woods Agreements Act.

The second matter dealt with in the Bill is the question of providing legislative authority for Canada's participation in the International Finance Corporation—the IFC. Of course, that is something, as the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) raised a few moments ago, which is in question in the House; that is, the authority for the Government to raise money in that connection. That goes back to a very old principle. In fact, it relates back to the time of King Charles I of England and the whole issue of who had the right to rule—the King as a divine right; or Parliament. The principle enshrined in this bill is that of the Government being accountable to the people of the country through its representatives, the Members of the House.

The third matter dealt with in the Bill, which the Hon. Member for New Westminster-Coquitlam also raised as a matter of concern, is the modification of the means by which parliamentary approval for providing financial assistance to the World Bank groups is obtained. The authority for those expenditures will now be done, on an annual basis, through the Estimates, rather than through amendments to the Act. Of course, that will not eliminate the right of the Opposition or Private Members of the House to examine the amount of money being allocated for that purpose. The Estimates will still go before committees of the House. This will give Members of Parliament an opportunity to examine them closely. If there is a substantial change in the direction or policy of the World Bank group, obviously it will require a further amendment to the Act. That will mean that another Bill will have to

be brought before the House, and of course that will provide an opportunity for the Opposition and all Members of the House to debate the matter.

What interests me in particular about this Bill is not the items set out in the amendment—and perhaps they could be called housekeeping items, with the exception of providing additional funds in the Estimates—but the fact that we are talking about the Bretton Woods Agreements. I think this is an appropriate time for all Members of the House to reflect on the significance which Bretton Woods had, not only in Canada but in the whole international scene. The Hon. Member for Trinity (Miss Nicholson) has outlined a number of those facts.

The Bretton Woods Agreements, which emanated from the Bretton Woods Conference of 1944, were aimed at bringing international order to the international economic chaos. The whole conference, which was one of six conferences that took place towards the end of the Second World War, between 1943 and 1945, tried to sort out all of the international problems, not only economic but political, which faced the world at that time. Of course, those six conferences culminated in the San Francisco Conference which enshrined the Charter of the United Nations and the United Nations Organization itself. It is rather interesting to note that in the 40th anniversary year of the United Nations, and having heard just last week from the Secretary General of the United Nations, we should be talking about one of the very significant agreements which was encompassed in that whole international scheme which we now refer to as the United Nations; the World Bank, the International Monetary Fund, and so on.

● (1620)

The Bretton Woods Agreements created two institutions. One was the International Monetary Fund and the other was what was then called the International Bank for Reconstruction and Development, now the World Bank.

Hon. Members of the House will recall that prior to the First World War the whole of our international trade and trading arrangements were based on something which we now feel is a little strange, the gold standard. All monetary currencies were related to the gold standard and all international exchange depended on the gold standard. That system broke down, of course, during the First World War. After the First World War, between then and the beginning of the Second World War, there were attempts to re-establish the gold standard. That caused a great many difficulties as well, and as the world slipped into the Great Depression we came into a period where in order to try to seek some individual economic advantage one country after another devalued its currency as a stimulation for its economy, to the disadvantage of the other countries of the world. Of course, once one country tried that, every other country tried it as well, and that led to a period of economic international chaos.

In the process of recovery after the Second World War, the nations of the Western World tried to establish, or re-establish, some sort of international economic order. That, of course, was what the Bretton Woods Conference and Agreements was all about. That was a conference between 44 nations, as I understand it—Canada was one of those nations—that came to the agreements which are now enshrined in this Bill with which we are dealing this afternoon.

The International Monetary Fund, as has been pointed out, has had its ups and downs over the years. It has had to be modified, its policies changed in order to adapt to continuing world conditions. At the same time, the basis of all of that is the conference and the agreements which were reached at Bretton Woods in 1944.

As far as the World Bank is concerned, other Hon. Members have outlined its activities since it was founded. It was originally founded to give aid to our western allies who had been ravaged by the war. It was then expanded to give aid to some of our enemies in the war. Then it was expanded to look after Third World countries. That really was the beginning, in my mind, of all of the international aid and assistance given to underdeveloped countries in which the developed countries of the world are now involved.

This Act and the agreements which it enshrines and the conference which reached those agreements, all have a very important and significant place, not only in the history of the world but in the history of Canada. I feel we should be very proud that we played a major role in the development of the agreements. In that respect, I believe the debate today gives a good opportunity to reflect on the role we have played, not only in the international economic trading and banking communities but in the entire area of assistance to Third World countries. I hope we will pass this Bill in a hurry, Mr. Speaker, but in doing so, I do not feel we should ever forget the true significance to this world of the Bretton Woods Conference and the Bretton Woods Agreements.

Ms. Jewett: Mr. Speaker, I am sorry I had to leave momentarily as I may have missed hearing the Hon. Member speak about something I am going to ask him. Does the Hon. Member realize that if the Bill remains as it is now this will be the last chance we will have to debate IMF, World Bank and International Development Association matters in this House?

Mr. Redway: Mr. Speaker, I wish the Hon. Member had not left the House because I did comment on that point. I indicated, first, that while there would not be an opportunity to debate individual increases in funding as amendments to the Act, there certainly would be an opportunity in committee to discuss the estimates themselves. In addition, if there is some major policy change, that obviously would have to be brought forward as an amendment to the act. In so doing, there would be a chance to fully debate any major change in the structure or policy in that way.

In my view, while I understand what the Hon. Member is saying, it seems to me that there will be an opportunity for that in the future. In fact, I believe all Hon. Members of this House hope that the committee or the task force on reform may also have some thoughts about providing a more meaningful way of dealing with the estimates. In all of those ways

we will have an opportunity to deal with this issue, I am sure, on many more occasions.

Ms. Jewett: Mr. Speaker, I share the Hon. Member's hope that the committee system and particularly the examination of estimates will become much more effective than it has been in the past. However, with respect to the larger concerns we all have about the international development, about which the Hon. Member was speaking, he surely is putting it on pretty flimsy ground when he counts on some day having an amendment which would have to come before the House. I would hope that the Hon. Member would prefer some assurance that we would have that opportunity at periodic intervals.

I wonder if the Hon. Member has had a chance to read an earlier speech I made when he was doing his background work for his own speech today? It was a couple of years ago. In my speech I asked for a series of very explicit reports which would be made to the standing committee on the operations of not only the World Bank and the IDA but also on the regional development banks such as the Inter-American Development Bank. Would the Hon. Member join me in some other forum in encouraging that the fuller reports which are now going to be made possible from the World Bank be extended to the other development banks?

Mr. Redway: Mr. Speaker, unfortunately I did not have the opportunity beforehand of either hearing or reading the Hon. Member's comments in her previous speech. However, I understand the point she is making. In her own remarks she referred to Clause 7 of the Bill which does provide for the tabling of a number of different reports, those particularly from the World Bank Group. While it does state in Clause 7 of the Bill that those annual reports in particular should be tabled in Parliament, it indicates that it does not exclude other reports. In fact, the wording is "including" the resources and lending of the World Bank Group. It does not in my view exclude the ability to table all the other reports as well. So I think that even within the wording of the Bill as it now stands that opportunity should be present, and hopefully all that material will be tabled on a regular basis. All of us will have an opportunity to discuss it at that time.

● (1630)

I am sure the Hon. Member does not suggest that at some stage we should be holding up funding by having to present an amendment to the Bill which might be delayed. The Estimates certainly are a speedier method of providing the funding which I know the Hon. Member wants to see for these international banking institutions.

Mr. Heap: Mr. Speaker, the Hon. Member for York East (Mr. Redway) has shown not only great enthusiasm for the World Bank Group, but also an obviously considerable background of information. He says that if a policy change were made it would of course come before this Parliament. I would like him to comment on a policy shift which has been noted by many commentators, such experts as Professor Cranford Pratt of the University of Toronto who commented that the IMF part of this Group has departed a long way from Article I of its Charter which says that its purpose is to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income, and to the development of the productive resources of all members as primary objectives of economic policy.

As Professor Pratt has pointed out, it is well known that the IMF imposes conditions on countries borrowing from the World Bank which contribute only to the prosperity and well-being of the lender countries and have no regard for the well-being and prosperity of the borrower countries. That is a serious shift in policy and I am asking the Hon. Member if he can tell us when that shift was debated in this Parliament.

Mr. Redway: Mr. Speaker, I would have to take issue with the Hon. Member for Spadina (Mr. Heap) on the shift in policy of the Bank and the IMF with respect to trying to favour the lender as opposed to trying to favour the borrowers. I am sure that if you were a borrowing nation you would feel that you were hard done by by the international banking institutions and their policies. On the other hand, the lending nations, as all of us know, have gone far out on a limb over the last few years for many of the developing nations and created some real potential difficulties for the economic stability of the more established and developed nations. I think all of us have some great concern here, hopefully not justified, about the loans which many of our own banks have made to underdeveloped nations and the jeopardy in which that puts major institutions. The widows and orphans which I and my friend are so concerned about are thereby placed in potential jeopardy. A lot of them have their money in those Canadian chartered banks.

There is obviously a balance which has to be struck here, but I think we have to take into account that there are two sides to the coin, and it will not benefit the underdeveloped nations to have the developed nations sink under the surface. The only thing that will benefit all of us is the strengthening of all our economic basis so we can all prosper, all have the employment and benefits which I know the Hon. Member would like to see right across the world on an equitable basis.

Mr. Dan Heap (Spadina): Mr. Speaker, I am quite concerned about the position reflected in the last remarks of the Hon. Member for York East (Mr. Redway). I am also concerned about the shift that my colleague from New Westminster-Coquitlam has spoken about in the handling of the approval of money for the World Bank Group. Until now the Government has come to Parliament every year to ask for more money for the World Bank and its affiliates. It appears that there is now a decision to hide that from view. The Hon. Member for York East and others do not want us to continue to have a full opportunity to examine the workings of these banks. They want it squeezed into the extremely narrow confines of the Estimates debate. He admits that the present system for handling those debates is not satisfactory and he sort of hopes that everything will be all right in the future.

That confirms my uneasiness at this attempt to hide the shift in the policy of the International Monetary Fund which in fact has been quite well documented by quite a number of authorities.

The World Bank and the IMF have been shifting their policies. There is one other shift that my colleague from New Westminster-Coquitlam mentioned. The World Bank recently decided to require that its borrowers should submit to the more stringent requirements of the IMF. Previously the IMF was for the more affluent countries and the World Bank for the less affluent countries. Now the less affluent are being required to meet the same conditions as can be met and dictated by the more affluent. That is a shift in policy, open and overt. The Hon. Member for York East, who does not want to listen to it any more, is mistaken when he says there has been no shift.

There is a policy of changing the role of the IMF in the World Bank to the disadvantage of the poorer countries, and now a policy of this Government of hiding what is going on by taking it further away from public scrutiny. It will no longer be practically possible to point out, for example, how President Reagan has abused the World Bank in the ways that my colleague from New Westminster-Coquitlam just described. It will not be possible to point out how Part II of Article I of the IMF Charter has been completely disregarded. When you examine the IMF conditions applying to Jamaica you find that they provide for cutting wages, cutting public services, raising telephone rates, indeed raising all the costs the people of Jamaica have to pay and reducing their incomes. That is utterly inconsistent with the states purpose of the International Monetary Fund.

The kind of game the IMF and the World Bank are playing is not really very new, Mr. Speaker. It goes back at least 3,200 years. You find it described in the Book of Exodus in the story about how the Pharaoh, dictator of Egypt, took control of the farms, animals and even the bodies of his own subjects. We have been hearing about famine lately in several countries. The Pharaoh took advantage of a famine; he had cornered the grain in the country during the fat years, stored it up, guarded it and then doled it out to his own subjects in return for mortgages on their houses, their farms, their animals and next year's crop. They finally sold themselves into slavery to Pharaoh. That is the pattern of some 3,200 centuries ago, Mr. Speaker. It is clear in that respect that the main governors of the World Bank and the International Monetary Fund have read their bibles. There are some other parts they skipped, but they read that part.

• (1640)

The problem with the operation of the World Bank and the IMF has been that from the beginning it was supposed to promote, as a public bank, the reconstruction and development of countries, post war and in the modern period since then. In fact, it generally serves to maintain trade agreements and to create the conditions that favour the profit oriented multinational corporations of the developed countries, and the banks of the developed countries which are the founders of the World Bank.

For example, with regard to agriculture, Robert McNamara, formerly governor of the World Bank—who should know, and whose words I wish the Hon. Member for York East would consider—said, "Throughout the developing world the rural poor have neither shared adequately in their country's programs, nor been themselves able to contribute toward them". He is saying that the development process which was guided by the World Bank has actually contributed to the destitution of the poor. In many countries the change-over from food production for local consumption to the production of cash crops for export has caused the best lands to be reserved for coffee, sugar or cotton to be exported to us, while the desert land is left to feed the people. That pattern has been repeated in the countries of Central America, in the Philippines, and many of the poorer countries in the world, under the guidance of the World Bank and the International Monetary Fund. It is not just under their guidance, but at their insistence.

The credit arrangements for introducing new techniques of farming, mechanization and fertilizer, squeeze out all but the largest farmers. The small farmers cannot compete. They are forced to sell their land and become tenants, shareholders and sharecroppers on the wealthy estates, or move to the cities and join the growing ranks of the unemployed squatters to whom the multinational manufacturers come to recruit their 25-cent an-hour labour.

A related pattern is seen in manufacturing. The World Bank supports the extraction of raw materials and the creation of export processing zones, which is simply another name for an arrangement to evade such laws as may have been established for the protection of labour, the environment, or even the national economy. These measures have mainly benefited the multinationals and banks of the First World countries and their agents, the elite of the Third World.

Another person in a position to know was Mahbub el Haq, former director of policy at the World Bank. He stated that in Pakistan it was discovered that, "rural urban divisions were sharper than ever and the wealth was still concentrated in the hands of about 22 families". Mr. Speaker, that is what Mahbub el Haq, former director of policy at the World Bank, thought of the effect of the World Bank on his own country.

This trickle-down effect which was supposed to come out of the capital intensive projects just did not result. According to McNamara, it is "pointless and offensive to lecture starving, illiterate, diseased people, with absolutely nothing to sell, about the magic of the marketplace". The marketplace that Mr. McNamara rejected is now being advocated by the present governor of the Bank, A. W. Clausen, a supporter of Reaganomics.

Proponents of the World Bank claim that the export earnings of countries receiving its aid and investment have increased. That may be true, however, they take care not to advertise the fact that the foreign debt of those countries has generally increased even more because of currency devalua-

tion. That has not stopped with the invention of the Bretton Woods Agreements Act, as the Hon. Member for York East would have us believe. It just means that the poorest countries are forced to devalue their currency. They are forced to import capital goods; oil, trucks and machinery, and manufacturing components, and are forced to allow the profits of that to be repatriated to countries such as the United States, which control the whole process. Countries already heavily in debt must spend more money to buy the equipment from the multinationals in order to export their own or someone else's raw materials, reworked, to these same multinationals who may then process those materials into manufactured products in still another Third World country where they can force the wages down with the help of dictators such as those that rule in the Philippines and South Korea.

The workers in both the resource producing countries and the manufacturing countries of the Third World too often must work without minimum wage, without unions, without environmental protection, without health and safety laws and with no social services under governments which arm themselves, through the good offices of the United States, against their own people to ensure that the wages and other conditions stay low.

The Hon. Member for York East referred to the danger of bankruptcy among Third World countries. He has implied that our banks loaned them those huge sums of money out of some kind of altruism or generosity. That is nonsense. Our banks loaned them the money because they could get higher rates of interest from those desperate countries than they could get from Canadian people who are not yet quite so desperate. They shopped around and begged those countries to take their loans. Countries such as Brazil, South Korea and the Philippines were considered miracles a few years ago, but recently faced bankruptcy. With the money of taxpayers of Canada and other working people of the First World the World Bank then bails out those Third World governments with a loan that they use to pay the interest on the debts to the First World banks. It is great business for our banks, and for no one else.

The World Bank requires the Third World governments to impose austerity, reducing the buying power of their workers and peasants in order to draw off greater revenues for debt repayment. I call them our banks because they have their head offices in Canada. That is the only sense in which they are our banks, because they do not serve the interests of Canada any more than they serve the interests of the Philippines, Brazil, or Mexico. As a result of that, exports from the First World to the Third World are reduced. They just cannot buy our products anymore. That in turn causes some of the unemployment experienced in countries such as Canada and the United States.

The short-term result is very often growing misery and riots or civil war in the Third World countries. That, of course, leads to another round of fiinancial crises. Bankers are understandably lacking in confidence in investments in countries where there is civil war. Therefore, they raise the interest rates even further and further reduce the buying power of the Third World people. This can only be maintained by increasing the armaments of their governments; arms not to defend those countries against the Soviet Union, but to defend those governments and banks against their own people.

Selling arms is presented to First World countries such as Canada as a remedy for unemployment among our people. The long-term result is growing unemployment and a drift toward war for the people of the First World countries such as Canada and the United States. If that is what the Hon. Member for York East considers aid to those Third World countries, who needs a disaster?

• (1650)

The IMF has taken control of World Bank loans by dictating more harsh conditions than the World Bank imposed before. This Bill removes the operation of the World Bank from public scrutiny and puts it into a corner from which I doubt that even the Hon. Member for York East, despite his goodwill, will succeed in rescuing it.

I hope that when this Bill goes to committee there will be two amendments. There is an amendment that I called for last year, or similar to what I called for last year, that Canada as a participant in the IMF and the World Bank should call for a return to the original policy as reflected in the section that I read. I will read it again, Mr. Speaker: "The World Bank and the IMF are to facilitate in the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of the economic policy."

Second, I hope we can have an amendment so that Parliament will still have direct control over the very large sums of money that the working people—our taxpayers—through this Parliament are contributing to outfits like the World Bank and the International Monetary Fund.

Mr. Redway: Mr. Speaker, I was interested in the remarks of the Hon. Member for Spadina (Mr. Heap). They took me back to a period a few months ago when he and I were on a panel at Upper Canada College. Some of his comments were comments that might have been made at that time. Also, some of his comments are those I have heard before on other occasions in other places. He cited a number of problems that the developing world has, problems they have had for a long time. They are not new. They are problems that have been with them and with us since the beginning of time. I am sure a good many of us, if not all, would like to see safety and health regulations in those countries; he would like to see minimum wages, and I am sure many of us would like to see the trade union movement established there more firmly. All of these things will hopefully come with time.

There have been some examples of success it seems to me in the Third World. I suggest to the Hon. Member for Spadina that perhaps Japan and Singapore might be an examples of that success. I know it may shake him to the very foundation of his soul, but notwithstanding the political systems, perhaps

Taiwan is an example of some success; perhaps Hong Kong and perhaps South Korea. I know the Hon. Member would rather see some other types of political organization and political administrations in those locations, but, notwithstanding that, I am sure the Hon. Member would agree that all of those countries are somewhat better off than they were in 1944 when the Bretton Woods Conference was held.

Mr. Heap: Mr. Speaker, I will take the Hon. Member's remarks, if I may, as asking whether I do not credit the World Bank and the IMF with improving the condition of impoverished countries. I do not consider what has happened in the majority of cases as typical. Granted, even countries such as Great Britain may get loans from the International Monetary Fund. The main operations of the IMF and the World Bank are not exhibited there or in Japan. They are exhibited in a country like the Philippines where during the 1970s, under the direction and control of the International Monetary Fund, the World Bank and American banks, real wages were cut in half. The price that workers would pay for rice grown by the local farmers was cut in half. Farmers were driven off their land. These problems have been with us for a long time says the Hon. Member, but that is false. The people in the Philippines were feeding themselves before the World Bank got there. The people in Jamaica were feeding themselves before the World Bank got there. The people in Ethiopia were feeding themselves before the World Bank got there. Their number one problem is the World Bank and the IMF.

Ms. Jewett: Mr. Speaker, I was just listening to my hon. friend. Would he not also agree that many of the so-called rapidly developing nations like Taiwan, South Korea, and Singapore are basically within the ambit of U.S. strategic needs and doctrines? Would he not agree, at least as I read the history of the last many years, where either super power determines that it is necessary for a nation's own security in strategic terms that it will help make possible a certain kind of development, inequitable though it may be, that that seems to make the country more advanced than the way in which the Hon. Member for York East (Mr. Redway) was talking? For example, Peru is not seen by the United States as necessary for the implementation of what it feels to be its security. Therefore, Peru gets no help at all. Would the Hon. Member not agree with that?

Mr. Heap: Mr. Speaker, countries such as the Hon. Member has quoted which are not a strategic area are also areas of competition between the two super powers for influence. But one of the super powers has the World Bank at its disposal; that is to say the United States controls the World Bank. This has been demonstrated by documents from the World Bank itself, and also in documents from the American Congress which point out that 85 per cent of the decisions in the World Bank went in the direction the United States asked. This was pointed out in order to answer some extreme far right America-firsters who said that the United States should not put any money in the World Bank. The Government answered them by pointing out that the World Bank was a far more powerful instrument of foreign policy in the economic field than any direct intervention by the American Government itself. Through the World Bank they greatly multiplied their effects, using the money contributed by Canada and other countries. The United States Government itself has admitted that the World Bank is an instrument through which it uses the poor countries for strategic purposes.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) who has one minute.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I had just thought that I had yet another speech I could put in my file entitled "the greatest speeches I have never delivered". As I sat here listening this afternoon to the many interesting and informed comments, I was reflecting on a number of points, some salient, that I wanted to make with respect to the Bill before us. However, the hour now being five o'clock at least this day will pass without me delivering this speech.

An Hon. Member: Better luck next time.

Mr. Deputy Speaker: It being five o'clock the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to item number 43?

Some Hon. Members: Agreed.

* * *

● (1700)

THE SENATE

CONSTITUTIONAL CONFERENCE ON SENATE REFORM

Mrs. Mary Collins (Capilano) moved:

That, in the opinion of this House, the government should consider the advisability of convening a constitutional conference to explore means of reforming the Senate of Canada in order to ensure that representative, responsible, and democratically-elected institutions have sufficient primacy in Canada to allow them to fulfill the mandate they were elected to implement.

She said: Mr. Speaker, it is a great pleasure to have the opportunity to speak on my first Private Member's motion, the subject matter of which has been the centre of controversy over recent weeks. In the time available today I should like to talk a little about why we are having this debate, about the history and significance of the bicameral system of government under which we operate in Canada, about the need for reform of the Senate, about some of the options which have

been put forth, about convening a constitutional conference, and about my own suggested plan of action.

I know there was a debate last Friday on a similar motion of my colleague. Some Hon. Members participated in that debate. It was certainly most enlightening in drawing out some of the significant issues respecting Senate reform. My motion carries on from that motion on Friday to the next step. It asks for a constitutional conference to provide an opportunity to discuss Senate reform with our colleagues from the provinces.

Why are we having this debate? Almost since its inception in 1867 there has been debate and some criticism of the Upper House. I guess our present day crisis with the Senate is not unusual. Recent criticism has been levelled specifically against the Senate for its finance committee's delay in referring Bill C-11, the Borrowing Authority Act, to the Upper Chamber for final approval.

Constitutionally the Senate is well within its right to delay such legislation while it revises and amends a Bill. However, that was not the case with Bill C-11. In that case the delay was not for the purpose of amending the Bill, because the Bill was eventually passed by the Senate without amendments. I think we can only be led to believe that the Senate committee's delay of Bill C-11 was for what appeared to be purely partisan reasons. The Liberal dominated Senate conducted a politically motivated campaign of destruction, frustrating the people's will, as the Bill was passed through the Commons with the unanimous consent of all three Parties. We all know the cost of those of kinds of tactics and the necessity of cancelling some bond issues. The Minister of Finance (Mr. Wilson) has advised us that something in the order of $10 million was incurred as a result of that delay.

As a result of that effort and what appeared to be the partisanship of today's Senate, it attempted to exert its power over the Government which has an overwhelming mandate from the people of the nation. That was not the function which the Fathers of Confederation envisaged when provisions for an Upper Chamber were made in the British North America Act, 1867. It was clear in 1867—and I think it is clear today—that there was to be no equality between the two Chambers. Cabinet was to be responsible to the Commons, not to the Upper House. In the words of our first Prime Minister, Sir John Macdonald, the second assembly would "never set itself in opposition against the deliberate and understood wishes of the people". I think we have seen some denial of that basic principle in the past month.

Essentially the Senate was designed to balance judicially the power of the Commons, based on the principles of popular representation, by safeguarding the legitimate interests of the people of the less populous provinces. Over a hundred years ago the Fathers of Confederation were suspicious of the virtues of unqualified democracy. It is interesting to note what George-Etienne Cartier called "a power of resistance to oppose the democratic element". Therefore the Senate represented and was responsible for the protection of several minorities, the people of less populous provinces and the French or English-speaking people of Quebec.

The Senate

Since Confederation the regional role of the Senate has been less significant than anticipated in 1867. This has been due to a number of factors. Certainly the highly centralized set-up under the British North America Act, 1867, no longer exists and protection for the regions has been provided by other bodies such as the courts, the Cabinet and regional caucuses.

I think we are all very familiar with the dean of constitutional issues, the Hon. Eugene Forsey and the article he wrote about reform of the Canadian Senate. He pointed out its functions, and the third one envisaged in the early days was as follows:

> To provide a "sober second thought" in legislation, a check on the "democracy" which the Fathers of Confederation mistrusted, a bulwark against "radical" legislation passed by a House of Commons swept by gusts of popular passion.

That is how they envisaged us acting over a hundred years ago. That really has not come to pass, either. Perhaps that role is no longer significant.

However, the Senate is responsible for the study and revision of government Bills in that it can simplify, clarify and take the time to study meticulously and to scrutinize Bills so as to ensure they meet the needs of Canadian society. The Senate is well equipped to handle this task, as it has a vast reservoir of talented and experienced members as well as the time to devote to comprehensive study of Bills.

The Senate also functions as an investigative body, delving into public questions which the Government may have neglected. Senate committees have been known to do this job very effectively and often at a fraction of the cost of royal commissions or task forces. I feel there is a role for the Senate, performed properly. It can be very effective in the refinement of legislation. That is perhaps the most important function of the Senate at present. Any proposal to reform the Senate must take this factor into consideration. Refining legislation takes experience which can only be gained through some form of continuity in dealing with various forms of legislative processes.

Recent examples of the work of the Senate in this respect have been its reports on poverty, unemployment, inflation, aging, land use, science policy, Indian affairs, trade relations with the United States and so forth. I believe the standing committees of the Senate, in addition to doing this very important work, have also introduced a fairly innovative approach in the pre-study of Bills. I think that is something which should certainly be encouraged.

However, as I mentioned before, there are concerns. Obviously there is a need for change. What are some of the options which have been put forward and about which we have heard in the last few months particularly? One was the proposal to abolish the Senate. This came up again yesterday. Personally I cannot support that. I really feel that the Senate has potential and is a safeguard. If it is working effectively it can perform a very important function. I am not of a mind to get rid of it, and I can support this by two reports—the Lamontagne report in 1980 and the Joint Committee Report on Senate Reform in 1984 which, after extensive hearings and consultations across the land, reached the same conclusion. I know some Hon.

Members will not agree with me, but I do not think what has happened in the past month, the kind of fury which has occurred, provides justification for such a radical change. We do not throw out the baby with the bath water. We try to examine the purpose and deal in a constructive way with the potential for change.

Perhaps the second most popular touted reform has been to have the Senate as an elected body. Again commissions have reviewed various options, and various configurations have been put forward. When I started to look at this issue I think that was my first inclination. One of our present Senators, Peter Bosa, indicated in an article he wrote several years ago on this subject that he started out as an advocate of an elected Senate but after some thought and consideration he too had rejected that.

● (1710)

Again, I look at an article by Professor Burns of Queens University who has done a lot of writing in this area. I found his writing most constructive. He wrote:

> There is a good deal of support for the direct election of the second Chamber . . . More often than not, this seems based more on democratic sentiment than on any base of functional understanding. What has not yet been clarified or perhaps even considered sufficiently in this debate is whether we are seeking to develop another level of representative Government or what is essentially an instrument of control within the governmental structure that is already in place.

We can look at other jurisdictions, Australia in particular which has an elected Senate, and some of the great difficulties there and the frustrations they have been through with Bills. We would have exactly the same kind of problems, indeed worse with an elected Senate than we now have. Professor Burns went on to say:

> The life of a Government could be one of continuing uncertainty, if it were to be responsible to two elected Houses.

A lot of people say that an elected Senate could move us more toward an American system of Government, but there is a sense of confusion. We do not have an American system in this country. I do not think we should be working toward that. We would get into greater difficulty with an elected Senate than we have with our present institution.

There have been a lot of recommendations for changes in the way that appointments are made. There have been suggestions of a House of the Provinces or that the provinces actually appoint some of the Members of the Senate. They would almost be servants of the provinces. The basic purpose of the Senate was not to represent the provinces *per se*. It was to provide a representation of regional interest. If we introduced that kind of system, we would be creating more difficulties for ourselves. I do not think that is the forum in which we should be discussing federal-provincial relations. From the recent efforts in Regina, we see that there are other ways which the federal and provincial Governments can get together to share and come together with constructive ideas. Having the Members of the Senate appointed by the provinces and, therefore, feeling a sense of accountability for the provincial Governments would not be a particularly constructive option.

Reforms are required. Some are legislative and some are changes in the character and in the attitude of the Senate which would result in a change in public opinion of the Senate. It is important that we have a Senate that does not frustrate the will of a democratically elected Government. That has to be the first and most important issue that we address.

There have been suggestions, suggestions that I would like to support and propose, that certainly the veto right of the Senate should be changed. They should only be entitled to a suspensive veto, short term on money bills and perhaps a longer term on other kinds of Bills. They would have the opportunity to discuss and debate constructively, but could not totally obstruct the will of this House. That is certainly one of the reforms that I would recommend. That of course requires legislation. Although there is not a clear indication, it probably requires the consent of seven of the ten provinces, including 50 per cent of the population.

As well, we should support the recommendations made both by the Lamontagne committee and the Special Joint Committee on Senate Reform to go to a fixed term. Personally, I rather liked the suggestion of a 10 year term, with a possible renewal for a further five years. I do not think people should view appointments to the Senate as a sinecure or a reward for life. We should be looking for people who are in their middle years, their vital years, people who are prepared to give up some time to be a part of public policy formulation in this country and who can look at it from a longer term view than perhaps we can in the House, and from a thoughtful point of view. A change in the term of appointment of Senators would certainly be an important change in this respect.

I also support the recommendation that the Senate should be given the power to review regulations. As a Member of the Standing Committee on Regulations and Statutory Instruments, I feel it would be very interesting if a lot of that work was done by Senate committees. They probably have the time. They have the people with the interest in that area to do it more effectively than perhaps Members of this House who are so busy with the myriad of issues with which we have to deal.

Items which would not require legislation but require a change in the way that we do things would be, first of all, the way in which appointments are made, the type of person. Originally, the concept was that the type of person to be appointed to the Senate would be persons of considerable experience and wisdom who would make a commitment to this work. They were not considered to be strictly partisan appointments.

As it was originally conceived, the Senate was not considered to be a purely partisan body. If they are going to receive public acceptance of their work, they have to move in that direction and view issues, not from a partisan point of view, but from the kind of experience and background that each brings to the task.

We need to be assured that appointments are made in a speedy way, that we do not leave vacancies, that there are requirements for attendance in the Senate. Therefore, we would not have the continued public criticism that they do not

do their job because they are not there. It should be made a more lively and interesting place than it obviously is now. That kind of life thrown into the Senate might make it possible for it to be televised. You might find somebody who wants to televise it.

Those are the kinds of reforms I would like to see involved with the Senate. As I said, some of these reforms require legislation. Some just require action on the part of Government, some by the Senate themselves and some with the consent of the provinces. This brings me to the point of the necessity of calling a constitutional conference.

Because of the interest that the provinces have shown in this issue and the concern they have, it is important to involve them in the changes that we are going to be putting forward. What better way than calling a constitutional conference? It does not have to be an expensive, fancy thing. It is a matter of bringing together the Premiers and their designates to talk about this issue, to give them a chance to put their views forward and have a thorough public understanding of the proposals that we are making. It is also consistent with the kind of consultative and co-operative approach that this Government is undertaking with the provinces and the people of Canada.

Let me just summarize my points. First, the time has passed for study. We have had lots of them. What we need now is action. Recent events have reminded us that changes are required. As a Conservative, my inclination is and my recommendations are that we should make these basic kinds of reforms, test them, see if they work and ensure that they will maintain the primacy of this House and enable new life and new vitality to be felt in the other place.

My plan of action includes legislation to be introduced to curtail the powers of the Senate, to provide limited terms of appointment, to provide for their right to review regulations, to introduce practices, to encourage Bills to go to the Senate, to invite them in joint task forces, to have Bills sometimes go there before being debated here so that they have time to study them, to ensure that appointments are made of people who will truly contribute and reflect minority views in this country and understand regional concerns, to call a constitutional conference and to ask the Senate to look at itself, to become less partisan and more hardworking and get out and do a little public relations work.

I echo the sentiments of Senator Bosa, who said that Canadians are basically small "C" conservatives. I believe they would prefer and would support a moderate approach to the reform of the Senate. After sober second thought, so do I. We must take care as well that our system of Government does not become too complex and too weighty so that the people of Canada do not understand, and that we lose a sense of accountability. It not only costs more to have a complex system, but there is a loss of public understanding. As Alexander Pope said:

> For Forms of government, let fools contest, Whate'er is best administered is best.

Hon. Members, I ask for your support here in this House, to join together from all Parties with our colleagues in the provinces, with our friends in the other place, to make the kinds of reform and kinds of improvements which will serve the interests of all Canadians.

• (1720)

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I want to congratulate the Hon. Member on her knowledgeable remarks to the House and tell her that, hopefully, the sentiments she expressed before her colleagues are shared by the members of her own political party. She ought to consult the Prime Minister (Mr. Mulroney) and explain to him how she envisages the Senate reform, for he seems to be taking this issue rather lightly. He is just bluffing, but I know that the Hon. Member takes it a lot more seriously than her leader does, and I expect she will impress on him the importance of Senate reform.

Mr. Speaker, I find it rather interesting that Hon. Members opposite would raise the issue of Senate reform precisely when, for once, the Senate exercised its prerogatives. As Lord Acton once said: If power corrupts, absolute power corrupts absolutely.

Mr. Speaker, this Government was elected with an overwhelming majority—211 Members—but it has been slightly put off by a responsible Senate, that has been frustrated as the Hon. Member is, so it chose to show off for the galleries. Looking very pleased with himself, the Prime Minister rose in the House and said: We can abolish the Senate first thing tomorrow morning. The day after, of course, on second thought and—

[*English*]

—sober second thought—

[*Translation*]

—he realized that his joke was not funny at all and that his provincial colleagues were beginning to get impatient with him. Senate reform is much too important to make jokes about it in the House of Commons, they said.

Mr. Speaker, why would the Hon. Member take the floor today to advocate Senate reform? Because, in recent weeks, the Senate has played its true role. The Senate told this political Party and this Government: There are rules and a parliamentary principle which must be respected, a very simple principle whereby the Government should have sought borrowing authority after tabling the estimates.

I should think that is not expecting too much from the senators and the House. The Hon. Member said earlier that it was sheer partisanship, but I would suggest that the senators acted with utmost impartiality.

In fact, Mr. Speaker, the Senate Standing Committee on National Finance reported—unanimously, so Conservative Party spokesmen were in agreement—and recommended that the Senate remain reluctant to approve any request for bor-

rowing authority if such a request is not supported by a budget or by main estimates for the period for which the borrowing authority is being requested.

This message of caution was conveyed to the Government by all senators, including Conservative senators, who said that the Government did not show respect for traditions. Conservative and Liberal senators in the other place said that this was a case of tyranny by the majority. They chose to exercise their powers under the Constitution, precisely to prevent such tyranny by the majority. Perhaps such are the principles endorsed by—

[*English*]

—small "c" conservatives—

[*Translation*]

—as Senator Bosa put it, but the minority must be protected.

The Government may have a strong majority and may be facing a reduced Opposition, reduced in number and not necessarily in quality, Mr. Speaker, but I find them rather ridiculous to be put off and frustrated to the extent that what they decide as a Party must become reality, that they must get rid of any potential opposition, particularly the Senate which happens to be the only Chamber in Canada capable of standing up to the Government now and then and bring it back to its senses.

The Secretary of State gave us a good example today, Mr. Speaker. He cannot stand any kind of opposition. The Secretary of State took revenge on the Hon. Member for Hamilton East (Ms. Copps) and fired her mother who was guilty of upholding the rights of the minority. That is telling us something, Mr. Speaker.

Mr. Deputy Speaker: Is the Hon. Member rising on a point of order?

Mr. Côté (Lac-Saint-Jean): On a point of order. The Hon. Member for Shefford (Mr. Lapierre) just mentioned that the Secretary of State fired the mother of the Hon. Member for Hamilton East.

Mr. Deputy Speaker: I am sorry but that is not a point of order. A point of order would have been that the Hon. Member's comments were not relevant, but I made it clear to the Hon. Member that he should speak to the motion and I think he understood.

Mr. Lapierre: Thank you, Mr. Speaker. I think we hit a sore spot.

What the Hon. Member is proposing today is a constitutional conference. I realize she is new to the House of Commons and may not have had an opportunity to read the 1981 version of our Constitution, since otherwise she would have known she does not need a constitutional conference if her Party has any political will.

According to Section 46(1) of the new Constitution, the amending procedures provided under Sections 38, 41, 42 and 43 may be initiated by the Senate, the House of Commons or a legislative assembly. Thus, Mr. Speaker, such procedures may be initiated by the House of Commons. Today, the Hon. Member is suggesting that we try to accomplish everything in one fell swoop, and she ought to realize that past attempts to reform the Senate have been fruitless.

Mr. Speaker, I remember a number of discussions, including several on the Committee on the Constitution, about the Senate's veto powers, and I must admit I was opposed to the idea. I even made some rather impetuous remarks at the time, and do you know who voted massively in favour of veto powers for the Senate? Our hon. friends opposite, when they were on the Opposition side. I remember the Minister of National Health and Welfare (Mr. Epp) when he was extolling the virtues of the Senate and the fact that the Senate had veto powers. He was on the same committee as I was, Mr. Speaker. Now they are on the other side of the House and are worried about opposition anywhere in Canada, they have decided to create a diversion by talking about Senate reform.

Mr. Speaker, I think if this Government intends to propose some kind of reform and it has any political will and is not just acting out of a spirit of revenge or on the spur of the moment or out of frustration, if it has the political will to propose some changes in the powers of the Senate, we would welcome such proposals. After all, the true reformers in this House are in this Party. In the past we have shown our determination to reform the Senate. We would be delighted to consider a Bill or a draft resolution, to examine all the details of a draft resolution that would give the Senate powers that differ from the ones it has now. However, this does not mean the Upper House should become strictly a rubber stamp for the House of Commons.

• (1730)

The Hon. Member said there should be non-partisan appointments, and so forth. That is all very well. We are all for virtue and motherhood, Mr. Speaker. But she will have to persuade her own leader to make non-partisan appointments. We have a list of the Senators who have been appointed since this Government came to power, and I must say their curriculum vitae are most eloquent, especially where they enumerate services rendered to the Progressive Conservative Party. That is why I think the Hon. Member either did not see this list or else she is being totally unrealistic. Actually, her own leader gave the Minister of Finance (Mr. Wilson) a bit of a dressing down when he told him the reason he did not understand why the Senate was important was that he was not the Prime Minister. That should have been some indication to the Hon. Member that her leader did not intend to carry out a reform. What he does intend to do is to change the balance as soon as there is a vacancy and to replace a Liberal with a Conservative.

And it is my view, Mr. Speaker, that if the Government is serious, if the Progressive Conservative Party is serious, if that party is truly progressive, if they intend to propose to this House a general process of consultation of all parties as called for by the Hon. Member, then I can give her the assurance that this party will very seriously consider any proposal for Senate reform. We are convinced that the Senate must be reformed, and certainly my friend for Duvernay (Mr. Della Noce) might agree with me that if we are to bring in a reform of our national institutions, we might as well discuss the monarchy, if our friends are as progressive as they claim! To the extent that the Hon. Member has referred to institutions that have no democratic reality, I would have like to hear her discuss the monarchy. I think this could be a most interesting subject, especially in the Conservative caucus.

Concerning her suggestion that regional representation is ensured by regional caucuses, I am doubtful about that. And not wandering from the subject, I say we now have a clear-cut case being discussed during every question period. And regional representation does not come from that side of the House either, Mr. Speaker. There is no basis to suggest the Conservative caucus is very active promoting the interests of Quebec in the Domtar case for instance. To that extent, suggesting that those regional caucuses are effective instruments for regional representation, I think the Hon. Member should look at what is being done in the actual world. She might lose a good deal of her illusions.

As far as the constitutional conference is concerned, there is a question of priorities, Mr. Speaker. We are open to Senate reform, we have always been open to that kind of reform, but I would rather have a federal-provincial conference that would deal with the real problems facing Canadians. If you would make a survey in your constituency, Mr. Speaker, and ask what is more important, unemployment or the Senate, I think the answer would be obvious.

If the Hon. Member for Duvernay talks to his constituents and asks them what is more important, the price of gas or the Senate, they will tell him: the price of gas. I am sure that if the Hon. Member for Gaspé (Mr. Marin) were to ask his constituents what is more important, the Senate or fisheries the answer would be obvious, the people in Gaspé are concerned about fisheries.

Mr. Speaker, I could name all the Hon. Members of this House. All of them without exception, including the Hon. Member for LaSalle (Mr. Lanthier). He would tell you that in his constituency the Senate is not a bread and butter issue for his constituents. He would tell you he is amused by the debates on Senate reform in this House, but this is not why he was elected. He never made that many election promises concerning the Senate, and he realizes that if the Government wants to waste its time discussing the Senate, they will lose touch with Canadian men and women.

Therefore, Mr. Speaker, I think it is academic, amusing, and enlightening to hear the Hon. Member discuss a Private Member's Motion over which her leader does not seem to agree at all. We will see today if she is taken seriously by her colleagues, because the test of the Private Members' hour, as you know, Mr. Speaker, is quite simple. But I can assure the Hon. Member that even if I wanted to, I would not have an opportunity to speak until 6 p.m., because my time would have expired, but I can assure her that no Liberal Member will frustrate her, no Liberal Member—

An Hon. Member: You are alone!

Mr. Lapierre: Anyway, there is no problem with that! I can assure her that her motion, Mr. Speaker, will become fact if it depends on us alone. I can also tell her she should persevere . . . I see the Hon. Member opposite who hopefully will contribute to the debate so we may know what the people in his constituency are thinking, whether they favour Senate or forestry. I know that in Abitibi, in those areas, certainly the Senate does not concern that many people, and Canadians everywhere think along the same lines.

Mr. Speaker, the amending formula is quite simple. I think a constitutional conference might succeed if the federal Government took the initiative. There have been dozens of unsuccessful attempts, and if she talks to her caucuses from the other Provinces, because she says they defend regional interests, she will find out easily that the cosmetic changes she is proposing for the Senate are clearly not enough to ensure true regional representation. She will soon find out that the Maritimes, the Western Provinces are fed up with a kind of representation that is strictly based on the number of constituents, as we have in the House of Commons. They expect a different kind of representation for another House of Parliament.

Mr. Speaker, there was a suggestion at one point that the Senate might object to its own reform. The Minister of Justice (Mr. Crosbie) tried to have us believe that. But the Minister of Justice has no knowledge of the Canadian Constitution. Whether there is a Liberal majority in the Senate or not, if the Government is determined to bring about a true reform, Section 47 of the Constitution allows the House of Commons to pass a resolution, it allows Provinces to pass their own resolutions according to the proportion set out in the amending formula. Because after all Section 47 provides that an Amendment to the Constitution of Canada made by proclamation under Section 38, 41, 42 or 43 may be made without a resolution of the Senate authorizing the issue of the proclamation if, within 180 days after the adoption by the House of Commons of a resolution authorizing its issue, the Senate has not adopted such a resolution and if, at any time after the expiration of that period, the House of Commons again adopts the resolution.

Therefore, Mr. Speaker, nothing stands in the way of the tyranny of the majority. If our colleagues on Government benches want to change the structure and powers of the Senate, we agree with them that it might be a good initiative. We would like to have more details. The suggestions made by my colleague fall somewhat short, but it might be a starting point. In any event, I hope she will not spend weeks and months talking about Senate reform. We have no intention of doing that, nor do most Members who are more concerned with the needs of their constituents. In my opinion, the Hon. Member should have taken the suggestion of her leader with a grain of salt because, as I said earlier, he was just showing off.

I rather doubt that he is seriously determined to change the Senate. Her leader must come to grips with spiralling interest rates, Canada's weakest dollar ever, and an unacceptable unemployment rate, so he buries his head in the sand, like an ostrich, and uses the Senate in a diversionary tactic. But I repeat that if the Prime Minister, Hon. Members and the Minister of Justice have the political will to do something about it, we are open to suggestions, we are prepared to consider new ideas, and you may rest assured that we will not thwart the reform nor the initiative of the Hon. Member. We fully expect her Conservative colleagues to let the clock strike six o'clock without one of them rising to commend the efforts of the Hon. Member who introduced the motion, who thought her leader was serious and who wants to make a worthy contribution. The next few weeks will tell us whether she was right to take the matter seriously. She made a very good speech, we congratulate her and we hope that Members of the Cabinet will give the issue of Senate reform as much consideration as she does.

● (1740)

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, this is not the first time I have had an opportunity to discuss this subject. I was the New Democrat who served on the Joint Committee which studied the Senate last year. I must tell you, Mr. Speaker, that the longer I served on that committee the less respect I had for that institution. I am not speaking about individuals who are in the Senate; individually they are quite acceptable and have great personal track records. However, collectively, the Senate is something which really does not belong in a democratic society.

The image of overpaid Liberal and Conservative fund raisers, campaign managers and defeated or retired candidates who "work"—and I put that word in quotation marks—three days a week and do very little of value, is not too far from the truth. Not too many people realize that in an average week the Senate only sits three days. An average day is usually not a full day.

I feel, Mr. Speaker, that we are never going to get reform of that institution as long as it is in its present state. The very fact that the Senate exists means that we cannot have adequate reform of the Senate because there are too many vested interests in keeping the Senate. There is the vested interest of the Senators themselves, who obviously do not want to do away with what could be called a very "cushy" position. There is the vested interest of the Prime Minister who can obviously use the Senate to reward the political faithful as well as keep some people in line, because some day they may be offered some type of patronage award such as the Senate.

I notice that one of my colleagues who sat on the committee which studied Senate reform the Hon. Member for Halifax West (Mr. Peterson) is in the House. I remember that he was one of the Members of the Committee who had the courage at the end of that process to say that we really didn't need the kind of Senate reform which was envisioned and planned last year. What we got after months of study, and after thousands of dollars spent on transporting that committee from province to province across this land, was a report which indicated how difficult and how impossible it is to reform the Senate of this country. The report was supported by all of the Senators, most of the Conservative Members of Parliament and, of course, most of the Liberals—who were the Government at that time—on the committee. It made one of the most ridiculous suggestions in terms of reform of the Senate. It suggested that we have Senators elected for one nine-year term and that they would not be eligible for re-election. I would like to quote from the report itself. The full committee report stated:

> We realize that Senators who serve for a single term would not be obliged to account for their actions to their electorate at a subsequent election.

In other words, Mr. Speaker, one of the values many of the Senators say, as well as the majority of the Conservatives and Liberals, was that these people would be elected once and would never be accountable to the people again. Is that democracy? Is that what we are talking about in this country?

It is even worse than that, Mr. Speaker. I am going to refer to one of the earlier drafts of that Senate reform report which indicates that attitude, and I quote:

> The committee recognizes that Senators would "not be obliged to account for their action". Earlier versions of the report talked of the "threat" of not being re-elected—

The whole concept of that committee was that the Senate was some kind of elitist body that should not be accountable to the public. Other recommendations were just as objectionable. Instead of clearing out the hundred and some Senators who are appointed at the present time, it was suggested that they be phased out so that in three years time we would elect one third of the new Senators; the other two thirds of appointed Senators would stay. And they would have control of the new elected Senate. How can one actually accept reform when the very nature of the reform about which you talk guarantees that appointed Senators would have control of a new and a more powerful Senate? That would scare anyone who believes in democracy.

One of the Senators who did not agree with the recommendations suggested that the report itself was sabotaged, that the report itself was made to guarantee that it would never be accepted by the Liberal Government at that time, or any other Government, and that it had so many holes in it that anyone

who studied it would recognize that it would be unacceptable to the Canadian population. So when I say that as long as we have the present Senate we are never going to have reform, I am speaking from some experience of what has happened over the last few years.

We did a study. We did go out and talk with provincial governments in each province. We let learned academics come before us with all of their different ideas. We talked with ordinary Canadians, with labour leaders, with business leaders and various regional groups. We did all of that study. So it has been done and it has been done time after time. However, the recommendations which come forward are not the types of recommendations which talk about real reform. The report we received in the past proves that the Senate does not really want to reform itself and, unfortunately, Mr. Speaker, there are Hon. Members of this House—as is evidenced by Hon. Members who previously spoke on this issue—who really do not want to reform the Senate.

Much has been said about the value of the Senate and the fact that because we have people with great backgrounds, former Premiers, former Members of Parliament, former Cabinet Ministers, and so on, there is a lot of value in keeping a Senate to do all sorts of things. For that matter, the report of the committee from last year emphasized the Senate's reputation as a legislative and issue review body whose research and hearings have produced good legislative proposals. The committee used this function as a *raison d'être* for continuing a second chamber.

However, that committee deliberately ignored the fact that in the past number of years it has been all-party House of Commons committees and task forces which have done the real research into such issues as Latin America, disarmament, bank profits, minorities, federal-provincial fiscal arrangements, and so on. These committees have done all of those studies which are so important to the actions of this House and to the directions taken by various Governments. These studies were not done in the Senate. Each and every one of those task forces were House of Commons task forces. I think the people who have served on those task forces recognize that they do the yeoman's work for which the Senate has the reputation. They do the in-depth analysis of some of the controversial issues on which the Government wants more research before it comes forward with a legislative proposal or Government policy paper. That is being done and has been done by the House of Commons. It is 20 or 30 years since we have had the Crow report on poverty in this country.

When people talk about the research capacity of the Senate, they are really talking about something which has not been a function of the Senate in the last little while. Other people who have talked about the value of the Senate refer to the fact that it was the Senate which did the study of the security legislation. They say that the security legislation which was introduced by the Liberals—which was unacceptable—was studied by the Senate and found to be unacceptable. Those of us who were in the House of Commons at that time realized that the Government deliberately sent that Bill to the Senate for study because it did not want the House of Commons to study it. The Government sent it to the other place because it did not want us to reveal the holes which existed in that legislation.

I believe, Mr. Speaker, that the elected representatives of the people of Canada could have done a much better job of showing just how weak that legislation was. That was a deliberate Government move to keep the legislation from the people who were elected to study legislation. So the Government cannot use that as an excuse for keeping the Senate.

• (1750)

The Senate is elitist in its very nature, Mr. Speaker. It is there because of a lack of trust in a popular mandate. We had an election on September 4 for the purpose of letting the people of Canada decide who they want to govern and what mandate they want to give. We do not always agree with the choice of the people; sometimes we do not even like the choices they have made, but we have always maintained that they have that right. To then create another body to control the elected representatives of the people of Canada is completely and obviously undemocratic.

That body is also elitist because of the very nature of the people in the Senate. Two thirds of the Senators, at last count, were either corporate executives or corporate lawyers. Fully 40 per cent of Senators are on board of directors. Certainly most Canadians are not on boards of directors. The very fact that Senators, who are paid full-time salaries, are doing other work would indicate that they are not truly representing the people of this country.

I have heard some of the debate about how the Senate could be wonderful, how it could represent the provinces, how it could solve the problems of regional disparity and somehow protect the French-speaking minority. I remember that that was the original purpose of the Senate, but it has not done that over the years. It has been the provincial Governments which have protected their own interests. It has been provincial Governments with French-speaking populations which have protected language rights. It has been the federal Government which has worked to protect language rights, not the Senate of this nation.

I know there are others who would like to speak on this proposal, but I would like to remind the House of the motion presented by our Leader in the House yesterday which the Government did not allow to go forward for debate. The motion was that this House recommend the abolition of the Senate. I believe that is the only reasoned course we could ever take.

Do people in this Chamber remember that we used to have second Houses in some of the provinces? Does anyone miss them? Does anyone really feel we have lost something by no longer having second Houses at the provincial level? I do not believe we need the Senate. For that matter, for most purposes it has been dead for the last 100 years. It has served no useful purpose, and when it does exercise its powers we all wish it was not there. So we have not had a useful Senate. In some ways I would have to say that at the present time we have a dead

body sitting a few hundred feet over there and we have not had the decency to bury the corpse. Instead, we have been looking for a purpose for that corpse. That does not make any sense at all. Let us bury the corpse, and if after that we want to create some new institution, let us do it, but let us get rid of that dead body first.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have an opportunity to say a word or two in connection with this motion. It is somewhat similar to the motion on Friday, which I had the chance to speak to, asking the Government to present a motion for reform. Today we have another motion asking that the Government convene a federal-provincial conference to deal with the whole question of Senate reform.

On Friday I outlined my views with respect to the whole question of reforming the Senate. Those who were here or read *Hansard* will know that I felt the whole issue turned on the question of democracy and accountability. I suggested that there were four ways the Senate could be reformed. The first would be to tinker with it and change the powers of the Senate. That of course would not create accountability on the part of the Senate, and for that reason I rejected it. The second way was to change the method of appointing people to the Senate. Once again that would not create any accountability on the part of Senators and therefore I rejected that as well. The third method was election to the Senate. I pointed out that if we had two elected bodies we would run into a great problem as far as our constitutional form of democracy is concerned. We would create a situation of instability, a situation which existed in France before former President De Gaulle came into power. We do not want that. So that led inevitably to the fourth option, and that was—

[*Translation*]

Mr. Lapierre: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: Mr. Speaker, perhaps you might take it upon yourself to explain to the new Member what happens to the motion if he speaks until six o'clock. I should like to have your guidance, Mr. Speaker, so as to—

Mr. Deputy Speaker: It must be assumed that the Hon. Member is aware of the Standing Orders of the House.

Mr. Redway: Thank you, Mr. Speaker.

[*English*]

The fourth option was abolishing the Senate altogether. That certainly is the option I would go for. I think the only way to deal with the Senate is to abolish it.

The motion we have before us today has to do with the method of actually amending the Constitution in order to deal with reforming the Senate. As you know, Mr. Speaker, there is a procedure set out in the Constitution to deal with this situation.

The first step was referred to by the Hon. Member for Shefford (Mr. Lapierre). He referred to a different number, but I believe Section 38(1) of the Act talks about the method of amending the Constitution, requiring that there be a proclamation issued by the Governor General under the Great Seal of Canada authorized by a resolution of the House of Commons, a resolution of the Senate, and by resolution of the Legislative Assemblies of at least two thirds of the provinces having an aggregate of 50 per cent of the population. My friend pointed out as well that Section 47 of that same legislation refers to the fact that the Senate cannot hold up that resolution for more than 180 days. My friend referred to 280 days but the legislation actually says 180 days.

First of all we start off with the proposition that an amendment can be made with a resolution of this House and a resolution of the Senate. The Senate cannot delay the resolution for more than 180 days. Then we require the resolutions of some seven legislatures representing 50 per cent of the population. That proposition has been questioned recently in the press and, as I understand it, by lawyers with the Department of Justice. They suggest that we would require the unanimous approval of all the legislatures and the Senate because we are talking about changing one of the elements of approval itself, that being the Senate. It is my feeling that that is not the case, particularly when you look at Sections 41 and 42 of the Constitution.

Mr. Deputy Speaker: The time provided for consideration of Private Members' Business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

REGIONAL ECONOMIC EXPANSION (A) DOMTAR—NEGOTIATION OF SOLUTIONS BETWEEN PRIME MINISTER AND PREMIER LÉVESQUE. (B) DOMTAR—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in the debate during the time set aside for private Members and to tell the House how disappointed I was in the answer I was given by the Minister of Regional Industrial Expansion (Mr. Stevens) on March 11 of this year, upon his return from his trip around the world. I was disappointed, because he appeared in the House and repeated the press release he had issued before he left.

Mr. Speaker, I have the impression, as the Hon. Member opposite says, that the Minister has not understood.

From the Minister's reply we got the impression it was as though nothing had happened during the two weeks he was away. However, during that time, his leader, the Right Hon. Prime Minister (Mr. Mulroney), had given the House the assurance that he was going to look into alternatives for Domtar.

Mr. Speaker, I would like to give a short history of the Domtar case to show how badly the Minister has failed to understand what is going on. The Minister has no feeling for the interests of the region, the Province of Quebec or of this country.

Mr. Speaker, a project like Domtar which represents an investment of $1.2 billion would mean that the Eastern Townships would be able to save nearly 5,000 jobs. We are talking about 700 employees at Domtar but we are also talking about 2,500 lumber producers and the very existence of the Town of Windsor, which is a single-industry town. Turning down a request just like that is patently irresponsible. It is intolerable for a region like ours which has been suffering from the structural weakness of its economy as a result of its dependence on "soft" sectors such as textiles, clothing and footwear.

Mr. Speaker, we have here an industry that is viable and that is viable this year. The Prime Minister is using this year's profits as an excuse to say Domtar does not need a grant.

Mr. Speaker, remember that in 1982, Domtar lost $10 million. It was not making hundreds of millions in profits.

Remember that in 1983, it worked hard to improve its performance up to $45 million. This year was reasonable, but considering the extent of Domtar's investments, Mr. Speaker, that is still quite good.

In any case, the pulp and paper industry is a cyclical one. When I see the Minister of Regional Industrial Expansion blaming the company because it is making a profit and telling the Eastern Townships: Well, you have a company in your region that is making a profit and we are certainly not going to help it. We are only going to help the lame ducks.

If that is how the Minister sees regional economic development, I think he should hand in his resignation "P.D.Q.". Mr. Speaker, to us, regional economic development means having profitable and viable companies. It means that the Canadian Government is willing to participate. This Government has been very fond of talking about partnership and the rest, but they are very reluctant to put their money where their mouth is. That mouth is now accusing the company of ulterior motives. They even want to use the profit concept to destroy Domtar's credibility.

They are even claiming the company is making threats. They even said, and the Hon. Member for Sherbrooke (Mr. Charest) repeated it, that Domtar did not present its case until January.

Mr. Speaker, the Minister of Regional Industrial Expansion received a letter from Domtar, at least a letter was sent to him, on the day he was sworn in as Minister, which was September 17 of last year. And now the Minister jumps up like a jack-in-the-box and says they do not accept ultimatums! But he has had the case on his desk for months! Of course he did not bother to share his information with his Cabinet colleagues or with his Quebec caucus. We know that they were kept completely in the dark about this project that is so very important to the future of Quebec's economy.

Mr. Speaker, today we are informed that the City of St. Paul in Minnesota is willing to offer Domtar 20 per cent of the grant amount if it decides to set up a factory there. I am aware of the Americans' underhand practices. The Minister of Regional Industrial Expansion (Mr. Stevens) said: We cannot subsidize Domtar for fear of antagonizing the Americans. But these same Americans are quick to take advantage of the situation and offer Domtar a substantial subsidy, much lower interest rates and garanteed access to the U.S. market. And of course they offer the company a cheaper labour force, for we have back home some people who have faithfully served the company for 35 years. And all the Minister of Regional Industrial Expansion can say is: "I have made up my mind and I will not change my stand!"

● (1805)

Mr. Speaker, I had received from the Prime Minister the firm assurance that he would review the situation and I thought that I could take his word for it. I thought that when a prime minister made a formal statement in the house, that meant something. And I know that many of his colleagues within the caucus have lost their remaining illusions over these past few days. I hope, however, that the Minister will change his attitude and that his Parliamentary Secretary who is aware, I am sure, of the interests of both the province of Quebec and the region which are at stake will provide us with a more brilliant answer than her minister who knows nothing of the situation, nothing of the region's dynamics and nothing of the need to create employment opportunities within the Eastern Townships. I trust the Parliamentary Secretary will do a better job of it than the Minister himself.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like to start by thanking my hon. colleague for his question, and I shall be delighted to provide an answer.

First of all, it should be clear that the Government is fully aware of the importance of the forestry products industry to Quebec and Canada. This sector employs about 300,000 Canadians across the country. In 1984, shipments were estimated at some $28 billion and exports at about $15 billion. Incidentally, the industry developed its potential through private sector financing. They have never expected subsidies. In

fact, they built up their superiority through private sector financing.

Today, some people adhere to the principle that an investment project cannot succeed without a direct financial contribution from the Federal Government. However, this Government's confidence in the private sector is too great to subscribe to such a concept.

Mr. Speaker, if we get into the specifics of the Domtar case, the project in question is supposed to triple the production capacity for fine paper at the Windsor plant in Quebec. Basically, Domtar intends to instal integrated facilities to replace its obsolete plant, a project that will greatly enhance its competitive position on Canadian and international markets.

Domtar is one of Canada's seven fine paper producers and one of three producers established in Quebec. However, there is a very real danger that its expansion project will aggravate market problems within the industry and lead to overproduction of fine paper in Canada.

I agree the industry expects to fight competition on the market, and it is prepared to deal with that. But if the Government intervenes, this tends to change the rules of the game. Through its various enterprises, associations and the forestry industry's advisory committee, the industry made it clear to the Minister of Regional Industrial Expansion that it was opposed to any direct assistance with a view to increasing capacity, if such assistance threatened to distort the market situation.

Mr. Speaker, according to the rules of the Regional Industrial Development Program, the Government must consider the repercussions its assistance may have on other members of the industry.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Parliamentary Secretary but her time has expired.

[*English*]

AGRICULTURE—POTATO INSPECTION FEES. (B) REQUEST FOR POSTPONEMENT

Mr. George Henderson (Egmont): Mr. Speaker, I am glad to have the opportunity this evening to discuss further the implications of the inspection fees as they relate to farm products, specifically potatoes, as a result of the economic statement by the Minister of Finance (Mr. Wilson) last fall.

• (1810)

For the past few months Canadian farmers have been made aware of just how severe the federal cut-backs will be. They will be asked to pay an exorbitant fee for inspections. Also they will be hit with fees for services such as agricultural input quality insurance and records of livestock performance. When the Minister of Finance brought down his statement last fall, I do not think they realized exactly what it would do to them. Now they know they are being asked to pay not only a heavy inspection fee but virtually the full cost recovery of those programs.

Last month I received a copy of a letter which was sent by the Deputy Minister of Agriculture to the P.E.I. Potato Marketing Board and the P.E.I. Potato Producers Association. I will not read the entire letter to the House, but I will outline briefly what it indicated to potato farmers of Prince Edward Island and New Brunswick, in fact potato farmers across the country. It probably affects the farmers of P.E.I. the most, followed by the farmers of New Brunswick. He indicated in the letter that fees were to be charged for the services provided by the Food Production and Inspection Branch of Agriculture Canada for the inspection of table stock potatoes and for seed inspection. Of course this affects all potato producers. The charges were to go into effect on April 1, 1985. However, the Minister indicated in the House and at a general meeting and banquet the other night of the Horticultural Council of Canada that they would not affect this crop year, the 1984-85 crop year.

The charges outlined are very dramatic—33 cents per hundredweight for inspection or certification of table stock potatoes; $130 for registration or licence fees for shippers; for seed stock the charges are to be $25 per hectare for field inspection and seven cents per 50 kilograms for tuber inspection.

A problem is created in that many potato producers, certainly in the Province of Prince Edward Island, grow about 65 to 70 per cent of their potatoes as seed potatoes, because their main market is the shipment of seed potatoes offshore. In times when the market situation offshore is not good, those same seed potatoes go into what we call table stock potatoes. They are shipped either within Canada, to Toronto, Montreal and other destinations, or to destinations in the United States. Thus there could also be a double charge.

If the Government goes ahead with the announced inspection fees, every farmer in Prince Edward Island who grows roughly 200 acres of potatoes will be faced with a cost of $13,000, and that is a minimum. That is a lot of money to an industry which is selling its product in the market-place today at between 1.5 cents and 2 cents per pound below the cost of production. The farmers of Prince Edward Island and New Brunswick will be devastated by those costs. They cannot absorb them.

• (1815)

The farmers of this country would like a clarification from the Department of Agriculture as to what is going to take place. For many years, I have believed that inspection fees should be borne by the consumer, not by the producer because inspection fees are a protection for the consumer. My friend from Kamloops-Shuswap (Mr. Riis) agreed with that statement the other day.

This Government is looking blindly at our agricultural industry, as it is looking blindly at our fishing industry. The other night the Minister made a statement to the horticultural society saying that they inherited a tremendous deficit. The

deficit is large, but what did this Government do to impove that deficit situation? The first thing it did was appoint 40 Cabinet Ministers, the largest Cabinet this country has ever had, minus one, since one resigned. It announced an extra $2 million for the Prime Minister's Office and $50 million for new uniforms for the armed forces. These additional expenditures could have been use to eliminate the need for any cuts to our primary industries in this country. The Government could have looked at some of those areas, as well as at other areas.

We agree that we have to control the deficit. You will not get any flak from us on that issue. The question is how to control the deficit. It should not be done on the backs of Canadians who can least afford it. I want whoever is answering the question today to give the farmers some assurance that there will be some sympathy, and some common sense used in the approach that this Government takes toward the primary producers of this country so that they will not be faced with any charges whatsoever on inspection, either in agriculture or in fisheries.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, let me first say that I am well aware of the concerns being expressed by Prince Edward Island potato producers regarding our proposed fees. As the Hon. Member mentioned in his question, officials from our office and from our Department have met with representatives of the provincial Government and the island potato industry to discuss these proposals. On the national level, we have consulted with the Canadian Horticultural Council on how our proposals may affect their industry, including of course the potato industry.

On the whole, these meetings have been very positive. We have been very impressed with the extent to which industry shares the Government's concern over the federal deficit. There is a willingness to work together so that the agricultural sector can do its share to reduce the deficit.

This is not to say that there have not been concerns brought to our attention by the various commodity groups during this period of consultation. One of the major concerns that emerged was that we would be charging the new fees on some of last year's crops still moving through the marketing chain. This was never our intention and I can tell the Hon. Member right now that the new fees will not be applied to 1984 crops.

[*Translation*]

Of course, Mr. Speaker, it is very sad that the twenty years of great darkness we have just lived through—fortunately, they ended last September 4—have left us with such a huge deficit that we are now forced to ask all sectors of the economy to make their war effort.

Still we want to find a solution most likely to bring mutual and acceptable satisfaction to the people involved. If, in some cases, the process should take more time than expected at first, we will assume our responsibilities. What we aim to do is to come up with an acceptable solution which will help lower the deficit and with which we can live.

A few days ago, the Minister of Agriculture (Mr. Wise) announced that we would do our best to soften the impact of the measures and propositions which have been under consideration. But the Hon. Member must realize that we have to operate with a heavy deficit and that we expect to recoup $32 million. That we will try to do while keeping damages to a minimum.

These past few days and again yesterday the Minister held a meeting with national associations to discuss the best ways to put into effect the new procedures which have been proposed.

• (1820)

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS—SIZE OF EQUALIZATION PAYMENTS. (B) REQUEST FOR CHANGES IN FORMULA

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise to continue a series of questions I started to ask almost as soon as the House began after the election. They have to do with the effect of the formula brought in by the previous Liberal Government regarding federal-provincial fiscal arrangements. I am speaking specifically of the equalization formula which we now know will provide less money next year than it did in the past for four provinces. These are the Provinces of Quebec, Manitoba, Nova Scotia and Prince Edward Island, four of the have-not provinces. Four of the poorer provinces of the nation will actually be receiving less money in equalization payments next year than they are receiving at the present time.

This is not a new issue. We warned the then Liberal Government in 1982 that the legislation would have the effects we are now seeing. We said that Quebec and Manitoba would be receiving less money and that we suspected that there would be other provinces in Atlantic Canada that would also suffer as a result of the Liberal Government-imposed formula for equalization.

At that time, members of the Conservative Party were in opposition. They supported us, and to support that I can quote the words of a number of them. One of them was the now Minister of State for the Canadian Wheat Board (Mr. Mayer). I will quote the words of the now Minister of Health and Welfare (Mr. Epp). He was speaking specifically of the Province of Manitoba as he is the Member of Parliament for Provencher. On March 23, 1982, he said:

—I am questioning whether any government in Manitoba has the ability to provide the service for Manitobans.

He was talking about health care and about the various essential services provided by the province. That was the position he took when he was in opposition. He went on to say:

—on this issue the members of the NDP and the Progressive Conservatives from Manitoba are united.

That was the position of the Hon. Member for Provencher when he was the health and welfare critic for the opposition Party. He is now the Minister of National Health and Welfare and money is still not being provided to the people of Manitoba, Quebec, Nova Scotia and Prince Edward Island.

Members of the Conservative Party were quick to complain about members of the Liberal Party when they introduced this program. However, I think it is essential that we all know that it is the Conservative Government that is in power now, and it has the power to act. I hope that it will act quickly.

Yesterday when I asked the Minister of Finance a follow-up question on this issue he said that the Government would be acting shortly. The Government has been in power since September 4. It has had the power to act. Every day it delays makes it that much more difficult for the Governments of those four provinces to act on matters that are of concern to them.

Yesterday I mentioned that the Province of Manitoba must bring down its budget very soon. Obviously the Province of Quebec must do its planning. The Provinces of Nova Scotia and Prince Edward Island must have the ability to plan their fiscal years. We need to know from the Government what it intends to do.

● (1825)

I was very displeased and depressed when I heard the Minister of Finance yesterday say that he thought the federal Government was in a worse fiscal position than the four provinces which are affected by the equalization program. I was asking a question about four have-not provinces. The very purpose of the equalization formula, and the reason equalization is mentioned in the Constitution of Canada, is to provide money and make it possible for the provinces in the poor sections of Canada to provide services. They need money from the federal Government, and the federal Government must realize that when those provinces receives less money in the future than they receive at the present time, obviously they will not be in a position to provide the same level of services for education, health care, welfare and other services such as job creation.

It is very important that the Government act and that it act very quickly, otherwise those provinces will have to make cuts in essential services.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as a Quebecker, I sincerely thank the Minister of Finance (Mr. Wilson) for entrusting me with the task of replying to the Hon. Member for Churchill (Mr. Murphy) who has raised a question about an important federal program, the equalization payments. Under that program, the government unconditionally grants to the poorer provinces some funds to help them provide satisfactory services. This federal program began in 1957, some thirty years ago. Since then, it has been almost automatically extended every five years by the government of the day under fiscal arrangements with the provincial governments.

The equalization program now in effect will end on March 31, 1987 and must be extended by the government before that date. The government considers the renewing of this program a high priority and feels that it is most important to ensure that the new program will attain effectively the original aims of equalization. To this end, extensive consultations will be held within a few months with the provincial governments. Frequent meetings will be held with the representatives of the ten Canadian provinces.

Those federal-provincial meetings will be held at various levels, at the ministers' level as well as the officials' level. All provinces will have the opportunity to state their views on the type of equalization program Canada needs.

Our government will take into account such views when the time comes to make a decision on the kind of equalization legislation that should eventually be tabled in Parliament.

Moreover, those consultations and decisions will be made in a wide context including the entire range of federal transfer programs to the provinces and will confirm the necessity of preserving and even strengthening our Canadian federalism.

Our federal government will indeed help the Canadian provinces through all sorts of transfer payments, including the financing of established programs and the Canada Assistance Plan. Our Estimates for the fiscal year 1985-86, which were tabled in Parliament on February 6, provide for up to $20 billion in cash transfer to the provinces over that period, while the total transfers, including that of income tax percentage points, will exceed $27 billion. These are very large amounts, considering the difficult financial situation which this federal government has inherited from the previous one.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, March 13, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—QUEBEC CONSERVATIVE CAUCUS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, we are now in our third week of debate and questions regarding the Domtar case, and while the Government has let this drag on, the Prime Minister, as a result of his contradictory statements, created a number of expectations.

We have now reached the point where there seems to be no hope left. Yesterday, it became clear that Domtar might well decide to go to the United States.

Considering the utterly disastrous impact this scenario would have, is it too much to ask of the Progressive Conservative Quebec caucus to break their silence, to stop this passive acquiescence and to take up the cause of their fellow Quebecers? They are betraying Quebec by their failure to act in this very important matter.

On the other hand, the Minister of State (Small Businesses) said in Montreal yesterday, and I quote:

Quebecers should get this straight: The ten Conservative Ministers from Quebec are not working for Quebec but for Canada.

With due respect for this position, which I find abhorrent, I would ask them at least not to work against Quebec in the Domtar case.

* * *

[*English*]

SOCIAL AFFAIRS

POVERTY—MEMBER'S STATEMENTS IN COMMITTEE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) challenged statements of a United Church minister who was speaking of the plight of the poor, and the need for social reforms and income redistribution. This Tory MP questioned the legitimacy of support for the poor, claiming that many people are poor by choice.

We must thank him for voicing the traditional attitude of true blue Tories who want us to return to pre-Depression approaches of leaving help for the deserving poor to charity, while condemning others. Being a supporter of the B.C. Socred Government which has increased poverty for 14 per cent of B.C. families while reducing social assistance and services, his views are not surprising.

The Minister of National Health and Welfare (Mr. Epp) reflected these same values when I questioned him about increasing poverty and the growth of food banks. He showed no concern for the victims or the reasons for this deplorable trend; instead he praised charity in true poor law tradition.

Job creation is the antidote to unemployment. Adequate incomes are a solution to poverty. The 1.5 million poor children should not be blamed for not having enough to eat. Citizens pay taxes to Governments to provide opportunities and security for all Canadians. We want government action, not charity.

* * *

[*Translation*]

EMPLOYMENT

QUEBEC'S EXCELLENT PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to bring to the attention of the House Quebec's excellent performance with respect to job creation and reducing unemployment. On March 8, Statistics Canada revealed that in February, the number of unemployed workers had dropped most in Quebec, which had 12,000 fewer unemployed than in January. The unemployment rate dropped from 12.2 per cent to 11.8 per cent, and this development was due to the creation of 16,000 new jobs. Furthermore, these jobs were largely filled by women.

This is a tangible result of the positive impact of electing a Conservative Government in Canada. Economic renewal and economic growth are once again the order of the day, as a result of the new climate of confidence that has existed since September 4.

Our Government has demonstrated its political will by dealing with the crucial problem of getting women back into the labour market through a program aimed at employment equity.

Mr. Speaker, it is a step forward in economic renewal and a very real step towards achieving economic justice.

S.O. 21

[*English*]

FORESTRY

INVESTMENT IN BRITISH COLUMBIA FORESTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, increased employment is the top priority of the Government. In British Columbia, employment in the forest industry is a primary concern. More than 50 per cent of the economy of my home province is dependent on forest-related activity. One out of every ten Canadians is involved in the forest industry. It is Canada's largest employer.

Our Government will soon be announcing a major reforestation initiative in the Province of British Columbia, incorporating suggestions and proposals from a number of sources, including the mayors of Vancouver Island. Their presence in the gallery today signifies the importance of their proposal, which they call their strategy for survival. Initiated by the District of North Cowichan, the strategy is an investment in our forests—an investment, not a make-work program.

The mayors are asking the Government of Canada and the Government of British Columbia to farm our forests, not mine them. On Vancouver Island alone, this investment will provide stable employment for 1,100 people. It will also be an investment in the future of our children.

It has been said that politicians lack the political will to initiate such a proposal, because politicians prefer to think in two and four year time spans and it takes decades to grow more trees. However, this Government has strong representation from the West. This Government knows how to plan in terms of decades, because decades from now we will still be the Government.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: I thought my colleagues would like that.

We welcome the mayors of Vancouver Island to Ottawa. Suddenly, Ottawa is not so far away.

* * *

[*Translation*]

EMPLOYMENT

EQUALITY IN THE WORKPLACE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the employment equity program announced last Friday is praiseworthy in its intent, but I would like to draw the attention of the House to the very narrow base from which it proceeds and to the unfortunate consequences this may have.

Actually, dealing with the employment equity problem should include making social benefits available to part-time employees, many of whom are women, as Hon. Members are aware.

It would also mean that work should be considered in a broader perspective, since our work is related to other aspects of our lives. For instance, how can we talk about employment equity for women without dealing with the issues of daycare centres and parental leave? How can we talk about employment equity for the disabled if we do not deal with the transportation problem? How can we deal with employment equity if we ignore the training issue?

Unfortunately, these areas were not considered last Friday. Perhaps the Government is waiting for the pressure of public opinion.

In any case, I am afraid that because of these shortcomings, the impact of the employment equity program will be far less positive than the Government has led us to believe.

* * *

[*English*]

DISASTERS

CHILE—EARTHQUAKE DAMAGE—ORGANIZATION OF RELIEF MEASURES

Mr. Dan Heap (Spadina): Mr. Speaker, on Sunday, March 3, an earthquake hit Chile and tremors continued for a long time. Two hundred people have died, a thousand are missing, and thousands more are forced to live in the streets. The homes of 165,000 people are destroyed, along with the Port of Valparaiso and many other buildings along a stretch of 1,000 miles.

The Government of Pinochet has responded by ordering a shoot-on-sight curfew, and surrounding all the slum areas in the country with army personnel ordered to shoot on sight. The Vicariate of Solidarity, led by the Roman Catholic Church but including other churches and also Jews, is doing relief work through its network throughout the country. The Vicariate has an honourable record of serving the needs of the people without bowing to the political demands of the dictator Pinochet.

• (1410)

Thousands of Chilean refugees in Canada, organized through the popular democratic movement, are raising relief funds to send through the Vicariate or through the International Red Cross. I call upon the Government and the people of Canada to contribute generously to Chilean earthquake relief through our churches and the Vicariate, or through the International Red Cross. We ought not to send relief through the corrupt fascist government of Pinochet. He has not only directed the assassination of Chile's lawful President, Salvador Allende—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

ENVIRONMENTAL AFFAIRS

PRAIRIE WILDLIFE INTERPRETATION CENTRE—AGREEMENT ON FINANCING

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, the priority of the Government is responsible deficit reduction. Canadians cannot long endure $35 billion annual deficits piled one on top of the other. We have no alternative but to reduce our level of borrowing; thus the announcement in early November that the Government can no longer operate the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan.

The Prairie Wildlife Interpretation Centre, which is open during the summer season, attracting some 20,000 visitors and operating under a budget of $260,000, operates at cost to the taxpayer of approximately $13 per visit. The Centre and its programs are an asset to our area, particularly in terms of school and educational visits, and tourism. It provides an opportunity for people to view the unique prairie ecology.

Discussions and negotiations have been ongoing between the federal Government, the Province of Saskatchewan, organizations, individuals and groups during the past four months, with a view to continuing the operations of the Centre under new management, thus preserving the facility and its programs at a considerably lower cost to the taxpayer. I am pleased to note that the federal Minister of the Environment (Mrs. Blais-Grenier) and the Minister of Parks and Renewable Resources for Saskatchewan have this day agreed to assist in financing the Centre, thus accomplishing the twin objectives of keeping the Centre open and saving the taxpayers' money. This agreement underscores the continuing spirit of co-operation on wildlife matters between the two Governments.

* * *

MULTICULTURALISM

APPOINTMENT OF COUNCIL MEMBERS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, a short time ago the Minister of State for Multiculturalism (Mr. Murta) announced the appointment of 60 members to the Canadian Multiculturalism Council. The CMC has the important task of advising the Minister on policy and on the development of programs relating to all phases of multiculturalism.

The valuable input of the CMC will help us select the proper goals and programs that will best meet the demands and needs of furthering the progress of multiculturalism in Canada, and integrating into Canadian culture the best of the culture and traditions that new Canadians from 85 different countries and regions have brought with them, in order continually to enhance our own way of life.

These are indeed exciting times for multiculturalism. Much has changed in our evolving Canadian society since the original multicultural policies were planned more than 10 years ago. Our objective today is to consolidate the progress that has been made, to push harder for fair representation for that one-third of Canadians who are neither of Anglo-Celtic nor French ancestry, and to assist mainstream Canadian institutions in adapting to the multicultural policy.

We look to the CMC for leadership, for initiative, and for positive input to realize these important goals. I know that, with the excellent talent of the committee members, we will succeed.

* * *

POLITICAL PARTIES

COMMENTS OF FORMER LIBERAL MINISTER

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it was with interest that I read of the musings of Liberal Otto Lang before the membership of the Manitoba Liberal Party. I was surprised by his indication that a number of the policies and programs put into place by his Government do not seem to be working as they should. He implies that a number of programs created to serve as a solution have worked to the detriment of individuals, of Canadian economic life, and of universality and the right to strike.

Mr. Lang is right when he says that Canada's current economic system does not encourage work or personal initiative. He must be glad to know that this Government came to that realization some time ago, and has been working to return initiative and hard work to the Canadian spirit.

What brings about this sudden change of tune? Is Lang speaking on behalf of the Liberal Party of Canada, or on behalf of himself? Is he the deliverer of messages, the tester of waters, to see if Liberal supporters will move to the right, currently a far more comfortable position, or is Mr. Lang now reflecting an adopted change of attitude on the part of the Liberal Party? Will he be suggesting to Canadians that the Liberal Party was wrong?

Mr. Lang's comments made interesting reading. However, why are these comments coming from him and not from the Party Leader? Could it be that the Party, or what remains of it, is fundamentally split, or could it be that it does not care to have its Leader make such fundamental statements?

● (1415)

ORAL QUESTION PERIOD

[*English*]

TERRORISM

SEIZURE OF TURKISH EMBASSY IN OTTAWA—SECURITY ARRANGEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister and it relates to the tragedy at the Turkish Embassy yesterday. A Canadian citizen is dead, and the residential community of Sandy Hill in Ottawa was threatened. The Deputy Prime

Minister acknowledged in the House yesterday that a security gap did, in fact, exist.

How can the Deputy Prime Minister say, as he did in the House yesterday, that "The security arrangements were those that could best achieve security for the Embassy"? How can the provision of one outside security guard from a private firm be considered to be adequate security?

Does the Deputy Prime Minister agree with the futility of the statement of the Right Hon. Secretary of State for External Affairs when he said: "There is no defence against these types of attacks"? Has the Government thrown up its hands?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, of course not, Mr. Speaker. The right hon. gentleman knows that, whatever degree of security is provided in any given circumstance, if breached, it compels one to the logical conclusion that it was not enough. Wherever there have been similar instances throughout the world, despite far more intensive security arrangements than those which exist here, and in far different circumstances, when they are breached, they are breached. One must question the adequacy whenever there is a breach.

With respect to the satisfaction which the right hon. gentleman mentioned, the arrangements at the Turkish Embassy were very recently reviewed, indeed as recently as last month. At that time the Turkish Embassy expressed satisfaction with the security arrangements. It would be inappropriate to make any assumption other than that the Turkish Embassy, in expressing satisfaction, was expressing the views of the Turkish Government.

PROTECTION OF EMBASSIES—RCMP REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I find it rather sick that the Solicitor General yesterday, in defending the Government's measures in protecting that Embassy, descended to a criticism of the former Liberal administration. By way of preamble, to match the time you allowed the Deputy Prime Minister, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —the previous Liberal administration left the new Government new legislation, namely, Part IV of the Canadian Security Intelligence Service Act, which gave the Government more enforcement procedures. In the 1984-85 Estimates, the Government brought before Parliament a $14.1 million item which improved security systems and measures at foreign embassies. The former Solicitor General, the Hon. Member for York Centre, ordered a report from the RCMP which he did not receive—contrary to what the current Solicitor General has said—but the present Government received it the moment it was sworn into office. That report recommended the upgrading of the physical protection of embassies in Ottawa. Why then, in view of this reinforcement, was no action taken?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would hope that the exchange we had yesterday, and the one today, will be kept on a non-partisan basis, having regard to the nature of the incident, which is historic for Canada, which occurred yesterday.

With respect to the report to which the right hon. gentleman referred, that report came out in June of last year and it was acted upon.

In response to his first question, I indicated to him that the security arrangements at that particular Embassy were reviewed as recently as last month. It was with the results of that review that the Turkish Embassy concurred.

● (1420)

Again I re-emphasize that, as tragic as the events of yesterday were, one can question the adequacy of security, whatever the degree, whenever that security is breached. The whole matter is now under intensive review with respect to the circumstances of yesterday and how we can best address the provision of security to all of our embassies in the future.

IMPLEMENTATION OF RECOMMENDATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have noted the Deputy Prime Minister's remark about the non-partisan aspect of security measures, and that would have been the procedure followed in this House had not the Solicitor General decided to open up the question, dodge responsibility for his Government, and try to lay it on a previous Government. I am suggesting quite clearly to the Deputy Prime Minister that this Government failed to act quickly enough to implement the report with the money which had been left at the disposal of the Government. Yesterday's attack should have been anticipated in view of the previous incidents having to do with the Turkish Embassy. It is clear that the terrorists seized that Embassy rather too quickly and too readily.

Therefore, my question to the Deputy Prime Minister is: did the Government fail to act on the specific measures suggested by the RCMP in that previously mentioned report, to upgrade the protection for the Turkish Embassy and other embassies? And if action was taken, when was it taken? The Deputy Prime Minister mentions a month ago. I would like a little more specific response to the general nature of that report.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well, Mr. Speaker, the right hon. gentleman is not going to get specific details of that report. He knows full well that it would be prejudicial and inimical to the interests of security itself—

Mr. Turner (Vancouver Quadra): If we get some straight answers, then security will be improved.

Mr. Nielsen: —to be discussing that kind of detail on the floor of the House of Commons. I have said twice now, in

response to the right hon. gentleman's questions, that a revision of the degree of security at the Turkish Embassy was made as recently as last month, at which time increased security was provided. Whatever the degree, the Turkish Embassy expressed satisfaction with that degree. Surely the right hon. gentleman is not suggesting that we should not accept the views of the Turkish Embassy as reflecting those of the Turkish Government.

CONTENTS OF REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Deputy Prime Minister claims that the Turkish Government, through its embassy, expressed satisfaction at the security measures taken. I suppose if there were any increase there would be an expression of satisfaction. However, this morning in the Parliament of Ankara, according to a CP report, the Minister of State, Mesut Yilmaz, speaking for the Government, was very critical of Canada for not providing adequate security at the embassy here.

Would the Deputy Prime Minister tell the House if that report—which was received not last June by me but was submitted to the Solicitor General for the first time after the election—recommended increased measures of security at the Turkish Embassy which were not taken? Perhaps some were. But did the report recommend measures on which the Government refused to act?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I would have thought, Mr. Speaker, that the former Solicitor General would have had more discretion than to put a question the answer to which, he knows, would elicit security details—

Mr. Broadbent: That is not so.

Mr. Guilbault (Saint-Jacques): The answers are not dangerous.

Mr. Nielsen: —which simply would not enhance security arrangements at all, if addressed. The hon. gentleman makes the assertion that he did not receive a report last June which was prepared certainly at the behest of the last Government, and most likely at the Hon. Member's request. I see the Hon. Member nodding in the affirmative. If he did not receive the report in June, he certainly should have. He was in office until September.

With respect to acting upon the report itself, indeed it was acted upon, as I have said three times now to the Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): One outside security guard.

Mr. Nielsen: As recently as last month those security arrangements at that Embassy were revised, and revised to the satisfaction of the Turkish Embassy.

IMPLEMENTATION QUERY

Hon. Bob Kaplan (York Centre): Mr. Speaker, there are certainly many things done in the interests of national security where the public interest is not served by making them public, but in this case I think national security would be served and enhanced by getting some straight answers. Is the Deputy Prime Minister aware that this morning, after the Solicitor General's statement, the Ministry confirmed that the report was not prepared in June but later, and that it was submitted to the New Government, not the Government or the Minister who commissioned it? I want to ask him again: were there measures recommended in the report which were not implemented?

• (1425)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): And I am telling the hon. gentleman again, who should know better than to ask such a question, that any answer with respect to security arrangements, at that or any other embassy, would prejudice those security arrangements. What comfort or aid would that give to those who might have in their minds thoughts such as those which obviously existed in the minds of those who have been arrested and charged now? If they had the details which the former Solicitor General is asking be produced, what a comfort it would be to them. I suggest it would do nothing to enhance any security arrangements for the embassies if we followed that irresponsible course.

RESPONSIBILITY FOR SECURITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in his answers today the Minister has told the House a number of times that the Turkish Embassy was happy with the security arrangements that were made. We have heard this morning the official view of the Turkish Government, expressed in Ankara, that it is not happy. However, I suggest that whether the Government in Ankara is happy, or whether the Embassy here is happy, is irrelevant.

The question is this. Would he not acknowledge to the House that Canada has signed an international agreement that obligates Canada to provide fully adequate security for embassy personnel? If he acknowledges that, would he also tell the House, in light of his admission yesterday that there was a gap in the security, why has the Government not done more in the last six months to protect the people in the Turkish Embassy, as well as other embassies?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, first I acknowledge that it is Canada's responsibility to provide security for these embassies. We can start from that basic premise, with which all of us agree. With respect to my responses yesterday, I used the term "gap". It could just have easily been "breach". The fact is that security was breached. Logic compels you to that conclusion after yesterday's events. But in discharging its responsibilities to provide security to these embassies, I am sure the hon.

gentleman would be the first to agree that we cannot provide a degree of security which would turn these embassies into armed camps. Even if we did that, logic also compels one to the conclusion that, regardless of the degree, it could be breached. If it were breached, the conclusion must be that it was not adequate.

I reiterate that the Turkish Embassy, speaking on behalf of its Government, expressed satisfaction. The use of the term "happy" is that of the hon. gentleman, not mine.

MEASURES TAKEN IN WASHINGTON

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are some Governments around the world which have responded appropriately to the seriousness of the situation when it comes to certain terrorist groups within the Armenian community taking violent action against the Turks. The Pinkerton guards who have been provided to the embassies have very limited training. They are given a revolver, and then told explicitly not to use it in terms of protecting embassy personnel. Does the Minister consider that adequate to meet the needs of the Turkish Embassy, particularly during the past few weeks?

In the last two years the Americans have added, to the Turkish Embassy in Washington, two armed guards who are not Pinkerton employees but members of the U.S. security service force who are trained to protect embassy personnel, using weapons if necessary. Is that not a more effective kind of protection which could deter terrorist activities?

• (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, without in any way accepting the preamble to the hon. gentleman's question, I am aware, as is the Government, of the criticisms with respect to the use of Pinkerton security guards. That is one of the several matters that are under very active consideration at this moment. We are considering whether that system should be retained, improved upon, or indeed whether some other system should be put in place to meet our security obligations with respect to our embassies.

RCMP REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, would the Minister confirm that the report which was prepared by the RCMP and submitted to the Government last summer said that the previous Government awarded the contract to Pinkerton simply because it was the lowest bidder, and that that is an inadequate basis for providing protection? In fact, in the report they recommended that the RCMP be involved in providing that protection. Would the Minister confirm that that recommendation was in the report?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, Mr. Speaker. The hon. gentleman was here and was listening to the questions of the Right Hon. Leader of the Opposition, and to the questions of the former Solicitor General. Yet he puts the same question again, which elicits my same response that it would be inimical and would prejudice the security of the Embassy to reveal, in a public way, any details with respect to security arrangements at the Embassy. As I did yesterday, I will again today offer to meet with the Right Hon. Leader of the Opposition and the Leader of the New Democratic Party, as Privy Councillors, knowing that they have an oath in place in this regard, to discuss with them and to obtain their ideas on the security arrangements with respect to our embassies.

IMPLEMENTATION OF RECOMMENDATIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am not going to make the mistake of going to the Deputy Prime Minister on this subject. I will turn to the Solicitor General and ask very directly whether all the security measures which were recommended in the report were, or were not, implemented. Yes or no. We want no details. Were they implemented, yes or no? The Deputy Prime Minister seems to think we want details. He is anxious to get up, but my question is directed to the Solicitor General.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we all know the purpose of the hon. gentleman asking that question. I have answered it with respect to questions put to me by the Right Hon. Leader of the Opposition, and with respect to questions put to me by the former Solicitor General. I have now answered it with respect to questions put to me by the Leader of the New Democratic Party.

Mr. Turner (Vancouver Quadra): Could we hear from the Minister responsible?

Mr. Nielsen: It is not the intention of the Government—and I am speaking on behalf of the Government—to make public, or discuss publicly, any details of any report with respect to the security arrangements at that Embassy. It would not serve the public interest to affirm, or otherwise, whether any, some, or all of the recommendations in that report have been implemented.

Mr. Johnston: I agree that the purpose of the question is clear, Mr. Speaker, but so is the purpose of the response.

REPORT INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to go back to the Solicitor General for a moment, if he has the courage to answer this question, which I think is very straightforward. Obviously, if all the measures in the security report were implemented, the report itself was defective in view of the incident of yesterday. The real issue is whether or not they were implemented, or whether everyone should go back to the drawing board and produce another security report on the security of embassies in Ottawa.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the answer—

Some Hon. Members: Oh, oh!

Mr. Nielsen: I am sorry the hon. gentlemen opposite treat this matter so frivolously in view of the outcome of yesterday's events. The answer is repeated. I again emphasize my willingness to brief fully the Right Hon. Leader of the Opposition and the Leader of the New Democratic Party with respect to the entire range of security measures and, hopefully, to gain their helpful input in a constructive way, knowing full well that both gentlemen are bound by their oath as Privy Councillors to keep such matters secret.

Mr. Clark (Yellowhead): We don't want to brief the terrorists.

AWARENESS OF POTENTIAL THREAT TO TURKISH EMBASSY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Deputy Prime Minister. Was the Government aware of the high alert status that the international intelligence community was providing around the world with regard to the potential threat to the Turkish Embassies and Turkish communities, as a result of the most recent court actions in France? If the Government was aware of that, did it choose simply to ignore it in the case of the Turkish Embassy in Ottawa?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Of course we were aware, as was the previous Government, of the facts which were embodied in the question of the hon. gentleman. I indicated to previous questioners that changes in the degree of security at the Turkish Embassy were brought about as recently as last month in response to that situation. I again emphasize that, after those changes were brought about, the Turkish Embassy officials themselves expressed satisfaction with them.

ADEQUACY OF PROTECTION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it the opinion of the Deputy Prime Minister that adequate security can be provided, in a case of a high alert situation, particularly where threats have already been made publicly and conveyed through the international intelligence agencies, by providing one man with one gun and five bullets, and an order not to shoot?

Mr. Hnatyshyn: That is a careless question.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): In all fairness, Mr. Speaker, I do not accept those facts as set out in the hon. gentleman's question. They may well be so, but surely that is a matter that is more properly left to the review process which is now ongoing. I would think that the Leader of the Hon. Member's own Party, and the Right Hon. Leader of the Opposition, would want to participate in that process and to come forward with their constructive suggestions. I would suggest to the Hon. Member that it does no one any good, least of all those who we are seeking to protect with these security arrangements, to brief terrorists rather than the right hon. gentleman or the Leader of his own Party.

REQUEST FOR ASSURANCE ON MEASURES TAKEN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would think the Deputy Prime Minister knows full well that if we were to share that briefing he would, in effect, co-opt us, thereby preventing us from putting proper questions in the House of Commons. That is not the way it is going to happen.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Such irresponsibility.

Mr. Turner (Vancouver Quadra): The way the Deputy Prime Minister has intervened this afternoon to protect the Solicitor General reminds me very much of Alexander Haig saying: "I'm in charge here".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Foster: Erik's got the guns.

Mr. Speaker: Order, please. The Right Hon. Leader of the Opposition has a question, please?

Mr. Turner (Vancouver Quadra): Does the Deputy Prime Minister not feel that national security could be enhanced if this Parliament and the country could be assured that proper response was made to that report, and that proper action was taken by the Government? We do not want the details. We just want an assurance that everything that could have been done was done.

• (1440)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I cannot allow to pass unnoticed the expressed view of the Right Hon. Leader of the Opposition that I have no responsibility in speaking on behalf of the Government in matters of this nature. That is what he is suggesting when he criticizes me for responding on behalf of the Government, which I believe I have a responsibility for doing, notwithstanding the extremely capable and responsible Solicitor General.

With respect to the enhancement of security, there can be no question that any security arrangements can be enhanced. Yesterday's incident proves that. The incident in the British Isles proves that. The incidents elsewhere around the world are proof of the fact that any security arrangements can be improved. But that is precisely the reason for our ongoing review at this very moment.

Oral Questions

NORTH AMERICAN AIR DEFENCE

PARAGRAPH DELETED FROM AGREEMENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister knows that in 1981 the Liberal Government removed from the NORAD Agreement the clause stating "This agreement will not involve in any way a Canadian commitment to participate in an active ballistic missile defence". This was on the grounds that it was no longer necessary.

In view of the most recent developments, in particular the implications of SDI for the ABM Treaty of 1972, can the Minister assure the House that this clause will be included in the Agreement that the Government plans to sign this weekend with the United States on the modernization of the DEW Line?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that paragraph was deleted at the time because it was not relevant at the time. Nothing has happened to make it relevant. We do not propose to add irrelevant paragraphs.

Ms. Jewett: Then the Minister has not heard all the concerns discussed widely throughout the country about the possible implications of star wars for the ABM Treaty.

CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, if the Minister and the Government refuse to put the clause in, is he saying to the whole Canadian public that the door is open to Canadian participation in an active ballistic missile defence?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what I am saying is that the Government of Canada supports the provisions of the ABM Treaty and intends to continue to do that. There is no need to add redundant language simply because members of the New Democratic Party and members of the Liberal Party in the House of Commons—

Ms. Jewett: It's the Canadian public.

Mr. Clark (Yellowhead): —knowing the facts, want not to pay attention to those facts, but instead want to abuse their public positions to sow fear in the country.

Some Hon. Members: Hear, hear!

Ms. Jewett: Don't be silly.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—POSSIBILITY OF GOVERNMENT PAYING INTEREST ON LOAN

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question concerns Domtar and is, of course, directed to the Minister of Regional Industrial Expansion.

In the past few days, the Minister made it clear to the House that there was no question of the Government granting Domtar a direct subsidy of $100 million.

However, the Hon. Member for Sherbrooke is telling people in the Eastern Townships that the Government is considering the possibility of paying the interest on a loan that would be contracted by Domtar.

Has this alternative actually been discussed with Domtar, and is the Government seriously considering it for this case?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps the Hon. Member was not in the House at the time, so I would remind him that in response to another question I mentioned that I will be meeting with the Forestry Advisory Council early next week to discuss the needs and the projections that they see for their own forestry industry. It may be that out of those discussions there will be some type of universal program that we can identify that might be helpful as far as the federal Government is concerned.

If Domtar could fit within this context, of course we are quite willing to work out any arrangement that would be acceptable to Domtar.

As the Hon. Member knows, our Prime Minister and the Premier of Quebec have had discussions, and presumably those discussions will continue after the Prime Minister returns from Moscow.

In due course we may have something to announce with respect to Domtar. I want to assure the Hon. Member that the matter is under consideration but there is nothing of a particular nature to announce at this time.

Mr. Speaker: Order.

[*Translation*]

REFUSAL OF GRANT TO DOMTAR—REQUEST FOR REASONS

Mr. Alain Tardif (Richmond-Wolfe): I have a supplementary, Mr. Speaker.

When we say Domtar, everybody knows we are talking about fine paper, and as far as fine paper is concerned, there is more or less a balance between imports and exports, which is not the case for newsprint.

Could the Minister explain to the House why he is refusing to subsidize Domtar, which is in the business of making fine

paper, while not long ago it did approve a grant of $40 million for Kruger when it acquired the Bowater plant in Corner Brook, Newfoundland, a company that does produce newsprint, most of which is for export?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would only say to the Hon. Member that our Department handles hundreds of applications from various companies across the country. On average, about two applications are turned down for varying reasons, for every application that we accept. Unfortunately, Domtar was one application that was turned down. I would only suggest to the Hon. Member that it would be absolutely impossible to review in the House, as he suggests, the reasons for each rejection, one by one.

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CONSUMER AFFAIRS

EFFECT OF BEER STORE LABOUR DISPUTE IN ONTARIO

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He is aware that there is a labour dispute with regard to beer stores in Ontario, and that there has been the import of American beer into the province. Could the Minister possibly talk to his provincial counterpart about the purchase of beer within Canada, in order to help the hotels and motels in this province?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to give my hon. colleague the assurance that under our packaging and labelling legislation, specific information must be given on various products, which includes bilingual labelling and volumes in metric. The Government intends to monitor the situation very carefully to see to it that these products are labelled accordingly, and as soon as we have reached any conclusions, we shall inform those concerned.

* * *

SHIPBUILDING

QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another question for the Minister of Regional Industrial Expansion concerning government support for a key industry in the province of Quebec.

Last Friday, the Prime Minister said in Quebec City that the Government had not decided whether it would be taking special measures to rescue shipyards in Quebec and the rest of Canada. He was very pessimistic about the future of this industry.

Does this mean that the Government now intends to withdraw its support for our shipyards, as it has withdrawn its support for Domtar?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, it is very much to the contrary. The Hon. Member must have noted that the Davie shipyard in Quebec has recently been purchased by Versatile and, as a result of their application to us, I am pleased to inform the Hon. Member that we were able to agree to a loan of $15 million with respect to that purchase, that will be repaid when the TRUMP Program is fully completed by Davie Shipbuilding. In short, that is an instance where we were able to help. I am very pleased that we helped, and I am sure that the House would be enthused to hear that we are doing things in Quebec.

Some Hon. Members: Hear, hear!

ELECTION CAMPAIGN SPEECH

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Can he explain the contradiction between the pessimism demonstrated by the Prime Minister with respect to the future of the industry and the fact that in August of last year the Conservative Party said in its campaign promises that a top priority would go to the creation of a more viable and prosperous shipbuilding industry? How does he explain that contradiction? Where is the $75 million, not $15 million, that was promised to shipbuilding in the Empire Club speech, and which could be creating jobs in Atlantic Canada and Quebec today?

● (1450)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I want to assure the Hon. Member that our Prime Minister, being Irish, is always optimistic.

Some Hon. Members: Hear, hear!

Mr. Stevens: In connection with the shipbuilding industry, as the Hon. Member may know, we have had ongoing discussions with that industry. I think in due course he may be most pleased with some of the proposals which will be agreed to, to ensure that the shipbuilding industry will become viable in coming years.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA ATTORNEY GENERAL

Mr. Speaker: May I interrupt the proceedings for just a minute to advise Hon. Members of the presence in our gallery of Hon. Brian Smith, Attorney General of British Columbia.

Some Hon. Members: Hear,hear!

* * *

GOVERNMENT EXPENDITURES

ADVANCE PAYMENT OF RENTS

Mr. Tom Hockin (London West): Mr. Speaker, my question is directed to the Minister of Public Works. It is a question which could save the Government of Canada millions of dollars. Will the Minister continue the wasteful practice of past years of paying many days in advance, each month, for properties it is renting in Ottawa and across the country?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. de Cotret: If Hon. Members would like to know the answer to the question, I would be very pleased to give it to them. In recent months we have undertaken a very thorough review of the whole issue of cash management within the Public Service, our agencies, and our Crown corporations. I am happy to announce that measures that been taken to ensure that new directives will be applied to maximize the usefulness of the cash we have at our disposal to the Treasury, which will amount to several hundred millions of dollars per year in savings to the CRF.

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ENERGY

NEGOTIATIONS WITH WESTERN PROVINCES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the fact that the deadline for an agreement with the western energy producing provinces is March 31—and the Minister will acknowledge the importance of maintaining that deadline for the economy of the country—could the Minister assure the House that an agreement with these provinces will be reached by March 31?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that talks are proceeding very amiably. As I have said before, we are into the most difficult part of the negotiations. I think it should be clearly understood in the House that all the parties to this negotiation—the provinces and the federal Government—are breaking new ground because we are attempting to go to a process of deregulation from a highly administered system. The impacts of that have to be very carefully studied. That work is continuing regularly. I am certain the deadline will be met.

PETROLEUM AND GAS REVENUE TAX

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, we have heard conflicting positions from various members of the Government on the fate of the petroleum and gas revenue tax. What position is the Government taking with respect to the petroleum and gas revenue tax in negotiations with the western energy producing provinces?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that he could not have heard conflicting positions on energy policy from members of this Government, because there is only one energy policy of this Government, and it is supported by all of us.

* * *

FOOD AND DRUGS

CANADA-UNITED STATES DISCUSSIONS—GENERIC DRUGS ISSUE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. According to press reports, President Reagan has joined with multinational drug companies to seek changes in Canada's generic drug laws and will be discussing this question with the Prime Minister on Sunday. Could the Minister give the House guarantees that Canada will sign no agreement on generic drugs, or give no undertaking to the United States to change our patent laws in advance of public or parliamentary participation in the process?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome this opportunity to give my hon. friend the assurance, as I did last week in answer to a previous question, that we shall protect consumer interests at all times and that all groups will be consulted before any agreement is signed.

[*English*]

REQUEST FOR PARLIAMENTARY PARTICIPATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my supplementary question is directed to the Minister. Given the fact that the Minister and his Department have permitted or encouraged discussions between the two types of drug manufacturing organizations, without participation by consumers' organizations or other interested parties, will he give assurances that there will be no agreement made, or no changes in law, without full participation by Members of Parliament and by interested groups such as the Consumers Association?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am happy to inform the Hon. Member that we had a meeting with representatives of the Canadian Consumers' Association last week, at which time we gave them the assurance that no changes would be made before consultations had been held with this group.

* * *

[*English*]

CANADIAN WHEAT BOARD

ANNOUNCEMENT OF QUOTAS AND PRICES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. Traditionally the Government has announced opening quotas and initial prices for western grains around the first of March. This is essential information for farmers in planning their seeding and so on. We are now within about a month of seeding commencement in western Canada. Could the Minister end the uncertainty which exists as a result of not providing this information, and immediately announce the initial prices and quotas for the new crop year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, indeed the Hon. Member is correct that in the past the previous Government attempted to get them out by the first of March, but in some cases it did not get them out until well into May when seeding was under way. We are presently going through the process of setting initial prices. The Hon. Member will be happy to learn that today we are putting to press a revised form of the pre-seeded acreage report, which we feel will be of much more use to prairie producers than the one that was put out previously and was largely political propaganda.

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WESTERN GRAIN STABILIZATION ACT

ADVANCE PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, I note the Minister is not prepared to announce the initial quotas and prices today. Could he assure farmers that the initial prices and quotas will be at least as high as last year? Would he be prepared to indicate that the advance payment under the Western Grain Stabilization Program will be made within the next month, and that it would be at least $700 million?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, with regard to initial prices, it is well known that grain prices around the world are suffering. We will do the best we possibly can with initial prices. The Hon. Member should know with regard to quotas that there is every indication that for the rest of the crop year there will virtually be open quotas because of the fact that we suffered a poor crop. It looks very good for high quotas for the coming year. With regard to an interim payment under the Western Grain Stabilization Act, we have the mechanism in place and we expect to have cash in the hands of producers well before the first of May.

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SCIENCE AND TECHNOLOGY

PROPOSAL TO ESTABLISH CANADIAN SPACE AGENCY

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Aerospace Industries Association of Canada in public statement recently called for the creation of a Canadian space agency to eliminate what the Association termed as fragmentation in the management of Canada's programs and policies with regard to space. I should like to ask the Minister for his response, and what his recommendation to the Government will be regarding this suggestion.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I appreciate the Hon. Member's question. We all recognize and appreciate the commitment of our aerospace industry to the economic development of the country over the past 25 years. We are looking seriously at recommendations submitted by the Aerospace Industries Association and by other interested groups. We would take note, particularly, of the suggestion that a committee of Cabinet should co-ordinate the work of such an agency. Indeed that is the role of the Cabinet committee on economic and regional development at the present time and the interdepartmental committee on space. We will continue to manage our space program effectively.

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TRUST COMPANIES

PIONEER TRUST—PLIGHT OF UNINSURED DEPOSITORS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the government Member who answers on behalf of the Minister of State for Finance, and written notice has been given. Since the collapse of Pioneer Trust on February 7, there has been considerable speculation about the fate of uninsured depositors. Can the Government inform us if there are still ongoing negotiations with the Government of Saskatchewan that can result in some compensation to the many uninsured depositors?

• (1500)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I want first to thank the Hon. Member for the notice given. As the Hon. Member knows, there have been numerous discussions between the two levels of Government. I want to assure the Hon. Member that CDIC has taken steps to reimburse all insured depositors up to the insured limit. A great many of them have already been reimbursed. With

regard to the uninsured depositors, the Hon. Member will recall that on Monday last the Minister of State for Finance replied in this House that the CDIC cannot, under its legislation, directly pay off uninsured depositors.

REQUEST FOR PUBLIC INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, over the weekend there was a Canadian Press story which stated that the Government will institute a public inquiry into the demise of Pioneer Trust. We understand the directions were given by the Prime Minister's Office. Can the Minister assure us that such an inquiry will indeed take place, and can he tell us who will head the inquiry?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I cannot either confirm or deny that. I am more than willing to take the question as notice. I can state that no specific instructions were given by the Prime Minister's Office to have officials conduct a hearing with respect to uninsured depositors.

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CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for London-Middlesex (Mr. Clifford) by filing with the Clerk of the House on Tuesday, March 12, 1985, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

NORTH AMERICAN AIR DEFENCE

CANADA-UNITED STATES AGREEMENT

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is my honour to inform the House that the Government has approved an agreement with the United States under which the two countries will take part in a joint program to modernize the North American Air Defence Surveillance and Warning System. Documents constituting the agreement will be signed in Québec City on March 18 by the Secretary of State for External Affairs (Mr. Clark) and myself. These documents will be tabled in the House of Commons following signature.

The agreement provides for the establishment of a warning system around the perimeter of the North American continent which will be capable of detecting aircraft and Cruise missiles penetrating North American airspace at high and low altitudes within the atmosphere. This modernized system will consist of over-the-horizon backscatter radars, located in the United States and covering the eastern, western and southern approaches to North America. In the north, there will be a new and improved DEW Line—to be called the North Warning System. Most of the North Warning System will be located on Canadian territory. The new radars will permit Canadian forces interceptors—CF-18s—to identify and, if necessary, engage intruders on the perimeter. North Warning will enhance our sovereign ability to control access to Canadian airspace.

In concluding this agreement, we will be taking an important step forward in ensuring that Canada can carry out the responsibilities we share with the United States for the defence of North America. The agreement we have reached reflects the essence of the partnership between our two countries which share the continent—sovereign allies, independent neighbours and close friends. It is an agreement which serves both nations well. Under the new arrangements, Canada will, for the first time, fully exercise its national defence responsibilities on its own sovereign territory and within its own sovereign airspace.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I want to emphasize the importance of fully exercising sovereignty in our north. The DEW Line has served Canada well, but Canadians do not control it. The DEW Line is operated by the United States Air Force. Canadian involvement has been limited to small detachments of Armed Forces personnel at three of the 21 DEW Line sites in Canada. The North Warning System will be a Canadian-controlled system—operated, maintained and manned by Canadians.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Canadian sovereignty in our north will be strengthened and assured for the future. The agreement will present Canada with significant economic challenges and development opportunities. Canada will be assuming responsibility for over-all program management and systems integration of the North Warning project. Design, acquisition, installation and integration of all associated communications in addition to all construction in Canada will be undertaken by Canadians and by Canadian industry.

The industrial benefits from this project will, at the very least, equal national expenditures on it. More than 11,500 person-years of employment will be generated in the communications and construction industries during the eight-year modernization program.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I am confident that the project experience will help open world markets for Canadian industry, and for our highly skilled communications industry in particular.

I would like to make it clear that these radars are neither designed nor sited for the detection of ballistic missiles or of other events in space. This is an important distinction which many fail to make. The new long-range radars which will form part of the North Warning System will have essentially the

same range of surveillance as the existing radars of the DEW Line. The new long-range radars will differ in that they will incorporate the most modern technology, and they will provide information on the direction, height and speed of aircraft entering their coverage. This information will permit Canadian forces interceptor aircraft operating from northern airstrips to identify and control potential intruders.

The short-range radars in the North Warning System are designed specifically to provide detection of aircraft at low altitude, to close the serious gaps in the present system.

There is no responsible alternative to modernization. Major components of the existing system are technically obsolete and increasingly difficult and expensive to maintain. Most important, the present system is no longer adequate to meet the modern bomber and Cruise missile threat.

It was Canada which initiated discussions with the United States on the need for a joint approach to modernize the air defence warning system, which is continental in scope. The question of modernization has been under review and study between the two countries since 1976. The approach adopted in the agreement is the result of an independent study, jointly funded by Canada and the United States, which was completed in 1979, and is the result of close consultations between the defence authorities of both countries.

The cost of the over-all modernization project will be in the order of $7 billion. The United States will be bearing some 88 per cent of this cost. The $1.5 billion estimated cost of the North Warning System component of the over-all program is to be shared, with Canada paying 40 per cent and the United States 60 per cent. The cost of operating and maintaining the North Warning System is to be shared on the same basis. However, Canada will be completely responsible for the actual operation and maintenance of the system in Canada, a major change from the agreement in effect for the DEW line.

• (1510)

Most of the radar stations in southern Canada which are now part of the Cadin-Pine Tree Line will need to be closed. These stations are of little military value now and they are very expensive to maintain and operate.

We recognize the social obligation to those communities which have come to derive much of their livelihood from these old stations. As a result, we have reached an agreement with the United States to share the costs of closing the stations of the obsolete Cadin-Pine Tree line, Canada paying 45 per cent and the United States paying 55 per cent. Assistance, with the social and economic costs borne by these communities as a result of closure, will be taken into account in the cost-sharing arrangements. I will be working very closely with my Cabinet colleagues, with the provinces and, most important, with the communities concerned to help those people affected by the closures.

Throughout the negotiations, the Government has sought to re-invigorate the Canada-United States defence partnership while at the same time enhancing Canadian sovereignty. This agreement on North American air defence modernization is tangible evidence of this Government's commitment to strengthen Canadian defence capacity and to ensure Canadian control of its defences.

Let there be no misunderstanding. By this agreement, Canadian sovereignty has been enhanced, including sovereignty over Canadian territory, sovereignty over Canadian defences, sovereignty over Canada's North and sovereignty over our own airspace.

Some Hon. Members: Hear, hear!

Mr. Nielsen: As Deputy Prime Minister, as Minister of National Defence and as the Member for Yukon, I am proud to make this announcement to the House and to the country today.

Mr. Len Hopkins (Renfrew-Nippissing-Pembroke): Mr. Speaker, we have just been advised by the Minister of National Defence (Mr. Nielsen) of a major agreement concerning Canada's future defence needs. It is an agreement that will possibly change our international stature in the world and is to be signed in Quebec City on March 18, this weekend, with very little consultation with Members of the House of Commons.

It is rather ironic that one week ago today, I posed a question to the Minister of National Defence asking him if he would appear before the External Affairs and National Defence Committee. At that time, he said he would if he were to be invited to do so by the Steering Committee.

The Minister is not even listening to me. That shows the importance he is giving to this statement.

The Minister gave me a commitment that he would attend a meeting this week. He was invited to do so by the Steering Committee, which met at 3.30 one week ago today. Both he and the Secretary of State for External Affairs (Mr. Clark) have been present in this House every day this week, yet neither one of them will consent to attend a meeting of the committee. The names of both Ministers came up at the Steering Committee meeting.

I would like to make one thing very clear, Mr. Speaker. We in the Liberal Party agree that the North Warning System must go into effect for surveillance purposes. There is no question in my mind about that at all. However, there is one thing that I wish to point out very succinctly today, and that is, that the Minister of National Defence should send the previous Liberal Defence Minister a thank-you letter for all the homework he did on this agreement in order that the present Minister could announce it today.

I have what I consider to be a very valid question of privilege. I received this seven-page announcement as the bells were calling Members to the House this afternoon. That gave me no opportunity to discuss the matter with my Party colleagues and my Leader. I think that this was a great discourtesy and I feel that the Minister should certainly take that into consideration in the future.

Some Hon. Members: Oh, oh!

Mr. Hopkins: I am hearing some comments from Members across the way regarding my remarks. However, we are discussing today a $7-billion program. Surely a seven-page announcement deserves more than one-hour's notice since every Member of the House is responsible to the people of Canada.

As I mentioned, this agreement will be signed after only one short meeting of a House committee at which there was no opportunity to call witnesses. Moreover, the Minister of National Defence and the Secretary of State for External Affairs refused to attend meetings this week. We in this Party, like Canadians from coast to coast, are concerned that this modernization will lead directly or indirectly to an involvement in the star wars initiative that has been mentioned on many occasions.

In the past, Canadians bought a limited defence package, which later turned out to be a monster containing the Bomarc missiles. That was done by a previous Conservative Government. Canada should not be put in such a position again. This Parliament and Canadians should not be forced to accept and endorse a secret agreement which could alter our lives forever.

In particular, I would like to point out that the Minister of National Defence mentioned surveillance of the North and our CF-18 fighter aircraft. As everyone in the House knows and as all Canadians know, these aircraft were purchased by the former Liberal government. That agreement was signed. Contrary to all statements in the press about cost overruns, it has now been found that the aircraft may well come in under cost.

There are some serious questions brought up by the Minister's statement. Have the aboriginal people been consulted on this agreement? What has been their involvement? Will they be consulted? Does this agreement contain a specific clause to protect Canada from becoming automatically involved in further advanced technology down the road without proper consultation and without a decision being made by a future Canadian Government? Can we knock out a Cruise missile with a CF-18 Sidewinder or a Sparrow missile? If we cannot do so, will we require nuclear warheads to do so? If we did so, would we be breaching the Anti Ballistic Missile treaty? This would place Canada in the position of playing a leading role in destabilization.

• (1520)

Will the Minister, even at this eleventh hour, agree to hold immediately an emergency meeting of the Standing Committee on External Affairs and National Defence to review in detail the proposed agreement with the aid of outside, independent experts? If he will not agree to an emergency meeting of the committee, will he agree to the immediate postponement of the signing of the accord until Canadians, including the Canadians in Parliament, have had an opportunity to review in detail the agreement before the appropriate parliamentary committee? Surely, that is not asking too much. We have heard a lot about open Government in Canada—

Mr. Malone: Hear, hear!

Mr. Hopkins: The Hon. Member can clap, but we have a $7 billion secret agreement which is being signed without consultation with the Parliament of Canada. That is open Government!

Will the Minister assure the House that there is a clause in the proposed agreement which will guarantee that in no way will the modernized system be used to support or complement the Strategic Defence Initiative? Canadians want a 100 per cent guarantee that there will be no linkage between the agreement and SDI. Will the Minister guarantee to the House that there will be a clause in the agreement which will ensure an automatic review of the agreement—it is very important and we had this with NORAD—at least every five years by the Parliament of Canada and that, if so desired, Parliament may revise any part of that agreement on one year's notice? That is not asking too much when we are talking about Canadian sovereignty.

There is one other item which I would like to mention, that is, the Cadin-Pine Tree stations which will be closed. I note in the agreement that the Government has given a commitment that it will liaison very closely with communities which are built around the Cadin-Pine Tree Line. We welcome that. We will watch carefully to make certain that that commitment to those small communities in Canada is entirely lived up to.

Mr. Derek Blackburn (Brant): Mr. Speaker, first, I would like to thank the Minister of National Defence (Mr. Nielsen) for bringing back the old tradition in the House of ministerial statements on motions, to give members of the Opposition a chance to comment on major policy statements. However, I hope that the Minister will not limit his involvement with this side of the House simply to a seven-page document. I hope we can call on him at any time that is reasonable and feasible to come to a committee hearing so that we can spend several hours discussing this very, very vital and important policy.

The Government has stated that it is necessary to upgrade the old Dew Line because it is outdated. The Senate committee pointed out that gaps in radar could allow Soviet bombers to attack North America. Therefore, the Government believes that it must counter that threat to protect our sovereignty. The Prime Minister (Mr. Mulroney) said that the previous Liberal Government had compromised that sovereignty by neglecting Canada's defences. He is only partly right. The Liberals did neglect our defences, there is no doubt about that. They are responsible for the threat which we must counter with a new North Warning System, but not for the reasons which the Prime Minister mentioned earlier.

The reason the Dew Line has to be updated is the new threat of Soviet bombers armed with Cruise missiles. Canada helped to usher in the era of the Cruise missile. The Government's Defence Industry Productivity Program gave Litton Systems the money to develop the guidance system for the Cruise missile. The defence production sharing agreement allowed that technology to be exported to the United States to build the Cruise missile. The umbrella testing agreement allowed the Cruise missile to be tested and perfected in Canada. Of course, now it has come back to haunt us.

Naturally, the Soviet Union matched the U.S. by developing its own Cruise missile system. So now Canada has to spend up to $800 million to build a North Warning System to defend itself against a weapon that it helped to develop. That is the Government's idea of job creation? I think it is slightly mad!

Now I have mentioned it, let us examine MAD—Mutual-Assured Destruction. That is the nuclear deterrence which has kept peace for 40 years. But it cannot last forever. Now there is a chance that the Soviet Union may offer to cut its offensive weapons in return for U.S. cuts in star wars. But the U.S. insists on developing yet another new weapons system. No one knows where SDI will lead or how it will affect arms control, but we do know some of the potential dangers. SDI may split the Western Alliance if the U.S. turns down cuts in Soviet weapons because it wants to develop star wars. The U.S. may violate the ABM treaty if it goes ahead with the Talon Gold Test in 1987, and the Soviets may counter SDI by MIRVing their ICBMs and adding more Cruise missiles.

In Question Period this afternoon, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) asked the Secretary of State for External Affairs (Mr. Clark) if the clause which was taken out of the NORAD Agreement by the Liberals in 1981 would be returned this weekend in Quebec City. I would like to quote the Secretary of State for External Affairs word for word. He said, "This agreement will not involve in any way a Canadian commitment to participate in an active ballistic missile defence". That clause was taken out. I would ask the Minister of National Defence, will he insist this weekend that that clause be returned to any new NORAD Agreement? It is fundamental to the future development of star wars. Without that clause—and the Minister once again spoke about our sovereignty in our airspace—it is absolutely hollow. That clause must be put back into the NORAD Agreement. That is all there is to it. It is very simple.

It will affect Canada in many ways. The submarines and bombers armed with those Cruise missiles will threaten from the Arctic. Still, the Government insists on the following: One, that SDI is only research. Can anyone in their right mind sitting on the other side tell me that the United States will spend up to $25 billion on blackboard and chalk, and that it will not develop the system and then deploy it? It is utter nonsense. How naive can the Government be? Two, the Government insists that the Dew Line update is only a warning system. Three, there is no connection between SDI and the North Warning System, and, four, there may be inadvertent consequences, but we can get out of them. This, too, is absolute nonsense.

Yesterday in the House I described how NORAD and the U.S. Air Force were already merging space and surface warning systems into a NORAD/Space Command. It is a combined command. The system will pick up a threat detected by either satellites or ground-based radars. It will then co-ordinate the defensive response. In other words, the two systems are already combined. In other words, the upgrading of the North Warning System is, in fact, already a part of star wars. A star wars system could counter ICBMs, and fighter planes can counter bombers and Cruise missiles.

In that context we should ask, is it a coincidence that the North Warning System will upgrade northern bases for CF-18 fighters? Is it a coincidence that the Government is considering buying an additional 20 CF-18s? Is it a coincidence that the U.S. is developing a "look-down, shoot-down" radar so that fighters can knock down Cruise missiles? No. The Americans know that SDI will have to counter the air-breathing threat that can slip under space-based weapons. That is the inadvertent consequence of adopting a defence strategy.

The U.S. is adopting that strategy with the Strategic Defence Initiative. NORAD will have to be a part of that strategy. The North Warning System will be a necessary component of the defensive strategy. The Government should make it its business to know about these "inadvertent consequences". The Minister of National Defence and the Secretary of State for External Affairs should investigate them and report to the House or to the appropriate standing committee of this House.

• (1530)

In conclusion, Mr. Speaker, the Government has the right and the obligation to consult with the United States about future activities of our defence alliance. That obligation is set out explicitly in the current NORAD Agreement. The Government must take that obligation seriously if it intends to govern responsibly.

The scientific world is leading the military world which, in turn, is leading the political world down a dark path about which most of us know very little, and we should have the courage to admit it at this stage. We should make sure in this country that there are built-in safeguards so that we do not get sucked into the Strategic Defence Initiative, which I feel is more appropriately called star wars, because that is exactly what it is. It is space-based, space-launched warfare.

Believe me, Mr. Speaker, when American scientists are now talking in terms of not a few hours of response, not a few minutes, but in terms of a few seconds, where are we going? I hope the Minister will make it abundantly clear to President Reagan this weekend that we want that clause put back in NORAD and that we want control over the North. Yes, we are prepared to share early warning information with our allies, but we are not prepared to go along with the star wars holus-bolus without knowing where it is going to take us, because it is the most destabilizing defence offensive system which has ever been devised by man to date.

Mr. Axworthy: Mr. Speaker, I would like to pose a question to the Minister of National Defence (Mr. Nielsen) on what is a very serious day in the life of this country. We are now taking a very radical departure and making a change in the whole foreign policy defence standing which Canada has adopted in the past 30 or 40 years. We regret deeply, as my colleague has already stated, that this major departure in our

position has been taken without effective consultation in this Parliament.

By the words the Minister has brought to this Parliament this afternoon, is he now saying that this Government agrees with the change in North American defence strategy as announced by the United States President and several defence officials that they will no longer rely upon the question of deterrence as a form of stability and security but will now be pursuing an active defence system for North America which will in a sense break the pattern over the past 30 or 40 years? Are we now committing ourselves to that defence policy, as already announced by the Americans and the U.S. Secretary of Defence in front of Congress to justify its participation in the North Warning System? Does the Minister not believe that that will now result in a major militarization of northern Canada, with the placement of a number of military facilities, communications systems and networks? Is this Government now saying that it is prepared to agree with that change in defence policy without ever having had it debated or discussed in this Parliament and without any opportunity being given to Canadians themselves to know the implications or consequences?

It is very important to know at this point in time—perhaps because we are denied the opportunity in committee to have this kind of debate—if the Minister is saying that this Government does agree with that fundamental change in defensive policy and agrees with the U.S. President and the Secretary of Defense that they are now pursuing an active defence system and are no longer relying upon the deterrent basis for security in North America?

Mr. Nielsen: Mr. Speaker, the point has been made by the Hon. Member for Cochrane-Superior (Mr. Penner), the Hon. Member for Brant (Mr. Blackburn) and now, surprisingly, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), that there has been no opportunity to discuss this matter in Parliament. The last time I looked, the standing committees were still part of this Parliament and the matter has been before the House of Commons Standing Committee. The Secretary of State for External Affairs (Mr. Clark) told the committee that he was prepared to sit there for as long as Hon. Members had questions, but they ran out of questions.

The matter has also been considered by the Senate Committee. It is being considered now. There is no doubt in my mind that it will again be considered before the end of the supply period in this semester by the committee. It is not true what the Hon. Member for Cochrane-Superior says, that there has been no commitment to appear before that committee. I have given that commitment, and the Secretary of State for External Affairs has already been there. I do not know what arrangements he has made, but chances are that the Secretary of State for External Affairs has agreed to appear again.

With respect to the consultation process, I might point out that the Hon. Member for Winnipeg-Fort Garry was a member of the Government—not of the administration but of the Government—which commenced these negotiations in 1976. He was part of an administration which was active in those negotiations. What the Hon. Member is saying now, that there should be a consultation and that he should be the recipient of further and better information on the North Warning System, rings a little hollow, to use, I believe, his phrase, unless it was that of the Hon. Member for Brant.

The Hon. Member for Winnipeg-Fort Garry knows full well what the North Warning System is all about. I agree with the Hon. Member for Brant—and it seems to be evidenced by the intervention of the Hon. Member for Winnipeg-Fort Garry and the Hon. Member for Cochrane-Superior—that very few people know very much about what they are discussing. That is quite obvious after listening to the intervention of one who should know better, namely, the Hon. Member for Winnipeg-Fort Garry, who, it appears, does not know his atmospherics from space. He does not know what is on top of the ionosphere and what is below it. NWAS has nothing whatsoever to do with—

Mr. Axworthy: Nonsense, you had better read what Weinberger had to say.

Mr. Nielsen: The Hon. Member says "nonsense". Fundamentally, the North Warning System replaces a system which was put in place under a Liberal Government, the DEW Line, and under a system put in place by the Liberal Government of the day, the Pine Tree Line.

Mr. Blackburn (Brant): That's what they are telling you today, Erik.

Mr. Nielsen: With respect to sovereignty, I do not hear those Hon. Members now howling about sovereignty. My goodness, when I first came here under the Diefenbaker Government, Ministers of the Crown had to make an application to the United States management corporation even to visit those sites on our own Canadian territory. That is the Liberal idea of negotiating the security of Canada's sovereignty over our own lands and airspace. That is not the case here.

Mr. Speaker: Order. With great respect—

Mr. Axworthy: Supplementary, Mr. Speaker.

Mr. Speaker: No, I am going to try to recognize everyone who has risen. My normal practice is to try to recognize everyone who has a question. If there is time, I will allow supplementary questions. I would encourage everyone to be brief so that those Hon. Members may get a chance to ask supplementary questions.

Ms. Jewett: Mr. Speaker, as you know we have had no hearings on this agreement, none whatsoever, and actually only one hour in committee with the Minister. This has put us all in the position of having to use whatever occasion there might be to get information from the Government.

The Minister has said previously, has said again today and keeps reiterating, that there is no connection between the modernization of the DEW Line, the so-called North Warning System, and the development of the star wars, the Strategic

Defence Initiative. Both the Minister of National Defence (Mr. Nielsen) and the Secretary of State for External Affairs (Mr. Clark) keep saying this. Has the Minister, or have his people, ever read the minutes of the Armed Services Committee of the U.S. Senate when defence estimates are before the committee? If he or his people have read those minutes, does the Minister not know that last year, in the discussion of defence estimates in the U.S. Senate Armed Services Committee, the Department of Defence said that "space defence and ballistic missile defence involve the Canadians"? Specifically, is the Minister aware that during the same hearing—

Mr. Speaker: Order, please.

Ms. Jewett: —a modernized DEW Line—

Some Hon. Members: Order.

Mr. Speaker: Order, please.

An Hon. Member: Have more respect for the Chair.

Mr. Speaker: Can I encourage the Hon. Member to make this her last question? She has taken two and a half minutes now.

• (1540)

Ms. Jewett: I was coming to it. It is extremely important, Mr. Speaker. Is the Minister also aware that in the same hearings it was stated that a modernized DEW Line as well as the space shuttle are "collateral benefits to the Strategic Defence Initiative"?

Mr. Nielsen: I do not know how many times it has to be reiterated in order to get through to Hon. Members opposite. It does not make any difference how many times it is done because they will still, to use the words of the Secretary of State for External Affairs, abuse their position in the House by deliberately attempting to create a situation which does not exist. The Member herself does not know the difference between a radar system and the space system, obviously.

The complete answer to her question, quite apart from the answers which have been given by myself and the Secretary of State for External Affairs, is contained, as I put on the record before, in a press release issued on behalf of the United States Government by the United States Embassy here in Ottawa dated March 7. It refers to misleading reports deliberately enhanced by members of the Opposition for questionable motives. That release stipulates, and I am quoting it again:

> With regard to the upgrading of the DEW Line and its replacement with the North Warning radars, the Department can state clearly and categorically that the North Warning System being planned by Canada and the United States is not part of the Strategic Defence Initiative Program.

Now I do not know what can be clearer than that, Mr. Speaker. It is not going to help to continue to repeat it because they are just going to continue to try to play Marrying Sam in trying to create the bride and groom of SDI and NWS, which is totally untrue. Again I wish they would stop abusing their position as Members to propagate that absolute tripe.

Air Defence Modernization

Mr. Penner: Mr. Speaker, to set the *Hansard* record straight, my colleague who responded to the Minister's statement was the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), not Cochrane-Superior.

What the Minister has announced today, Mr. Speaker, is nothing less than a mega-project for northern Canada. The impact is bound to be significant. There is no mention at all in the Minister's statement about an assessment of the impact on aboriginal peoples. Is he able now to detail for the House how this consultative process will work with aboriginal peoples? I notice there will be 11,500 person years of employment created in communications and construction. By what means will be aboriginal people have an opportunity to participate in these jobs?

Mr. Nielsen: Mr. Speaker, I apologize for confusing the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) with the Hon. Member for Cochrane-Superior (Mr. Penner). I certainly would not want to add to their joint confusion.

As I indicated in my statement, the broadest possible consultation is going to take place between the Ministries, including the Minister of Indian Affairs and Northern Development (Mr. Crombie) and, very important, the Minister of Employment and Immigration (Miss MacDonald). We are most conscious, myself particularly, of any impact the project will have on our aboriginal peoples.

I suppose the short answer is to assure the Hon. Member that I will insist during the progress of the whole project that not only the socio-economic impact on our native peoples is thoroughly taken into consideration, but also the job opportunities which might accrue to them, which are of a considerable magnitude.

Mr. Jardine: Mr. Speaker, I know the Minister appreciates the economic impact that the closure of the Canadian Pine Tree Line will have on the communities affected. Can he elaborate further on what assistance the Government will be giving to the communities and people so affected?

Mr. Nielsen: That will be of particular concern to the consultation process which I just described between the Department of National Defence and the Minister of Employment and Immigration. I have also had the suggestion that it would be useful to meet with some of the local officials in these communities. I think that was a worth-while suggestion. It should also, I think, be emphasized that while there was no obligation to do so, at our suggestion in the negotiations leading to this agreement, the United States has agreed to assist us financially in dealing with the minimal-socio-economic implications resulting from this project. I think that is a significant display of the determination of the two countries to address our mutual concerns in achieving the objective of modernizing this system.

Mr. MacLellan: Mr. Speaker, I would like to follow up on the question asked by the Hon. Member for Northumberland-Miramichi (Mr. Jardine) regarding closure of the Pine Tree

Line. As the Minister knows, there is already severe unemployment in Atlantic Canada. I respect the Minister's wish to have consultations on these matters, but there is no way that consultations are going to make up for the loss of jobs and economic activity. These losses would be a very severe blow. There is a possibility that there will be new West Coast and East Coast defence systems. Has the Minister given any thought perhaps to turning existing installations on the Pine Tree Line into new defence systems?

Mr. Nielsen: Indeed, I thank the Hon. Member for raising that aspect of the project because it gives me the opportunity to tell him and Members generally that the present closure plans with respect to the Cadin Pine Tree Line would affect some 17 of the 24 stations and some 3,725 jobs. Of those jobs, 1,975 are military positions which can be redeployed to higher priority uses in the defence program. Another 1,027 positions are those of civilians directly employed by DND. The vast majority of these can be employed at other DND locations if the employees are willing to move and if the Department is in a position to retain the person year authorizations to redeploy them. This leaves 722 civilians living in the communities whose jobs depend on the stations. Of these, 275 are dependants of military personnel. There are DND programs to assist employees to relocate and I will be forming a committee with my colleagues, including the Minister of Employment and Immigration, to ensure that we make full use of the wide variety of adjustment, retraining, relocation, job search and income support programs available, both within the federal and the provincial Governments, for those in need of assistance. We will be working closely with the provinces and the communities affected in developing programs for each individual community.

Might I just add very quickly that those stations in the Atlantic areas are the least affected by the entire project.

• (1550)

Mr. Skelly: Mr. Speaker, I would like to ask for a comment from the Deputy Prime Minister (Mr. Nielsen) on the process. Many Members of the House are pleased that we had the opportunity to peruse this agreement and discuss it on Statements by Ministers. We operate under a process by which a small group in the executive is entitled to sign international agreements with long-term effects which are not brought before Parliament for consideration, when in fact our partner with whom we are involved in many of these agreements does have an opportunity to present that material to elected legislators for their consideration.

Is the Government considering a process whereby documents such as this one and the interception agreement made on the West Coast would become subjects for discussion in Parliament to give legislators in this forum an opportunity to take a serious look at the implications which this and other agreements that the Government has already signed would have for Canada in the long term?

Mr. Nielsen: Mr. Speaker, that is the second time in as many days that a member of that Party has held up as an example the desirability of adopting the United States system of Government. That is not our system of government. If what he is suggesting were to come about, it would cause serious and broad changes to our system of government. It is certainly not within my responsibility, nor within that of the Government, to invoke any system other than that which has developed within our country since Confederation. The fact of the matter is that the Government is charged with the responsibility of making these decisions. There has been consultation as I have described. That is part of the parliamentary process. With that foregoing explanation, the simple answer to the Hon. Member's question is no.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, I want to ask a question to the Minister of National Defence and Member for Yukon (Mr. Nielsen), and make sure that both the question and the answer will be conveyed to the President of the United States (Mr. Reagan) who will be making a historic visit to Quebec City next weekend. Therefore, I will ask it in English.

[*English*]

What plans or arrangements are there to provide landing or dispersal facilities for U.S. aircraft in times of crisis or in wartime?

Mr. Nielsen: I am sorry, I did not get the entire question. I wonder if the Hon. Member would put it again quickly?

Mr. Tremblay (Québec-Est): My question is, what plans or arrangements are there to provide landing or dispersal facilities for U.S. aircraft in times of crisis or in wartime?

Mr. Nielsen: Under the existing arrangements between the two countries, there are arrangements for United States aircraft to use Canadian bases. That will be extended as the new air facilities, the ground facilities to accommodate the modernization of the system, are expanded in northern Canada. The same provisions of the existing arrangements would be expanded to accommodate those new purposes of NWS.

Mr. Axworthy: Mr. Speaker, I rise to ask a supplementary question because I did not receive an answer from the Hon. Minister of Defence (Mr. Nielsen) on the first question. He spent his time hashing over some old history. I simply want to know from him, because it goes to the very base of the announcement he made today, whether the Government is now signalling its clear agreement that the change in strategy, change in approach and change in defence thinking that was announced a year ago by President Reagan, and has since been endorsed by Secretary Weinberger, which says that we are now moving from deterrence to active defence and that the North Warning System is a part of that very fundamental change in military policy, is now the policy of the Government of Canada?

Mr. Nielsen: There he goes again distorting the actual facts. He knows that is a distortion because his Government initiated these discussions. All we are doing is bringing about the formal conclusion to an agreement which he and his Government brought to 99 per cent of completion.

Mr. Axworthy: That is a cop-out.

Mr. Skelly: Mr. Speaker, I wonder if the Deputy Prime Minister might focus on the key part of the question that I raised previously. Certainly it would not change the nature of government to lay the document before the House and allow Parliament to take a serious look at it. That is ultimately done in the United States. The Government would still have the opportunity and responsibility to make the decision. With regard to the Canada-U.S. salmon interception treaty, it was stated for the record by a Cabinet Minister that the Prime Minister (Mr. Mulroney) never read the document and that it went through Cabinet in 30 minutes. This process is unacceptable.

Has the Deputy Prime Minister, who when in opposition fought this abusive use of power, now changed his standards to the point that he would not provide information to Parliament and the people of Canada in advance of making his decision?

Mr. Nielsen: I can understand the frustrations of the Member, being as he is a member of the Opposition where he will likely remain for as long as he is here.

Mr. Skelly: You spent a long time here yourself.

Mr. Nielsen: The Hon. Member is suggesting a fundamental change in the system. It would be presumptuous of me or of the Government to make that kind of decision unilaterally. I am sure that he would be the first to howl. At the moment the Prime Minister has appointed a committee headed by the Hon. Member for St. John's East (Mr. McGrath), which includes a distinguished member of the Hon. Member's own Party and members of the Official Opposition, which is studying this very kind of question. I would suggest to the Hon. Member that he might make more effective and constructive suggestions regarding changes of the depth that he has in mind if he would attend and make his views known to that committee and assist in bringing constructive recommendations out of that committee back to the House.

Mr. Speaker: I am going to recognize Hon. Members from Cochrane-Superior (Mr. Penner) and Cape Breton-The Sydneys (Mr. MacLellan) on supplementary questions and the Member for Calgary East (Mr. Kindy), and then I am going to end the questions and comments period.

Mr. Penner: In his response, the Minister used the word "confusion". I think he is confused about his own statement. Nowhere in this statement is there any reference to the socio-economic impact regarding the modernization program to which he referred. There is reference to the closing of the Pine Tree Line sites. Where can Members of Parliament learn about the impact that this will have on northerners, and how they will be enabled to respond adequately to that impact and take advantage of the opportunities that will be provided? Where are the detailed plans for that? If they are not ready now, how quickly will they be ready? How will Members of Parliament be able to study those plans in order to get this information into the hands of northerners, who are deeply concerned about it?

Mr. Nielsen: Mr. Speaker, I appreciate and fully understand that concern, as the Hon. Member knows. However, that is the kind of question that he will have the opportunity to put to me in the Standing Committee. I would suggest that that would be the place to discuss the kind of detail which he anticipates in the question. I am sure that he will agree that in a statements and questions mode such as this there would simply not be the opportunity to answer the question he put in a fair way. If the House has the time, Mr. Speaker, I have 15 pages that I could read to the Hon. Member, but I do not think it does.

Mr. MacLellan: Mr. Speaker, the Minister of National Defence (Mr. Nielsen) mentioned that 17 of the 24 Pine Tree Line stations would be closed. Could the Minister tell us which stations are going to be closed, or which ones are going to be left open, or perhaps both?

Mr. Nielsen: Mr. Speaker, I think I can best answer that question by focusing on the ones that will remain open. Those will be five sites; Holberg in the west, and Gander, Goose Bay, Sydney and Barrington in the east. It will be necessary to maintain those stations in order to maintain surveillance on our coasts until newer radar coverage is proven. The two sites at Cold Lake and Mont Apica are essential to air training programs.

• (1600)

Mr. Kindy: Mr. Speaker, my question concerns the effect of that agreement on our independence. Will we remain an independent nation or will the Americans have all of the input into this agreement? Will this enhance our sovereignty or diminish it?

Mr. Nielsen: Mr. Speaker, in response to the Hon. Member for Calgary East (Mr. Kindy), I think perhaps the best way I could answer his question would be to say that under the agreement, Canada will be exercising its national responsibilities on its own national territory and in its own national airspace by controlling, operating and maintaining those parts of the North American air defence system located in Canada.

In keeping with the strengthening and maturing of our sovereignty and our responsibility, Canada will also be responsible for all of the system's construction and all of the communications in Canada. Canada will operate and maintain all the elements of the system on Canadian territory, which is a change from the previous arrangements under the DEW Line. I am sure the Hon. Member will recognize the significance of that distinction.

[*Translation*]

PETITIONS

GASOLINE PRICE INCREASES IN QUEBEC

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour to present a petition signed by 494 residents of the towns of Beebe, Rock Island and Stanstead. The petition has been signed by people who, during the program aired by Sherbrooke radio station CHLT 63, have denounced the latest retail price increases of gasoline in Quebec which, for too long now, have been doubly penalizing people who live close to the American border.

Given the excessive price of gasoline, the petitioners humbly call upon Parliament to convince the Minister of Consumer and Corporate Affairs (Mr. Côté) to intervene in this case by enforcing laws on combines and free competition.

I present the petition and strongly urge the Government to give it due consideration.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 52, 152 and 181.

[*Text*]

RCMP DEPLOYED IN NEW BRUNSWICK AND NEWFOUNDLAND

Question No. 52—**Mr. Howie:**

With respect to the number of persons employed by the Royal Canadian Mounted Police and deployed, during the last two years, in each of New Brunswick and Newfoundland (a) did the number deployed decline and, if so, for what reason (b) what total number of persons were deployed in each of the years and what total amount was paid to the Government for their services (c) what rate per person was charged for police services?

Hon. Elmer M. MacKay (Solicitor General of Canada): (a) Yes. In New Brunswick, expansion of the New Brunswick Highway Patrol resulted in a corresponding decrease in RCMP personnel. In Newfoundland, expansion of the Royal Newfoundland Constabulary has also resulted in a decrease of RCMP personnel in the St. John's area.

	Regular Members		
	* (Including R/M's, S/Csts., C/M'S)	* P/S	Total
1982/83			
New Brunswick	543	98	641
Newfoundland	667	98	765
1983/84			
New Brunswick	521	98	619
Newfoundland	634	114	748

For fiscal years 1982/83 and 1983/84, the Province of New Brunswick reimbursed the Government of Canada $15,317,-361.79 and $15,773,529.86 respectively. The Province of Newfoundland reimbursed Canada $22,355,518.38 and $22,715,-559.52 respectively for the same periods.

(c) A rate per person is not struck in relation to total police services in the Provinces of New Brunswick and Newfoundland.

* R/M's — Regular members
S/Csts — Special Constables
C/M's — Civilian members
P/S — Public Servants

CORRECTIONAL SERVICE

Question No. 152—**Mr. Friesen:**

1. In each office of the (a) National Headquarters in Ottawa (b) Pacific Regional Headquarters (c) Prairie Regional Headquarters (d) Ontario Regional Headquarters (e) Quebec Regional Headquarters (f) Atlantic Regional Headquarters of the Correctional Service, what is the total number of employees (administration, policy advisors, stenographers, clerks, etc.)?

2. What prior experience or training in the Correctional Service did the Commissioner have before his appointment to that position?

3. Was the senior officer (the regional director) of the Correctional Service reclassified to Assistant Deputy Commissioner level, just shortly before the announcement of the 6 and 5 program and, if so, what was the attendant increase in the salary scale for such a change?

Hon. Elmer M. MacKay (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

1. (a) National Headquarters — 654
   (b) Pacific Regional Headquarters — 147
   (c) Prairies Regional Headquarters — 102
   (d) Ontario Regional Headquarters — 208
   (e) Quebec Regional Headquarters — 189
   (f) Atlantic Regional Headquarters — 82

2. At the date of the question, the Commissioner was Donald R. Yeomans who was appointed on December 9, 1977. At that time, Commissioner Yeomans had no prior experience or training in the Correctional Service.

3. The Regional Deputy Commissioner positions were converted from SX to EX on April, 1981 as a result of the government's decision to introduce a new management classification plan in the Public Service. Accordingly, all SXs in the Government were converted to EXs as a result of this decision.

The salary range for each Regional Deputy Commissioner is as follows:

Region	Level
Atlantic	SX-1 to EX-3
Quebec	SX-2 to EX-4
Ontario	SX-2 to EX-4
Prairies	SX-2 to EX-4
Pacific	SX-2 to EX-4

Salary Range

SX-1: $36,800 to $50, 000
SX-2: $41,900 to $57,100
EX-3: $51,500 to $60,800
EX-4: $56,400 to $66,200

RCMP EXPENDITURES

Question No. 181—**Mr. Stackhouse:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, what were the expenditures of the Royal Canadian Mounted Police?

2. In 1983, what were the expenditures on drug enforcement?

Hon. Elmer M. MacKay (Solicitor General of Canada):

1. (a) 1980/81 — $598,733,000
(b) 1981/82 — $650,867,000
(c) 1982/83 — $729,050,000
(d) 1983/84 — $801,737,000

2. Drug enforcement expenditures in 1983 were $45,371,000. It should be noted that this expenditure does not include expenditures incurred by members of the RCMP employed on duties other than drug enforcement but through the nature of their duties become involved in drug enforcement activities.

[*English*]

Mr. Stewart: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 12, consideration of the motion of Mr. Hnatyshyn (for Mrs. McDougall) that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Bretton Woods Agreements Act

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain Acts in consequence thereof.

There is no question that the financial structure of a country is inseparable from its social justice. Although this Bill proposes technical amendments to our structural relationship to these institutions, we should also consider the functions of these institutions and what they stand for, not only in Canada and in the western world but particularly in Third World countries. When we support the institutions that make up the financial structure of the world, we also support their economic decisions which have wide ranging effects throughout those less developed countries.

Quite often, the institutions and organizations that are addressed in this Bill provide a human element in this financial structure. While some say that this human element is particularly unfeeling occasionally, the charters of these institutions have indicated that the intent of this human element was to make it possible for western countries to assist the less developed countries.

Those who support these institutions would cite the conditions that are imposed on populations in support of possible developments as part of the infusion of financial aid to different parts of the world. I think I would agree with those people.

Perhaps some Third World countries are finding it increasingly difficult to accept those conditions that are imposed on them by these institutions. When we are considering our support for these institutions, perhaps we should consider those conditions that are being imposed by these institutions that come under the IMF and the World Bank.

One Prime Minister has accepted over the years financial assistance from the IMF and World Bank. Recently he was faced with the strong suggestion that his country adopt some austerity measures, and so because of his country's need for support from the World Bank, he suggested that his country would have to put up with food riots. This is a particular example of how organizations such as the International Bank for Construction and Development, the International Development Association and the International Finance Corporation are becoming deeply involved in the internal development and structure of countries which they are supposed to help. I make these statements by way of introduction because I believe that we in Canada have a role to play in the control which finance has in the world. Finance is becoming a dictator of economic development and consequently a dictator of social justice in large parts of the world.

● (1610)

Canada was once a colony, but colonialism is unacceptable to us. It is part of our heritage, but we have come out of it very well. We have come out of it because our mother country was not too distant from us in ideology and cultural development. Most of Canada was settled by people from Europe who had the same traditional structure of democracy or close to democ-

racy. They were from areas with the same political structure and in some cases somewhat the same economic structure. The mother country, in the process of colonizing Canada, expected it to be a supplier of goods. Basically we developed in that mode, but now we have removed ourselves from political and economic colonialism. Although exploitation was part of the reason for the development of the new world, Canada and the United States, it did not work that well in the end, as far as mother countries were concerned.

In many Third World countries the situation was quite different. Exploitation was imposed in the sense of making use of part of the social structure of those countries to provide European countries, the colonial masters, with the materials they needed to become rich and powerful, with very little effort being made to establish a long-term economic structure to help Third World countries survive. In Third World countries one kind of colonialism has been traded for another. The political colonialism of the past has been traded for financial colonialism and for industrial colonialism—for economic colonialism, if we take them together. Sometimes the mother country has been replaced entirely by faceless multinational corporations, which do not even have the basic interests of the colonial masters of the past. They are faceless corporations which have a bottom line mentality, and any expense which might reduce their profits is considered unacceptable.

If we travel through many Third World countries, we find in the minds of the people—and sometimes even in the minds of their Governments—that the economic colonial master is generalized as the West. In the past, the West has been the basis of the money which has gone into the institutions which are supposedly lending money for the good of these countries or in a suggested attempt to let them develop on their own. Also we find something which concerns me greatly, the almost unlimited arrogance of the West. That arrogance is imposed upon these countries by the institutions which are being supported in this Bill. I have worked in the Third World long enough to know that those countries have found themselves in a position of having to accept money. Since that is so, the World Bank immediately imposes conditions on how the money will be used. In many cases it is not used in the best interest of the country, but in such a way as to increase trade with the western countries that support the IMF and the World Bank. That arrogance is manifested by their actions across the Third World and in the actions of the World Bank in the control of capital in such a way that the dictation of how the money is used has changed the social stucture of the countries using it. These countries have experienced the imposition of colonialism of a different kind by the World Bank and the IMF, but it is colonialism all the same. Instead of political colonialism, it is economic, financial and, to some extent, cultural colonialism.

I should like to refer to the net result of this. I say "net result" because sometimes the original idea was worth-while and even the structure was worth-while. However, the net result has been hindrance rather than help. These institutions, through their control of capital, have imposed various kinds of trade on the countries to which they have lent money. In many cases, when a country receives a loan, it finds that aid from western countries which support the World Bank is reduced because it now has money to buy the product which it normally received in the form of aid. However, it is not quite given enough and is forced to buy from countries which support the World Bank. It finds itself unable to penetrate markets where it could purchase cheaper goods.

By supporting loans from the World Bank, the western world has indirectly forced these countries to buy western world products and to continue to buy those products, sometimes at a much higher cost than they would have paid had they been able to buy on the world market. Also, acceptance of these loans allows no break in the servicing of them. These countries are already in trouble, but there is no break in the servicing of the loans until they find themselves in a position where they are unable to repay them. When they reach that point, they no longer have control of their economy. It is then controlled by the IMF and the World Bank. After they have borrowed, they find themselves subject to circumstances imposed by these institutions.

Lately we in this Parliament have been looking at farm financing. It has bothered me greatly that there is an amazing parallel between what has happened to these countries and what has happened to the farmers in those countries. They accepted loans which are now causing them trouble. They find it difficult to survive. That is exactly what happened to these countries. They accepted loans on the understanding that these magnanimous institutions would help them. They now find that they are unable to repay these loans. They are in trouble and are being forced to do things which they consider to be as a result of an injustice.

● (1620)

History has shown that these western supported and controlled institutions will, if the country is unable to repay, intervene, not on behalf of the client country, but on behalf of the financial institutions which support them. It is to be expected, except that the charter says that these institutions were put in place to assist the client countries, not the banks or the countries that supplied them with the money.

We in this Party are not debating this Bill in an attempt to stop the marginally effective operation of the international financial structure. We know we cannot do that. After the length of time it has been in place, we recognize that it is necessary for it to continue. Let us not kid ourselves that any of these institutions operate on behalf of Third World countries. Let us recognize that these institutions are effectively assisting the financial and economic colonialism of the Third World.

This country, and I suppose the whole world, should recognize that the IMF continues to use its leverage to contravene the very reasons for which it was set up. The financial and economic colonialism which is now in place impedes other countries, including our own, from assisting in economic development. We find that aid from Canada is more difficult to

give because it affects the financial structure under which these institutions operate.

We will pass this Bill and send it to committee, but we understand that the institutions that we are supporting are inadequate. Over the years, the very thrust of their charters has changed. They are no longer there for the benefit of Third World countries.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech of the Hon. Member? The Hon. Member for Cochrane-Superior (Mr. Penner) in debate.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, as most Members know, it was in July 1944 that Canada, along with 27 other nations, met at Bretton Woods in the United States in an attempt to promote domestic economic prosperity through international co-operation, a very worthy undertaking indeed. The establishment at that conference of the International Monetary Fund and of the World Bank is considered to be the most significant result of that Bretton Woods conference.

Today we are debating Bill C-30 which, among other things, very simply will continue to provide financial assistance to the World Bank group annually by way of the Estimates rather than through statutory amendments. I suppose that is an efficient way of meeting our commitments. I should tell Hon. Members that the World Bank group is composed of several institutions, not just one. They have a common objective, that is, to help raise the standard of living in developing countries by channelling financial resources from developed nations to the so-called developing world.

Canada was one of the founding members of the World Bank. At this moment in our history, a message has to go forth around the world that we here in Canada have a federal deficit which is so large that it has become a serious obstacle to achieving economic prosperity within our own borders.

Mr. Turner (Ottawa-Carleton): Who gave it to us?

Mr. Penner: I will come to that. Unless we get our financial house in order and unless we do it quite soon, we will be in no position at all to assist the World Bank or to provide aid to any developing country, no matter how badly it needs it and no matter how much we want to provide that aid.

My hon. friend wants to know about those deficits and how they came about. Past federal administrations incurred these large deficits in the quite rightful effort to soften the effects of the recession upon our citizens. I would say that it was a noble and even worthy public policy, except that it was based on a false premise. It is very easy to say that in retrospect, with the wisdom of hindsight. The false premise was in the approach of Herbert Hoover that prosperity was just around the corner. Whether we like it or not, I think the corner is here. I think recovery, as much as we are going to have it, has taken place. This, in all likelihood, is our prosperity, but the deficit is still with us and it continues to grow.

I know that no one really wants to discuss this issue at any great length. It is a very inflammable public issue. Nevertheless, it is true that we in Canada are on the verge of a serious financial crisis. I believe that the Minister of Finance (Mr. Wilson) knows this. I also believe that some of his more politically aware colleagues want to sweep the whole issue under the parliamentary carpet. This deficit is undermining the Government's ability to use fiscal policy to respond to economic issues of the day, current economic issues. The response to which I refer is, of course, mainly in the domestic field, but since we are debating the Bretton Woods Agreement, I have to remind Hon. Members that it has an international aspect as well.

Canada today should be in a position to put forward long-range economic policy directions. Every Government wants to do that if at all possible. Included in those directions would, of course, be some response that would echo our concerns for the North-South relationship, the flow of aid and assistance to the developing world. We cannot fashion such policies. We cannot point ourselves in such directions unless we find a way of overcoming the severe handicap to economic prosperity which is being created by the federal deficit. Allow me to quote a professor at Queen's University in Kingston who said:

> Unless there is a credible strategy to bring the deficit under control, other policy initiatives that are taken in the coming year will have little chance of being brought to fruition.

That statement was made recently by Professor Douglas Purvis of Queen's University. May I suggest that we need today in Canada a fair, reasonable and very constructive anti-deficit policy. Unless we get one from the Government, there is not going to be any bright future for us or for anyone else in the world who looks to Canada for assistance and aid. Canada, of course, is not the only country with this problem. Many other countries have a deficit problem.

• (1630)

We all know that there are no easy, workable solutions to this serious issue. Gradual expenditure restraint has been tried on several occasions and has failed. I believe that one reason it fails is that so often there are Departmental officials who have the devilish ability to select the most politically sensitive programs to be cut. What a clever and devious way this is of protecting their own backsides. It is nothing short of sabotage.

I believe the Canadian Broadcasting Corporation is guilty of this. Expenditure cuts have been imposed on the CBC and it has picked children's programs and programs for minority groups to cut. I know exactly what it is doing. The same thing can be said for the Department of the Environment. It cut the Canadian Wildlife Service because it knew there would be a great outcry against that kind of expenditure cut. It is nothing short of a way for officials to sabotage government policy.

The other alternative to the issue of the deficit is large across-the-board increases in taxes. We know that that would not be the answer either. It could be very disruptive and could even be harmful to a recovery which has been described as being fragile. That is not a bad description.

Our deficit is much more than cyclical in nature. It is to a very significant extent structural in its character. What does that mean? It means very simply that we are locked in to a set of circumstances, commitments, obligations and financial entanglements from which we cannot very easily extricate ourselves.

There are many outdated policy directives that now have the status and stature of sacred cows. The effects of many of these old policy decisions in today's setting are unproductive or even counterproductive and yet we go on living with them. Our expenditures grow, our deficit increases, our national debt mushrooms and we live with the consequences. That which needs particular attention at any given time is ignored. Why is it ignored? Simply because there is not enough money. Interest rates remain volatile, unemployment rates shockingly high and economic growth wavers between slow and stalled.

Despite all of this, and this is what concerns me so much, there is a large body of opinion in Canada which takes an entirely passive view of the deficit. Their view goes something like this: "Well, the economy is weak; therefore, we have a deficit". Has it ever occurred to any of these so-called economic thinkers that they ight have their analysis in reverse? Is it possible that we have a huge deficit; hence our economy is weak? Some more astute observers of the scene have noticed that the deficit is in fact malignant and that we are paying a very huge cost for this deficit, not just in terms of dollars, as serious as that may be, but also in the form of lost jobs, incomes and economic opportunities.

I do not need to remind the House that budgetary deficits in and by themselves are not necessarily unacceptable. Sometimes spending must of necessity exceed revenue. However, it is axiomatic that a manageable balance can be restore in the future. The rule is that we run deficits during recessions and have them offset by surpluses in times of economic expansion. However, as I said earlier, we are now having our economic expansion. This is it. Yet our deficits continue. It is madness. More than that, we are foreclosing on the future of generations that will follow after us. The only thing that is saving us from national bankruptcy at this moment is the taxing power of the federal Government. At any time, the federal Government may make a grab. However, the situation may become so serious that the Government may grab nearly everything and there will still not be enough.

Flying now and paying later may be okay if one just takes a few flights every year, but we have gone into continuous orbit using a credit card that has no limits. The largest amount of money ever to be spent by a Canadian Government, $105 billion, is to be spent by the Government this year. That is well in excess of $4,000 for every man, woman and child in the country.

It was President John F. Kennedy who once said that his country needed a national purpose and he identified that purpose as putting a man on the moon. Here in Canada we do not need to search around for a national purpose. We do not need to look for a challenge; we have one staring us right in the face. Our national purpose and challenge ought to be avoiding crossing that dangerous threshold between a fiscal problem and a fiscal crisis. The Prime Minister of Canada (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) must enlist the support of every Canadian in an all-out effort to avert such a crisis.

In carrying out this national goal, there must be fairness and justice. If we want the same level and quality of federal services, we will have to pay the costs. Perhaps we can do some careful weeding in our garden of services. Of course we all want equity. We should also demand efficiency. The burdens which are created by deficit reduction must be borne by the strongest elements in our society and not imposed upon the weakest. Sometimes it is so much easier to choose the weaker elements because their political voices are so soft in comparison to those of the powerful lobbies that operate in and around Ottawa. There will be no political support for major reforms in revenue and expenditure unless the impacts are distributed fairly.

If I may return for just a moment to the words of Professor Purvis, he has said:

—"deficit reduction is clearly going to require statesmanship and tough leadership."

In 1983 the national debt was double that of 1978, and five times that of 1973. Clearly we are not a Brazil, an Argentina or a Mexico. However, we should note carefully that when interest payment obligations exceed the capacity of the Government to generate revenue, the Government loses its ability to creatively manage and direct its economy over time.

I have heard people say that it is ridiculous to imagine that at some point in time, one-half of our federal revenues will be needed to make interest payments. It does not sound so ridiculous any longer. We are moving rapidly in that direction. If we lose the capacity to set economic policy independently for ourselves and if we lose domestic control, then perhaps our relationship with the World Bank may become significantly altered. It may be quite different from what it is now. Instead of us being a contributor to the World Bank, perhaps it will feel obliged to assist us. Perhaps our costly garden of services will be analysed by the World Bank and it may decide what kind of selective weeding should be done. It may be the World Bank that comes to us and suggests an appropriate price for our wide variety of products and services which are in the public domain. Under such circumstances, our relationship with the Bretton Woods Agreements to which Canada was a signatory and to which we are now a significant contributor would take on an entirely different meaning. It is a meaning that would not be good for Canada and one that Canadians would not like at all.

● (1640)

The Acting Speaker (Mr. Paproski): Are there questions or comments, on the speech of the Hon. Member? The Hon. Member for Halifax West (Mr. Crosby).

Mr. Crosby: Mr. Speaker, I have both a question and a comment for the Hon. Member for Cochrane-Superior (Mr.

Penner). First, I would like to indicate my support for the Member's comments when he related the matter of the national deficit and debt in Canada and other nations in the world to Bill C-30. The Bill really concerns the International Monetary Fund. We must be concerned about the stability of that fund. Therefore, there is a very substantial connection between the matter of national deficits and debts to the subject-matter of the Bill.

What was even more relevant in the Hon. Member's presentation was his reference to the control of the finances of Government by the Public Service, as opposed to the Government of the day and, indeed, the Parliament of the day. I want to underline some of the sad things the Hon. Member for Cochrane-Superior pointed out in that connection. He was right to mention the fact that in the past the will of the Government, in terms of debt reduction and deficit reduction, has been thwarted by officers of the Public Service. I think it is right and proper for the people of Canada to know that.

There are illustrations of that from the past and there are illustrations of that at present. The honest effort of the Government of Canada to reduce the amount which is spent by the Canadian Broadcasting Corporation has been placed in jeopardy by some of the specific things the CBC has done. I have seen it in my constituency of Halifax West. However, I could give the House a better example.

In this House of Commons we have a Parliamentary Broadcast Service which is threatened by the officers of the CBC. Those officers intend to change the parliamentary broadcast which is now being watched by Canadians. If that is not an attempt to call undue attention to an honest effort to reduce the amount of money which is spent by the CBC, I do not know what is. It is an attempt to thwart the will of the Government which is representing the will of the people of Canada. It is an attempt to impose the will of the management of the CBC.

I would like to mention another important example to reinforce what the Hon. Member has said. In the Province of Nova Scotia, CN Marine has stopped, as part of its expenditure reduction, the services provided by the Bluenose Ferry between the Province of Nova Scotia and the State of Maine. This will amount to a saving of $3.4 million. Well, I have a message for CN Marine and Canadian National. If they want to save $3.4 million, they should not reduce the service provided by the Bluenose Ferry which as my colleague from South West Nova knows, is vital to his area. CN should cut out the advertisements on national television which tell us that Canadian National is a transport company which is in business for Canada. I do not need to be told by Canadian National that it is a transport company in business for Canada, at cost of millions of dollars, when that same organization is cutting out a vital service to Nova Scotians, particularly those in the fishing industry. That is the kind of activity which is designed to thwart the honest desire of the Government of Canada, and the people of Canada, in reducing the amount of the national deficit and debt.

I would like to ask the Hon. Member a question. Has he seen any difference in the Public Service of Canada, or the will of the Public Service, to thwart Parliament and the Government of Canada, notwithstanding the clear demonstration of the people of Canada, who told us in the September election that what they wanted was more responsible control of the financial management of the country? Does he see the Public Service of Canada responding to that clear request from the people of Canada?

Mr. Penner: Mr. Speaker, that is an interesting question. I indicated in my remarks that the deficit was structural and not only cyclical in nature. I believe the same analysis could be applied to the Public Service of Canada. I think there are some very serious structural defects in the Public Service of Canada.

One of the things which has concerned me about the Nielsen Task Force—and Members opposite will be able to get information on this much more readily than I—is whether it is simply looking at the benefits and cost-effectiveness of programs, or if it is going much deeper and looking into the entire structure of the Public Service of Canada to determine, if significant cuts are desired, if there are certain aspects in the manner in which the Public Service conducts itself which would be very effective in the long run.

I would like to offer one suggestion. When the Nielsen Task Force findings are made public, we will find out whether there is any reference to this. What actually goes on in government Departments in the heavily-staffed policy divisions? Have we ever seen one small drop of policy come out of any of them? Usually, policy is much more effectively made by a handful of people in a Minister's office, or within the ranks of a political Party. But, how much workable, useful, applicable policy ever comes out of government Departments with their very large and expensive policy divisions? That is what I had in mind when I spoke about structural defects in the Public Service. I am very hopeful that the Nielsen Task Force will not eliminate or forget to apply its analysis to that.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have a comment and an invitation for the Hon. Member.

I would like to congratulate the Hon. Member for Cochrane-Superior (Mr. Penner). I think he has given us an introduction to the Budget debate which will probably be brought down in April. I think it is very encouraging that he said prosperity is here. I would like to agree with that. I believe the people of Canada on September 4 took a major step in ensuring that prosperity would return to the country.

He also said that we would sweep the deficit under the carpet. I disagree with that. On November 8, $4.2 billion in cuts was introduced by the Government. The Government has stayed with those cuts. The Government has not deviated from that introduction. The signal that the Government would live within its means was very clear. It is doing that. I dare say, it will exercise further fiscal restraint in reducing the deficit even further in the months and years ahead. We have to get our act under control and live within our means. By doing that, not only will we be able to supply more to needy Canadians, but,

as the Hon. Member mentioned, we will put ourselves in the position of being able to offer more to needy people in developing countries. We must live up to our international responsibilities through agreements such as the Bretton Woods.

I would like to extend an invitation. The Hon. Member sounds very much like a Tory these days. I congratulate him on that. I would like to invite him to join this Government and occupy the seat behind me. I would be very happy to have him do that whenever he so wishes.

Mr. Penner: Mr. Speaker, first, I would advise the Hon. Member to take a look at his Government's spending Estimates. He thinks the house is in order, but if the Government is spending $105 billion with a deficit which is rapidly approaching $40 billion dollars, the house is not in order. It is true that cuts were made, but the Government has also made some big new expenditures. It has dressed up the military in brand new uniforms, it is contributing to the modernization of the Dew Line, for who knows what reason, and the deficit and the national debt continue to grow. Therefore, before the Hon. Member extends an invitation for me to sit beside him, he had better do a careful analysis of the Estimates. I can tell him, if that is getting the house in order, it is a very lackadaisical way of going about it.

● (1650)

Mr. Mazankowski: Mr. Speaker, are we to take it from the comments of the Hon. Member that he is in opposition to the changes in spouse's allowance, the increase in veteran's pension and the reduction in the sales tax on farm fuels and primary producers? Is he saying that he opposes those measures?

Mr. Penner: Mr. Speaker, what I would be most interested in knowing from the Hon. Minister is where he is going to get the money to put all of those trains back in operation.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. We shall resume debate.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I certainly would like to take over what the Minister of Transport (Mr. Mazankowski) was going to say. I put it to the House that when we listen to the Hon. Member for Cochrane-Superior (Mr. Penner) speak, he really does sound like he should be sitting next to those Hon. Members opposite. I venture to say that had we put a bag over his head before he began to speak we certainly would not have known whether he was a Conservative or a Liberal. We have maintained in the House all along, Mr. Speaker, that there really is no difference between the Liberals and the Conservatives.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Comox-Powell River (Mr. Skelly) has the floor.

Mr. Skelly: When we look back over the last Parliament, Mr. Speaker, we certainly realize that the decimation which Hon. Members of the Liberal Party underwent during the last election was substantially as a result of their attempts to disguise themselves as Conservatives in the very unpopular programs they produced. One thing the Conservative Government has in common with the Liberals is that it has the knack of taking a Liberal catastrophe and making it worse. Had I the time, and were we considering a different sort of order of business before the House, I would be prepared to elaborate on that.

I would like to examine the Bill before us in the context of sovereignty. An Hon. Member of our Party who spoke previously indicated some serious elements of concern about the sovereignty effects of these particular funds and the role which the United States plays in world development through these agencies, the large voice it has in it and the kind of philosophical approach it takes to providing assistance. He did raise the critical question of sovereignty. Before I move on I would like to take a look at the question of sovereignty in a broader context, and then in summary look at the Bill in that way.

Let us consider the idea of Canadian sovereignty. In the seven months the Conservative Government has been in power we have probably seen a greater erosion of Canadian sovereignty than since the time of the second world war. In those seven months we have probably lost more in Canadian sovereignty, moved further backwards, than we have since the second world war. I would point to the announcement today by the Deputy Prime Minister (Mr. Nielsen) with respect to the new agreement with the United States. Of course, the United States is our partner in the International Monetary Fund, the World Bank and the international finance agencies. It has the largest say and dominates the over-all game plan, and if one doesn't play its way it takes its marbles and goes home, as it has done in other international agencies. The American philosophy prevails. It is the philosophy of President Reagan, and when we come to this defence agreement, we know full well who is calling the shots.

You will recall, Mr. Speaker, that during questioning in the House the Government was unwilling to put the documents before this Parliament under some thin guise that somehow it would profoundly change the nature of Government in Canada. That is absolute, patent nonsense. It would simply give legislators in this House the opportunity to examine things which affect their sovereignty.

The Prime Minister (Mr. Mulroney), in upgrading the north warning system, is becoming involved in cost-sharing with the United States on American military hardware, on an American military defence program and an American worldwide defence strategy about which the Americans make the decisions. That is an erosion of Canadian sovereignty. It is a long-term binding agreement which apparently has no safety valves which would allow us to get out of it in an appropriate manner.

We are in serious trouble with this Conservative Government. It is not just content to flag $7 billion to the United

States in its worldwide arms and defence strategy. We have made acquisitions in the United States of the Auroros program. We spent $1 billion plus in looking at new offshore patrol aircraft for which we are allegedly receiving benefit. But we did not do that with a defence plan in mind. We have not seen a policy direction from the new Government on the role the Canadian Armed Forces will play and what Canada's role should be in an international context.

We have expended more than $1 billion for offshore patrol aircraft without a policy statement from the new Government. Indeed, if my memory serves me correctly, we had not received one from the previous Government since the early 1970s. The Canadian public has no idea where we are going. This Parliament has no idea where we are going. A dollar will get you a doughnut that this Government does not know where it is going.

What is happening is that this Government is being dictated to by the Americans who say, "We have the plan, we have the worldwide strategy. You will lock into it and we will produce your equipment and give you some offsets". We have purchased a fighter aircraft at a cost of several billion dollars. We don't know what that fighter aircraft is being used for. It does not fit into any over-all defence plan on a worldwide basis, because Government has not produced a defence plan.

At one point an Hon. Member—I don't know whether or not he was a government member—with tongue in cheek was pointing out that McDonnell Douglas Canada Ltd. had promised to give Canada a $300 million tourism program as an offset. I believe one of the Hon. Members of the Conservative Party was suggesting that a useful role for the CF-18 might be to take the aircraft around the country from fair to fair and give rides in it. That might provide as much use as it is providing in many quarters today. I am sure it was just a tongue in cheek remark, but what I believe he was getting at, Mr. Speaker, is that we do not have a game plan for Canada's role internationally in a defence strategy.

Where do we fit in? We don't even have a national defence plan. The last time we saw something in writing was 15 years ago. That is almost as far away as the industrial revolution. It is time this Government put a plan before this House. That should be done before we expend billions of dollars more without knowing where we are going, except that we are just locking into Uncle Sam's plan and his worldwide concept of how things should be run. We are locked into President Reagan's game plan. That should make anyone's blood run cold.

We are going to spend billions of dollars buying a frigate if the Government manages to get it back on track, and there are a lot of pitfalls there. We are buying a lot of technology from the United States. We were hoping that one of the side benefits will be to put Canada's shipyards back in action, but the Prime Minister of Canada, in an interview the other day, said he would like to get rid of the subsidies on shipbuilding in this country. I wonder what some of the more outspoken Hon. Members of the Conservative Party who have been fighting for this for years are telling the Prime Minister behind closed doors.

We don't have a Canadian defence policy put before this House and the country. Those billions of dollars are being expended across the line and we would certainly like to have some idea of why. We would like some assurance from the Government that in fact we have not lost our offset because of the bungling of the previous Government in letting the contract. We would also like to know if the Prime Minister is serious about wanting to gut the Canadian shipbuilding industry by cutting off all the subsidies being used in an attempt to make this a competitive and restructured industry in a very brisk and difficult international market.

• (1700)

The long and the short of the defence message today was that this Government does not know where it is going. It is expending billions upon billions of dollars for defence hardware and new uniforms without a defence plan. The only possible option is to tie into Reagan's plan. Frankly, a lot of people in this country do not want to have anything to do with that plan which is bringing this world closer and closer to the brink of destruction. This is a profound loss of Canadian sovereignty. We have an opportunity to play a meaningful role in the world community in moving toward permanent peace and disarmanent. But this has been compromised by this Government. We have had seven months of compromises. If we give them five years who knows what this country will look like? Who knows what our independent status in the world will be? Certainly the Liberals damaged it sorely, but the Conservatives may be out to lay it to rest.

While dealing with the topic of Canadian sovereignty, Mr. Speaker, another question is that of the gutting of the Foreign Investment Review Agency. This ties in with the International Bank, the International Monetary Fund and the International Financial Agency. The Bill before us today represents a serious encroachment on Canadian sovereignty. Let us look at the context within which the Government is developing this type of legislation.

It was a philosophical decision which gutted FIRA. The Government said Canada was open for business. By that it means open to the multinational corporations which have presented a worldwide problem with their lack of regulation, specific investment purpose or benefit to the country concerned. These companies are unfettered and will begin to buy up constructive Canadian businesses; sometimes close them. Sometimes they will turn the course of these businesses in a totally different direction. For example, we know the track record of these corporations in funnelling interest payments and dividends out of the country. They purchase parts for assembly only in Canada, which means a loss of Canadian jobs. This type of activity means a further weakening of the Canadian economy.

In seven months the Conservative Party has done more to weaken this country and discourage confidence than we have seen in a long, long time. They should take a look at the record

of Premier Bennett in British Columbia. There we see a philosophical rigidity, a fixation on a restraint program. I fear for British Columbia when this federal Government and the effects of its philosophical fixation on restraint are joined with those of Bennett in British Columbia. We will rue the day that either one of these Governments was elected.

This is not just a question of the Conservatives and Socreds making a horrendous mess of the country. We are allowing them to sell out the independence of this nation, and that cannot continue. The one encouraging thing is that the Committee for an Independent Canada is beginning to form again. This time it will have strength, and the Conservative Party and its attempts to sell out Canada's sovereignty in a political and economic sense will be the direct target of that agency. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I was just indicating the number of minutes the Hon. member has left. The Hon. Member still has the floor.

Mr. Skelly: Mr. Speaker, I always appreciate the assistance of the Chair and recognize what a magnificent job is being done.

Some Hon. Members: More.

Mr. Skelly: It is a great help to all Members in here.

The salmon treaty, Mr. Speaker, was an interesting example of how this Government was in an incredible rush to sell the country out. In the old days we allowed American jurisdiction over about one third of the coast of British Columbia. We sat on a joint committee with them. For the privilege of doing so, and a few other minor things, they could take half of a certain species of fish which went into the Fraser River. This meant millions of dollars a year free. They could also help in the management of our fishing territories and we would have to go along with them. That was an erosion of sovereignty which took place years ago. In fact, it may have been done under a Conservative Government, I would have to check my book.

What the Conservatives propose now is that instead of controlling a third of the coast of British Columbia the Americans now shall have jurisdiction over the whole coast of British Columbia; the whole fishing plan, and that is an enormous erosion of sovereignty. Canadians were hung out to dry by that treaty because, in the haste to get something together to give to President Reagan when the Prime Minister meets with him in Quebec City this weekend, the Prime Minister insisted this treaty go ahead, no matter what shape it was in. As time went by we found out that this important treaty, this complete erosion of the sovereignty over an important Canadian resource on the West Coast, went through Cabinet in 30 minutes. I wonder if the Minister of Transport even bothered to read the document or became informed on it. Can he confirm today that it went through Cabinet in 30 minutes and that the Prime Minister never even read the document?

It was indicated in the media that the Government knew there were very serious problems with the treaty, but the Prime Minister wanted it very, very badly. What kind of a Government is this? It is one that does not care about Canadian sovereignty. It is prepared to take the welcome mat, roll it over and turn Canada into a door mat. I suggest that this Bill is another example of that attitude, and we should examine it very clearly for its Canadian sovereignty implications. The Conservative Party's contempt for Parliament is such that I do not think that we can defend against these continued erosions of sovereignty.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the Hon. Member's speech?

Mr. Crosby: Mr. Speaker, in offering a comment on the speech of the Member for Comox-Powell River (Mr. Skelly) I won't complain that he failed to deal with the matter of the—

Mr. Skelly: Point of order, Mr. Speaker. Do I have to accept a comment from a person who is politically biased?

The Acting Speaker (Mr. Paproski): The Hon. Member for Halifax West (Mr. Crosby).

Mr. Crosby: I don't admit to political bias ordinarily, but in the case of the Member for Comox-Powell River I'm only too pleased to say that I'm biased, not so much against him but what he and his Party stand for, and that's why I'll begin by offering not to complain about the fact he didn't deal with the International Monetary Fund and its threat to its stability caused by national debts across the world, but particularly in Canada, and the need for deficit reduction, I won't complain that he didn't deal with those things. But I will complain that the thrust of his speech was to complain about the Member for Cochrane-Superior (Mr. Penner) who made one of the better speeches I've heard in the House of Commons. He complained that he was sounding like a Tory. How is that for political bias? The Members of the New Democratic Party, those armchair socialists who purport to represent a political element in Canada, cannot get it through their heads that there is no philosophy of politics that demands debt reduction. There is a will on the part of the Canadian people to demand financial responsibility of the Government. That is what the Progressive Conservative Party of Canada is responding to. My colleague from Cochrane-Superior was responding to the need and desire of the Canadian people for financial responsibility in government. I would like to tell the Member for Cochrane-Superior and the Members of the New Democratic Party, those armchair socialists of which I speak—

• (1710)

The Acting Speaker (Mr. Paproski): Order please. I think the Hon. Member is addressing his comments to the speech of the Hon. Member for Comox-Powell River (Mr. Skelly). I would hope the Hon. Member would address his remarks to that particular speech.

Mr. Crosby: Thank you, Mr. Speaker. I really was addressing my remarks to you. I want you to tell that armchair socialist from Cochrane-Superior that we can best aid the

people of Canada in social programs and social services by providing the best of all social programs which is full employment. We will only get full employment if we have financial policies at the national Government level that create the kind of economic atmosphere that will allow the private sector to create that employment.

I beg you, Mr. Speaker, to instruct Members of the New Democratic Party, and try to get it through to them that this is what the people of Canada want. That is what the Parliament of Canada must do. That is what the Government of Canada is trying to implement. It is the will of the people. It is not any political philosophy. We are not burdened with the political philosophy of the New Democratic Party which insists on nationalizing industry and on doing for Canadians what they can do for themselves.

Having completed that comment, Mr. Speaker, I will ask one question. Why does the Hon. Member for Comox-Powell River and his colleagues in the New Democratic Party continually refer to programs like the F-18 fighter program and the Patrol Frigate Program as being harmful to Canada and the people of Canada. What is his attitude toward the closure of Chatham Air Force Base? Is he in favour of that? Does he want the people of Chatham in New Brunswick to suffer the pains of unemployment and economic distress because of the closure of that base? Is he and the Members of his Party in favour of that kind of government action? Let us hear his views on national defence?

Mr. Skelly: Mr. Speaker, the sound and fury of the Hon. Member as he came to his point confused me somewhat. I would like to paint a thumb-nail sketch on political science for the Hon. Member.

The reason the people of Canada dumped the previous Liberal Government on its nose was not because of the anal retentive mentality that the Conservative Party has with its fixation on debts and budget problems. I look at the Government of Manitoba and see that it is doing well. The deficit of Saskatchewan was well in hand. They did not have a serious problem until the Conservatives came in and wrecked it.

The dilemma here is that the arrogance and near autocracy of the last Government was so serious that the people of Canada wanted to dump it. It was thrown out because of its absolute unwillingness to listen and to get involved in the kind of dialogue that there should be in the political process.

As a matter of fact, in the last few years the Liberal Party tried to disguise itself as a Conservative Party. I think the Conservative Government of Canada is making a tremendous mistake. These people were thrown out for compromising Canadian sovereignty and the Conservatives are making it worse. Unfortunately, Mr. Speaker, that sad lesson of history is going to be learned by the Conservative Party again. It faces a mandate for constructive change, not the destructive activity that is going on. We will see what happens when their five year period comes to an end. They must get that fixation on debts and deficits off their mind and consider how they can constructively get the country back to work so that people can pay the way of the country. We will then be on the road. But so far there is no sign that they have learned that lesson. I fear that the country is in further trouble financially, and in terms of its sovereignty.

Mr. de Jong: Mr. Speaker, I listened with great interest to the comments made by my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly). Judging from some of the remarks we have heard on his speech, I feel that the Hon. Member should clarify one or two items.

Would he not agree that the New Democratic Party is also concerned with the deficit, but that it proposes that we should lower the deficit by collecting the revenues that should be collected, which the previous Liberal Government did not collect and which the present Conservative Government certainly is not collecting? If we collected only the deferred taxes owed by the corporate sector we could wipe out most of the deficit of this year. We must deal with the deficit, not by cutting programs but by collecting the taxes which should have been collected in the first place.

The second point I wanted to make, Mr. Speaker, was that for all intents and purposes democracy is dead in the City of New York. It is dead because decisions of the purse are no longer being made by the City Council of the City of New York. Those decisions are now being made by a group of bankers and financiers who control the expenditures of the City of New York. Surely we begin to lose our sovereignty and political democracy if we allow ourselves to fall into the hands and powers of the financiers. Would my colleague care to comment on the two points I have raised?

Mr. Skelly: Mr. Speaker, my colleague from the New Democratic Party has hit the problem on the head. Being from Saskatchewan, he knows that under CCF and NDP governments that province had tremendous years of success in managing the deficit. They managed their deficit better than has any Conservative government. The same thing has occurred in Manitoba.

It will be unfortunate if the Conservatives fail to learn that we need a constructive and moving economy giving people the opportunity to work. We do not need the vision of this country that the Conservatives are perpetrating right now. They are cutting for the sake of cutting and exercising restraint that is harming thousands of people. They are compounding what the small-minded provincial Conservative governments are doing in their jurisdictions. We need an open and fresh approach to the problem.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

[*English*]

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am very pleased to have the opportunity to speak on Bill C-30, an Act to amend the Bretton Woods Agreements Act. While the recommendations and changes are mostly

house-keeping measures, there is one very significant feature that we should keep in mind. That is the change in authority for expenditures which will now be through the Estimates rather than through amendments to the Bill. That is very significant because it takes away one of the few opportunities, if not the only opportunity, to discuss in the House the problems of financing of the Third World and the needs of the impoverished countries in the world. It takes away our opportunity to deal with this very important question which we, as a democratic country and a very fortunate people, should examine from time to time.

The enactment of the Bretton Woods Agreements in 1944 set up the World Bank and the International Monetary Fund. These were two very important agencies. At that time it brought the world out of a financial crisis. I do not think there has been any meeting or organizational restructuring that has been more important to the financial structure of the world than were the Bretton Woods meetings in 1944.

● (1720)

The World Bank and the International Monetary Fund were deemed to be the vehicles through which the financing, restructuring, the tempering and development of finances in the world were to take place. On the one hand, the International Monetary Fund would provide short term balance of payments financing to assist countries in maintaining the par value of their currencies without having to resort to undesirable deflationary measures. On the other hand, the International Bank for Reconstruction and Development, which was really the only feature of the World Bank at that time, would provide long term loans to assist countries in restructuring their economies after the devastation of World War II and to promote long term structural change. This was a tremendously important feature at that time. I think it is fair to say that the International Bank for Reconstruction and Development has achieved those results and that these two groups have been very successful.

However, times change and so does the world. The needs in 1944 are not necessarily the only needs that exist at the present time. The loans that are directed toward the developing countries through the International Bank of Reconstruction and Development are to countries in more advanced stages of economic and social growth. There is no mistaking that this is providing a very real need, but many very poor nations seem to be falling between the financial planks and are not being covered by the International Bank of Reconstruction and Development or the International Monetary Fund, which I will refer to later.

Financing through the International Bank of Reconstruction and Development gives financing through conventional means with guarantees by the member countries. This is very important. The loans are based on financial considerations, which is also important, with respect to certain aspects covered by the International Bank for Reconstruction and Development.

Later on, the World Bank formed a second agency called the International Finance Corporation. Its function is to assist the economic development of less developed countries by promoting growth in the private sector of their economies and helping to mobilize domestic and foreign capital for this purpose. It is extremely important to develop the private sectors of these countries. This undoubtedly provides a vehicle, in addition to the International Bank for Reconstruction and Development, which has been of assistance to Third World nations.

The third agency of the World Bank which is most important to the countries that need assistance the most is the International Development Association. IDA assistance is concentrated on the very poor countries, such as those in 1982 which had an annual per capita gross national product of less than $805. There are more than 50 countries that are eligible under this criteria. This is the group that is suffering the most and is not receiving the attention in the world presently that we in the Liberal Party believe they should be receiving.

Only 2 per cent of the gross domestic investment in the recipient countries comes through the International Development Association. In 1980, for instance, only 2 per cent of the domestic investment in India and Pakistan—the first and third largest recipient countries—was through the International Development Association. These are countries which need assistance badly.

The situation gets worse. The sixth replenishment is the sixth recontribution of all the member countries of the International Development Association. As a result of the slower than anticipated contribution from the sixth replenishment, lending in 1982 declined in current dollars to a level 34 per cent below the level of 1980. In 1983, it was still 13 per cent below the level in 1980. This is an absolute decline in contributions to the International Development Association which is having a tremendously detrimental effect on the Third World, particularly those Third World countries that need help the most.

There has since been a seventh replenishment. This total of $9 billion represents a major reduction in the concessional resources available to the worlds poorest countries. It is 25 per cent lower in nominal terms, and 40 per cent lower in real terms than the sixth replenishment in 1979.

Partly because of China's membership, this reduction in the seventh replenishment from the sixth replenishment represents a 70 per cent cut in real per capita terms. On the one hand there are the increased needs of these very poor countries while, on the other hand, there is this reduction in contribution through the International Developmental Association. This is a very serious situation which unfortunately is not receiving the proper attention.

Let us examine the allocation through the International Development Association. If we were to look at the strict application of its allocation criteria, with the $9 billion total, more than three-quarters of the total International Development Association resources would be allocations to India and China. This means that a ceiling must be placed on the funds provided to China and India. Countries such as India would have to borrow more from the International Bank of Recon-

struction and Development as well as from commercial markets, because it will not be able to receive the same amount it had received previously from the International Development Association. This could mean that by 1986, borrowing on markets may account for over half of the dispersements to India. India cannot afford such a situation.

Between 1981 and 1983 the per capita incomes of the sub-Sahara African countries declined. Since then, we know the conditions of these sub-Saharan African countries. It is a human disgrace for these conditions to exist at this time, and to have allowed this to happen.

My colleague, the Hon. Member for Cochrane-Superior (Mr. Penner) talked about the deficit. His remarks were very important and well appreciated by Members of the House. However, we must not consider the deficit only, because the problem does not end there. There are problems in Canada with respect to the needs of low income Canadians, those who are unemployed and pensioners. There are problems in areas of this country which are experiencing economic difficulties and suffer from severe regional disparity. Of course, there are the problems of these very poor nations in the world today, particularly those that are receiving the funds from the International Development Association.

These African countries cannot restructure their finances on their own. Africa's share in the International Development Association rose from 25 per cent in 1980 to 37 per cent in 1983. Even by increasing Africa's share a further 5 per cent over the sixth replenishment and taking the seventh replenishment which exists now, sixth replenishment levels would yield less additional resources from the $9 billion in the International Development Association than retaining the $12 billion share which exists with the sixth replenishment. Even now, with the seventh replenishment, if we increase Africa's share by 5 per cent it would not make up for what Africa received under the replenishment in 1979. Africa will have a 21 per cent reduction in real terms compared with the commitments in 1979 in the sixth replenishment. This will not only apply to Africa but to other countries as well.

● (1730)

It is an extremely serious situation as 40 per cent of the loans of the International Development Association have gone to agricultural projects and 25 per cent to human development projects. Where will it end? We are seeing the situation now. We see tragedy in Ethiopia. We see the tragedy in other sub-Saharan African countries. The question is, what are we prepared to do about it?

We in Canada, as can be the case in other countries, can ignore it. However, it is very difficult to ignore. I find it extremely difficult to ignore. It bothers me considerably. What will the world position be? Will we continue to send the relief aid which is necessary? We cannot let people die by the millions, as would be the case otherwise. What will we do to restructure the lives and the countries of these people? Will we allow the situation to continue to deteriorate? Will we allow it to become so awesome, so completely tragic and catastrophic that world opinion, and the opinion in this country, will only respond to the most frightening and serious situations? Will we allow the situation to deteriorate to the point where hunger, which was considered a travesty 10 years ago, will no longer be considered frightening? This is what will happen if attention is not paid to this very important question.

Through the amendments to the Act we will allocate funds to the World Bank through the Estimates. We in the House of Commons will not have the chance we had in the past to debate this very important question. It will be another lever which will disappear, another opportunity for Members of Parliament to speak, research and inform people across the country of the seriousness of the problem which exists and will continue to exist. The situation will get worse.

The International Monetary Fund provides a very real function. What the World Bank does not do through its three agencies the IMF will do. However, the IMF is not reaching African countries. Its record is particularly bleak in sub-Saharan Africa. Its programs have fallen well short of the targets. For instance, the growth target of the IMF in these countries was reached in only five of the 23 African programs; the inflation target in only 13 of the 28 programs; the trade target in only 11 out of 28 programs. The association between IMF programs and net bank borrowing is much stronger for low development countries. The point is that the IMF is not reaching these countries.

What are we prepared to do? I hope the Prime Minister (Mr. Mulroney) will discuss this question at the summit with the President of the United States. It is a concern. We as Members of Parliament or as Canadians cannot completely ignore this question. We must have it as a consideration in addition to our problems with respect to the deficit, unemployment, people with low and fixed incomes, and regional disparity. If we do not, the problem will get worse. As a matter of fact, it is worsening at a geometric progression, not an arithmetic one. This is a serious situation, and it has to be kept before the House of Commons and before the country.

I hope we in the House, although we will be losing the opportunity in future years to discuss this question through amendments to the Bretton Woods Agreements Act, will from time to time continue to discuss this very important question. All we are doing now is fighting the results. We are attacking the symptoms, not the core problem or reasons for starvation. We are not attacking the reason for Third World countries, particularly the poorest of them, continuing to lose ground to the rest of the countries of the world.

There are Third World countries which are making progress, a lot of them at the expense of Canadian industry. We are importing their goods, and products made in this country are being forced out of the market. These are the countries which people will use as examples of progressing Third World countries. However, there are at least 50 Third World countries which are not progressing, that are falling further and further behind the rest of the world. This must receive the attention of the House of Commons, of the Government and of other Governments concerned about fellow

human beings. Once again I asked the Prime Minister to discuss this matter with the President of the United States in Quebec City. I hope we will continue to be able to debate this important question in the House of Commons.

[*Translation*]

Mr. Garneau: Mr. Speaker, I would like to ask the Hon. Member who spoke just now whether one way of maintaining the debate to which he referred could be, when discussing the Bill in committee, to avoid allocating funds exclusively through the Estimates and to maintain the system of amendments in the House, as was done in the past.

[*English*]

Mr. MacLellan: Mr. Speaker, I thank my colleague for his suggestion. I hope this matter will be raised when the Estimates are before the committee. As Hon. Members of the House will know, it is optional what aspects of the Estimates, if any, are discussed in meetings dealing with them. There is no assurance that we will actually discuss this question. As is the case with most questions, they may not be discussed on the Estimates at all because in the opinion of members of the committee they may not be topical enough. I hope this will not be the case, but that this question will be given priority and will be discussed. Perhaps members will agree to have a discussion from time to time on the urgency of this question. I know the Hon. Member is one who would discuss this question in meetings of the committee dealing with the Estimates.

Mr. Boudria: Mr. Speaker, I have a question for my colleague, but first I want to congratulate him on his excellent speech.

● (1740)

I would like to ask the Hon. Member if he is aware of the comments by the Prime Minister (Mr. Mulroney) to *Fortune* magazine regarding the performance of the economy of this country. I know that the Hon. Member is very concerned about this. Some Members have spoken on it today. In particular, I want to ask my colleague what he thinks of the following comments which the Prime Minister made regarding the charge by political opponents that the Prime Minister put Canada up for sale. The Prime Minister is quoted as having replied:

> Who wants to buy it? What is there so compellingly attractive about Canada that causes us to think that anybody is going to rush in simply because somebody says, 'I'd like to do business with you.' We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special? If somebody wants to buy some oil, somebody wants to buy some wheat, hell, we're in the business—

The Acting Speaker (Mr. Paproski): Order, please. I will allow the Hon. Member to comment, but I feel that questions should be directed to the hon. gentleman on the Bretton Woods Agreements. They should be a little more relevant than that.

Mr. MacLellan: I feel what the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) said is very relevant. What is happening is that we have a very fragile economy in the world today. We have contributing nations on which these poorer nations depend. If we cannot maintain a very strong western economy, then there is nowhere that these countries can turn for assistance. This is going to be a very vital question.

What is happening today is that the western economy is being held up by the economy in the United States. This is based completely on confidence alone. There is no reason that the American economy should be that much higher than the economies of other countries in the western world. It is based on armaments, missiles and bravado. If this house of cards starts crumbling, the economies of all the western countries are going to suffer.

The Prime Minister has gone to the United States and said "We love the way you are handling your economy. You are the model for all of us." Some model! That gives us no reason to believe that this Government has any idea what it wants to do to strengthen the Canadian economy. It is very tragic. He has hitched our star to the American economy when there can be absolutely no benefit to Canada, other than to lose jobs through Investment Canada and his open door policies. If the American economy falters, the Canadian economy will suffer much more than it would had the Prime Minister not adopted what I consider a very foolish procedure.

The Acting Speaker (Mr. Paproski): Are there any other questions or comments on the Hon. Member's speech?

[*Translation*]

The Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we are in the House today to consider the policies we shall pursue during the next four years as well as our obligations to the International Monetary Fund and especially to less developed countries.

However, there is a major problem to be considered in such a debate, and it concerns not only our expenditures under the Bretton Woods Agreements but also the state of the American dollar and U.S. interest rates which are a very major factor in our international economy. Mr. Speaker, if we look at the results of the monetary policy being pursued by the United States, it is clear that some less developed countries are becoming more and more "strapped" with respect to their ability to generate capital, either for domestic or external development. It is a fact that even when the Bretton Woods Agreements were signed in the forties and since then less developed countries have had trouble sustaining imports and developing their capability to export to industrialized countries like Canada and the United States.

It is also a fact that these countries have tremendous financial problems and a large per capita debt, problems that

are more difficult to solve and far more serious than those we are seeing here in Canada today.

Mr. Speaker, unfortunately, the Progressive Conservative Government is unwilling to accept the policy of the former Liberal Government and the policy of the international community, which is that in order to improve our international monetary system which does not only depend on the International Monetary Fund but also on the exchange rate of the American dollar and the price of gold, we would also have to develop a comprehensive plan to help these less developed countries strengthen their economies.

Unfortunately, Mr. Speaker, this Government refuses to consider an over-all plan or to participate in wide-ranging negotiations in an attempt to help intolerably indebted countries. What do they say? They say: We are going to examine each individual case, we will study each file in due time. The Government should act responsibly as a world leading country and say that Canada will help all underdeveloped countries extricate themselves from the economic vice-grip which is strangling them. We should not hold our breath, Mr. Speaker, because unfortunately this Government and its financial policies are directly linked with the policies of the United States Republican Conservative administration. It is quite obvious that the American Government already knows that the Canadian Government would like to follow in its steps. Who can forget last week's incident when Mr. Nitze, the American representative, was scheduled to meet with the Prime Minister of Canada (Mr. Mulroney), he was to have a meeting with our Prime Minister, but he had the nerve to sum up their meeting before it even took place! Mr. Nitze told the Canadian nation: "We had challenging and constructive discussions", but he said that even before the discussions took place!

Mr. Speaker, we did not see the Prime Minister react when he was reminded of that incident here in the House. Did the Prime Minister deny or reject the statements made by Mr. Nitze? No, Mr. Speaker, because he is behaving like a little dog on Mr. Reagan's leash, the President of the United States, and he simply cannot play in the major league when it comes to economic independence, monetary policy and defence policy. Mr. Speaker, we have heard the Progressive Conservatives claim that the former Liberal Government made mistakes. Some Members in the House say that we made mistakes, but I would like to point out that as a Liberal Member—and I think all Canadians will endorse my remarks—I am proud of the work we did as a Party and as a Government during the North-South dialogue which was initiated by our former Prime Minister, the Right Hon. Pierre Elliott Trudeau. And I think that even the Conservative Members should recognize the leadership in that dialogue, not only of the Liberal Party but also of the Canadian Government before this Prime Minister came to power.

We know for instance that in 1981, our Prime Minister, Mr. Trudeau was one of the chairmen, or co-chairman of the Cancun Conference which discussed specifically the economic problems of Third World countries and developing nations.

Over the last six months, unfortunately, since this Conservative Government has come to power, we have seen that Canada is no longer reflecting an independent policy on the international scene in fiscal, monetary and defence matters.

Even Conservative Members, Mr. Speaker, and I remember for instance that a former member of the Committee for an Independent Canada, our present Minister of Employment and Immigration (Miss MacDonald), believed when she was in Opposition that it was very important that Canada should be considered politically and economically independent of the United States, in such matters, for instance, as foreign investment. But the day she became a minister of the Crown, her views changed altogether and no longer is she prepared to fight in Cabinet to ensure a Canadian policy on investments.

Mr. Speaker, I was appalled this week when a great Canadian, who has been fighting for our independence for the past 15 or 20 years—and I am referring to Mr. Mel Hurtig from Edmonton—upon coming before the Committee to discuss precisely this Government's silliness with its new legislation on Investment Canada, was asked by Conservative Members what right he had, and who had invited him to appear before a Committee of Parliament. Mr. Speaker, when a person who is known nationally and he has been known for years to speak in advocacy of Canada, of our culture, of our economic independence—I think that he had a right indeed to appear before the Committee, especially when he was there after being invited by the Committee.

Mr. Speaker, I can hardly believe the Conservatives' unwillingness to recognize their attachment to the economic policies of the U.S. government of which they are so proud, and we can see their impact on our domestic economy: the thousands of jobs which the Prime Minister had promised never materialized. The reason they never did is that this government, contrary to the statements made by the Prime Minister at the time he was a candidate to his party leadership and to the position of leader of this government, would rather let Canadians lose their jobs instead of standing up and allowing the Canadian dollar to float freely.

Such, gentlemen, is the policy of the Conservative government which links itself so closely to the conservative government of the United States that one does not see any difference.

During the election campaign, Mr. Speaker, this government made a number of promises to developing countries, and I should like to mention a few, for Conservative members might have forgotten them. For the information of those who are interested in the promises this Conservative member has failed to keep, and there are many, I should like for the record to mention a number of promises which I have found in a little pocket politics—

• (1750)

[*English*]

It is called pocket politics. I call it American pocket politics.

The Government of the country made certain commitments when it was in opposition. It made certain commitments when it was seeking the confidence of the Canadian people. I would like to cite for the record those particular commitments so we can be assured that they will not be forgotten and left on the trail of the other broken promises made by the Government.

The Conservative commitment was to respect our international commitments, to increase Canada's official development assistance to .7 per cent of the Gross National Product by 1990, to deliver a greater share of this assistance through non-governmental organizations, to make our foreign aid and development assistance programs more effective, to review foreign policy by seeking input from the Canadian public and to develop stronger trading relations without limiting the access of developing nations.

There is much work to be done to achieve those goals. There is certainly much work to be done if the Canadian Government is serious about its commitment to allowing the less developed nations an opportunity to get out of the economic vice-grip which was been levied upon them by current market conditions on an international scale. That will only happen when the Government throws off the mantle of its inferiority complex which was so aptly illustrated by the Prime Minister's (Mr. Mulroney) comments to *Fortune* magazine.

The Prime Minister and the Government do not bellieve that Canadians can compete on the international market. That was made quite clear by the comments read into the record by my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). The Government is in fact suffering from an inferiority complex and believes that the only way it can establish its superiority or equality is by breaking down the borders and telling the United States of America that there is absolutely no difference between their country and our country. In fact, it believes it can do this not only by opening the doors but by putting us up for sale.

I believe that the Canadian public recognizes the uniqueness of our cultural institutions and our economic input. I also believe that the Canadian public recognizes that the best job creators in the country are products which are made in Canada for Canadians but which can compete with any nation in the world on the international market.

I do not believe that the results of this Government's initiatives will bear fruit. In fact, I fear the exact opposite. My fears are that when the so-called Investment Canada Bill—a Bill which I would have preferred to be called "Abandon Canada"—comes to fruition, we will see a branch plant mentality in this country like we have not seen since before the work that was done by the Committee for an Independent Canada.

We in the Liberal Party agree and understand that we have committed certain sins for which we paid dearly on September 4. However, we believe that the Canadian people have a basic understanding that our role is not only to prop up ourselves, not only to fill our own bellies, not only to enhance and encourage the Canadian economy, but also to show leadership in the international monetary and economic systems. This kind of leadership is not being shown by a Government that is being led around on a leash by the President of the United States.

Our Party has a history going back not only to the Cancun conference, but to the 1950s and the 1960s. At that time, it was the Liberal Party, over the dead bodies of many Conservatives, that insisted that we had a responsibility to share and share alike with our brothers and sisters across the world. It was the Liberal Party that, when times were tough, continued to send money to Ethiopia, even though certain Members who are now sitting on the government side of the House blamed and criticized the Liberal Party because it was sending money to our starving brothers and sisters across the world. We will protect that heritage and we will not allow the Government to destroy the initiatives and abilities that have shown that the Liberal Party has a chance to make this a better world for Canadians.

The Acting Speaker (Mr. Paproski): Order, please. I regret that I must interrupt the Hon. Member. Before I call it six o'clock, I would like to remind the Hon. Member that if this Bill is called tomorrow she will have eight minutes remaining, plus the 10-minute question and answer period.

[*Translation*]

It being 6 p.m., the House stands adjourned until 11 a.m. tomorrow morning, pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, March 14, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House resumed from Wednesday, March 13, consideration of the motion of Mr. Hnatyshyn (for Mrs. McDougall) that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, when the House adjourned yesterday evening, we had had a chance to inform Canadians about the problems facing developing countries and the measures that should be taken by this Government to help those countries. The International Monetary Fund does have a role to play but we must realize there are other agencies as well that have a specific role to play in this area and must do so if we are to have a stronger and more effective world economy.

[*English*]

When debate was terminated yesterday, I had had an opportunity to outline some of the areas in which past Liberal Governments in Canada had had an opportunity to play a major role on the international scene, particularly with respect to the North-South dialogue, the Cancun conference and the role of the former Prime Minister, Pierre Elliott Trudeau.

I think it is incumbent upon all of us that we not rest on the laurels of past administrations. I think it is extremely necessary that the Government take the lead in the area of international monetary equality. To that end, the International Monetary Fund has a very important role to play, but there are other mechanisms which in fact must be better utilized if we are to have a world economy that can flourish. I refer specifically to the role of UNCTAD in the negotiations to allow Third World and less developed countries to enter the more highly developed North American markets.

Because of the economic superiority of the consuming countries or the developed countries with respect to commodities, the developed countries have tended to monopolize the areas of transportation, marketing distribution and processing of commodities. As a result, the underdeveloped countries receive only a small share of the final selling price. As a matter of fact, UNCTAD has estimated that if local semi-processing was used for 10 commodities in order to get them out of the raw material mentality, which unfortunately seems to characterize the current exporting approaches of this Government as well, they could provide to less developed nations 1.5 times their present earnings. That has not occurred primarily because barriers to such activities have been erected through tariff structures imposed by developed countries. I think the new Government will have to show to the Canadian people that it is taking some initiative and it should put this issue on the bargaining table at the "blarney summit" that is coming up this weekend for the Prime Minister of Canada (Mr. Mulroney) and the President of the United States.

I think it is clear that our roles and responsibilities extend beyond our own frontiers and beyond our own continent. They must reach out to those countries that are now trying to divest themselves of an incredible internal debt load and, through organisms and mechanisms like the International Monetary Fund, the Cancun conference and UNCTAD, are trying to have an opportunity to share in the massive world markets for commodities such as those I have just mentioned. Unfortunately, the activities of the first few months of this Government have indicated that the Government does not seem to have the same kind of vision of the world economy as past Liberal Governments. For example, I am thinking of the relevant Conservative commitments that were made during the election campaign to which I referred yesterday.

The Government has promised to review foreign policy, seeking input from the Canadian public, but at the same time the Government has put its good housekeeping seal of approval on a foreign policy which runs lock-step with that of the United States of America. Instead of going to the Canadian people and asking them if they want to have an independent cultural policy, an independent economic policy and an independent defence policy, the Government has made commitments which clearly indicate that its intentions are merely to mirror the kind of socio-economic policies and defence policies of our neighbour to the south.

• (1110)

[*Translation*]

When this Government was making its many promises during the election campaign, it also said there were going to be consultations with all Canadians on the economy and on our international relations with the International Monetary

Fund, for instance; and there were going to be consultations with all Canadians to find out what they think about the Government's foreign policy with respect to defence.

What happened? Today, after six months in power, the Government has become so closely allied with the conservative administration in the United States that we do not even have a chance to develop an independent foreign policy. Mr. Speaker, I know for a fact, that especially among the Conservative Members from Quebec, who promised a new era and new opportunities for Canada—I do not think Quebecers are anxious to become so closely allied with our American neighbours that we will no longer have a chance to preserve our own culture. For years, Quebecers have been fighting to preserve their own culture and their independence in the economical and cultural sphere. And look at what happened. As soon as the Conservative Government was elected after its many promises to protect that independence, we see the President of the United States and the Prime Minister of Canada getting together to adopt any agreement they please, without really getting a Canadian consensus.

Mr. Speaker, I am proud to be a Canadian. I think all Canadians have the ability to develop this country's economy, bearing in mind our neighbours in developing countries. Unfortunately, this Government, under the leadership of the Prime Minister, prefers to ignore this, which was made abundantly clear in an article published in *Fortune*. I think that we in the Opposition have a duty to convince the Government that Canadians can build a much stronger economy with their own resources, based on their own needs and those, not only of the United States, our neighbour to the South but of all developing and semi-developed countries, according to the policy established by the previous Government.

Mr. Deputy Speaker: The Hon. Member for Châteauguay (Mr. Lopez), for questions or comments.

Mr. Lopez: Thank you, Mr. Speaker. I must say I was flabbergasted to hear the comments to the Hon. Member who just spoke, continuing a speech she started yesterday evening. Her comments today were rash and irresponsible, and I was astonished at the lack of respect she showed and indeed insisted on showing towards the Government, the Right Hon. Prime Minister and all Canadians. I think that in her comments, the Hon. Member has not only shown a lack of respect for our Prime Minister but also for the House and all Canadians who have placed their trust in us. And when I speak of trust, in the Government and in our Prime Minister, I need hardly add that Canadians gave us that trust of their own free will, and they are doing so more and more.

I understand the feelings of frustration on that side of the House among Members who fortunately are no longer as numerous as they were. I hope the trend will continue. In fact, they do not need us to reduce their numbers, since it would seem they are doing a pretty good job themselves.

Yesterday, when they were discussing the poorer countries and declaring their solidarity with the developing countries, I know why they were doing that, because considering the attitude of the Liberal Government, if it had continued in the same vein, Canada would soon be one of those countries. With the legacy they gave us, they have already brought this country one step closer to poverty and to a situation where Canada would no longer be providing assistance but would itself be obliged to live on charity. That would soon be the case if we had continued in the same vein and embraced the same policies as the Liberal Government. Everyone knows that they brought this country to utter chaos. There was a time, fifteen years ago, when Canada ranked second in the world, and now we rank seventeenth. It is downright embarrassing to see a country like Canada deteriorate at the rate it has, despite its abundance of resources of which all Canadians are proud.

• (1115)

We are all proud of our Prime Minister and of a Government that, I believe, and I think all Canadians will agree, is the best government Canada has ever had. I think we should all support and stand behind and be proud of our Right Hon. Prime Minister who is an honour to us all. I realize this does not sit well with the Liberal Party, and it will sit even less well if that Party continues to denigrate the representatives of the people of this country. I think there is no doubt in anyone's mind that this is the best Prime Minister Canada has ever had!

Ms. Copps: Yes, Mr. Speaker, it is unfortunate . . . I do not think the Quebecers who are involved in the Domtar case think our Prime Minister is the best one we ever had. There are many Quebecers in this House, even among the Conservatives, who will say that is not true.

Furthermore, we have here a new Member who, with respect, does not really understand the workings of Parliament, because if he did, he would never tell the House that I have no respect for Parliament. He would have known, in the words of a Former Prime Minister of Great Britain, Sir Winston Churchill, that "it is the right and responsibility of the Opposition to oppose". And if the Hon. Member for Châteauguay (Mr. Lopez) is unable to understand why I am doing so as a Liberal, I am afraid I cannot help him. The Hon. Member truly reflected the spirit and attitude of the Conservatives when he said today in the House that he did not want to continue in the same vein as the Liberals with respect to Canada's foreign policy.

Mr. Speaker, I would like to make one thing clear for all Canadians. We have seen how in the case of Ethiopia, Canadians have shown they have a heart when they see the problems of other countries. And we cannot compare Canada's economic situation with that of Ethiopia. However, it is clear what the position is of a Member of this House who says that if they had continued in the same vein as the Liberal Party, Canadians would no longer have a country. It was the Liberal Party

that in 1982, 1983 and 1984, when we had problems in this country, decided to continue giving foreign aid. We continued our aid to Ethiopia, against the advice of many Conservative Members who were clearly only thinking of themselves and who cannot consider the countries of the Third World.

Mr. Plamondon: Like my colleague, Mr. Speaker, I am surprised by the remarks made yesterday and today by the Hon. Member. You mentioned an over-all plan, yet you know full well that two countries, the United States and the U.S.S.R., can hardly agree to sit down together to talk about disarmament. Highfaluting remarks on that issue come easy, but you know that all the travelling done by the former Prime Minister did not accomplish anything, except perhaps increase our deficit.

Yesterday you said something about giving the example to other countries. First we ought to show them that we can properly manage our own affairs and cut down our deficit. Then we might be in a better position to help them even more, and the only way to do that is to follow the policy which has already been advocated by the Minister of Finance (Mr. Wilson).

You referred to independence with respect to the United States, and yesterday you even said that Canada was like a small dog on a leash. Those words come as a surprise to me. Was it not your Prime Minister who took it upon himself to put Quebec in its place when that province wanted to seek independence? You talk about Canadian independence, but what did the Prime Minister you bragged about yesterday do when Quebec was talking about independence? He said no way and put the province in its place. He lied from every podium during the referendum campaign and then stated that we would have a new agreement, but this agreement has not yet—

• (1120)

Ms. Copps: A point of order, Mr. Speaker. I think I did hear the Hon. Member say that our Prime Minister had lied. I suggest that is a breach of the Standing Orders and I would like him to withdraw his words immediately.

Mr. Deputy Speaker: I would ask the Hon. Member for Richelieu (Mr. Plamondon) to withdraw his words.

Mr. Plamondon: Mr. Speaker, I respectfully withdraw the words to the effect that the Prime Minister had lied; let us just say that those misleading words—

Ms. Copps: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) on a point of order.

Ms. Copps: Mr. Speaker, the Hon. Member ought to withdraw without reservations, in accordance with the Standing Orders of the House.

Mr. Deputy Speaker: I would ask the Hon. Member to withdraw his words without using the word "misleading" in the remarks he made after withdrawing the offending words.

Mr. Plamondon: Mr. Speaker, I shall respectfully withdraw the comments that you are asking me to withdraw and continue by saying that the Hon. Member also spoke about certain promises, for instance. We are told that we are breaking our promises even though, after six months in power, we have already kept more promises than the former Government did in three years. I am thinking, for instance, about the extraordinary speech made by the Minister of Employment and Immigration (Miss MacDonald) about the status of women. And what about agriculture? What about the incentives for small businesses? Dear colleague, you should remember the promises made by your own Government in 1980 after you had defeated a democratically elected Government, when elections were held in February at a cost of $105 million because of four promises made by your party. The first promise was not to increase the price of gas because the previous Government had had the honesty—

[*English*]

Miss Nicholson: I rise on a point of order, Mr. Speaker. Since this Member apparently does not know the rules of the House, perhaps you would be kind enough to remind him that he should address the Chair.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Plamondon: May I continue, Mr. Speaker? I was saying that the Hon. Member has said that we did not keep our promises and I was reminding her of the four promises made in 1980, including a promise to reduce the deficit, which then amounted to $13 billion and which has now reached nearly $35 billion.

We were also promised by the party opposite that Government expenditures would be controlled. These expenditures then amounted to $62 billion and they now amount to $105 billion. We were also promised that unemployment would be brought down. This is why a duly elected government was defeated, but the only result was to double the unemployment figures.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Hon. Member. I would like to give a few moments to the Hon. Member for Hamilton East (Ms. Copps) for a reply, but I also want to remind the Hon. Member that his comments and remarks during this period set aside for questions should

relate to the speech made by the previous speaker. I therefore recognize the Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, my comments will be very brief. I find it rather surprising that the Hon. Member should want to discuss Liberal promises dealing with the economy and the deficit. We remember quite well the current Prime Minister saying before the election that he would create thousands of jobs and would tighten his own belt. We now see what has happened. The unemployment rate is even higher than before. Our deficit will be the highest in the history of Canada. The dollar has reached its lowest level ever and the Prime Minister now has the cheek to increase the budget of his own office by—

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

Mr. Deputy Speaker: The Hon. Member for Richelieu (Mr. Plamondon) on a point of order.

Mr. Plamondon: Mr. Speaker, if I could not say that the former Prime Minister had lied, I do not think that the Hon. Member should be able to say that the current Prime Minister is being cheeky.

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

Mr. Deputy Speaker: I would like the Hon. Member to sit down. I do not think that there is any need to hear him. I do not believe that the comments made by the Hon. Member for Hamilton East are unparliamentary. She can therefore continue her comments.

Ms. Copps: Mr. Speaker, it is rather sad to hear the Progressive Conservatives tell us that we have to tighten our belts at a time when the Prime Minister has the cheek to increase his own budget by 54 per cent. It will destroy the credibility of this Government which is already bankrupt after six months in power.

• (1125)

[*English*]

Mr. Deputy Speaker: The period for questions and comments is now over. We will resume debate with the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am going to return to discussion of the Bill specifically. I think it is appropriate that we use this opportunity at second reading to discuss the principle of the Bill. We will have an opportunity in committee and later to study the clauses of the Bill individually, step by step. I would like to take a few minutes today to put a few of my thoughts on the record. I do not want to rehash what other Members have spoken about, but I do want to set some of my concerns in context. I would like to take a few moments to discuss why we feel it is necessary to introduce Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof.

As most Hon. Members know, the name "Bretton Woods" goes back to 1944. Just as World War II was winding down a group of people met in a small town in New Hampshire called Bretton Woods. It had become very clear to the international community that there was a need for discussion in the post-war period regarding the international financial and economic environment. Countries were acting independently on monetary policy. They were acting independently on a number of global economic and financial issues. There was a need to bring the players together to discover whether there was a common policy that they could agree upon which would bring some stability to the international financial and economic world.

Out of that meeting called by the United Nations in New Hampshire in 1944 two institutions arose. The first was the creation of the IMF, the International Monetary Fund, to bring some monetary stability to the world. At that time, in an effort to enhance their export abilities, a number of countries were devaluing their currency. This was causing all kinds of inequalities in the financial market-place. The intent was to bring some monetary stability to the world so that currencies would not be changing value overnight to give a particular country some advantage. In a sense the IMF became an international bank. Over the years as many as 140 countries participated in providing money to the banks to be used to stabilize currencies. The contributions enabled every country to have allocated to it an SDR, a special drawing right. At a time when there was a balance of payments deficit as a result of countries importing more than they were exporting, they could draw on the IMF in an effort to correct this imbalance.

The second institution which was set up is called the International Bank for Reconstruction and Development. Over the years it has come to be known as the World Bank. It was set up at that time to assist primarily western Europe and Japan to rebuild their war-torn economies. It was to assist them in the financial development of the needed infrastructure. Since then, as we all know, it has come to be something quite different. The World Bank now focuses almost all of its energies on assisting the developing countries, the Third World—or Fourth World countries, as some people refer to the harder pressed nations—in developing the appropriate infrastructures that will allow them to get on with expanding a developing economy.

In 1956 it became clear that there was a need for a bank to be set up to help the private sector. There was a need for something other than simply building roads and putting in port facilities for an economic development infrastructure. There became a recognized need to assist the private sector that was operating in the Third World. Therefore, the International Finance Corporation was established. It would lend money to the private sector primarily in these developing countries. This was a first opportunity for a major bank to take an equity position so that the bank and a private entrepreneur could

form a joint venture to develop a facility in the Third World. The IFC enabled this financing to take place.

● (1130)

In 1960 the International Development Association was established. Its primary purpose was to provide a soft loan window with the World Bank, particularly for those countries facing special problems with respect to the development of their economies and the necessary economic infrastructure. Loans with virtually no interest are provided to those countries along with very encouraging payback programs.

Bill C-30 does three things. First, it authorizes the participation of Canada in the IFC. We have not had the enabling legislation to participate until now and have only been contributing as a reflection of Canada's good will. This Bill will provide us with the legislative framework and authority to participate formally in the IFC.

Bill C-30 also consolidates all of the various authorities under this single Act. This is very important because it allows Parliament to discuss the whole matter of Canada's role in assisting other countries, particularly developing countries.

We are concerned that as a result of the legislation, the authorization for our contribution to organizations like the IMF will change, to simply be reflected in the estimates along with all other departmental estimates. Each year the estimates will reflect whether the Government either increases or decreases its contribution to these international agencies.

We in the NDP are not always impressed by the way Canada has participated in organizations like the IMF. In fact, we are not necessarily impressed by some of the actions taken by the IMF and other international institutions or agencies with respect to their treatment of the developing nations. Therefore, we are concerned that including this financial authorization as an extension of the estimates process will remove some of our opportunities to express our concern and hopefully assist the Government in implementing more progressive policies for organizations such as the World Bank and the IMF.

Bill C-30 is basically an administrative Bill. It is not particularly revolutionary in its objectives and does not particularly change the course that the Government has taken in the past. However, we have some reservations about the Bill and that is why we are anxious to finish second reading now in order to send it to committee where we will have an opportunity to raise these concerns in more detail.

Some of my colleagues who have spoken before me have flagged a number of the concerns regarding the role that Canada plays in organizations such as the IMF. We are concerned about the behaviour of some of these organizations. For example, let us examine how the IMF has treated different countries. Chile and South Africa are countries that have human rights policies that we abhor and that no progressive country can accept. When the IMF makes a multimillion dollar loan, or loans in some cases amounting to hundreds of millions of dollars, to certain countries that maintain an oppressive human rights atmosphere, we must recognize that as a result of our financial contribution to the IMF we are participating in that oppressive atmosphere. When the IMF assists these countries or when other organizations assist the private sector in those countries, Canadians through their Government's involvement are participating in these acts. Canadians should be reminded of that fact.

For every dollar that is lent to countries like South Africa, Canadians will pay three cents, or 3 per cent of that particular loan. In many ways we are perpetuating the oppressive regimes and human rights policies in those countries by maintaining the status quo or ensuring that those who have created these policies remain in power and in positions of influence. I think it is important that we recognize that we are in fact a part of the *apartheid* process by contributing to its continuation.

The IMF has special drawing rights, known as SDRs. Those who make the major contribution to the IMF obviously have the most power. In other words, those who pay the piper call the tune. In this case, the United States is overwhelmingly the major contributor to the IMF. We have seen the United States, with some of its First World allies, put pressure on the IMF to ensure that certain countries are supported while others are not.

We need only go as far as Central America, a troubled part of the world, to see an example of how the IMF has treated the regimes in El Salvador and Nicaragua. The IMF has been very supportive of the regime in El Salvador and has given hundreds of millions of dollars in support of that country's efforts at economic development. While we could debate at length the value of some of that economic development in El Salvador, the point is that the IMF has been a major supporter of that country, which I suggest causes great concern when it comes to its human rights, free elections and so on.

Nicaragua is virtually next door to El Salvador. The IMF has said that that country does not need assistance in developing its education or its rural roads, its water supplies or its sanitation systems. This is a country that needs help in all of these areas. It is a country in which a Government has been duly elected by its people and is doing whatever it can to assist the development of its economic infrastructure. It is attempting to educate its people. The IMF is saying that it will cut off aid.

The World Bank has circulated an internal report in which it decided that three of its six sections in lending to Nicaragua will be cut off. One of those is the very important sector of education. All Members are aware that without education in the developing countries it is impossible to have real economic development. Much of the economic development is simply a transfer of First World development to the Third World. We anticipate that the Third World will then be able to develop and thrive on its own. However, that is not the case. They cannot develop without the education and training that goes hand in hand with economic development.

The IMF has told Nicaragua that it does not need assistance for developing its education, its roads or a transportation infrastructure in its country. It has said that Nicaragua does not need assistance in developing a better water supply. Most

people in countries like Nicaragua do not have running water or easy access to clean water. They do not have access to water other than walking long distances to get it.

Mr. Blackburn (Brant): Thanks to the Somozas.

Mr. Riis: As my colleague from, Brant (Mr. Blackburn) says, thanks to the Somozas. That is the type of regime that was not interested in assisting the people of Nicaragua. We can say the same thing about other Central American and Latin American countries as well. These international agencies that we support financially are making decisions that in a sense reflect, if I can use the term, the rather extreme right-wing view of the Reagan administration. What we are saying is that Canadian taxpayers—I am just talking about the ordinary Canadian citizen who pays taxes and provides us with most of the tax revenue—are funding the IMF, the World Bank and other institutions which are supporting, by definition now, the right-wing regimes of the world at the expense of the non-right-wing regimes. Some countries are receiving assistance. The private sector in some countries is receiving assistance but in other countries that support and assistance is being removed and cut off.

• (1140)

It is important for Canada to recognize that we are part of a process that is making the poorer nations poorer and the richer nations relatively richer. We are part of the process that is widening the gap between those who have and those who have not. We have seen that happen in countries like the United States and Canada. A report the other day pointed out that the gap between the rich and the poor, using those general terms in our society, is increasing despite many, many programs that we have introduced over the last number of decades, and we have not brought together those extremes in our society. In fact, they have grown further apart than ever. What has happened within Canada and within the United States is now happening on a global scale. The poor countries are relatively poorer than they were when organizations such as the IMF and the World Bank were introduced in the 1940s.

Those are some of my concerns. I realize today is the day that we speak about this Bill only in principle. That is why I have flagged only the principle of the Bill and some of the concerns of that principle we have as New Democrats. In committee we will be much more specific as to how we feel this Bill should be changed to ensure that Canada plays a much more active and progressive role, in the development of the policies of these particular agencies.

Canada, in my estimation, has been relatively mute when it comes to the IMF and the World Bank supporting what is going on in Chile today and not supporting those organizations in the early 1970s when there was a different political regime in that country. For example, when the Allende Government was elected by the people of Chile—and I want to emphasize that it was a government that was elected in an open election by the people of Chile—the institutions which we have been addressing today cut off support to that country simply because the government in power did not sit well with the American administration of the day. The people of Chile chose that government. I wonder whether Canada should have stood passively by when these critical funding institutions said: "We are cutting off support now that you have had a change in political orientation". This is just the same as El Salvador and Nicaragua. One obtains support from the IMF and the other does not obtain support from the IMF.

I think it is important that while this is a reasonably straightforward administrative Bill that simply consolidates existing legislation and makes a change in how the sums of money that Canada contributes is evaluated each year—in other words, using the estimates as opposed to Parliament's authority—we do have some concerns about Canada's ongoing participation in these organizations. We support these organizations in principle. We support the role of Canada participating as a major player, but we want to see Canada take a much more progressive and active role in developing policies within these organizations such as the IMF and the World Bank that will assist them in ensuring their lending practices, their financial support practices, are equitable and that they assist the people of the developing countries as opposed to maintaining certain political regimes at the expense of other political regimes.

Mr. Deputy Speaker: Questions and comments?

[*Translation*]

The Hon. Member for Châteauguay (Mr. Lopez) rises for a question or a comment?

Mr. Lopez: I am glad to rise again today to deal with this issue, Mr. Speaker. I want to congratulate the previous speaker for his remarks which were much more proper and in order than those expressed by the Hon. Member who rose before him last night and continued her remarks this morning. I commend him, and he can certainly take credit first of all—

Mr. Deputy Speaker: I might remind the Hon. Member that he should direct his comments or questions to the remarks made by the Hon. Member for Kamloops-Shuswap (Mr. Riis), without any reference to those made by the Hon. Member for Hamilton East (Ms. Copps). The Hon. Member has again the floor.

Mr. Lopez: Thank you, Mr. Speaker. It is because there was a connection between their respective remarks and I meant to continue in the same direction. I am somewhat concerned about the fact that the Hon. Member seems to worry a lot about the need to help the poor and the developing or underdeveloped countries of the world—mind your, I have nothing against that—but I feel that all Canadians and all members of Parliament should be concerned first and foremost with their own economic situation. Because charity begins at home, we should not be interested first in what is going in the outside world. His remarks, however, were quite consistent with the political thrust of his party which is to help socialist or

communist countries or, rather, countries with socialistic or communistic leanings, which is understandable. But it is not in Canada's interest to help most everybody, including the socialists and the communists, at the expense of our own economy and that of the Americans who are truly our closest allies. I suggest that Canada and all Canadians should take a direction which favours us and our allies first, as well as enhance our economy which has close links with the U.S. economy. To adopt another direction would be to go against all Canadians and all North Americans' best interests, which is contrary to our principles.

[*English*]

Mr. Blackburn (Brant): What a statement! Where did he come from, the Nineteenth Century?

Mr. Riis: Mr. Speaker, I appreciate the view held by the Hon. Member. I do want to thank him for his original set of statements. One's first reaction is to respond very harshly but I think the question is too important to respond in that vein.

Canada's economy is based by and large on Canada's participation in the global economic community. The day when Canada could think of itself as an economic and financial island, one unto itself that could develop quite independently of what is going on throughout the rest of the world, has long since past. As a matter of fact, it never did exist. When one goes back to the very beginning of the kind of western economy that we have come to know in this part of the world called the fur trade, the way of life of Canada and the health of our communities was dependent upon our ability to use that resource and export furs to Europe and China.

That same economic approach has not changed up to today. The ability of Canada to sell its goods to other countries and to import goods from other countries, both finished products as well as raw products, is integral to our economy here. We are one of the major trading countries of the world. As a major trading country obviously we depend upon the ability to interact with other nations. We do. Our track record has been relatively positive over the years. The way our economy will improve in the years ahead is to continue in that same vein.

That is why we are concerned about all of the protectionist policies that the Reagan administration is implementing in the United States. Almost every sector is either having protectionist policies introduced today or is having them contemplated, whether the sugar, the copper, the forest products or the fish sector. You name it, Mr. Speaker. In that great free enterprise, that free trade country is acting quite contrary to what it says.

I do not think Canada necessarily wants to get into that same mentality. When we hear people say that charity begins at home, of course it does. The point is our healthy Canadian economy depends upon our participation in a healthy global economy. It means that by assisting others in certain kinds of ways, not only does it assist them, but in the long term and in some cases even in the short term it assists us.

• (1150)

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Mrs. McDougall, seconded by Mr. Merrithew, moves that Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, be now read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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OIL SUBSTITUTION AND CONSERVATION ACT
CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Monday, March 4, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I am pleased to speak in support of Bill C-24 today, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. Since the CHIP program commenced in 1977 and continued to the end of 1984, 179,660 grants were made in my home province of Alberta to the value of nearly $65 million. COSP grants in my province to the end of January, 1985 amounted to some $3.8 million. The CHIP program has undoubtedly contributed to the conservation of energy, but so have the people of Canada made such a contribution, some conscientiously by lowering their thermostats and some by lowering their thermostats for economic reasons. I may say that the latter had to do so through the failure of the previous Government and its disastrous National Energy Program to move more rapidly toward energy self-sufficiency.

It is my hope that our citizens will support this Government's effort to cope with the deficit and continued activities to reduce the consumption of energy. My Government believes that oil security cannot be achieved without the commitment and involvement of every Canadian. The federal Government reduced its energy consumption 5 per cent from 1981-82 to 1982-83 and realized a total reduction of more than 21 per

cent since launching its internal conservation program seven years ago. This represents a total saving in consumption of some $515 million since the base year 1975-76 and $150 million during the reporting period.

Persuading people to have their homes checked out for heat loss was an idea that fitted well in the energy conscious 1970s. It was helped by the two programs that are now coming to an end and by the home energy audit which will check the insulation and heating system of a house as well as pinpoint any places where heat is escaping. Many electrical companies offer this service and recommendations based on the audit are given verbally or are based on a computer printout.

CHIP inspired the creation of private air leakage control companies which also offer audits and follow-up sealing and insulation work. I am confident that with these initiatives, there is enough public information available to support Canadians continuing energy conservation and their demands for audits and sealing work in the future.

There has been little quantification available in the public domain of the economics of energy conservation, its potential market, its impact on energy demand and on the economy, its costs and its benefits. This may not have been undertaken because conservation has not received much recognition as a supply option in the sense that energy conservation delivers the same standard of living as using more energy. Perhaps it has been because energy conservation is generally not perceived as a business sector in the way that traditional energy supply industries are. Consumer enthusiasm about energy conservation must be fostered. Consumer expectations of stable energy prices and abundant energy supplies increase the vulnerability to possible price shocks and shortages in the latter part of this decade in much the same manner as occurred prior to the second world oil shock.

In calling upon Canadians to practise energy conservation, I am not excluding the ongoing research and introduction of forms of energy other than the traditional ones. I would emphasize that energy savings are permanent. The net savings in expenditures on energy consumption mean that more funds are available to the consumer for investing in business and spending within their own areas and communities. Although the employment aspects of energy conservation are a very important consideration, especially during the present period of high unemployment, energy security and efficiency of capital use are other essential issues that warrant serious consideration of an aggressive energy conservation industry.

So far as conservation in the industrial sector is concerned, fiscal measures are not required to help finance these investments, unlike the huge mega energy programs which need substantial government royalty and tax relief in order to ensure their economic viability due to their size and mammoth cost. Lower energy bills and lower borrowing costs mean increased consumer expenditures and hence increase economic activities. More capital can be available to the business sector for investment which leads to more vigorous economic growth and more jobs that can be generated.

We in Canada have massive quantities of indigenous coal and shale. We have technically trained and educated people who can do the job; but to make these resources work for us, we need a triple play approach to energy policy conservation, deregulation and technology development. Deregulation will give petroleum companies better incentives to seek new domestic discoveries and to use enhanced recovery techniques. Beyond that, it will permit major efficiencies in what has become a tortuously controlled distribution system.

The savings to the Government on the termination of COSP is $424 million between now and 1988. On the CHIP program, it is $376 million during the same period. The Liberal Government spent $1.4 billion of taxpayers' money on these programs to the end of 1984 on which the return from income tax was only $300 million. The net increase in the deficit and the burden on the taxpayers was over $1 billion.

I agree that the issue of energy conservation was brought to the fore by the programs, but it is now up to all Canadians to take over the responsibility in continuing the effort to reduce the current exorbitant deficit. Canadians might think of economic challenges in terms of a team effort. Canada needs to be as competitive in the international economic arena as our Olympics representatives proved themselves to be in the world sports arena. Shared goals are the only basis for teamwork. This Government is moving toward stable economic growth, sustained for the next quarter but ideally for the next quarter century, the type of growth that would place Canada among the world's top three industrial nations in terms of income per capita, rather than being in sixth place as it now is.

In this Government's commitment to co-operation and consultation rather than confrontation, it strives to develop a shared view of our economic strategy and to adopt policies that will allow the private sector to sustain growth. The previous Government became bemused with debating trade-offs between wealth creation and wealth distribution, but we can no longer take wealth creation for granted. I believe Canadians are beginning to look realistically at our problems and this is the first step toward their resolution.

● (1200)

Canadians today are pre-occupied with two subjects: interest rates and jobs. No specific job-creation scheme, vital as it can be, is as important as creating a general environment hospitable to economic growth. The private sector must be stimulated because it is the private sector that can do it.

There is evidence that entrepreneurs in independent business have created 70 per cent of the new private sector jobs in recent years. The private sector is creating jobs. As the Government proceeds to reduce the deficit, it can create many, many more jobs. Control of the deficit, thus allowing economic growth, is the source of meaningful, permanent and productive jobs for Canadians which allow Canadians to support themselves without leaning on their fellow unemployment insurance contributors.

It is an acknowledged fact that both deficits and unemployment will decline substantially if the Canadian economy grows

at a reasonable pace. The persistent growth in deficits, uninterrupted since the mid-1970s, has become a serious impediment to reduced unemployment. Job creation and training initiatives as introduced by the Minister of Employment and Immigration (Miss MacDonald) were needed for specific groups and most notably for our youth. But government spending on such national priorities must be financed by cuts in other budgetary envelopes. Individuals and corporations will both have to look less to the federal Government for assistance, subsidies and guarantees.

Bill C-24 is just one step in returning self-reliance to Canadians. The change in our attitude toward the role of government will have to be significant. That does not mean that we should return to the days before Governments provided a safety net of assistance to the unemployed, the poor, the sick and the others in need of help to achieve at least a minimal level of social well-being. There must, however, be greater self-reliance on the part of everyone else. As the Minister of Finance (Mr. Wilson) has stated, either we make certain sacrifices now or we have larger deprivations imposed upon us in the future. Spending cuts do not have to be inhumane but it is inhumane to leave our economic affairs in such a state that we saddle our children and their children with a crushing burden of debt.

Canadians have placed great emphasis on economic independence in the past, both nationally and provincially, and there must now be awareness of economic interdependence among countries, provinces, businesses, labour and government. One-third of our national income and one-quarter of our jobs depend on exports. This means that we must meet international competitive standards and maintain good relations with our trading partners, principally the United States. We must recognize the close links between the provinces. There must now be a Canada policy rather than policies of individual provinces. Improved co-operation is indispensable.

We must address the appropriate role of government. We must get our fiscal house in order. We must attack the huge deficit right now. We must all make sacrifices if Canada is to be put back on a sound financial basis.

The COSP and CHIP programs have been successful. They provided grants to allow Canadians to convert to a cheaper form of heating fuel and also to insulate their homes. But let us face reality: these programs have served their usefulness. Canadians must now run their own affairs and make their own decisions. The foundations of a new fiscal policy are being laid and some hard facts must be accepted. Canadians working as a team can help our country reach its growth potential and they can build the future for this great country.

My support for Bill C-24 is unqualified. The Government trusts in this way and in others that it can prepare Canadians to do their share in renewing the strength and the vigour of our economy, something which is so essential to the future welfare of us all.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions and comments? Resuming debate.

Mr. de Jong: Mr. Speaker, I rise on a point of order. When you called Bill C-24, Mr. Speaker, I was not in my seat. However, I had started my speech the last time this Bill was before the House. I would seek the unanimous consent of the House to be recognized now so that I might finish my remarks this afternoon.

Mr. Hnatyshyn: We agree that the Hon. Member should be put in the position of speaking in the regular way. By all means, we give our consent to his proposal to speak.

[*Translation*]

Mr. Deputy Speaker: Does the Hon. Member for Ottawa-Vanier (Mr. Gauthier) wish to rise on the same point of order?

Mr. Gauthier: We agree that the Hon. Member should have the floor for his remaining 16 minutes.

[*English*]

Mr. Deputy Speaker: I understand there is unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well. I now recognize the Hon. Member for Regina East (Mr. de Jong).

Mr. Simon de Jong (Regina East): Thank you very much, Mr. Speaker. I give my special thanks to the Hon. Government House Leader, the Liberal Whip and all Hon. Members for extending this courtesy to me.

We are dealing with Bill C-24, the Act that would terminate the home insulation program and the Canadian off-oil program. When I spoke previously, I quoted from the submission of the City of Whitehorse of June, 1984 to the Senate Committee on Energy and Natural Resources. The submission claimed, based on figures from Statistics Canada and the national energy program update, that some $17.2 billion had been committed and spent by the end of 1983 on the National Energy Program and this has resulted in production of only some 28,000 barrels of new oil per day. At that time I asked Hon. Members to compare this with the some $1.3 billion that has been spent on the home insulation and off-oil programs. I stated that those programs had saved some 65,000 barrels of oil per day. More recent figures supplied by the Department of Energy, Mines and Resources put that figure at closer to 75,000 barrels of oil per day.

The total energy savings attributed to the Canadian off-oil program, COSP, are estimated at roughly 70,000 barrels of oil per day. If a 65 per cent incremental value is assumed for COSP, the incremental value calculated for CHIP but not necessarily appropriate for COSP, then the oil savings attributed to this program becomes roughly 45,000 barrels per day. For CHIP, the total energy savings attributed to work under this program are estimated at the equivalent of 45,000 barrels of oil per day. In the absence of CHIP, the Department

of Energy, Mines and Resources estimates that 65 per cent of these savings would not have been achieved. Thus CHIP is calculated to have resulted in incremental energy savings of the equivalent of roughly 30,000 barrels of oil per day. That 30,000 barrels of oil per day from CHIP and the 45,000 barrels of oil per day from COSP add up to 75,000 barrels of oil per day saved by these two programs.

The cost figure of $1.3 billion for these programs is not entirely accurate either. One-third of these grants have flowed back to the provincial and federal Governments in the form of taxes. In fact, the program in part is a transfer program to the provinces as the provincial Governments tax these programs as well. Let us put the real cost to the Government at some $900 million. This expenditure of $900 million has produced a saving of some 75,000 barrels of oil per day. Put in another way, that amounts to a reduction in equivalent oil demand of between 25 million and 30 million barrels of oil per year.

In terms of cost per barrel, Dr. Hollbach, appearing before the Senate committee on behalf of Energy, Mines and Resources, noted that for the older, poorly insulated and weather-stripped homes, the energy savings could be had at a cost of $5 per barrel equivalent. Under some circumstances, the cost could be as low as $2 to $3 per barrel of oil equivalent. Many energy savings were possible at a cost which was less than $20 per barrel. Let us now compare that with the cost of bringing in new energy supplies.

• (1210)

The cost of bringing new energy supplies into the Canadian energy system is debatable, but the following figures are held to be approximately representative: Venture gas, $35 per barrel of oil equivalent; Hibernia, $30 per barrel, and Lepreau II, $70 per barrel of oil equivalent. Dr. Hollbach of the Department of Energy, Mines and Resources noted in his testimony before the Senate committee that there were a number of conservation measures which could be taken that would cost considerably less than $20 per barrel of oil equivalent in terms of energy saved. In terms of costs, on the conservation side we have oil which is equivalent to $5 per barrel. On the supply side it costs $35, $40, or $70 per barrel of oil equivalent. There is no comparison.

We could look at the jobs which are created per $1 million spent on energy conservation versus increasing the energy supply. These figures come from a Canertech Incorporated study entitled "Market Potential and Economic Impacts of Energy Conservation in the Canadian Residential Commercial Industrial Sectors", which was published in 1983. The number of jobs created per year of direct employment by energy conservation was 20.2, and the number of jobs created by the energy supply sector was 5.8. If we look at the indirect employment, the total indirect employment and the induced employment crated on the energy conservation side, we see that for every million dollars spent, some 35.8 jobs were created, whereas in the energy supply sector only 18.9 jobs were created. Again, there is no comparison.

Therefore, reducing demand by conservation as opposed to increasing supply is far less expensive to Governments. It creates twice the number of jobs, the energy savings are permanent and the benefits go directly to the Canadian people rather than to oil companies and banks. There is no comparison. Yet the Government is insisting, with Bill C-24, that the energy conservation side must be destroyed, and it is not lifting a finger on the energy supply side. There is no justification for Bill C-24.

We have heard Government spokesmen claim that Bill C-24 is necessary in order to reduce the deficit. The Government Member who spoke previously used that argument. She said that the deficit had to be reduced in order to get Canada back on its feet financially. Yet the figures which I have presented this morning illustrate that conservation saves the Government money. The National Energy Program is costing the Government billions of dollars, but the Government has refused to touch that program.

I have attempted to obtain figures which would indicate how much the Government has saved in the Oil Substitution Program. That program has cost Canadians hundreds of millions of dollars. The energy savings of the Canadian Home Insulation Program and the off-oil program have saved the Government millions of dollars in oil subsidization payments. Unfortunately, accurate figures are not available to indicate how many millions of dollars the Government has saved. I have placed a question on the Order Paper, and hopefully some time in the future the Government and EMR will be able to provide accurate figures. But to claim as the Government has claimed that Bill C-24 will save the Government money, is false economy. It just does not work that way.

We note as well, in comparing the cost of supply versus the conservation side, that the economics are in favour of conservation. We could look at nuclear energy. Over the years the Government has spent billions of dollars on the nuclear program. Yet that program has produced very litle energy. The energy which it has produced has not been cost-effective. In Ontario it is estimated that by 1990 the accumulated deficit in its nuclear program will be close to $60 billion. The Darlington nuclear reactor has cost $11.8 billion, and $4.8 billion of that is in interest charges. Who benefits? Of course, the banks. The number of jobs that Darlington will create is a far cry from what $11.8 billion would create if that money was put into the conservation area. The total energy which one nuclear reactor produces does not compare with the energy which we would save if we put that same amount of money into conservation. Conservation will save more energy than a nuclear reactor will ever produce. The question is: Why do governments insist on going into megaprojects, off-shore oil projects and tremendously costly nuclear projects which produce energy at the equivalent of as much as $70 per barrel or per barrel equivalent, and yet ignore the conservation side?

We must ask the question: Who benefits? The home owner benefits from conservation. Home owners save on their utility bills. But if we go the nuclear route, who will benefit? Certainly not the home owners. They will eventually have to pay the

$11.8 billion to build the nuclear reactor at Darlington and they will have to pay $4.8 billion in interest charges. Who benefits? Of course, the banks, because they will collect the $4.8 billion in interest charges. It just does not make sense.

I am concerned that the Conservative Government is following the path of exploiting home owners and helping oil companies and banks rather than ordinary Candians at home. One would tend to think that Conservatives are concerned about conservation. They are not concerned about conservation. Certainly Bill C-24 points out that fact. It does not make sense. It will not reduce the deficit. In fact, it will increase the deficit because the amount of money which the Government will have to spend to bring in new supplies of oil and energy will be much more costly than it would be to follow the conservation route.

The other matter which dismays me is the Government's destruction of alternative energy programs. Canada has begun to develop a leadership role in developing new technologies. Government spokesmen have said that the private sector will now have to take over, that the Government can no longer support alternate energy programs in wind, biomass and so forth. When the Minister of State for Science and Technology (Mr. Siddon) appeared before the Standing Committee on Miscellaneous Estimates, he stated that ten years was a long enough period and that since the new technologies had not proven themselves in that ten-year period, it was therefore the Government's decision to cut further research in alternate energy programs.

The Minister, who is an engineer, should know better. First, it is incorrect to say that those programs have not proven themselves. A fair number of those programs are on the brink of becoming commercially viable. Several are past the point and have become economically viable. If a ten-year span is what the Minister demands, I wish he would use the same measurement for nuclear energy. It took 30 years of experimentation, Mr. Speaker, before the first reactor was ever put onstream. We are willing to spend billions of dollars in researching nuclear energy, yet we are not willing to spend 10 years doing the research on alternate energies, on small-scale energy projects which allow the self-sufficiency of individual consumers and smaller communities. The commitment is to the megaproject which is costing hundreds of billions of dollars, not to the small-scale projects which produce more jobs, which are more efficient and more environmentally sound. These projects get scrapped while the high cost projects get supported by this Government and, I should say, by the former Liberal Government as well.

● (1220)

The Liberals were the ones who poured the billions of dollars into the National Energy Program. I will give them credit, Mr. Speaker, for supporting the alternate energy and conservation programs, but in terms of the total scheme of things, these were considered as minor projects compared to the megaprojects.

It dismays us in the New Democratic Party that the Government has chosen this route. It flies against the philosopy, surely, of many of the Hon. Members opposite who are Conservatives in the small "c" sense and who believe we have to move into a society where we can begin to conserve and husband our resources. The Government is destroying that philosophy with Bill C-24.

There is considered to be an oil glut in the world today. The demand for that product today is not as high, compared to its supply. There is no scarcity at present. People are not lining up at the pumps. But common sense tells us that this is only a temporary situation. Oil is a finite resource which eventually will run dry. We must put in place alternate energy sources. Or are we going to lay back and wait until the crisis is upon us again before we begin to act? Surely a forward-looking Government must realize that the day will come again when oil energy will be in great demand. We have the time right now to prepare for that day.

What this Government has done in Bill C-24, and in the cut-backs to research and development in alternate energy, is to prevent us from being prepared for that inevitable day when again oil will be a scarce commodity and will carry a high price tag. I urge Hon. Members of the Conservative Party who really believe in small "c" conservatism to make their views known and vote against this Bill, and in so doing express to the Minister and to their own Government their dissatisfaction with this Bill.

Mr. Hopkins: Mr. Speaker, I am always interested when certain Hon. Members of the New Democratic Party rise to speak in this House. They are always zeroing in on nuclear energy which is one of the most successful stories in Canadian high technology today. The Hon. Member talks about energy. If he would talk to the leading scientists in the nuclear field, they would tell him that not only do we need nuclear energy for peaceful purposes but we also need the alternate sources of energy, as well as conservation.

There is no argument with that. But does the Hon. Member not realize that the nuclear reactors at Pickering produce far more energy than Niagara Falls ever did? Does he not realize that industrial development would not have occurred in central Canada without that massive source of energy? Would the Hon. Member not agree that there are probably some Americans on the eastern seaboard who went into darkness a few years ago who would have been very grateful if they had had the same safe system?

Something that always bothers me about this issue, Mr. Speaker, is that nuclear energy for peaceful purposes is quite often equated with nuclear armaments for destructive purposes. There should be no relationship between the two because Canada has gone the peaceful route. Does the Hon. Member not realize that the years which have been spent on nuclear energy research in Canada have not just been spent on experimenting with nuclear reactors? The cobalt therapy unit which was developed at Chalk River, Ontario, is one of the leading cures for cancer today. All kinds of companies go to Atomic Energy of Canada Limited to sign contracts for

Atomic Energy of Canada to do the research these commercial companies are not able to afford. I would like to put on the record today, Mr. Speaker, that a far too narrow approach has been taken toward nuclear energy in Canada by my hon. friend. If he is sincerely interested in the high-tech industry in this country, he should really get some briefings on its broader scope.

The National Research Council started what is today Atomic Energy of Canada Limited. I agree with the Hon. Member that the NRC has been badly chopped by the present Government. However, in no way should we downplay one of the greatest success stories in nuclear energy in this country, and it does have a lot to do with the environment as well. Candu reactors are safe. That has been proven by the so-called incident at Pickering. They are capable of improvement and any errors can be corrected. We have the expertise and the technique to do it and it was indeed done at Pickering.

Let us not be negative about our successes in high technology in this country, and the safety factors which are built in, and at the same time complain about the expenditures and lack of energy generally in this country, because this country would not be what it is today in industrial development if we did not have that back-up source of nuclear energy in Canada.

Mr. de Jong: Mr. Speaker, I would first like to say that I made the nuclear comparison in terms of refuting what the Minister of State for Science and Technology (Mr. Siddon) said in front of the Standing Committee on Miscellaneous Estimates. He said, and I quote:

> In many cases, after some 10 years of funding, it has become evident that, particularly in the areas of solar and wind energy, the return on that investment was not evident.

I was pointing out, Mr. Speaker, that the Government was willing to forgo any further research and development into solar and wind energy because, according to the Minister, there was no return on investment in a ten-year period. Yet Governments, both past and present, are not willing to use the same measurement on nuclear energy. Research and development on nuclear energy has been going on for much longer than ten years. In fact, 30 years is more accurate.

The second point I would like to make to the Hon. Member is in terms of cost effectiveness. Nuclear energy has certainly proven to be a very expensive technology. It is not cost-effective at all. We have white elephants both in Canada and in the United States which are costing hundreds of millions of dollars. We have a nuclear power plant in the Maritimes and I am sure the people who initiated that program wish they had never gotten involved. We have a plant producing heavy water that nobody wants and nobody needs, at a cost of hundreds of millions of dollars. The Hon. Member says that nuclear technology is a safe technology. Why, then, did the previous Government and this Government refuse to allow an open inquiry into the industry?

● (1230)

Time and again, Mr. Speaker, we hear stories of breakdowns in nuclear reactors. Finally last week we read some of the minutes of the Atomic Energy Control Board obtained by the Ottawa *Citizen* through the freedom of information legislation. The minutes reveal some of the horror stories which have occurred behind closed doors.

No, nuclear power is not safe. We do not have all the technology in place. We have not discovered a way to deal with its wastes. It is not economic, especially when compared to conservation programs. It just has not made sense, it has not added up, yet the Government continues to pour money down that hole while at the same time cutting off the nickels and dimes that were spent on conservation. I do not understand the economics and I do not think the people of Canada understand.

Mr. Hopkins: Mr. Speaker, that pretty well lays the NDP policy on the line. It will be interesting to see what the union leaders in the nuclear industry think of that statement.

As far as cost effectiveness is concerned, would the Hon. Member not admit that any useful in-depth research into energy is indeed expensive in the beginning? The NDP is always talking about commitments. Well, if you are going to start a long-term research development program like atomic energy, you have to make a long-term commitment. I will tell the Hon. Member that the long-term benefits of nuclear energy in this country in the future will far outweigh the costs which have initially gone into research and development.

I am amazed at the NDP. Some of them are more conservative than the Conservatives because they fail to move ahead and are always bringing these tactics of fear out in front of the public. They are trying to win their case through irrational and emotional arguments rather than by logic. Anyone in this House who does not think we need nuclear energy in the future is being very short-sighted about the future development of this nation of ours.

Mr. de Jong: I note that both Conservative and Liberal Members applaud that statement. It is that type of thinking that scares me and I think the majority of the Canadian people. Utility company after utility company in the United States is on the brink of bankruptcy because of their investment in nuclear energy. Stating that this is the most cost-effective way to go is an invitation to Canada to follow down that road and over the precipice. It is as though we cannot learn from the American companies which are going bankrupt because of the tremendous cost overruns and the inadequacy of the technology. They want us to follow them like lemmings. It appears that only the NDP is saying that we are not that stupid.

Mr. Lewis: I have a point of order, Mr. Speaker. I rise to bring to the attention of the House that the Hon. Member for Vancouver-Kingsway (Mr. Waddell), who usually has his foot in his mouth, has it on his desk.

Mr. Waddell: Mr. Speaker, I have both feet on the floor as usual, while I listen to one of the best speeches I have heard in

the House of Commons. The Hon. Member would be wise to pay close attention.

Mr. Deputy Speaker: Order, please. Resuming debate.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I will try to keep my feet solidly on the floor.

I am pleased to have an opportunity to speak today on such an important matter as the conservation of energy, of "our energy". For years Canadians have been preparing for conservation, and thanks to programs introduced by the previous Canadian Government we have managed and are still managing to redirect and save a significant part of our energy resources.

Clearly, with this Bill intended merely to eliminate certain programs, we can no longer make any projection for the future, we can no longer assume that we will still be able to realize any further energy savings after this.

Indeed, the Tory Government is coming in with a hasty and ill-advised proposal to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

Bill C-24 is a hasty, ill-advised proposal for the simple reason that the Tory Government has failed to analyze the impact of the cuts introduced in those two programs. Such a failure is unforgivable, Mr. Speaker, because it has wrought surprise and panic among consumers, and discouragement in private business.

Let us first look at the Canadian Home Insulation Program, the CHIP program.

It is worth mentioning that this program was established under a Liberal Government. It was brought in to save energy and provide greater comfort, and this has nothing to do with luxury. It is a matter of need, of necessity.

As you are no doubt aware, Mr. Speaker, that with the damp, cold winds sweeping over the Maritimes, people must have very well-insulated homes. Under that kind of geographic and weather conditions, obviously efficient home insulation is essential and even vital in some areas. Although this may come as a surprise, there are still thousands of Canadian homes that do not meet minimum insulation standards. The insulation program, for instance, was intended for owners whose homes were built before September 1977. Statistics provided by the Canada Mortgage and Housing Corporation to your Department of Energy, Mines and Resources show there were more than 7 million homes with inadequate insulation and therefore eligible for the Canadian Government Insulation Program. Of those 7 million, 190,000 were in New Brunswick and when a province with a population of 706,000 has 190,000 badly-insulated houses, clearly an assistance program is needed.

The Government of the day understood the situation and introduced its insulation program, and 35 per cent of eligible Canadian homes were accepted under the program. In New Brunswick, 35 per cent of the work has now been done and this means that there are still 65 per cent of homes that do not meet the minimal insulation standards. Therefore this is no time, Mr. Speaker, to axe the program.

Well over five years were needed to do the job of insulating 2.5 million homes across the land or 35 per cent. How does the Government opposite hope to complete the other 65 per cent of the work by next year? This is all the more unthinkable considering that under the Liberal Government, the federal contribution had been set at 60 per cent for each claim to a maximum of $500. Now, under this new Government, the Minister has announced, without further ado, that the federal grant would be slashed down to 27 per cent as of April 1st, 1985. That policy is unacceptable. The Government is bent on cutting everywhere. This is asking too much from the people within such a short period of time.

● (1240)

Clearly, since those cuts were announced last November, there is a general panic among homeowners whose residences need to be insulated and who cannot afford the total cost of an insulation job. And with the federal grant cut down to 30 per cent, consumers will have to pay more money, which means that there are Canadians who will not be able to pay the extra costs that were not included before November, 1984. In other words, less Canadians will benefit from the insulation program from April 1st, 1985, onwards. This is bad, Mr. Speaker, but the Government opposite does not seem to care.

Unfortunately, that is not all. The cut in the insulation program has other implications that are just as negative. Has anyone in the new Government ever thought that by announcing all of a sudden a 30 per cent cut in the federal contribution to the insulation program, and the complete withdrawal of the program for 1986, Canadian consumers will all try to apply for the program before March 31, 1985? Therefore, such a volume of unexpected applications will lead to a glut of orders far exceeding the current capacity of private companies doing insulation work. According to figures supplied by the Minister of Energy, Mines and Resources, there have been 84,000 applications for grants under the insulation program between November 8, 1984, the date of the announcement by the Hon. Minister Wilson, and December 31, 1984. If we are to rely on statistics, officials of the Minister of Energy, Mines and Resources told us that between January and November 1984, there had been 218,253 applications under the program in those 10 months. If you divide the number of applications by the number of months, you get an average of 21,825 applications each month. During the two months following the announcement by the Minister of Finance, there were 84,000 applications, which is twice as much.

Striking figures like that are due to the fact that as soon as April 1985, the government will pay only 30 per cent of the

expenditures. However, Canadian people cannot be blamed for this rush. We should rather blame the government for failing individuals in need. The Conservative government not only refuses to help people but in addition it leaves the problem in the hands of contractors who will simply not be able to meet the demand, which is suddenly beyond their control.

For example, in December 1984, the office responsible for the Home Insulation program in Fredericton received 1500 calls. This was a 25 per cent increase compared with the average number of calls of 1100. Homeowners fear that they will be unable to take advantage of the program and will have to pay more. As for contractors, since November they have been working seven days a week and are afraid that they will be unable to complete the work by March 31, 1985. This is inhuman and it is difficult to believe that a government which claims to be so close to the people turns a deaf ear to alarmed pleas. In short, I strongly object to the Government's intention to reduce its contribution to 30 per cent as of April 1, 1985, and I stand even more firmly against any attempt to terminate the Canadian Home Insulation Program on March 31, 1986. To this day, it has been the federal Government's most important energy conservation program whose main purpose was to help Canadians taxpayers. The program was not an expenditure.

A responsible Government should absolutely not aim for anything less. The previous Government managed to save energy and keep the people warm. I challenge this Government to do the same thing. In any case, it is quite obvious that the Government is headed in the wrong direction.

Did you realize, Mr. Speaker, that programs such as CHIP and COSP have created employment? Both programs had been designed to spur private sector development and expansion. The two million-odd homes which have been insulated enabled small- and medium-size businesses to prosper. These programs gave young people and other Canadians an opportunity to work and do their share on Canada's labour market. In areas such as New Brunswick, those programs have certainly made a significant contribution to the economy. By pulling businesses out of the doldrums, they created jobs and put commercial undertakings and the whole province on the road to recovery. As you know, Mr. Speaker, when the Canadian labour force is underemployed as it is now, it is the responsibility of the Government to take every means to create jobs. Job creation is not a cinch, of course, and it seems that our Government, devoid of experience in that field, will learn at our expense.

We have to be aware of our own economic forces, and CHIP and COSP were two of those forces. Frankly, Mr. Speaker, the more I try to understand why they want to do away with those programs, the less I succeed. I hope that my arguments will convince people who want to help make this country more prosperous that we must motivate Canadians if we want them to support our efforts.

That being said, I must admit that so far I have not given as much consideration to the other program which they threaten to abolish in 1985, the Canadian Oil Substitution Program. Naturally, all the objections I just raised apply to this program as well.

Since November 8, when the Government unexpectedly announced that COSP would be terminated on March 31, 1985, it has been like a stampede—interested homeowners want a Government grant, no matter what. The more applicants, the more grants, naturally. Once again the private sector will have to work overtime to beat the deadline and avoid the wrath of customers. Indeed, the program will end March 31 and so will the grants. In addition, contractors will no longer have any contracts after the deadline, or at least they will not have as many. The many contractors who hired more staff will have to lay them off, so employment will take a nosedive.

If the Government knew that this program was too costly, why did it not compromise and put off the deadline an extra six months? It seems that the Government has taken a one-way approach. He does not seem to be affected by the fact that consumers and contractors are greatly disturbed. Yet, would the excessive demand being faced by the private sector not justify an extension of this program? This is a question of logic, but unfortunately, there is a tendency to act illogically.

• (1250)

For instance, in their lack of logic, the Members opposite have forgotten that the oil substitution program is the most important of the three existing Federal programs in this sector. They have also forgotten that they are increasing the prices by 1.9c. a litre at the same time as they are eliminating the oil substitution program. Mr. Speaker, not only will Canadians no longer conserve energy, but this energy will be even more costly than before. This is nonsense.

In the last ten months, 7,609 houses have been converted from oil heating to electric, wood or propane gas heating or to another system in New Brunswick alone. The national total is assessed at 178,800 homes with a converted system. This is a lot and it represents a great energy saving.

We have to accept the figures. No one can deny that the insulation and oil substitution programs have been and would still be contributing a lot to our economic growth, the conservation of our energy and the welfare of Canadians. These were the objectives of the previous Government and they have been reached. Today, all that we are asking of the new Government is that it support these objectives and make the decision that we have suggested.

I am convinced that this Government will have enough vision to realize that what we are saying makes sense.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Plamondon: Mr. Speaker, I was rather surprised to hear the argument raised by my New Brunswick colleague. He speaks about extending the program. He mentions the need for this program. However, he is forgetting something important in my opinion, namely the fact that this program was basically temporary, because when it was developed, its purpose was to help those people who cannot afford to convert their heating system or to insulate their homes.

On the other hand, a responsible Government like the one which has just been elected must consider the fact that we have a deficit of $38 billion, and that certain programs have already helped hundreds of thousands of people, as you said yourself in your speech. You quoted a figure of 21,000 people a month, which means 21,000 homes every month, and you said that the announcement that this program would disappear a few months before it happened has allowed some 42,000 people to present an application. It would seem that all those who really wanted to apply under this program have done so and that our responsible Government must now deal with other issues. In this optic, my dear colleague, I wonder whether the priority should not be to create jobs, as our Government is doing through the reforms it is promoting in the small business sector, for instance, so that people will be able to afford to insulate their homes or to change their heating system, instead of the Government maintaining this program which, for all practical purposes, has already met its objective.

Mr. Deputy Speaker: The Hon. Member for Westmorland-Kent (Mr. Robichaud).

Mr. Robichaud: Mr. Speaker, I am not surprised at the comments made by my hon. colleague, who is more interested in the cutbacks made by the Government than in the help these programs have provided.

When he asks whether it would not be better to consider other programs for job creation, I must say yes, but I would like to ask the Hon. Member: Where are the programs and where are the jobs? Today, there is a need in this country for the programs we are considering, and it is a real need and there are jobs to be had. Why not let people do this work and have the jobs we need so badly? These are real jobs, not paper ones.

Mr. Deputy Speaker: Does the Hon. Member for Richelieu (Mr. Plamondon) have a supplementary?

Mr. Plamondon: Mr. Speaker, I think my hon. colleague has been away from the House too long, when I hear him referring to new programs. In fact, I think he just got back from Cameroon. I must admit I was on the same trip, but when he refers to a program to help small businesses, I believe the Minister of State (Small Businesses) (Mr. Bissonnette) has talked about employment programs, and the Minister of Employment and Immigration (Miss MacDonald) has talked about jobs, permanent jobs. When the Hon. Member refers to job creation programs, and he says this was a job creation program, these are not the kind of jobs Canadians want, and they made this very clear on September 4, since we campaigned on the issue of creating permanent jobs and not the kind of temporary employment provided in these assistance programs. I think the focus of the program was good. However, now that the program has done what it set out to do, we must concentrate on creating permanent jobs and use the funds to get rid of the deficit we were left by the former Government and promote the creation of permanent jobs.

Mr. Robichaud: Mr. Speaker, once again, I agree with my hon. friend that we all want permanent jobs. But since in our part of the world there are no permanent jobs, people will take on any kind of work, whether it is temporary or seasonal—they want work! If I could be sure that we would get the jobs, the tens of thousands of jobs we were promised during the election campaign, I would say: Congratulations. However, I and the people of my riding are still waiting for these permanent jobs.

Mr. Waddell: Mr. Speaker, I would like to make a comment. I have something to add in response to what was said by the Hon. Member for Richelieu (Mr. Plamondon).

[*English*]

Mr. Deputy Speaker: I would remind the Hon. Member that he must address his questions and comments to the speech by the Hon. Member for Westmorland-Kent (Mr. Robichaud).

[*Translation*]

Mr. Waddell: Ah yes, that is a problem. I would like to ask the Hon. Member who spoke, perhaps in English—

[*English*]

I just heard the Conservative Member say that the program has done its job.

[*Translation*]

The program is finished.

[*English*]

The need has been met. Yet the Minister of Energy, Mines and Resources (Miss Carney) said in Vancouver just the other day, in a speech on March 8, that an existing residential housing energy cost could be reduced by up to 30 per cent through conservation investment. How would he explain those words of the Minister in response to what the Member has said? Does he have any indication in his riding of how poor people really need the Government program to continue the conservation measures?

Mr. Deputy Speaker: I would ask the Hon. Member for Westmorland-Kent (Mr. Robichaud) to answer the question this afternoon.

It being one o'clock, I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

MARITIME FEED FREIGHT ASSISTANCE

Mr. George Henderson (Egmont): Mr. Speaker, in January of this year the Maritime Farmers Council made a submission to the Minister of Agriculture (Mr. Wise) outlining the crisis situation that exists on the East Coast in the livestock industry.

In 1941, when the Feed Grain Assistance Program was introduced, 90 per cent of the cost of transporting grain to eastern Canada was paid by the federal Government. By 1976 the level of assistance had fallen to 59.3 per cent. By 1985 Feed Freight Assistance covers only 19 to 28 per cent of the transportation cost of Ontario corn, 26 to 33 per cent of the transportation cost of western grains, and none of the cost for protein concentrates.

Little or no research is being done on making use of the agricultural potential of the maritime provinces to allow them to achieve self-sufficiency in livestock feed production. The industry is in a crisis situation with feed costs $60 a tonne higher in the feather industry, $47 a tonne in the dairy industry, and $37 a tonne in the pork industry.

The Maritime Farmers Council has received the support of all three maritime provinces for its proposal that transportation costs assistance be brought up to the 1976 level of 59.3 per cent, and be indexed until self-sufficiency in feed production is achieved. In the meantime, the industry is in an emergency situation and needs the immediate support of the federal Government until changes to legislation can be introduced to increase the level of assistance. I would request that the Minister take immediate action in this regard before more Canadian farmers are forced out of their livelihood.

* * *

CANADIAN ARMED FORCES

BRAVERY AWARDS FOR *IROQUOIS* DESTROYER CREW MEMBERS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, unlike the previous Government whose leader, according to Ottawa's paper *The Citizen*, gave the Armed Forces a priority level below the support price of hogs, this Government gives top priority to our Armed Forces, and has demonstrated its care through action and promises.

Our Armed Forces personnel are highly trained professionals, working with inferior or outdated equipment, but when their professionalism is combined with raw courage, exceptional achievements are possible.

On December 5, 1983, the crew of the freighter, *Ho Ming*, caught in heavy seas off the coast of Newfoundland, was forced to abandon ship. The Canadian destroyer, *Iroquois*, responded to the distress call of the freighter and launched a helicopter and two zodiac rubber rafts for the rescue.

The rescue was extremely dangerous, as the sea was swelling 12 metres. Sub-Lieutenant David Finch sustained a chest injury when he was pinned underneath a steel ladder during the rescue, and Ordinary Seaman Michael Bouchard was thrown into the freezing waters. Two crew members of the *Ho Ming* were also thrown into the water, and Able Seaman Dennis Morrison and Sub-Lieutenant Finch re-entered the water to save their lives.

Six crew members of the *Iroquois* are being awarded the Star of Courage, Canada's second highest bravery award, for their actions in this rescue. Six more will receive the Medal of Bravery, the third highest award.

It is not often that Members of Parliament from Ontario have the opportunity to speak on naval issues, but I am pleased that one of the men receiving the Star of Courage, Lieutenant Finch, is my constituent—

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

DISASTERS

ASSISTANCE URGED FOR GLACE BAY, N.S.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, once again I feel it incumbent upon me to raise the issue of the disastrous economic situation in Glace Bay and the surrounding areas.

As all Members are aware, the town has suffered two serious set-backs in the past several months, with the fire at the Highland Fisheries Fish Plant and the fire at the Number 26 Colliery, leaving 1,500 people out of work. While we were encouraged with the Minister of Employment and Immigration's (Miss MacDonald) recent announcement of $2.7 million to meet the immediate crisis, it falls very short of what is needed. What is needed for the town of Glace Bay and surrounding areas is a long-term reponse.

I urge that the Minister of Regional Industrial Expansion (Mr. Stevens) and his Government strongly consider and take action on the following: first, the provision of a pre-retirement plan for miners who are 55 years of age and over, second, an early decision for coal development in Glace Bay, and third, a federal-provincial development agreement in order to provide some short-term assistance for much needed infrastructure as well as trying to diversify the economy of Cape Breton. Monies ought to be made available for forestry, tourism, small business, agriculture, research and development, and fisheries. Yes, much money is needed for human resource training and retraining.

These initiatives are realistic. These initiatives deserve the consideration of the Government and the co-operation of the Province of Nova Scotia, and I would ask that the Minister move forthwith.

AGRICULTURE

ALBERTA CATTLE FEEDER INDUSTRY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, movements of Alberta replacement cattle into the U.S. market since the beginning of this year are alarmingly high. Up to February 25, 7,377 head of feeder steers and heifers were exported because of lower costs of production and better investment returns. It can be estimated that the total loss on exported feeders has amounted to in excess of $21 million just on the value added.

If this trend continues, it could very well result in the closing of one or more packing plants in the future.

There would also be a loss in feedlot employment, loss to the agriculture-service industry and to all the various multiplier effects the feedlot industry has within the province.

With the direct grain freight subsidy to the railroads, Alberta feeders are operating at a cost of production disadvantage of $35 per feeder. Barley in the Calgary area is 47 cents per bushel higher than would be the case if there were a change in the method of payment. Seventy-three bushels of barley, which is consumed to finish a 650-pound steer to 1,050 pounds, at 47 cents per bushel, amounts to the $35 disadvantage which I have mentioned.

These problems could be solved, Mr. Speaker, by changing the method of payment to the pay-the-producer solution, without causing any deleterious effects to the grain producers.

* * *

PUBLISHING INDUSTRY

PRENTICE-HALL CANADA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to draw attention of the House to a major opportunity facing the Government in the cultural development of Canada. I refer to the review of the Foreign Investment Review Agency of the Gulf and Western takeover of Prentice-Hall publishers, and the opportunity for the Cabinet to ensure that Prentice-Hall Canada becomes a Canadian company.

In the Investment Canada legislation now at committee stage, there is specific provision for screening of foreign investment in industries "related to Canada's cultural heritage or national identity". Prentice-Hall Canada meets this criterion. It is a major publisher in our country where only 25 per cent of books sold are Canadian, a figure which has not changed for 10 years.

Several Canadian publishers have expressed interest in acquiring Prentice-Hall at its estimated value of $20 million.

The Association of Canadian Publishers, in an appearance before the House committee on regional development, called on the Government "to express its commitment to Canada's cultural industries" by allowing the patriation of Prentice-Hall. The Association also made recommendations to strengthen the legislation by giving Canadian purchasers more time and opportunity to acquire cultural institutions.

The Cabinet decision on Prentice-Hall will signal whether the Government has a serious commitment to Canadians controlling our own cultural destiny.

In 1976 General Publishing was able to acquire Simon and Schuster Canada after a FIRA ruling. We are now waiting with interest to see if this Government will follow this clear and positive precedent of putting Canadians first.

* * *

HEALTH

MEASURES ADVOCATED TO PHASE OUT TOBACCO SMOKING

Mr. Stewart McInnis (Halifax): Statistics are instructive, Mr. Speaker. The great majority of peopfle who die of lung cancer are smokers. Smoking also contributes to other cancers, cardiac problems, and kidney disorders.

It is also a fact that the manufacture and distribution of tobacco products are not a trivial part of our economy, and an abrupt change in the laws about smoking would really hurt in many areas.

The following suggestions are sort of an à la carte menu. Some, or all, of the following could be implemented.

First, all advertising and publicity, including sponsoring of sports or cultural events, by tobacco companies, should be prohibited. Such a provision should come into force about a year after the legislation is passed in order to give publishers and others a chance to find other markets for their advertising space.

Second, a tax should be implemented, roughly equal to the amount that tobacco companies have been spending on advertising. The money from this tax would go into a fund, the purpose of which would be to help growers and manufacturers make the transition to other products.

Third, a standard drab packaging should be implemented for all tobacco products, perhaps the kind of black and white lettering you see on no-name merchandise.

Fourth, the distribution of tobacco products could be restricted making them available only through provincial government liquor outlets, for example.

Granted the economic impact is a reason for proceeding slowly with these measures, but it is not a reason for doing nothing.

* * *

• (1410)

AGRICULTURE

SNOW DAMAGE SUFFERED BY PEACE RIVER FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, Peace River farmers in northern Alberta and British Columbia

have about half of their crops caught under the snow. While some of the grain left over winter can be recovered, there will be high losses in bushel weight, and substantial losses in quality. Yes, they have access to crop insurance, but so did farmers in northeastern Saskatchewan, when they were flooded out last year, and they got disaster relief payments. When flooding occurred in northeast Saskatchewan, Conservatives in opposition said that a disaster area should be declared immediately and would be, if they were the federal Government.

The fact is that provincial Governments decide whether to declare a disaster area. Because of the unique geography of the Peace River area, both Provinces of British Columbia and Alberta must move together. Why won't these two Governments join in an application to the federal Government for the Peace River area to be declared a disaster area? What are they waiting for? Perhaps another election. That is what it took to get action for the flooded-out farmers in Saskatchewan. It is time these Governments began to fulfil their responsibilities to farmers in distress. Where is the advantage in having Conservatives in Ottawa, and Conservatives in Edmonton and Victoria, if they only co-operate in doing nothing?

* * *

CANADA POST CORPORATION

LACK OF SERVICE FOR MEDICAL CENTRE

Mr. Gerry Weiner (Dollard): Mr. Speaker, statements in the press have given Canadians the impression that the recent agreement between Canada Post and its union guarantees Canadians their mail delivery.

Every riding in this country contains Canadians denied mail service. Canada Post has done something no other institute can legally do. It has created second class Canadian citizens, second class because they have invested in Canada's future and purchased new homes. Is this the way to treat Canadians who believe in the future?

The situation is so bad that a new medical centre in my riding is denied mail service that buildings on either side receive. There are 35 doctors, plus a new children's clinic, which cannot get mail service. An entire medical centre is denied speedy access to test results. Blood tests are hand-delivered by patients. Why? Because the post office marks them "return to sender" and does not deliver to their building.

This type of disgraceful behaviour by a Crown corporation cannot be allowed to continue. I urge the Members of this House to put pressure on this corporation so that there will no longer be two classes of Canadians and that all Canadians will get mail service, service we all pay for as taxpayers.

[*Translation*]

HOUSING

SUBSIDIES FOR RENOVATION OF CO-OPERATIVE HOUSING UNITS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, last week, representatives of housing co-operatives in the Montreal area, of technical support groups for social housing and of Canada housing co-operatives sat in the office of the Hon. Member for Verdun-Saint-Paul (Mr. Chartrand) to show their disagreement with the Minister responsible for Housing in Canada about the possible suppression of subsidies paid for the renovation of co-operative housing units.

Mr. Speaker, should the Hon. Members of this House take such a decision, there is the danger in the first place that housing co-operatives will disappear and secondly, that there will be a rather substantial increase in rents for social housing. I therefore ask all the hon. members of this House to suggest to the Minister responsible for Housing—

Ms. Copps: He is not listening!

Mr. Malépart: —who is not listening—to refrain from such action, to maintain the funds earmarked for that purpose and to borrow from the Minister of National Defence (Mr. Nielsen) some $5 million from the $100 million required to implement the stupid decision to send more soldiers in Europe.

* * *

[*English*]

AUDITOR GENERAL

FEDERAL COURT ACTION—DEPUTY MINISTER'S SUBMISSION

Mr. Howard Crosby (Halifax West): Mr. Speaker, Parliament has a new champion. It is not a duly elected Member of the House of Commons or even an appointed Member of the malignant Senate. Our protector is a bureaucrat, even worse, a lawyer. He is the Associate Deputy Minister of Justice, Ian Binnie. Mr. Binnie exhorted the Federal Court of Canada to dismiss the claim of the Auditor General. Kenneth Dye, he says, has assumed leadership of an extra-parliamentary non-elected Opposition. The Auditor General does not need me to defend his actions with respect to Petro-Canada's takeover of Petrofina against this outlandish and arrogant criticism. But I have a message for Mr. Binnie, virtually everyone of political integrity supports the Auditor General in his search for truth. The only reservation is whether the investigation should extend to areas protected by secrecy in the public interest.

There is a delicate balance between the public's right to know and the necessity for cabinet confidence. Mr. Binnie does not aid the rendering of judicious decision by attacking the person and clouding the issue. The real victim of Mr. Binnie's outrageous invective is not the Auditor General or Parliament, but the judicial process.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

SEIZURE OF TURKISH EMBASSY IN OTTAWA—SECURITY ARRANGEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday in refusing in clear terms to answer questions about protection of foreign missions arising from the Turkish Embassy tragic incident, the Deputy Prime Minister said that he was trying to protect national security in not giving us clear answers. My suggestion to him is that he cynically tried to cover up government incompetence.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): He told us that a month ago security over the Turkish Embassy had been reviewed. He did not tell us what we have learned from Ankara, that 10 days ago the Government was advised by the Turkish Government to increase protection at the Turkish Embassy. Since the Deputy Prime Minister advised this House that he is in charge of these matters rather than the Solicitor General, did he tell the Prime Minister of the warning from the Turkish Government about increased terrorism, and did he, or the Prime Minister, then order increased surveillance over the Turkish Embassy?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can understand, as I am sure all Hon. Members of this House can understand, the shock and dismay of the Turkish Government in Ankara over the events with respect to the incident at the Turkish Embassy here. However, that does not alter for a moment the facts as I have described them in response to the questions yesterday, that an intensive review was undertaken, not 10 days ago, but last month. I can assure him that was the communication that we had directly with the Turkish Government through its Embassy. After that intensive review, the Turkish Government, through its Embassy, a month ago expressed its satisfaction with the security arrangements which were made with the Turkish Government through its Embassy at that time, a month ago.

RCMP REPORT—STATEMENT ATTRIBUTED TO SOLICITOR GENERAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are referring to a communiqué apparently directly from the Turkish Government in Ankara, 10 days ago. If, as the Deputy Prime Minister attempted to explain to the House yesterday, in answering a question on whether or not the RCMP report on the international terrorism situation in Canada has or has not been implemented, that to answer that question would offend national security, which is what he suggested—he claimed that any statement on the matter would jeopardize security—why did the Solicitor General, when he left this House yesterday, tell reporters that that same report had not yet been considered by Cabinet? If security is indeed involved, will the Deputy Prime Minister tell us whether that statement by the Solicitor General was a breach of national security?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the right hon. gentleman knows after my responses to him yesterday, I made the offer to him and the Leader of the New Democratic Party, who was in his seat at the time yesterday, certainly not the day before when a similar offer was made to him, to brief them fully as Privy Councillors with respect to the ramifications of all of these matters, but they chose not to follow that constructive course. They choose not to be a part of finding effective solutions. They choose rather to urge us, as a responsible Government, to make disclosure of security arrangements which are being recommended or are to be considered for the protection of our embassies. I do not think that is helpful at all.

Some Hon. Members: Hear, hear!

CABINET REVIEW INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is absolute nonsense. What the Deputy Prime Minister suggested was that he take me and the Leader of the New Democratic Party into his confidence under oath, hoping that this question would disappear from the floor of the House of Commons. This question will not disappear from the floor of the House of Commons.

• (1420)

Mr. Speaker, this is an important question. The Deputy Prime Minister told me three times yesterday that the RCMP report on increased terrorism had been acted upon. He said he told me that three times. Then, in response to my colleague, the Hon. Member for Saint-Henri-Westmount, he said—

Mr. de Cotret: You got it right.

Mr. Turner (Vancouver Quadra): I always get it right. He said that it would not be in the interests of national security to say whether or not the report had been acted upon. This occurred about 15 minutes later. Then the Solicitor General left the House and said that that report had not been acted upon and had not even been considered by the Cabinet.

Some Hon. Members: Question.

Mr. Turner (Vancouver Quadra): My question—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Now that the Right Hon. Leader of the Opposition has arrived at his question, please let him put it.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I know your patience is elastic because of the seriousness of the issue.

In view of the discrepancy between the Deputy Prime Minister's remarks to the House and those of the Solicitor General on leaving the House, will he get his act together and tell us whether the RCMP report has been considered and reviewed by Cabinet, or not? I would ask him to please give us a clear answer. I will assure him that it will not endanger the national security of the country.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I very much doubt that the right hon. gentleman is in any position to advise me to get my act together. In any event, the answers I gave him yesterday still stand. It is the view of the Government that it is not in the interests of discharging the Government's responsibilities for the protection of embassies to be entering into this kind of exchange on the floor of the House of Commons.

With respect to the briefing which he dismissed yesterday, and in which he did not want to participate because it would somehow compromise his ability and that of the Leader of the New Democratic Party to ask questions in the House of Commons, that is precisely why there are traditional areas in which the Leader of the Opposition is taken into the confidence of the Government. It is so that he, as an officer of the House, can be made fully cognizant of the problems, and hopefully—

Mr. Turner (Vancouver Quadra): You should set this one to music.

Mr. Nielsen: He says that I should set it to music. It is far more serious than that kind of frivolity. Once again, the matter is now under intensive review. We hope to arrive at an early solution. The Government would welcome the Right Hon. Leader's input and that of the Leader of the New Democratic Party in arriving at those solutions which would provide the kind of security measures for our embassies which the country expects, and which we have a responsibility to provide.

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NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—CANADA-UNITED STATES AGREEMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Minister of National Defence and Deputy Prime Minister. Last week in committee when we were preparing the agenda for the study of the Estimates, the Parliamentary Secretary to the Minister said that the Minister was not well enough briefed to come before the committee to explain the North Warning System agreement and its relation to star wars. Now that the Minister has signed it, I would hope that he has been briefed. Why does he not come to the committee this afternoon to debate the issue about which *The Globe and Mail* has said, "start debate before it is too late"? The Canadian people want to know why the Government refuses to explain to the House of Commons this $7-billion agreement that might change the future of our policies for the protection of our territory and our sovereignty.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know why the Hon. Member would ask that particular kind of question. He was a member of the Government throughout the negotiations which have taken place from 1976 onward, and which have culminated in us reaching an agreement on this very system. For over nine years the Hon. Member was privy to all—

Mr. Chrétien: I didn't sign it.

Mr. Nielsen: He certainly did not sign it. That progress will be made on March 18 when the agreement will be signed. With respect to exposure, it has been before the Senate committee and the committee of the House of Commons at which the Secretary of State for External Affairs was prepared to answer all the questions of Members. However, Members ran out of questions. With respect to my going before the committee, I will go at the earliest possible opportunity.

[*Translation*]

GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am quite surprised by the reply the Deputy Prime Minister and Minister of National Defence has made. Last week, his Parliamentary Secretary indicated that the Minister was not sufficiently informed. This agreement will be signed this coming Sunday. We are told on the one hand that airports will be built in Northern Canada, and on the other hand that the North Warning System is only a radar line to watch over the Canadian North. Well, Canadians are asking a number of important questions, including this one: Could the Minister attend today our committee meeting, scheduled for 3:30 p.m. to provide some answers, in order to satisfy Canadians that we are not irrevocably jeopardizing Canada's future and allowing it to be locked into the Star War program which the Parliament of Canada firmly rejected as recently as last spring.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yes, Sir.

* * *

TERRORISM

SEIZURE OF TURKISH EMBASSY IN OTTAWA—TURKISH GOVERNMENT WARNING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Did the Turkish Government notify the Minister or any officials of his Ministry with regard to its concerns for the safety of the Turkish Embassy in Ottawa prior to the recent terrorist attack?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question has already been answered by the Minister of National Defence. There was a request made in mid-February. There was a response made by the Government of Canada which was deemed satisfactory at the time by the Turkish Embassy. There has been no communication with the Turkish Embassy or the Turkish Government since that time.

LETTER TO SECURITY AGENCY PERSONNEL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Secretary of State aware that one week before the attack took place, Pinkerton's sent a letter to its operatives who were guarding the Turkish Embassy, informing them that they had to be more vigilant during this high-risk period? Does the Minister feel that that was sufficient to meet the risks that were brought to the attention of the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I know of no such letter. It is precisely for that kind of reason, and for other very obvious reasons, that the invitation has been extended to the Leader of the Hon. Member's Party so that he may be fully briefed on the matter. Hopefully he can make constructive suggestions with respect to finding adequate solutions.

TRAINING OF AGENCY PERSONNEL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me ask the Deputy Prime Minister, if he is interested in holding a meeting with my Leader, if he would be kind enough to put, in a letter to us, what it is that he intends to discuss and the parameters of the meeting? Many times I have heard in the House offers to do things that never materialize. Is the Deputy Prime Minister—

Mr. Hnatyshyn: Have Ed show up. He'll find out soon enough.

Mr. Deans: What is he supposed to do, stand outside the door and wait to be invited in?

Is the Deputy Prime Minister aware that the training requirements for Pinkerton's guards guarding the embassies are three to four hours of instruction in the law regarding the handling of guns, and three to four hours of target practice, and that that is it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): With respect to the last question, if the hon. gentleman would send me a copy of the letter to which he refers, I am sure it would be most helpful.

With respect to the training, as I answered yesterday in response to a similar question, naturally training, or indeed roles with respect to the provision of security at our embassies, is one of those matters that is under intensive review at this very moment, the object being to ascertain whether or not the facts alleged by the Hon. Member are so. They may be so and they may not be so, but surely that has to be the subject matter of the kind of intensive review of which I speak.

• (1430)

Again, I would invite them to participate. Surely I do not have to send the right hon. gentleman and the Leader of the New Democratic Party a formal, embossed invitation to meet with me. Surely this exchange in public, on the floor of the House of Commons, should be sufficient. If they are at all interested, all they have to do is communicate with me and I will see to it that such a meeting is set up.

Some Hon. Members: Hear, hear!

* * *

NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—SIGNING OF AGREEMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the Chairman of the Standing Committee on External Affairs and National Defence informed me that he did ask the Minister of National Defence to appear before the committee and that he could not attend this week. However, he has just said yes, that he will now go, and he said yes to me last Wednesday. What is the conflict?

Yesterday we were told that the North Warning System agreement would be signed this weekend in Quebec City, after only one hour and 40 minutes of very general discussion in committee. Naturally, it is an absolute understatement to say that many crucial questions have not been answered. Will the Minister assure Canadians that there is a clause in the agreement which will, without any doubt or reservation, protect Canada from being tied into future technological developments which Canadians may not want?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as I indicated yesterday—and certainly in the press package which was delivered and which the Hon. Member has in his possession—immediately upon the signing of the agreement it will be tabled in the House and made public. It may be referred, or taken up on its own initiative, by the standing committee. At that time the answers to all of the questions will be readily apparent and the provisions of the agreement will be public knowledge.

REQUEST FOR REVIEW PROVISION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, we will be waiting for the Minister at 3.30.

The existing NORAD Agreement has built into it a periodic five-year review by Parliament. Will the Minister now assure Canadians—and don't cop out because we deserve answers today before it is signed—that the agreement for a North Warning System will have a five-year review provision in order that the elected representatives of the Canadian people can

examine it? Surely those are questions to which we should have answers before the ink is placed on the agreement.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can see no reason, if the standing committee so chooses, that it should not examine the provisions of the agreement every year—not every five years, but every year.

REQUEST THAT AGREEMENT BE TABLED

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Minister of National Defence. He has just announced this afternoon that he will be attending a meeting of the defence committee today at 3.30. Is that correct?

Mr. Nielsen: No.

Mr. Blackburn (Brant): Therefore, my question is: when he does go before the committee, or if he does not go before the committee, will he at least table in the House the exact wording of the agreement before it is signed? I put that to him, not only as the Minister of National Defence, but as a professional lawyer. Would he advise a client to sign a contract without first reading the wording?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to my appearance before the committee, information has been conveyed to the chairman with a firm committed date for my appearance. I am trying to arrange my schedule to appear sometime next week. If that is at all possible, I will do that. I would be delighted to do that.

With respect to making the agreement public before it is signed, as I indicated yesterday, the agreement is to be signed in Quebec city on March 18. It will then be made public and tabled in the House of Commons.

AGREEMENT PROVISIONS

Mr. Derek Blackburn (Brant): Mr. Speaker, obviously, to a democratic parliamentary body that is totally unacceptable.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): This Government was supposed to have a new wave of openness. Could the Minister of National Defence go part way? What specific wording in the proposed agreement precludes Canada from participating in a star wars defence system as an inadvertent consequence of signing? Could he at least give us the words which would provide that protection?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it may be unacceptable to the hon. gentleman, but the form of government which we operate under in this country permits—

Mr. Turner (Vancouver Quadra): Secret.

Mr. Nielsen: Well, the right hon. gentleman has been away for ten years, so maybe he doesn't know.

Mr. Turner (Vancouver Quadra): Sign first and tell us later. I love it.

Mr. Nielsen: All of the elements of the agreement were in my announcement yesterday.

Mr. Blackburn (Brant): No way.

Mr. Nielsen: The reason they do not believe that is so is because they refuse to accept what is stated here. I can understand the Hon. Member wanting to look at every "t" which is crossed and every "i" which is dotted, but I certainly cannot understand those in the Official Opposition, including the Hon. Member for Winnipeg—Fort Garry and the former Minister of External Affairs, putting that kind of question. They were the ones who negotiated that very agreement for nine years. They cannot stand here now and tell us they do not know anything about it.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. JOHN KERIN, AUSTRALIAN MINISTER FOR PRIMARY INDUSTRY

Mr. Speaker: May I interrupt the proceedings to advise Members of the presence in our gallery today of the Australian Minister for Primary Industry, the Hon. John Kerin, MP, who is leading a delegation from Australia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF HIS EXCELLENCY YITZHAK SHAMIR, VICE PREMIER AND MINISTER OF FOREIGN AFFAIRS OF ISRAEL

Mr. Speaker: May I also advise Members of the presence in our gallery today of the Vice Premier and Minister of Foreign Affairs of Israel, Mr. Yitzhak Shamir.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

SINAI—REQUEST FOR PEACEKEEPING CONTINGENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would say by way of preamble to Members opposite that the reason we are so curious to know is that, if we were there signing that agreement, it would have been in the national interests of Canada. But, with the flip-flops they have had, we are not so sure.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I would like to direct a question on another important matter to the Secretary of State for External Affairs. In light of the recent discussions which were held with the Minister of Foreign Affairs of Israel, and requests which we have received from other allies, such as the United States and Egypt, concerning the commitment of Canada to replacing the Australian contingent in the Sinai Peninsula peace force, is the Secretary of State for External Affairs able to tell us today whether, on behalf of Canada, the Government will make that commitment and become part of the peacekeeping unit in the Sinai?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. He noted appropriately that the request has come to Canada from both Egypt and Israel, as well as other countries which are interested. He will know that the Australian commitment ends in slightly less than 13 months. The Government of Canada is seriously considering the request. We expect to have a response for the requesting Governments within the next few weeks, certainly in time for decisions to be made by the countries which might be affected.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I thank the Hon. Minister for that response. We can take from the response that the Government is considering, in a positive way, the possibility of becoming involved. We would like to know, at this point in time, what kind of planning is taking place, both within the Government and with our allies, in terms of the composition of the force, the kind of contingent which might be brought forward, and the kind of commitments which would be required. Can he give us some indication of what those requests were and whether in fact we are now in a position to respond to them?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, contrary to the practice of former Governments, I have made it a practice on matters like the North Warning System, the Strategic Defence Initiative, and others, to call the House of Commons into my confidence, when there is something to announce.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): That is a practice which this Government has renewed, and which we intend to continue. We are now at a stage of actively considering the request. Once that consideration is completed, I will advise Hon. Members of all aspects of that decision.

Oral Questions

ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES DISCUSSIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of the Environment. According to today's press reports it looks as if the highlight of the summit meeting this weekend between the Prime Minister and the President of the United States will be yet another agreement to study further the effects of acid rain in this country. Acid rain has been studied to death, and the last thing we need in our country, or in the United States, is a further study. Would the Minister assure this House that when the Prime Minister meets with Mr. Reagan this coming Sunday he will demand that the U.S. Government not just enter into another study but provide some concrete program finally to find a solution to this very serious problem?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I suggest that if my hon. friend from the New Democratic Party would compare the performance of the previous Government with what we have accomplished over the past six months, there is ground for optimism.

[*English*]

Mr. Young: We know what the previous Government did, and you are not doing much better.

REQUEST THAT GOVERNMENT DEMAND ACTION

Mr. Neil Young (Beaches): What we want to know from the Minister of the Environment is whether members of this Government are going to stop being a bunch of pussycats on this issue—

Some Hon. Members: Oh, oh!

Mr. Young: —and demand that the U.S. Government finally do something about acid rain?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am not sure how to answer that question. Recent polls have indicated, I believe, that Canadians are quite satisfied with this government's approach, and that is the same approach we are going to adopt this coming Monday in Quebec City.

* * *

[*English*]

AGRICULTURE

CATTLE INSPECTION FEES

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, my question is directed to the Minister of Agriculture. The proposed inspection fee of 67 cents per head of cattle, or a minimum fee of $125 for less

than 100 head of cattle, would be a severe blow to small, provincially inspected plants which now have Agriculture Canada grading. Will the Minister look into the suggestion made by the Ontario Freezer Meat Association that the meat inspection branch have its provincial inspectors do the grading in plants at the time they do their inspection?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question of the Hon. Member, and I certainly appreciate his concern and the recommendation. I must, however, indicate, Mr. Speaker, that in the Provinces of British Columbia, Saskatchewan, Manitoba, and Nova Scotia, I believe, we have federal-provincial agreements whereby we do share grading and inspection services. However, in the Province of Ontario the provincial plants are inspected under provincial jurisdiction and by provincial inspectors.

I met with the provincial Minister of Agriculture for the Province of Ontario this morning. He did not raise this issue. I share the Hon. Member's concern and, indeed, I can assure him that we will continue to work together so that we can maintain the high standard of inspection and grading. Perhaps we can even improve that system. By working together we will be able to work out some economies, both on the public and the private side.

* * *

AGRICULTURE

MARITIME FARMERS' COUNCIL'S REQUEST FOR EMERGENCY FUNDING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Agriculture. As the Minister knows, the pay-out annually under the Western Grain Transportation Act and the Western Grain Stabilization Program is about $600 million. We on this side of the House certainly do not disagree with those expenditures. However, would the Minister explain the fairness, if you will, with regard to denying the request of the Maritime Farmers' Council for emergency funding in the amount of $13.5 million?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think that the Hon. Member must be greatly misinformed because at no time have I ever denied the request of the Maritime Farmers' Council with reference to additional feed freight assistance. We are having ongoing discussions with representatives of the Maritime Farmers' Council. At no time have I ever rejected such a worth-while and legitimate request.

TIMING OF DECISION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. I suggest to him that this inordinate delay in acting upon the request is tantamount to a refusal. In view of his previous statement, would the Minister undertake to assure this House by March 20 or March 25 that he will have a firm commitment in writing for the Maritime Farmers' Council who are requesting a meagre $13.5 million for emergency funding? Will the Minister give us that assurance?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would love to give such an assurance but, obviously, common sense would dictate that it would be impossible for me to provide it at this point in time.

* * *

FISHERIES

CANADA-UNITED STATES SALMON TREATY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Minister of Fisheries and Oceans admitted on the public record that the Canada-U.S. Salmon Interception Treaty went through Cabinet in 30 minutes. He admitted on the public record that it was riddled with problems but that the Prime Minister wanted it very badly. One of the Prime Minister's main concerns was how fast could the Cabinet get back to the Americans with it. Does the Deputy Prime Minister believe that this is the way for a responsible Government, or an independent nation, to make an international treaty? Does the Deputy Prime Minister believe that that is the appropriate way to make an international treaty?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the appropriate way to make an international treaty is exactly the process which was followed in this case. After many years of negotiating, and after getting around the difficulties of two years ago when the American Senate was not prepared to accept the draft agreement which had then been reached, a negotiating team was set up which represented every user group on the west coast of British Columbia, and all interest groups. As a consequence of that, an agreement was reached. Under our parliamentary system it was then my responsibility to advise the Cabinet, the Government of our country, on whether or not that was an appropriate treaty to enter into. I took that responsibility and I gave that advice.

I say to the Hon. Member that this is not the American system. The United States has a republican democratic form of government. We have a parliamentary democratic form of government.

Mr. Skelly: I might say that this is the most offensive mechanism that I think any democracy has seen.

YUKON FISHERY

Mr. Ray Skelly (Comox-Powell River): My supplementary question is directed to the Deputy Prime Minister. Article 8 of the treaty says that Canada and the U.S. must reach a specific agreement on the Yukon fishery before the treaty comes into force. The Minister today in committee admitted that no such agreement was in place. Would the Deputy Prime Minister admit that the Government bungled this treaty and it is likely,

if this treaty is to come into force, it will have to give away the Yukon fisheries?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member, who is from the West Coast, is better at making statements than he is at reading the text of the treaty. The treaty does not say that Canada and the United States have to enter into an agreement on the Yukon River. What it does say is that both sides will set a range to establish a beginning of negotiation, and they will then meet in October of this year to talk about the Yukon River. The difficulty is that my hon. friend keeps confusing the setting of a range of fish available to either country as a beginning to negotiations with that of a commitment to settle the matter, when it cannot be settled without the negotiations the treaty clearly implies.

* * *

● (1450)

CRIMINAL CODE

GAMBLING PROVISIONS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, my question is for the Minister of Justice. I ask the Minister if there is any intention to remove or amend the gambling provisions of the Criminal Code to legalize gambling machines, casinos, or other public gaming places?

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we have a very rowdy opposition. There is no present intention to do what the hon. lady refers to in her question. However, there is a request from one of our provinces that certain changes be made—

Mr. Blackburn (Brant): Which one?

Mr. Crosbie: —which we have under advisement. It shall remain secret until I reveal it in the next installment.

* * *

[*Translation*]

HOUSING

DECISION TO CUT BUDGET FOR HOUSING RENOVATION PROGRAM

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a question for the Minister responsible for Housing in Canada. Last week, spokesmen for the housing co-operative societies of the Greater Montreal area staged a sit-in in the office of the Hon. Member for Verdun-Saint-Paul, to protest the $4.5 million cut announced by the Minister in the housing renovation program that was related to co-operative housing. Can the Minister tell us whether he is aware that if he stands by that decision, he runs the risk, first of killing co-operative housing in the Greater Montreal area and in all Canadian urban centres, and, second, of witnessing a significant rent increase?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to thank the Hon. Member for assisting me in clarifying something which may be unclear in his mind and in the minds of his constituents. There has been no decision made by the corporation on the disposition of non-profit RRAP to which the Hon. Member refers. It is included, along with other programs, in the study that this Minister and the corporation are doing. I would also suggest to the Hon. Member that the decisions made by a Crown corporation are not decisions made by a Minister.

Some Hon. Members: Oh, oh!

Mr. McKnight: The Hon. Members were here when we passed the amendments to the Financial Administration Act, Mr. Speaker.

I suggest to the Hon. Member that I am working with the corporation, with the group from his very city whom I met last night, and with the Co-Op Housing Foundation, to find ways, given the fiscal constraints facing this Government, to provide housing units for those in need in Canada.

[*Translation*]

REQUEST THAT GOVERNMENT GIVE SUPPLEMENTARY FUNDING

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary, Mr. Speaker.

Rather than looking where to make cuts in social housing programs, would the Minister have the courage to do what the former Minister responsible for Housing under the previous Government did, that is get to the Minister of Finance and ask him to provide his Department with extra funding rather than invest $110 million in sending soldiers to Germany?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would only answer questions which are my responsibility. However, I would suggest to the Hon. Member that this Government will not cut co-op housing by 41 per cent as was done by the previous Government. I will inform the Hon. Member that, with co-operation from those who are committed to providing housing in this country, this Government will provide more units in the co-op housing field than that Government did last year, and for fewer dollars.

Some Hon. Members: Hear, hear!

[*Translation*]

HUMAN RIGHTS

GRANT PROMISED TO "ACTION-TRAVAIL" GROUP

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a question for the Minister of Justice. In November, the Minister announced a $50,000 grant to "Action-Travail", a group that is supporting women who want jobs with the Canadian National. But the said group has not yet received that money. Can the Minister tell us now when his Department will dish out that money so that those women may take their case to the Human Rights Commission?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I recall making that commitment. If they have not received the money already, they certainly will do so. The mighty arm of the law will come to their assistance.

CANADIAN NATIONAL RAILWAYS' APPEAL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to hear that a cheque will be written out this afternoon and forwarded immediately.

Would the Minister comment on the peculiar way this has been arranged? On the one hand, taxpayers are paying the Human Rights Commission to deal with equal pay and insist on an affirmative action plan at Canadian National. On the other hand, the taxpayers are paying both Canadian National to appeal that decision and the women concerned to continue the case against the appeal. Would it not be better for the Government simply to order Canadian National to institute a realistic plan of action and get on with the matter of hiring women in sizable numbers in Crown corporations?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am afraid the Hon. Member does not seem to understand, and I would have thought she would have, how the Human Rights Commission works. If it thinks there is a reasonable complaint that should be examined, the Commission establishes a human rights tribunal and the tribunal makes a decision. Canadian National is receiving no money from the taxpayers to undertake its appeal. It is a Crown corporation which generates sufficient funds to operate, and it does so independently of government. It is financing its own appeal.

However, the Government, because of its sympathy for the position of the women involved, and because there are important points of law to be determined in this matter, is assisting them to finance their appeal. I think every Member of this House should applaud our action in that regard.

PUBLIC SERVICE

DEPARTMENT OF FISHERIES AND OCEANS REORGANIZATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and deals with human resources management. The Minister knows of a purported reorganization of the Economic Development Directorate of his Ministry into what is to be known as a new Economic and Commercial Analysis Directorate. He also knows from reports of the staffing associations that certain staffing procedures have not been observed in this regrouping, indeed some have been judged to be illegal and have been appealed to the Public Service Commission. Will the Minister bring the House up to date on this reorganization and assure us that it is a real reorganization, not a phony one to favour some preferred friends?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the question is appropriate because there has been a complaint. As Hon. Members know, there is a procedure, and it is being followed. I want to assure the Hon. Member that the reorganization to which he refers is being done on the basis of increasing the competence and delivery of services and programs by the Department.

My hon. friend invites me to make a comment which I do not think is appropriate for me to make at this moment because the matter is in a, if not judicial process, a quasi-judicial process, and I will of course abide by the outcome of that process.

MINISTERIAL RESPONSIBILITY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, having worked with the Minister, and knowing him to be a fair man and one who respects the law, will he personally intervene in this case if an employee of his is judged to have been laid off irregularly?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I think it is my responsibility as Minister to guard with diligence the welfare and working conditions of employees within my Department. I will do that. I am quite prepared to meet with the Hon. Member and discuss the matter further, but I think it will become clear that we do not have a question here of anyone being laid off in the sense of losing their employment in the Department.

* * *

ENERGY

FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy. The energy negotiations between the Conservative federal Government and the Conservative Governments of the producing provinces have bogged down for the second time. The Prime Minister

promised in his famous red barn speech that a Tory Government would completely eliminate the petroleum gas and revenue tax. It is well known that Conservative Premier Peter Lougheed wants to hold the Government to this promise. Are the Minister of Energy and her Government still committed to the complete elimination of the petroleum and gas revenue tax in an energy agreement?

● (1500)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I say almost daily in the House, negotiations with the western producing provinces are going ahead. There is a meeting today in Calgary. There was a meeting yesterday in Ottawa. At such time as we conclude an agreement I will so report to the House.

Mr. Waddell: Mr. Speaker, I am concerned that the Prime Minister has opened the red barn door and let out the Minister of Finance's horse.

GOVERNMENT REVENUE

Mr. Ian Waddell (Vancouver-Kingsway): In view of the fact that the spending Estimates indicate that the Government expects to get more revenue from the oil and gas industry than last year, how does it expect to increase its revenue without breaking its promises and holding on to the PGRT?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I said, I am not going to negotiate in public when I am negotiating in private with the Energy Ministers. In terms of the Estimates, if the Member will take a good look at the Estimates he will notice that there are PIP payments which must be made as we promised.

* * *

CLERK OF PETITIONS' REPORT

GASOLINE PRICE INCREASES IN QUEBEC

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Duvernay (Mr. Della Noce) on Wednesday, March 13, 1985, meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

ALLEGED THREATENING REMARK OF MR. McLEAN—RULING BY MR. SPEAKER

Mr. Speaker: I am now ready to rule on the question of privilege raised by the Hon. Member for Hamilton East (Ms. Copps) on March 12, 1985. The Speaker, as Members know, does not judge the issue. Only the House can do that. The Speaker must simply decide whether, on the evidence available, there is a case sufficiently strong to justify the setting

aside of the regular business of the House and taking it under immediate consideration.

The Chair has a very delicate situation to deal with. The Hon. Member for Hamilton East sincerely believes that her privileges, and those of all Members, have been violated as a result of a press report of a statement attributed to the Secretary of State (Mr. McLean). I do not think it would be going too far for me to indicate that, given what I read in the press, I can thoroughly understand why the Hon. Member for Hamilton East and other Members were distressed.

Privilege is itself an exception from the normal law and falls within carefully prescribed and narrow bounds, as the Hon. Member indicated herself in her submission. As she also indicated, the question I must decide is whether there is prima facie evidence of a direct threat which attempted to influence Members' actions in the House. The action that is complained of is a statement to a reporter. There are, therefore, two issues: one, would the statement, if made, constitute a breach of privilege; and two, the prior issue, whether the action complained of in fact occurred.

As her evidence that such a statement was made, the Hon. Member relies exclusively on the newspaper report. Hon. Members will know that the Chair has seldom, if ever, given much import to such reports for reasons every Member who has ever been misquoted will understand all too well. In such cases the first question for the Chair is, therefore, the quality of the evidence.

In this case the remarks of the Hon. Secretary of State indicated clearly that the Minister does not deny saying the words complained of. However, he did also say that the report placed his words "in a new context", and that he did not make the threat which has been inferred from the way in which he was reported. As Hon. Members would expect, in a factual conflict between a report in the press and the statement of a Member to the effect that he or she has been improperly quoted, the Chair must always take the word of the Member. I do so in this case. No further issues need be resolved therefore, and I rule that a prima facie case of a question of privilege has not been made.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask my hon. friend what the business of the House will be for the ensuing week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to take this opportunity to announce that I will be allotting next Tuesday as the sixth Opposition Day in the current period of supply.

With regard to today, tomorrow and next week, it is my intention to call the following Bills in this order: Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act; Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms; Bill C-25, an Act to amend the Agricultural Stablization Act; and Bill C-19, an Act respecting the reorganization of Bell Canada. It is also possible, Mr. Speaker, that pursuant to the agreement reached on the floor of the House with respect to debate on Bill C-32, and depending upon the deliberations of the Standing Committee on Fisheries and Forestry, I could move the resumption of debate on Bill C-32, an Act to amend the Fisheries Act.

Therefore, I will continue to monitor the progress being made with respect to legislation. If changes are to be made in the order of business that I have just announced, I will give the House the earliest possible notice of that.

ROUTINE PROCEEDINGS

[*Translation*]

EDUCATION

TABLING OF DOCUMENT ENTITLED "GIVING GREATER POINT AND PURPOSE TO THE FEDERAL FINANCING OF POST-SECONDARY EDUCATION AND RESEARCH IN CANADA"

Hon. Walter McLean (Secretary of State): Mr. Speaker, under Standing Order 46(2), I am pleased to table, in both official languages, a paper entitled: "Giving Greater Point and Purpose to the Federal Financing of Post-Secondary Education and Research in Canada."

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PETITIONS

FISCAL ADVANTAGES TAKEN FROM CORPORATIONS

Mr. Louis Plamondon (Richelieu): Mr. Speaker, to the Honourable House of Commons in Parliament assembled, I have the honour to present on behalf of some Canadian citizens a petition dealing with the power of Parliament to use fiscal advantages taken away from corporations and reinvest them in the interests of all Canadians.

FIXING OF COMPETITIVE GASOLINE PRICES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour to present a petition signed by 59 gas retailers from border municipalities in the constituency of Brome-Missisquoi. The petition is signed by gas retailers operating near the U.S. border who are humbly asking Parliament to instruct the Minister of Consumer and Corporate Affairs (Mr. Côté) to set a competitive price for gas in their area in order to uphold the right to free competition.

I urge the government to accept that request and take action.

* * *

[*English*]

INCOME TAX CONVENTIONS ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) moved that Bill S-3 (from the Senate), an Act to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus and Canada and the Federative Republic of Brazil for the avoidance of double taxation with respect to income tax, be read the first time.

Motion agreed to and Bill read the first time.

* * *

MOTIONS TO ADJOURN UNDER S.O. 30

Mr. Speaker: I have received two notices of motions under Standing Order 30 and I propose to hear them in the order in which they were received. The Hon. Member for Saint-Maurice (Mr. Chrétien).

[*Translation*]

NORTH AMERICAN AIR DEFENCE AGREEMENT

Hon. Jean Chrétien (Saint-Maurice): Pursuant to Standing Order 30, Mr. Speaker, I wish to move the adjournment of the House for the purpose of dealing with an important matter requiring urgent consideration, namely, the signing four days from now of an agreement between Canada and the United States concerning a warning system in the North.

[*English*]

Mr. Speaker, in light of the debate in the House, I think it is very very important that we debate this situation. Today the Minister of National Defence (Mr. Nielsen) said he was going to come to the committee. Afte that he said he was not going to come to the committee. Everyone in the nation is confused. The press is asking for a real debate before the agreement is signed. That is why a debate is urgent; there will be no other occasion since the deal will be concluded this Sunday.

Some Hon. Members: Hear, hear!

• (1510)

[*Translation*]

Mr. Speaker: I have been given advance notice by the Hon. Member for Saint-Maurice of his intention to move the

adjournment of the House under Standing Order 30 to deal with an important matter requiring urgent consideration.

The matter referred to in his notice is indeed very important and is held by the Hon. Member and several of his colleagues as deserving urgent consideration.

I must say, however, that the signing of such an agreement between Canada and another country for the defence of Canada could hardly be considered, in view of the present circumstances, as being really urgent. Clearly, the decision to sign or not to sign such an agreement is the prerogative of the Government. Hon. Members can no doubt complain that the matter was not debated in the House, but the fact remains that such an agreement is a policy decision that should be considered during ordinary debates.

Moreover, there will certainly be an opportunity to deal with this issue very soon, because there are two allotted days left for the consideration of the business supply during the current period.

I must therefore declare that the request made by the Hon. Member for Saint-Maurice does not meet the requirements of Standing Order 30.

[*English*]

IMPENDING SIGNING OF AGREEMENTS WITH UNITED STATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as you know, I also filed with you my intention to move that three matters of urgent importance require the House of Commons to adjourn now in order that we can discuss, in order, the following questions. The reason I suggest that each case constitutes an emergency is that the signing of three agreements or treaties with the United States will take place over this coming weekend.

The three agreements are as follows: an agreement on the salmon fisheries; an agreement on the question of acid rain; and the agreement with respect to the matter raised by my colleague from Saint-Maurice (Mr. Chrétien), the North Warning System Defence Agreement.

I believe this is an emergency because the agreements in question have been debated and discussed by the Congress and the Senate of the United States but they have not been debated or discussed by the Parliament of Canada.

My second point is that there is in fact a serious disagreement over the intention of the North Warning System Defence Agreement itself. In fact, there is a conflict in interpretation between those learned commentators for the U.S. and certain members of the administration of the United States Government and the Government of Canada as to the ultimate results of the signing of this agreement. Therefore, this must be debated by the Parliament of Canada in order clearly to determine what will be the ultimate consequence.

Mr. Speaker: With great respect, the Member is putting me in terrible difficulty and he knows it. The Standing Order stipulates very clearly that his right to make a statement at this point is to present to the House the statement he has sent me in writing. The Hon. Member for Saint-Maurice (Mr. Chrétien) presented me with the same difficulty. I am therefore attempting to allow the Hon. Member for Hamilton Mountain (Mr. Deans) the same leeway that I allowed the Hon. Member for Saint-Maurice. The Hon. Member for Hamilton Mountain is now putting me in difficulty.

Mr. Deans: Mr. Speaker, I apologize to you and the House if I am overstepping the bounds but I thought it important to point out why I consider the matter to be an emergency. However, I will not continue with that. I want to suggest, as I have indicated in the letter, that it is of vital importance that these treaties or agreements be looked at by the House in advance of the signing.

Mr. Speaker: With great respect, I take it that the Hon. Member for Saint-Maurice was indicating earlier that my disagreement was that I in fact granted the Hon. Member for Hamilton Mountain more leeway than I granted the Hon. Member for Saint-Maurice in diverging from the statement. That is fair enough.

However, Hon. Members will know in the future that applications under Standing Order 30 are to be made to the Speaker in writing. It is in that letter that the arguments should be made so that the Speaker may have some prior opportunity to think about the matter. The rule very clearly says that the argument made now should not diverge from that which is given to the Speaker in advance.

Indeed, the Hon. Member for Hamilton Mountain gave me notice of his intention to request an emergency debate on three important matters. As must be clear to the Hon. Member, the matter of substance which he has raised has already been dealt with in my previous ruling. As I have already indicated clearly, the concluding of an agreement is a policy decision and policy decisions are matters for normal debate. In addition, an application for a debate under Standing Order 30 should propose one subject only, a single specific matter on which debate should be concentrated. Proposing the same matter three times is not one subject.

I must therefore rule that this application does not meet the requirements of Standing Order 30.

Mr. Deans: On a matter of clarification?

Mr. Speaker: Is the Hon. Member for Hamilton Mountain rising on a separate point of order?

Mr. Deans: Mr. Speaker, I am rising on a separate point of order because I did not understand the ruling. Would the Speaker clarify one aspect of it? I am not challenging the ruling, I am simply asking. The Speaker indicates that one cannot raise the same matter three times. I am raising three separate matters.

Mr. Speaker: Perhaps I misspoke. I concede what the Hon. Member is saying.

The point I was trying to make is that Standing Order 30 allows the raising of a specific matter for debate. If the Hon.

Member says he raised three different specific matters, it would clearly be a violation of Standing Order 30, which requires one specific matter for debate.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: Nos. 164, 218 and 241.

[*Text*]

CANADIAN ARMED FORCES

Question No. 164—**Mr. Stackhouse:**

1. How many men and women are serving in the Canadian Armed Forces?

2. How many (a) men (b) women are (i) Brigadier-Generals or higher (ii) officers lower than Brigadier-General (iii) non-commissioned officers (iv) privates?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): The following figures represent the strength of the Canadian Armed Forces Regular Force, as of December 31, 1984:

1. Men — 76,370
   Women — 7,260
   Total — 83,630

		(a) Men	(b) Women
2. (i)	Brigadier-Generals or higher	122	0
(ii)	Officers lower than Brigadier-General	15,641	1,276
(iii)	Non-Commissioned Officers	44,969	3,740
(iv)	Privates	15,638	2,244

WOMEN EMPLOYED BY CORRECTIONAL SERVICE

Question No. 218—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Correctional Services were women?

Hon. Elmer M. MacKay (Solicitor General of Canada): Twenty-six per cent.

STUDIES REGARDING CHILD ABUSE

Question No. 241—**Mr. Howie:**

From January 1, 1984, were studies regarding child abuse and neglect done for the Department of the Solicitor General by (a) departmental personnel (b) outside consultants and, if so, what are the names and publication dates of the studies?

Hon. Elmer M. MacKay (Solicitor General of Canada): No. (a) and (b) Not applicable.

[*Translation*]

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: Questions, comments or debate?

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

Mr. Speaker: The Table advises me that as we adjourned a question had been put to the previous speaker. I understood the question was put to the Member for Westmorland-Kent (Mr. Robichaud). It would now be appropriate for the Hon. Member to respond. Therefore we would now proceed to other questions or comments.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I had put the question. There was time left to comment on the matter and I wanted to point out that I had talked to the Hon. Member—

Mr. Speaker: What is the point of order?

Mr. Waddell: I want to explain why the Member is not here. I had put a question to the Hon. Member since there were a couple of minutes left. I had a chance to talk to him and I indicated that it would be no disrespect to me if he was not available to answer my question because I knew he was busy. I just wanted to put that on the record because we might be looking for him.

Mr. Speaker: In that case I think we must move to further comments in the remaining period and, with great respect, shall we leave out any further comments about where the Hon. Member is? Comments on the Hon. Member's speech? The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

• (1520)

Mr. Axworthy: Mr. Speaker, we all know how very important Bill C-24 is to the development of energy conservation. We have seen in proceedings in this House that there are events which take great precedence over this particular matter. Therefore, I move, seconded by the Hon. Member for Windsor West (Mr. Gray):

That the House do now adjourn in protest against the lack of opportunity to debate the critical—

Mr. Speaker: Order. Such a motion under the comment or question procedure is entirely out of order.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Resuming debate.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. With the utmost respect, Mr. Speaker, I would like to raise a point of order concerning the matter that just transpired.

Mr. Speaker: I have already ruled. With great respect to the Hon. Member, I have ruled.

Mr. Gray (Windsor West): Mr. Speaker, with great respect to you, the basic principle of Canadian and British justice is to hear the other side, and it is time for you to do so.

Some Hon. Members: Hear, hear!

Mr. Speaker: May I ask the Hon. Member to resume his seat.

I have indicated to the Member clearly, as is my obligation when a motion is moved before the House, whether such a motion is in order. Hon. Members must move that motion—I think the Opposition House Leader knows that full well—when in possession of the floor for debate.

I think that matter is well known. If the Hon. Member would like me now to back up and give the Opposition House Leader a chance to indicate why he believes such a different matter would be appropriate, in this one case I will do so. But the Opposition House Leader knows full well what my initial view is. On that basis, since the Hon. Member seems to think that by knowing the rules I am somehow being unfair to the Opposition, I will now let the Opposition House Leader indicate his case.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, it is the understanding of myself and my colleagues about the rules that a motion to adjourn the House is in order when there is a question before the House. There is a question before the House, and that is whether this Bill should receive second reading. The rule does not say that the Member must have the floor for debate. It says simply that there has to be a question before the House. I invite you, Mr. Speaker, to look at Beauchesne and I would be happy to send forward the reference.

There is a question before the House for debate. My hon. friend, the Member from Fort Garry, had the floor. Therefore, I submit with the upmost respect that this motion is fully in order and it is something that is capable of being accepted and should be accepted.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I think I want to make just a couple of observations with respect to the point put forward and in support of what I anticipate will be your judgment, which I think is correct.

Mr. Turner (Vancouver Quadra): What does that mean?

Mr. Hnatyshyn: The Speaker has indicated preliminarily he believes that on questions and comments, which is a procedure which was developed under the provisional rules under which we now operate, a motion to adjourn the House is not appropriate. I simply say I can understand that in terms of logic. I want to put forward on the basis of the rules and the element of logic and fairness that the provisional rules do provide for this part of our debate, but the debate is in addition to what is a traditional debate in the House of Commons.

I think you would probably be inclined to agree, Mr. Speaker, that if a Member has the floor in the course of debate itself, clearly at that time I suppose the motion would be receivable. But when we have a question and answer period, an analogous situation, it is clear you cannot use the period of questions and comments as an opportunity to move a motion to adjourn the House. It is not contemplated. It is not part of our particular procedure and rulings. I would say to the Hon. Member that if he would have a little patience and if the Liberal caucus would mind staying around, eventually I suppose in the course of this debate they will get the floor. I do not agree with anything the Liberals say—

Mr. Gauthier: Neither do we with what you say.

Mr. Hnatyshyn: —with respect to the legitimacy of the motion they made nor with their attempt to disrupt the House, which I think is regrettable. I ask them to observe the rules, and if they are going to use diversionary and obstructive tactics, I say to them at least have patience and wait until they get the floor legitimately.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, in providing my contribution to this point, I would like to bring to the attention of Your Honour Citation 283(1) of Beauchesne. This citation is found on page 91 of the Fifth Edition. It reads:

(1) A motion "That the House do now adjourn" is always in order but no second motion to the same effect may be made until some intermediate proceeding has taken place.

(2) A Member may not use a point of order to secure the floor in order to move the adjournment of the House.

This is a specific case where a motion to adjourn is not in order. As Beauchesne does not enumerate any other situation or conditions where a motion would not be in order, I suggest

to Your Honour that this would be the only case where a motion to adjourn the House would not be in order.

Citation 283(4) reads:

There must be some question before the House for a Member to move a motion to adjourn the House.

I respectfully suggest that there was a question before the House. That appears to be clear. I do not think it has to be demonstrated. Your Honour was in the House and able to ascertain that there was a question before the House. I specifically draw the attention of Your Honour to the fact that Beauchesne says that a motion "that the House do now adjourn" is always in order.

Some Hon. Members: Hear, hear!

Mr. Speaker: I admire the creativity of the argument. I am sorry, I thought the Hon. Member had concluded.

Mr. Guilbault (Saint-Jacques): I wanted also to draw to your attention, Mr. Speaker, Standing Order 29 which is found on page 20 and reads:

A motion to adjourn, unless otherwise prohibited in these Standing Orders, shall always be in order—

I will not read the last half of the paragraph which is irrelevant to what we are discussing.

With all due respect, I would ask Your Honour to reconsider the motion moved by my colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and to allow the motion.

Some Hon. Members: Hear, hear!

Mr. Speaker: That is creative but it has not changed my mind. I will make it simple. The Hon. Member reads Standing Order 29 which supersedes the citation in Beauchesne because it refers to leave to move the adjournment of the House—the Hon. Member made this point himself—"unless otherwise prohibited in these Standing Orders". The prohibition in the Standing Orders relates to what is appropriate during the ten-minute question and answer period after a debate is concluded. That was brought into our rules on an experimental basis in order to allow not debate but specifically, if one wants to go back as far as the original committee report, questions and comments. It specifically says "for no other purpose".

Therefore, while the Hon. Member may seek the floor under debate when it is the Hon. Member's turn to speak on the matter, a motion to adjourn would be in order at that time. But a motion to adjourn during the comment and question period, specified in the rules because Standing Order 29 says that a motion to adjourn is in order unless the Standing Orders specify otherwise.

On that basis, I rule the motion out of order.

Questions and comments being concluded, debate.

Mr. Axworthy: Can I be recognized for debate, Mr. Speaker?

Mr. Speaker: No. The first Member who rose for debate was the Hon. Member for Duvernay (Mr. Della Noce).

• (1530)

[*Translation*]

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I am pleased today to take part in the debate on Bill C-24 dealing with oil substitution and conservation and also with the Canadian Home Insulation Program. I have a few specific remarks to make in support of this Bill.

I would like first to briefly outline the thrust of this Bill, which actually has two distinctive aspects, so that its practical impact once it is passed and enacted may be better understood.

First I would therefore like to stress the fact that this legislation, to amend to Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, relates to the Conservation and non-petroleum sector.

Cutting down on the use of oil and energy generally in Canada remains a major national objective for this Government. The Conservation and non petroleum sector—GNPS as we call it—effectively contributes to the security of supply sought by the National Energy Policy, by improving efficiency in the use of all energy sources, by developing these sources and by turning to energy sources other than oil.

It was under the guidance of the Energy Conservation and Oil Substitution Branch that those two specific programs were implemented for the purpose of helping Canadian homeowners reduce their heating costs by having their homes adequately insulated as provided for by the Canadian Home Insulation Program (CHIP), promoting alternative fuels, and the Canadian Oil Substitution Program (COSP).

Implemented in 1980, the COSP program provided for the payment of taxable amounts of up to $800 for the conversion of any oil heating equipment to natural gas, electricity, propane, wood or any other renewable energy. We should remember that under the existing act, the program will come to an end on December 31, 1990. On the other hand, the CHIP program, implemented in 1977, provides for the payment of taxable amounts of up to $500 for the insulation and draught-proofing of existing houses.

After an exhaustive review of the operation of those programs, it is readily obvious that the time has come to change them, in view of the new energy and economic context that now prevails in this country.

As announced in the economic and financial statement of November 8, 1984, basic changes are called for in the operation of those two programs. The proposals included in the legislation now before the House would provide for the program expiration date to be changed from December 31, 1980, to March 31, 1985. As far as the CHIP program is concerned, it is to be phased out in two operations. That program will therefore end on March 31, 1986, rather than on December 31, 1987. Let me add that these proposals now before the House will be implemented progressively because in both cases the Minister, further to recommendations made by the officials

in charge of the work involved in achieving the objectives of both programs, is allowing for additional delays in order to help consumers ascertain the good quality of the work done by the contractors, primarily under the Canadian Oil Replacement Program.

In the case of the Canadian Home Insulation Program, the federal contribution against eligible costs will be reduced in the first instance from 60 per cent to 33⅓ per cent, as of January 31, 1985. The industry and the Government are planning to terminate this program that will be definitely cut off in its second stage on March 31, 1986. Therefore, the reduction of the Government contribution to the costs of this program is a natural and important step towards an adjustment of our energy policy.

While being aware of the impact of those programs, introduced at a time which I often called the "illusion of scarcity", $80 a barrel, when the price of oil was ever increasing and Canadian homeowners hardly knew about oil substitution, we are prepared today to support Bill C-24 which brings about some changes through a gradual withdrawal of COSP and CHIP programs, with a view to making profitable the framework of the Canadian energy policy.

These measures are all the more necessary that at present, both programs are about to come to an end. As far as oil substitution is concerned, the Canadian people understand a lot better now than 7 or 10 years ago the benefits of energy conservation. They have been able to benefit from it by reducing their heating bills and ensuring a better comfort at home through COSP which, at the end of 1984, had achieved 96 per cent of its goals. The Government contribution and energy savings due to changes made under the CHIP program are outstanding as well. Estimated at about 28,500 barrels of oil a day, the fallouts of this program are reflecting the age of houses that have fully benefited from insulation and airtightness in the various provinces as well as the cost of energy which varies between our regions.

In both regards, the Atlantic region has been the main user of the home insulation program, under which an average of 80 per cent of houses eligible in Newfoundland, Prince Edward Island and Nova Scotia have been insulated. In Quebec, Ontario and the Western provinces, about 30 per cent of houses have benefited from this program. Those remarkable rates prove that the Government money has been used to good purposes. However, those programs have lost some of their effectiveness since then. It would therefore be useful for the whole country, instead of making new financial contributions to those programs, to promote some substantial progress in the area of research and new technology which will enable us to tackle the ever existing problem of renewable energy resources and their management.

It is with the general agreement of the Provinces that we are supporting this legislation today, because is has now become essential in the present economic circumstances not to duplicate our efforts in identifying adequately the needs of our future program on the rational use of energy in the home.

Finally, let us not forget that we can and must no longer continue to have borrowed funds handed out by the Treasury as grants to consumers. In order to make sure that investments in energy conservation are continued, it is obviously better that the Government, having beforehand seen to it that the investments in that area are put to good use, should act as a catalyst sensitive to the information needs of users and suppliers, to the technical problems still unresolved, and to the improvement measures which could still be implemented with regard to the use of energy.

● (1540)

Quite obviously the Government can no longer afford to subsidize consumers, and the Bill now before the House is a necessary and essential step in our quest for a fresh approach in that field. Since it was an illusion, it is imperative that we avoid all waste which may stem from the lower efficiency of the programs introduced a few years ago and from duplication which is due mostly to the existence of similar federal and provincial energy conservation programs.

Having decided to examine the results achieved so far under energy programs and projects, we would like to make some progress in energy conservation in Canada, primarily by using the money we might save by terminating those two programs. It has been estimated that we will save something like $180 million in fiscal year 1985-86, and $315 million in 1986-87.

It is because we aim to strengthen our structures in the energy conservation sector that we support Bill C-24. This is our way to assume our responsibilities with respect to the over-all Canadian energy conservation issue, and we are preparing a better future by trying to make Hon. Members consider this Bill as being more than a simple change of course in our home energy conservation program.

We are getting ready to redefine our energy policy so that, in future, Canadians will no longer have to face such costly heating bills. By eliminating programs which are already obsolete and which no longer meet the requirements and standards of our current energy sector analysis, we will make room for new incentive measures.

The so-called oil shortage denounced by the former Minister of Energy, Mines and Resources, Mr. Lalonde, was indeed nothing more than an illusion. The positive aspect of that incident is that all Canadians had an opportunity to find out that there are other energy sources besides oil—black gold, as it is sometimes called.

Mr. Deputy Speaker: Questions and comments.

[*English*]

Mr. Waddell: I know that the Hon. Member is a very reasonable Member even if he does have some incredibly hot old cars that he keeps as a hobby. By hot I mean good looking old cars, not stolen old cars.

I wonder if the Hon. Member and his colleagues would be prepared to consider a proposal. I have a number of letters from constituents, as does the Hon. Member for Thunder

Bay-Nipigon (Mr. Epp) and the Hon. Member for Churchill (Mr. Murphy). We have also discussed this matter with other Members of the House.

These programs are to be cut off at an arbitrary date, but there are businesses in northern Canada which are still ordering parts for people. They must get these parts shipped in but they will be cut off by the deadline. There are other places in which pipelines are being built and the program is being cut off too early. I do not want to see this program cut off at all. There are other people who are lining up to get contractors, but the contractors are all booked up to the deadline.

Would the Hon. Member and the Government be prepared to consider extending the deadline for cutting off the program? I could show the Hon. Member in committee that there is sufficient need for it in the outlying areas where people will be done a great injustice because they do not have the same opportunity as Canadians in other parts of the country. Would the Hon. Member and his colleagues be prepared to consider that if I can show that kind of evidence in committee?

[*Translation*]

Mr. Della Noce: Mr. Speaker, first of all, I would like to remind the Hon. Member that my cars are not "hot". I built them with my own hands. And when he says he received a number of letters, it worries me, because when my hon. friend has letters, that is something to worry about.

As far as the question is concerned, I think the subject has been abundantly discussed in committee. I see the Parliamentary Secretary to the Minister, to whom I put the same question, and there was a very thorough discussion. We were promised that for contracts signed before November 8, the deadline could be extended beyond March 31, but for contracts signed after November 8, it was agreed—and that was the solution the majority of the committee decided on—there would be no extension.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), for questions or comments.

Mr. Boudria: Mr. Speaker, I have a supplementary to the question put by my hon. colleague a little earlier, and it is this: In a number of cases in the province of Ontario, and especially in Eastern Ontario, electric furnaces were installed by contractors, and Ontario Hydro's list of people where it has to carry out inspections before March 31 is so long that there will be no final inspections. This is a situation where the contractors acted in good faith but people will not get their grants because an agency of the Conservative Government of Ontario is unable to provide this service. Could the previous speaker tell the House whether he thinks this is fair?

Mr. Deputy Speaker: The Hon. Member for Duvernay (Mr. Della Noce).

Mr. Della Noce: Mr. Speaker, either my hon. friend is not telling the truth or he is misinformed.

An Hon. Member: He is not telling the truth!

Mr. Della Noce: No, Mr. Speaker. Because if I remember correctly, what we said in committee was that the deadline for inspections would be extended, and that was the whole point. In fact, the inspections were not the only problem, and in any case, the party the Government belongs to is totally irrelevant. As I was saying, there was another problem namely with natural gas, because the ground was frozen, and that is something beyond our control.

It was agreed in committee that the deadline for inspections would be extended in such cases.

[*English*]

Mr. Murphy: Mr. Speaker, my question relates to the subject introduced by my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). In northern Manitoba and in the City of Flin Flon in particular, people applied for assistance after November 8, but because of the nature of living in the North, in remote or farm communities or elsewhere, they cannot get the equipment installed by March 31. Certainly they made the application after November 8, but they do not live in Toronto or in the City of Montreal, they live in remote areas. It will take time to get that equipment put in place.

If the Government is going to be strong-headed and abolish the CHIP and the off-oil programs, that is its business and it can take the blame for doing so. However, why punish people in the North? Why not extend the deadline for the program so that these people will have the same chance to qualify as people who live in some of the larger cities in this country?

Mr. Della Noce: Mr. Speaker, I think the Hon. Member will understand that when this question was asked, a few words were said indicating that we have to treat everyone equally and we cannot draw a magic line somewhere. I think that makes sense. Some people do not understand that and want us to believe that we must draw a special line at a certain place. I do not think it is possible to do so. The Hon. Member can read the speech made by the Parliamentary Secretary to the Minister who spoke about that matter. If the Hon. Member were to read that speech, he would get the answers.

• (1550)

[*Translation*]

Mr. Deputy Speaker: Does the Hon. Member for Shefford (Mr. Lapierre) rise for a question or a comment?

Mr. Lapierre: Mr. Speaker, the speech of the Hon. Member was a most interesting one. I have a question for him since we have been speaking of house insulation. He knows that thousands of Canadians, and more precisely 80,000 Canadian families, are still facing the problem of urea formaldehyde foam. And he knows also that his colleague, the Honorable Minister of Consumer and Corporate Affairs (Mr. Côté), has received representations about the UFFI. Could he tell the House whether or not he secured funds for the victims of the

UFFI before this program is abolished and budget cuts are made by his government? Those people were supported by the Hon. Member for Joliette (Mr. La Salle) who advocated full compensation for them when he was on this side of the House. Did the Hon. Member for Duvernay (Mr. Della Noce) make sure that that full compensation requested by his party when they were in the opposition will be granted now that they are on the government side?

Mr. Della Noce: I thank my colleague. As I said a moment ago, the program was fully operational, and I could see that my colleague was quite pleased about it, because it is a fact that it went well. However, the problem just raised by my colleague is one which we have inherited, we got stuck with it. The Minister of Consumer and Corporate Affairs (Mr. Côté) is looking into it, and it seems that he has taken the issue very seriously because he has already raised the matter with our energy committee. I am confident a solution will be found, but I cannot say any more about it because we are still searching. But I remain confident since the Minister went to the trouble of consulting us to seek our views.

Mr. Malépart: Mr. Speaker, it is a real pleasure to listen to the Hon. Member for Duvernay (Mr. Della Noce) who, in my opinion, is one of a handful of Conservative Members who is objective and does not spend his time congratulating himself. He said—and just admitted again—that it was an excellent program which met the needs of the people, and he also admitted that a great many Canadian men and women could still use it to insulate their home. He went on to say that his Government has been left in a financial mess by the previous administration, but would he not agree that his Government would have been better advised not to spend $56 million to change the colour of our military uniforms, and $110 million to send our forces spend their money in Lahr, in Germany, that it should have given those millions of dollars to Canadians, knowing as he certainly does that the home insulation program made people spend less on energy besides creating jobs in all regions of Canada?

Mr. Della Noce: Mr. Speaker, that is just like my colleague, he simply will not give up rehashing the issue of military uniforms. I want to confine my remarks to petroleum. Should he go over my speech, he would find out that I did not denounce the program, I said that enough is enough, that we must think about something else. Everything comes to an end.

With respect to insulation, my colleague knows that the program will last for a while yet, he should know that it will continue for another year so that Canadians will have further opportunities to use it, but the program cannot remain unchanged until 1990. I was never taken in by the illusion of the former Minister of Energy, Mines and Resources and I will remain convinced that it was just that, an illusion. I liked the program, sure, but illusions I could do without. Illusions are over!

[*English*]

Mr. Deputy Speaker: The period for questions and comments has now expired. I will recognize the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, first, I would like to make some comments on the Hon. Member's speech because I disagreed with some of the things he said. I want to tell him that when I referred to his cars as "hot cars", I meant fast, beautiful and worth collecting.

There is another matter which arose in the House this afternoon about which I am very concerned. While this Bill about oil substitution is very important, the Government has entered into several agreements concerning defence, fisheries and other things, which have taken away the sovereignty of the country. It is a fast public relations exercise for the American President. That is not the way we in the NDP believe Canada should be governed.

Accordingly, we will take the only move which we can. Therefore, I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That this House do now adjourn.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 13*)

YEAS

Messrs.

Althouse	Gray (Windsor West)	Nicholson (Miss) (Trinity)
Boudria	Guilbault (Saint-Jacques)	Orlikow
Caccia	Heap	Penner
Cassidy	Henderson	Pépin (Mrs.)
Chrétien	Hopkins	Prud'homme
Copps (Ms.)	Hovdebo	Riis
Deans	Isabelle	Robichaud
de Corneille	Kaplan	Robinson
de Jong	Langdon	Rossi
Dingwall	MacLellan	Turner (Vancouver Quadra)
Foster	Manly	Waddell
Garneau	Murphy	Young—37.
Gauthier		

Hon. Stanley Knowles

NAYS

Messrs.

Attewell
Bertrand (Mrs.)
Binns
Blais
Blenkarn
Blouin (Mrs.)
Bourgault (Mrs.)
Boyer
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne (Champlain)
Chartrand
Clark (Brandon-Souris)
Collins (Mrs.)
Comeau
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Domm
Duplessis (Mrs.)
Edwards
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraser
Fretz
Friesen
Gass
Gérin
Gervais
Gormley
Greenaway
Grisé
Gurbin
Halliday
Hamelin
Hamilton
Hawkes
Hicks
Hnatyshyn
Horner
Jacques (Mrs.)
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Kelleher
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
McCrossan
McCuish
McDermid
McInnes
McKenzie
McKinnon
McKnight
McLean
Merrithew
Minaker
Nicholson (Niagara Falls)
O'Neil
Oostrom
Peterson
Pietz
Plamondon
Price
Redway
Reid
Reimer
Ricard
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Suluk
Tardif (Mrs.) (Charlesbourg)
Thacker
Toupin
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Weiner
Wenman
Wilson (Swift Current-Maple Creek)
Winegard
Witer—123.

● (1650)

Mr. Speaker: I declare the motion lost.

* * *

HON. STANLEY KNOWLES

FIRST ANNIVERSARY OF ELECTION AS HONORARY OFFICER OF HOUSE

Mr. Speaker: Before exercising my duty pursuant to Standing Order 45, may I advise Members of a happy event. We should have done it yesterday perhaps, but we did not have a vote. A year ago yesterday, we elected a certain gentleman here as honorary officer of the House. I thought Members might join with me in wishing him first anniversary wishes.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTIONS

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan)—Energy—Negotiations with western provinces. (b) Petroleum and gas revenue tax; the Hon. Member for Ottawa Centre (Mr. Cassidy)—Regional Economic Expansion—Government aid to Domtar. (b) Important economic projects for Quebec—Government position; and the Hon. Member for York Centre (Mr. Kaplan)—Terrorism—Role of Canadian Security Intelligence Service. (b) Surveillance of anti-Turkish terrorists.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: Resuming debate. Is the House ready for the question?

Mr. Hnatyshyn: Questions or comments?

Mr. Speaker: Presumably questions and comments are at the end of the speech.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. About an a hour and a half has elapsed during the ringing of the bells. I wonder if you would take under advisement the question of whether that time counts with respect to discussion on the Bill. I just raise this by way of preliminary observation. Under Standing Order 75C, there has been a judgment rendered by your predecessor that during that particular proceeding the time which elapsed during the ringing of the bells counted in the time allotted under those particular rules.

It would be interesting for you to consider, in view of the fact that the motion to adjourn the House was made in the context of this debate and subsequently came to vote, whether the time that has elapsed during the ringing of the bells should be included in the calculation of time under the rules.

I know that the normal inclination of the Chair will be that where it is appropriate to expedite the passage of legislation, if there is any question in one's mind, one will make sure that the due process of consideration of the Bill will be given favourable attention as opposed to allowing diversionary or obstructionary tactics to interfere with the due process of the passage of legislation through the House.

I do not want to speak for another five minutes, but I think it would be appropriate for Your Honour to consider whether, in view of the precedents on the books at this time, that time should be counted.

Mr. Speaker: The Speaker has been told in the past that he sometimes rules on these matters too quickly. I think in context I will take the matter under advisement, and I accept the fact that the Hon. Member was trying to speak right through to five o'clock.

Mr. Prud'homme: Mr. Speaker, I listened attentively to Your Honour when you said that you want to take the matter under advisement and render a decision later. Before rendering an appropriate decision, you may want to hear a little more. I would point out that there is a danger attached to the proposal made by the Hon. House Leader. Some day during a debate that may be extremely embarrassing to the Government. It may call the adjournment of the House and expect that to be counted as time in the debate. I would like you to have both sides of the story before making a final decision.

Mr. Gray (Windsor West): Mr. Speaker, my hon. friend, the Government House Leader, has a great sense of humour, but when it comes to making a great argument on a point of privilege, with all due respect, he has been less than convincing today. I respectfully suggest that he should not be allowed to have his argument stand in such a way as to mean that my silence on behalf of the Official Opposition can in any way be taken as assent to a very spurious argument.

The Hon. Member for Saint-Denis (Mr. Prud'homme) has made an excellent point. If the argument of the Government House Leader were accepted, it would be open to abuse by a Government which wished to choke off debate. That could never have been the intention of the rules or of any precedents with respect to this matter.

In conclusion, I would respectfully say that the argument of the Government House Leader is particularly specious and in bad odour on a day when government Members prevented or were unwilling to agree to a full and open debate on a very important matter, namely, the terms and conditions of the agreement on the North Warning System.

Mr. Deans: Mr. Speaker, I had not intended to enter into any discussion of this matter. I considered it to be such nonsense that I anticipated a ruling indicating that that was the case. Lest my silence, which would be my normal posture, were to be interpreted in any way as agreement with the Government House Leader, I want to say that the points raised both by the Hon. Member for Saint-Denis (Mr. Prud'homme) and the Opposition House Leader, the Hon. Member for Windsor West (Mr. Gray), are valid. In addition, I suggest that we would have been willing to have spent the last hour debating the treaties that this Government is denying the House of Commons and the people of Canada an opportunity to see and to understand.

Mr. McDermid: Mr. Speaker, I rise on another point of order.

Mr. Speaker: There being nobody else on this point of order, I will recognize the Hon. Member for Brampton-Georgetown (Mr. McDermid) on a separate point of order.

Mr. McDermid: Mr. Speaker, since the Hon. Member for Vancouver-Kingsway (Mr. Waddell) started his speech with an adjournment motion, may I assume that we can now begin our 10-minute questions and comments on his speech? Is that correct?

Mr. Speaker: Let me suggest that that matter will be dealt with when we return to the matter. It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Speaker: Could I seek the consent of the House to move to Item No. 167?

Some Hon. Members: Agreed.

* * *

NATIONAL PARKS

ADVISABILITY OF ESTABLISHING NATIONAL PARK AT SOUTH MORESBY, QUEEN CHARLOTTE ISLANDS

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should consider the advisability of continuing negotiations with the British Columbia Government to find ways, in cooperation with the Native people, of creating a national park at South Moresby, in the Queen Charlotte Islands, as urged by UNESCO.

He said: Mr. Speaker, I thank you for having put the motion before the House. This motion in essence boils down to the desirability of the Government and the Minister of the Environment (Mrs. Blais-Grenier) continuing negotiations with the British Columbia Government so that ways can be found to create a national park and possibly a national marine park at South Moresby.

South Moresby is truly one of the few remaining examples of the greatness that nature is capable of producing. It encompasses some 139 islands and includes 43 freshwater lakes. On those islands are found some flowering plants which are

unique in the world. Virgin rainforests, red cedar, Sitka spruce and western hemlock are found on those islands. As well, yellow cypress, which rank with the largest remaining trees in the world, are found there. There are some 16 kilometres of coastal shoreline, which is home to whales, porpoises, seals and sea lions. We are informed that it is also home to 25 per cent of all nesting sea birds on the Canadian Pacific, including the peregrine falcon and the bald eagle. Seven land mammals can be found in South Moresby, including the world's largest black bear and the unique pine martin with orange under-fur. There are over 50 salmon-spawning streams in the South Moresby region.

South Moresby is nationally significant both from the land and the marine perspective. We have an opportunity to protect significant cultural heritage and values that are associated with the Haida culture. In addition, South Moresby is of international significance. It has been recognized by UNESCO which has urged Canada to do all that is in its power to preserve the area not only as a national heritage region but as a world heritage region.

As you know, Mr. Speaker, as you are one of the privileged few who have had the opportunity of visiting South Moresby, this area has an overwhelming beauty unmatched in the world today. Each island has a character distinctive unto itself. At this point, I would like to pay tribute to the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who in 1980 put forward a motion for the retention and protection of the original beauty of this particular area.

The position of the native people regarding South Moresby is a very significant one and must be put on record. It is that South Moresby is regarded as a critical area for the retention of their cultural heritage, and the area is covered by the Haida land claim. The Haida people support the creation of a wilderness area wherein they would have the right of traditional resource use. They welcome the concept of the creation of a park in a way that would strengthen their ways of life and their economic activities.

The Government of Canada put forward a proposal to the Government of British Columbia to explore together the possibilites of creating a national park and a national marine park in the South Moresby area, possibly complemented by a provincial park. This proposal was made in response to the South Moresby land use alternative report released by the British Columbia Government in February, 1984. Subsequent to that, the British Columbia Cabinet announced its intention to visit the islands, and a group of five Cabinet Ministers did so in June of last year. However, to date, to the best of my knowledge, we are still waiting for a decision to be made by the B.C. Government as to the future of these islands while logging continues. If the British Columbia Government rules against the preservation of South Moresby as a national park or a national marine park, logging of the island will continue unabated.

I would like now to paint for you, Mr. Speaker, a brief global picture of the logging situation according to the latest figures we were able to gather. In 1984, trees were felled throughout the world at a rate of some 50 acres per minute. In the past 30 years, we have cut over one-half of the earth's virgin forests. The deforestation of the past 75 years has resulted in the loss through erosion of an estimated 75 billion tons of topsoil. It is against this background that we must look at the virgin forests that we still have in Canada and decide on the merits of retaining them for future generations.

Logging on the Queen Charlotte Islands is an example of the over-exploitation that is taking place in all of British Columbia. Habitat destruction has taken place on a very large scale. Recent studies show that six times as many landslides occur on logged sites as on natural sites. This is one of the reasons why the people on Meares Island have recently registered such a strong public message against logging on their island. It is understandable that they are opposed to logging on their island in the light of the experience of the communities along the British Columbia coast so far.

Of course, we are running out of time, and the time to act on South Moresby is now. That is why, through this motion, I am asking the Government to continue the efforts and negotiations already started. In this context, I am glad to report that in June of last year, on the eve of the federal election, the Hon. Member for Bruce-Grey (Mr. Gurbin), the present Parliamentary Secretary to the Minister of the Environment, outlined the Conservative position in a letter to the Islands Protection Society, the Queen Charlotte Islands environment group that champions the South Moresby cause. The Hon. Member for Bruce-Grey wrote the following:

> I would like to confirm that the area is viewed as a unique and sensitive natural ecological system that deserves respect and protection, and we feel a "Canadian" responsibility . . . In short, the federal Progressive Conservative Party, if in a position to do so following a federal election, would be prepared to actively participate with the British Columbia Government in the establishment of a "park at South Moresby".

I am sure the Hon. Member for Bruce-Grey is still of the same opinion and that he did not make this suggestion out of greed for power. He did not need to do that. He did it because he felt very strongly about this issue, and I commend him for having done so.

More recently, on February 7, 1985, *The Vancouver Sun* quoted the Hon. Minister of Fisheries and Oceans (Mr. Fraser) as saying:

> I couldn't care less if it's a national park or a provincial park, or anything else. I would just like to see a park.

● (1710)

Those two Members are to be congratulated and supported for having made these statements. Of course, the question is whether the spirit which they have expressed is shared and supported by the Government which they support and represent.

I would like to draw to the attention of the House to the fact that the preservation of South Moresby is supported by hundreds of organizations which represent hundreds of thousands of members. I would like to mention a few. Those organizations include the Alberta Wilderness Association; the B.C. Native Brotherhood; the B.C. Wildlife Federation; the

Canadian Association of Smelter and Allied Workers Union; the Canadian Nature Federation; the Confederation of Canadian Unions, B.C. Council; Elsa Canada; the Federation of Mountain Clubs of B.C.; the Federation of B.C. Naturalists; the Federation of Ontario Naturalists; the Friends of the Earth; the Friends of Ecological Reserves of B.C.; the Graham Island East Coast Farmers Institute; the Haida Nation; the Islands Protection Society; the National and Provincial Parks Association of B.C. and Canada; the Northern Trollers Association; the Ottawa Field Naturalists; the Outdoor Recreation Council of B.C.; the Pacific Seabird Group; the Progressive Conservative Caucus of B.C. and Canada; the Prince George Naturalist Club; the Pulp and Paper Woodworkers of Canada, Local 4; the Queen Charlotte City and Skidegate Landing Advisory Planning Commission; the Queen Charlotte Islands Tour Operators Association; the Saskatchewan Federation of Naturalists; the Sierra Club of Ontario and of Western Canada; the Simon Fraser University Student Society; the Tourism Industry Association of Canada; the United Fishermen and Allied Workers Union, and the World Wildlife Fund. Those organizations have gone on record in support of creating a lasting place in the form of a park on South Moresby for present and future generations to enjoy.

Inevitably, when tackling this issue, one must consider the question of the exploitation of our forest. As we all know, in British Columbia, 120,000 hectares of mature forest land are cut every year, while only 50,000 hectares are replanted, not all of them successfully. There is a need for the MacMillan Bloedels of this world to start managing our forests in a manner which would take into account the necessity of rotating the yields and the necessity of better managing the public lands which have been given to them for their utilization. They must acknowledge that we can no longer permit the creation of lunar landscapes whenever deforestation is launched. There must be a commitment to ensure that there is growth for future yields on the same sites. They must consider, when cuts are taking place, the damage to spawning grounds, habitat destruction, native rights and cultures, the logging which is so profoundly resented, the damage which is caused to anchorage facilities, the spawning grounds which are wiped out, and the long-term, serious effects which it will have on the tourism industry.

The time has come for us to look at the way in which we exploit our natural resources. We must ask ourselves if we should draw the line and stop logging and cutting the few virgin forests which are left in Canada. We must better manage the lands and the forests which we have already started to exploit. I am sure that can be done on a rotating basis in a manner which will permit us to do better on the lands which we have already started to harvest, and in a manner which will permit the rotation of the lands which have already been assigned to forest utilization. We must call a halt once and for all to the exploitation of the few virgin sites which we still have in this country, which are the objects of immense interest, for ecological and other reasons, to Canadians and the global community. South Moresby is one of those areas.

Over the years we have allowed greed to play a major role in our approach to forests and our desire for an industry whose approach has been more one of mining the resource than of ensuring a careful, thoughtful, long-term approach in order that the cycle would occur again and provide harvests for future decades. We must respect the frail ecological character of those areas, particularly the ones along the West Coast.

It is clear that the survival of man is dependent upon our approach to natural resources. That argument has been valid for centuries, but it is becoming more and more so as we begin to approach shortages in our natural resources. We must ask ourselves whether the time has come for us to rethink our approach with respect to forests. We must find ways to preserve the forests which have not yet been touched by man and which are, in a way, the object of this debate.

It is clear that there are certain areas which must be left intact. It is also clear that Governments must accept their responsibility and make every effort to preserve our heritage for future generations. That is what the debate on South Moresby is all about. It is a unique site which has attracted the attention of former U.S. Presidents who have visited the site during their vacations, as well as of other outstanding personalities of the world who, like all of us in this Chamber and across the country, have a sensitivity for the beauties of nature and the ecological richness that the Islands offer in one of the most remote areas of our beautiful nation.

I urge the Government to keep the promise it made during the election campaign, through the Hon. Member for Bruce-Grey, and to heed the call in *The Vancouver Sun* for the creation of a park, as expressed by the Minister of Fisheries and Oceans. What is needed is a negotiation process with the provincial Government of British Columbia for the creation of a national park.

Beyond the question of that particular location, is the vexing issue of how we manage our forest resources. I know there is increasing public concern about the way in which we handle our forest resources and the profoundly-felt necessity that we must draw a line between the sites which have already been commerically exploited. We must make a provision for the areas which have not yet been touched so that they will remain available to future generations.

● (1720)

South Moresby is a classic example. Meares Island is another one. Evidently the public and the native people are very concerned about this matter. It is the responsibility of the provincial Government in the first place, but it is also the responsibility of the national Government, particularly when the request is made by an international body like UNESCO. We should listen to the messages that are coming to us from the public and make provisions for the future. I believe that as a nation we will be that much more rich and endowed if we are able to one day inaugurate and include in the second centennial of Parks Canada a real gem, the potential park of South Moresby, because it is one of the most unique sites in the world. A national park at South Moresby would be a special

attraction for Canadians and for all the inhabitants of this globe who enjoy and love the beauty of nature. I am sure that all Hon. Members will concur with my conclusions.

Mr. Waddell: I rise on a point of order, Mr. Speaker, about the order of speakers. I have not had a chance to talk with the Parliamentary Secretary. I will be speaking on the Bill from my Party's point of view, and I wonder if he would not want to wait until I had made my contribution, following which he could reply perhaps to both Parties. Or does the Hon. Member want to keep to the order of speaking now?

The Acting Speaker (Mr. Paproski): If the Hon. Member is going to make some sort of arrangement, he should do it before Private Members' Hour. I did not see the Hon. Member for Vancouver-Kingsway (Mr. Waddell) rising. I saw the Parliamentary Secretary to Minister of the Environment (Mr. Gurbin) rising and, therefore, in order that we can carry on and not waste any time in this Private Members' Hour, I will recognize the Parliamentary Secretary to the Minister of the Environment.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, we did not have an opportunity to discuss the Hon. Member's suggestion previously. I think it is a useful suggestion and I will keep it in mind for another occasion.

I was most interested in the comments of the mover of the motion, particularly because of his past experience with this issue and the responsibility he has had along the way for environmental issues. I believe his comments bear considerable weight on that ground alone. A number of environmental problems exist in this country, a number of opportunities have been missed historically and a number of wrongs need to be righted. I would like to indicate as clearly as I can, Mr. Speaker, that the sense of this motion itself is something which I can support, and I feel that probably all Hon. Members of this House can support this Bill with very little difficulty.

Some Hon. Members: Hear, hear!

Mr. Gurbin: There is no argument with many of the details which the Hon. Member has placed before us in terms of geography, the uniqueness of the area and the real importance that area has from an ecological point of view. However, I take exception to the premise that what is in the motion has not already been accomplished. There is the suggestion that commitments, or interpretations of commitments, may not have been fulfilled by this Government. I can give several recent examples to the Hon. Member for Davenport (Mr. Caccia), Mr. Speaker, which pertain directly to this point.

I am sure the Hon. Member will recall that during an Opposition Day one week ago commitments were made by members of the Government on the control of acid rain. During the election campaign there were commitments made that within a period of six months the Government would bring forward an action plan which would provide tangible and real progress in the control of acid rain in this country. That was a commitment which was made, and this Party, this Government, has fulfilled that commitment to the letter. The Government has fulfilled almost precisely the tone and intent of the commitment. We have fulfilled our obligation to the Canadian public, and we intend to make sure that legislation will be enacted in that way. There are other examples of commitments we have fulfilled which relate not only to acid rain but in terms of the CN double-tracking and a broad range of issues which developed and were difficult to deal with because appropriate action had not been taken in the past. If action was taken in the past, it was too slow or inappropriate, which put at risk a number of areas including the environment. Lack of action put at risk native rights and economic development in the West as far as the double-tracking was concerned. Because of the fact that commitments have not been fulfilled in the past or in terms of process had not been conducted properly we are left with these problems. I know the Hon. Member will be interested in the fact that the Minister of Transport (Mr. Mazankowski), because of the interventions he was able to make, is in the process of working out a conclusion to what was a totally unsatisfactory situation from almost everyone's point of view. So it looks as though we are going to solve another one of the problems we were left with.

The Hon. Member mentioned commitments made by the Progressive Conservative Party during the last election campaign to groups which were interested in establishing a national park in the South Moresby area. I can tell the Hon. Member that the commitment made during the last several months has been fulfilled. The Minister of the Environment (Mrs. Blais-Grenier) has had at least two meetings directly with the Minister of the Environment of British Columbia and is actively trying to develop a program which would see that area become a protected area. As the Mnister of Fisheries and Oceans (Mr. Fraser) indicated, it will be protected on some basis, but there are a number of options to be considered. The final conclusion depends on continuing discussions and decisions which need to be taken by the Government of British Columbia. But our commitment has already been fulfilled. It is another example of action rather than just discussion.

We have had in the past many examples of recognition, for instance that of the terrific abuse of our forests historically. I personally have had meetings with native groups from different areas and they have told me about the great abuse of our forests in the past. That abuse cannot be corrected in one month or six months, Mr. Speaker, because it has developed and evolved over many years. During the last 16 years, the Government of Canada has been controlled by one particular Party. It has been controlled in part by Hon. Members who were Ministers of the Crown and who, despite good intentions, good words and, perhaps, even good understanding, were really incapable of achieving action which would result in the saving of the areas of importance in an ecological sense as well as from a forestry point of view. There were things which we would have liked to have seen accomplished in the past which have not been accomplished. The Minister of the Environment

is in the process now of negotiations and discussions with the Minister of the Environment of British Columbia.

• (1730)

I think the Hon. Member who moved the motion would be interested to know that the Minister of Indian Affairs and Northern Development (Mr. Crombie) recently visited the Queen Charlotte Islands and the native group in that area. That Minister made his views known to the Minister of the Environment. He is very supportive of the idea of protecting the area from undesirable development, yet he is looking at it as a possible area for tourism and a potential pilot project for allowing a native band to control or manage an area. I do not know if all those things can be accomplished, but I wanted to add the Minister's name to the list because he has made the effort to visit the Islands and discuss the problems with the native groups affected, and his comments have been related to the Minister of the Environment. That makes three Ministers of the Crown who have indicated their support for a reasonable resolution of this opportunity, which this is, on behalf of the Canadian environment and the Canadian people.

It might be helpful, Mr. Speaker, to explain how a national park might be developed. While we were in opposition, we indicated a very clear disposition to assist in the continued development of a national parks system in Canada. In the last month of the last Parliament we supported on very short notice an amendment to the National Parks Act which established a new national park in the Mingan Islands. At that time, the Hon. Member for Davenport was the Minister, although I think he was absent. In supporting that motion we indicated our support for expansion when possible of the national parks system. In addition to that, however, there is a process which needs to be understood. It is not a unilateral process. It must be undertaken in co-operation and in conjunction with the provinces, and this is precisely what has been undertaken with the province of British Columbia. If I may say so, Mr. Speaker, given the kind of relationship this Government has established with the provinces, we have an excellent opportunity of achieving the maximum degree of co-operation with the provinces as compared to other Governments in the recent past. If we continue that kind of constructive relationship, we can except to get the most positive and favourable results.

Parks Canada has defined 48 natural areas across the country in conjunction with future park expansion. Each one has specific attributes. Included in this is South Moresby which has been clearly identified by Parks Canada, and this is part of the process which can ultimately add to the establishment of a national park there. For reasons the Hon. Member has already mentioned, this area is certainly unique in Canada and perhaps in the world. It has been called by many groups the second archipelago. I have not had the opportunity of personally visiting that particular piece of the Canadian landscape, but I have seen an excellent selection of well-documented presentation slides which exposed me to flora and fauna which I did not really know existed in Canada. So there is no question that we have a unique opportunity, but clearly we must follow a process in co-operation with the province and native groups as well as the long list of environmental groups concerned.

The Hon. Member indicated that the Parks Canada centennial could be recognized in this way. He will know that the first national park in Banff 100 years ago was created almost by accident, and I do not know that anyone really could have anticipated the extent to which we have developed a national parks system across this land. But with 31 national parks, as well as a number of areas under active consideration to become parks, I think it is a particularly appropriate time to recognize the contributions made over many years by many individuals, groups and Governments to the development on behalf of the Canadian public of a system of parks that we can all be proud of.

Finally, Mr. Speaker, I would like to go back a little to commitments and obligations and to the premise of this motion. I do not think the motion is completely redundant in that the Hon. Member is using this opportunity to bring forward his views and those of others, and I am happy to have had the opportunity to express mine. But the motion really lacks anything extraordinary over and above what the Minister of the Environment has already done, is continuing to do, and will hopefully be able to bring to a successful conclusion in the future. So the motion has really little place in the whole scene, if you will. It is in and of itself redundant. The thought is genuine, I am sure, and it is supported by the Government and is being acted on by the Government, which, again, is in contrast to the past.

Mr. Caccia: When will you announce the park?

Mr. Gurbin: The Hon. Member knows this is not a process which is put on an exact schedule or time-frame. He was the Minister of the Environment for a period of time. I cannot remember exactly how long his predecessor was there, but I believe it was several years. This process was not started yesterday and will not finish tomorrow. If we continue with the positive approach and constructive dialogue which the Minister is undertaking, I hope we will have a positive conclusion in which we can all take some satisfaction.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to speak on behalf of the NDP and on my own behalf because I visited this area a couple of times. I want to say to the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) that I am really disappointed in the attitude he took in his speech. I would ask him to reconsider.

As I understood his speech, he said he can support the motion. Those were his words. However, he thinks the motion is redundant and therefore the Government is not going to let it through today. That is what I understand from his speech. He feels that the process is going ahead and therefore we do not need the motion.

● (1740)

Mr. Speaker, do you recall my bringing forward a motion in the House to acknowledge what the Chinese Canadians had done for Canada? You were speaking for the Conservative Party at that time. You and I convinced the Government that it would be an important signal if the Government let that resolution through. The world would not end because that resolution went through, or a new world would not be born. However, Mr. Speaker, it gave a signal to our Chinese Canadian community. I have heard that motion talked about by that group. I have heard people from that group mention speakers from all three Parties. The Government was big enough to let the motion go through.

Contrary to what the Parliamentary Secretary is saying, it is a very important signal to allow this resolution to go through. The Government is getting a bad reputation on the environment. I know that it has done something with acid rain, but the impression of the Canadian public is that the initiative on acid rain was taken very quickly in order to have something with which to meet President Reagan. The Government does not have a good reputation on the environment. The first cut-backs were in the environment area. The reaction of the Canadian public was absolutely fascinating. There was real public opinion out there. It was not just Members of Parliament getting up and shouting. There were letters and a genuine swell of public opinion. It was reflected by the Government's own back-benchers who said that the Minister had better review those cuts.

Canada has changed. The environment has come of age in Canada. The work done in the 1960s and 1970s has come to fruition. Canadians are not anti-development. However, a modern Canadian is very conscious of the fact that he or she wants to live in a good environment. Canadians also know that we probably have one of the best environments in the world and they are not prepared to let that environment go to waste. That was the message, and if the Government did not hear that message it will have some political troubles and it is indeed deaf.

I am tired of hearing the Government say that the Liberals had 13 or 16 or 33 or 85 years, or whatever they had. I was critical of the Liberals. I know they had a lot of time. It so happens that the Member who introduced this motion is a former Minister of the Environment. He served in that capacity for only a short period of time, but he was very distinguished as Minister of the Environment and showed great promise. Let us not have any more of this needless, partisan rhetoric. This is not a partisan motion. The motion says that:

> the Government should consider the advisability of continuing negotiations with the British Columbia Government to find ways, in cooperation with the Native people, of creating a national park at South Moresby, in the Queen Charlotte Islands, as urged by UNESCO.

It is not a partisan motion. It takes time to do these things, as the Parliamentary Secretary said in his own speech. Would the Parliamentary Secretary please grow up and have the Government grow up and approach these matters in the way in which they should be approached? They are not in opposition any more. They are the Government. They are it. They can do it. If the Government is in favour of the resolution, why not pass it? It is a very important signal.

As I said, I have been to that site. That does not make me anything special, but I would like to make some comments about what it is like. As the Member for Davenport (Mr. Caccia) said, I presented Private Member's Bill C-454 in the last Parliament. A group called the Western Canada Wilderness Community interviewed 94 MPs in that last Parliament. Seventy-five were in support of the Bill, one was not in support, and 19 were non-committal. There was support at that time and there is support in the House today.

South Moresby Island is internationally recognized as an outstanding biological, geographical and cultural area. The Member for Davenport covered a lot of ground, but I do not think he had time to tell you what that means. The UNESCO convention is a treaty among 60 nations which recognizes that the world's natural and cultural heritage transcends national boundaries and must be identified, protected and preserved for future generations. Among the world heritage sites are the pyramids of Egypt, the cathedral at Chartres, the ancient city of Damascus, the centre of Rome, the Galapagos Islands, Mount Everest National Park in Nepal, Yellowstone National Park, and Venice.

We want to add South Moresby Island. It has been determined, by an international organization, that that area of Canada is of that standard. We should be pretty proud of that. The coastline of South Moresby has exposure to both the Hecate Strait and the open Pacific. It has a rich variety of shorelines including sea caves, sandy beaches, tidal falls, hidden coves, shallow reefs and safe anchorages. The area contains a remarkable variety of intact ecological systems ranging from the San Cristoval alpine environment to the freshwater Victoria Lakes and from the Skincuttle Inlet marine gardens to the bonsai forest of Gowgaia Bay.

Moresby Island is home of the world's largest subspecies of black bear and the rare peregrine falcon. The unusual salt marshes are part of the migratory flyway of the Pacific Coast, and there are numerous highly productive salmon streams. The virgin rainforests of the area have Canada's largest and tallest red cedar, sitka spruce and western hemlock. Moresby Island was inhabited by the Haida Indians until the last century and includes numerous archaeological and village sites.

Perhaps, Mr. Speaker, you have seen the picture of the totem poles which are falling in the rainforest on Anthony Island. It is a very famous picture which has been shown in many different books. I will try to explain what this is like to Canadians who may be watching on television. Canadians who live in Davenport, Toronto or Montreal have seen the beautiful scenery on the show *The Beachcombers*. That scenery is just north of Vancouver at Gibsons. As one goes farther up the coast, the scenery becomes twice as good. It becomes even better than what is seen on *The Beachcombers*. If one goes up to South Moresby Island, the scenery becomes absolutely magnificent. It becomes more than magnificent, it becomes magic.

I once worked for the Berger inquiry on the Mackenzie Valley pipeline. I heard native people speak about the land and the trees. It took me a long time, but I came to understand that for them the trees and the land were actually living. It is not as if it was us, the trees, the land and the animals. For them we are all equals. The trees have a right, the land has a right, the streams have a right, the human being has a right, and the animal has a right. It is almost as if we were all equal.

We in southern Canada could learn from the native people to feel in touch with our land. It is really part of being Canadian. Most Canadians do not live in the North or on the West or East Coasts. They live on a small strip of land near the American border. Canadians understand that we are a northern people and therefore support the preservation of this park.

● (1750)

The Hon. Member for Davenport comes from an urban constituency in Toronto. People from the Queen Charlotte Islands have questioned the credibility of people from Toronto with respect to environmental issues. They do not work as loggers or in other professions in areas like the Queen Charlotte Islands. I have constituents in Vancouver-Kingsway who work as loggers and at other professions in the forests. Therefore, it is my political responsibility to consider the effects of these questions on people who are loggers and so on. Therefore, perhaps I can comment on that aspect with more credibility than the Hon. Member for Davenport. I have met with the International Woodworkers of America and I have met with the loggers.

We are not unrealistic. We do not want to have a virgin North where the entire coast is frozen into a museum-like state. We want logging to take place in the forests, but not at this particular area. As the Hon. Member for Davenport says, there must be proper forest management with respect to logging, reforestation, marketing and the processing of logs in Canada. These all form part of a forestry policy that should be in place.

There are certain areas of our country that are virtual miracles. South Moresby is one such area. This area should not be part of the controversy between logging and environment.

I have visited that area. The first sight of the Queen Charlotte Islands is breathtaking. The Hon. Member for Skeena (Mr. Fulton) owns a log cabin on the Tlel1 River in the Queen Charlotte Islands. South Moresby lies to the south of the Queen Charlotte Islands off the West Coast of Canada. Those from the city who visit this area can sense the age of the trees and feel the magic that Emily Carr captured in her magnificent paintings of the rainforests. For instance, falling asleep in a cabin in a rainforest is almost a mystical experience.

I will conclude my remarks soon in the hope that the Government will allow this motion to pass today. If it is serious about helping the process, it will do so, because the motion simply asks that the House support the continuing process. It is a signal to the Government of British Columbia and all Canadians that we in the House are concerned about South Moresby Island and the environment in general. It is also a signal that the Government is concerned.

I suggest that the Government would receive support from many Canadians if it would allow this motion to pass. The Government would not be committed to any firm action but it would send a signal that it is concerned. The Russian writer, Alexander Solzhenitsyn, once said that any village greybeard will tell you that a dozen worms can only gnaw at one apple for so long.

The Hon. Member for Davenport is saying that Canadians should continue to be aware that we must maintain some of the great environment that was given to us. We are one of the few remaining countries in this hemisphere to have the opportunity to maintain this extraordinary environment. We are fortunate to be able to do so in order to be able to pass it on to future Canadians.

We must give that signal to Canadians today that we should preserve this magnificent jewel which is part of our richness and heritage. Let the Government have the courage to pass this resolution and send a signal to Canadians and the Government of British Columbia that we want South Moresby made into a national wilderness park.

Mr. Gérald Comeau (South West Nova): Mr. Speaker, I certainly regret that the Hon. Member opposite did not leave me much time to speak on this motion because I consider it extremely important.

[*Translation*]

Mr. Speaker, the southern tip of Moresby Island is a very beautiful area having and great heritage value, by reason both of its national resources and its cultural treasures. Parks Canada indeed has identified the southern part of Moresby Island as a land and marine area of national importance.

Preserving that part of the Canadian heritage has become a prime concern of environmental groups since the early eighties. The southern part of Moresby Island also has drawn the attention of nature lovers and of the public in general, both in the United States and elsewhere in the world. The long-term protection of certain natural resources that are unique to that area would be considered a major achievement, both in Canada and on the international scene.

Mr. Speaker, I think it is a good thing for Canada that additional national parks be created; we still lack several of them. Our national parks are more important now than they were a hundred or even 50 years ago. With the constant sprawling of our urban areas our parks are acquiring greater importance.

Nothing can replace nature. We only will have in the future what we are preserving now. In our national parks, nature becomes the heritage we are passing on to future generations.

We are part of nature and our civilization has its roots in it. It has moulded man's culture and influenced most of mankind's economic, artistic and scientific achievements. To live in harmony with nature is our best hope of promoting the development of our economy and of our creativity, of enjoying relaxation and recreation.

Respect for nature may help us find solutions to the acid rain problems and make sure that our streams and rivers and also the air we breathe will cease to be poisoned. National Parks are essentially one aspect of the preservation of our environment. Those are privileged places protected by the National Parks Act for the benefit of present and future generations.

The Minister of Environment (Mrs. Blais-Grenier) will be guided by those principles and by the National Parks Act when dealing with Canada's national parks. Of course, she is also subject to certain constraints, such as available funding.

To put matters simply, this Government's expenditures must be controlled. There must therefore be some restrictions, which means that we must put our dollars where our priorities lie.

One of the priorities of the Minister of Environment is to maintain the magnificent national parks—

[*English*]

Mr. Deputy Speaker: Order. The hour provided for the consideration of Private Members' Business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

ENERGY—NEGOTIATIONS WITH WESTERN PROVINCES. (B) PETROLEUM AND GAS REVENUE TAX

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, yesterday in Question Period I asked the Minister of Energy, Mines and Resources (Miss Carney) about the Government's position with respect to the petroleum and gas revenue tax and the present negotiations with the three western provinces. I pointed out to her, as something that she knows, as does everyone in Ottawa, that there are varying opinions with respect to the future of this petroleum and gas revenue tax in her own Government. She said:

> I can assure the Hon. Member that he could not have heard conflicting positions on energy policy from members of this Government, because there is only one energy policy of this Government and it is supported by all of us.

That is not the case. It has not been the case for some time and as time goes along it is becoming less and less the case.

First let me go to the statement of the Prime Minister (Mr. Mulroney) who was not Prime Minister on July 8 when he spoke in Edmonton just three days before the election was called. He said:

> We're going to replace the front-end PGRT with a profit-based tax system.

Nothing could be clearer than that. That was the statement.

If you look at the Progressive Conservative election platform, during the election campaign Mr. Speaker, they called for the implementation of a tax system that recognizes bottom-line profits as the bottom line for assessing taxes in order to stimulate the investment needed to bring on new energy resources. That was the Progressive Conservative platform during the election campaign.

On October 26, 1984, when asked about the timetable and the replacement of the Petroleum and Gas Revenue Tax, the Minister of Energy, Mines and Resources said:

> Until world prices stabilize, we'd rather be slow than sorry especially on the big ticket items like exploration incentives and changes to the tax regime.

Already we are seeing a waiver of what was promised by the Prime Minister before the election campaign and what was stated in the Progressive Conservative election platform.

To go a little further, I would like to mention the statement during the election campaign of the Minister of Energy, Mines and Resources. She said that the Petroleum and Gas Revenue Tax was "one of the most devastating fiscal highjacks that has ever happened to any region of the country, and the most hated word in the West". That was the bravado of the Progressive Conservative Party prior to and during the election campaign. That is not the case now, not at all.

We have talked about the situation. There is a great deal of difficulty now. The Minister of Energy for Alberta was in Ottawa recently. He did not even meet with the Minister of Energy, Mines and Resources or the Minister of Finance (Mr. Wilson), yet he met in Toronto with the Minister of Energy for Ontario. The Minister of Energy for Ontario said "believe it or not, Lougheed is insisting that Ottawa make good their promises in the next budget, then maybe he'll talk about what he's prepared to give up". Then he spoke in terms of reduced royalties and lower natural gas prices. There is obviously a discrepancy here. I feel very strongly about this.

As a Liberal we heard criticism after criticism from the Progressive Conservative Party when it was in Opposition about the PGRT which the Liberal government had implemented. They could not say enough bad things about that tax.

● (1805)

Then the Minister of Energy, Mines and Resources, the energy critic prior to the election, had the benefit of speaking to people in the energy sector and seeking their advice. Her statements during the election campaign and after are clear. The Prime Minister knew about the deficit. When he spoke in Newfoundland in August, he practically hit the deficit to the penny. Therefore, there can be no statement now from the Government that the deficit is the concern.

What we have is a Government misleading the energy sector in western Canada to secure its support and, even worse, misleading the people of western Canada to gain their support during an election campaign and to belittle and berate the Liberal Government over something that they may very well had been planning to follow even at that time, if they were privileged with the opportunity of serving as the Government. That is a treachery. Regardless of what one thinks of the Petroleum and Gas Revenue Tax, there was a misleading of the people of western Canada in this regard.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am a little surprised that the Hon. Member has chosen this particular forum in which to raise his concerns about details relating to the current energy negotiations with the western producers. He is always a little out of character when he gets so irate, at least he puts on a great show of being irate. We in the House all know that he is not like that at all.

In responding to questions yesterday in the House, the Minister of Energy, Mines and Resources (Miss Carney) very candidly stated that negotiations have reached a sensitive point in the bargaining process. I might as an aside remind the House that the Hon. Member delivered the same speech about a week before the Newfoundland agreement was signed, how terrible it was and how it was going off track. That came back to haunt him. I am sure this one will as well.

She emphasized that some hurdles could be anticipated at this time since we are involved in a highly complex regulated system which is being deregulated. Nevertheless, the Minister stated that she was confident that an agreement would be struck by the end of March. Again, today in this House she indicated that negotiations are going ahead, with meetings taking place yesterday and today.

I am surprised that the Hon. Member would say that the Alberta Minister of Energy is ignoring her. In fact, my Minister talked to all three Energy Ministers from the producing provinces today. She will announce an agreement when it is duly concluded. We on this side of the House share the Minister's confidence that a new and beneficial agreement is in the offing.

This Government has been committed to the expeditious resolution of outstanding energy issues. We moved quickly and effectively at arriving at the Atlantic Accord, which the Hon. Member remembers all too well, and we intend to reach an equally just and honourable agreement with the western provinces, which deserve it. This Government has attained a high level of success in negotiations to date because we are operating in a conciliatory environment, something that was markedly lacking during energy negotiations that were carried out in the early years of this decade.

As the Minister of Energy recently stated, the federal Government is working very diligently at putting our energy policy house in order.

Mr. Waddell: You're not in Opposition now.

Mr. McDermid: If the Hon. Member does not be quiet, I'll push the down button on his elevator shoes.

We intend to put the oil and gas industry on a predictable footing where market forces govern both producer and consumer. Most important, this must be done in a manner that will benefit all regions of this country. The Minister of Energy has stated on many occasions that she will not carry out negotiations in public, and we readily respect this stance. We are buoyed by the progress being made in these negotiations and are confident that we will have formalized a new energy pricing accord with western producers in the not too distant future.

The Acting Speaker (Mr. Paproski): The Hon. Member for York Centre (Mr. Kaplan) I believe is next. Was there not an agreement?

Mr. Kaplan: I can speak now, if the Government is ready.

The Acting Speaker (Mr. Paproski): Was it not agreed by unanimous consent?

Mr. McDermid: Mr. Speaker, I understood that an agreement had been reached as I was replying on both of the Government's responses. The change of order had been agreed to at some time around five o'clock.

• (1810)

Mr. Cassidy: That is okay then.

TERRORISM—ROLE OF CANADIAN SECURITY INTELLIGENCE SERVICE. (B) SURVEILLANCE OF ANTI-TURKISH TERRORISTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to make it clear before I begin that I had no difficulty with the original arrangement. However, I am happy to proceed now.

I would like to inform the House that many questions have been asked in the last few days about the responsibility of the federal Government in relation to the Turkish Embassy tragedy which occurred this week in Ottawa. Questions have been asked, but I would say that there is considerable dissatisfaction with the answers that have been given. The Government has not yet fully acquitted itself for its responsibilities in this matter.

There was an interesting reflection made on the attitude of the Solicitor General (Mr. MacKay) on this question the other day when he believed for a short period of time that a certain security report which I requested had in fact been delivered to me in the month of June, about two months before the change of Government. At that time he waxed very indignant that I had received the report and sat on it for two months without doing anything.

It appeared later during the day, as confirmed by Ministry officials, that I had not in fact received the report in June, that it had not been presented to the former Government at all, but that it had been presented as a new document to the new Government. The Minister was ready to criticize me for not

having responded in two months when he thought I had had the report for two months. We learn now that he was the first politically accountable person to receive the report, and from September until now, more than six months, it had not yet been taken to Cabinet.

I commissioned that report because I believe that security at foreign missions needed to be upgraded, and I wanted the advice of the RCMP on how that security should be upgraded. Six months after the Government received that advice it still has not gone before Cabinet, and a terrible tragedy has occurred involving the death of a Canadian and serious injury to the Turkish ambassador. It has also embarrassed the Canadian Government considerably before the Turkish Government. I would like to elaborate on that for a moment.

The Deputy Prime Minister (Mr. Nielsen) said that Turkey was satisfied with some increase in security arrangements that were made a month ago. That was contradicted from Ankara. We learned that the Government of Turkey, through Ministers in the Turkish Assembly, had indicated that it was not satisfied with the amount of security that was provided by the Canadian Government for its mission here. The Ministers say that 10 days ago they warned the Canadian Government of the possibility of a terrorist attack on their embassy.

It is clear from the answers the Government has given that, whatever it did one month ago, it certainly did nothing 10 days ago when news of a possible terrorist attack on the Turkish Embassy was given to Canada. If we saw evidence of it in the arrangements that existed and were made public at the time of the terrorist attack, what the Government did one month ago was not much. It seems to me that in the range of security responses and precautions that could be taken, what should be taken in relation to an embassy with regular threat assessments is action of a much stronger nature than that which seems to have been taken in the case of the Turkish Embassy.

The question that has still not been answered by the Government, which claims that Turkey was happy with the arrangements made one month ago, even though that has been contradicted by Turkey, is whether or not the Mounties were happy with the arrangements that were made one month ago. Were those arrangements the ones that were recommended in their report?

I can see the Parliamentary Secretary preparing to rise to indicate that he does not have to tell us what security arrangements were made on the grounds of national security. I agree with that. I think there are 100 questions I could ask that I should not ask and for which answers should not be given. However, the question of whether or not the RCMP were satisfied with the security arrangements and whether or not they conformed with what was recommended for the Turkish Embassy, particularly at a time of a specific threat assessment which was brought to the attention of the Government by the Turks, ought to be answered, because I believe the Canadian people are entitled to an assurance that those security arrangements were made. If they are not, they should be entitled to the resignation of the Minister.

• (1815)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, of course, this is a very serious subject. Any suspected terrorist activity is a threat to our security, and as such is within the mandate of the Canadian Security Intelligence Service to investigate. I might say that the Hon. Member took some poetic licence in that he did not hold his comments to the specific question which he asked the Deputy Prime Minister (Mr. Nielsen) in the House. That question is to be found at page 2929 of *Hansard*.

The priority given to the investigation of any particular group by the Service would be consistent with and appropriate to the degree of the threat posed. The record of terrorist acts claimed by anti-Turkish groups in other parts of the world, as well as in Canada, is well known and is a clear indication of the level of threat these groups represent.

I would like to take this occasion to raise my strong concern with the nature of the Hon. Member's question, which I find, in light of his earlier responsibilities, to border on being irresponsible. As the previous Solicitor General, the Hon. Member knows full well that public discussion of security threats and the Government's response to those threats is not in Canada's interests or in the interests of those who may be the subject of such threats. In light of these well-understood and accepted principles, I would strongly urge the Hon. Member to consider very carefully pursuing any further questions of this nature in the House.

In light of the respect which the Solicitor General (Mr. MacKay) has for these principles, I am sure the former Solicitor General would agree that it would be irresponsible for the present Solicitor General to provide any further indication of the extent or nature of any ongoing investigations or surveillance which is being conducted by the Service. I would like to repeat what I have already said. The priority given to the investigation of any particular group by the Service would be consistent with and appropriate to the degree of the threat posed.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa Centre has the floor.

• (1820)

REGIONAL ECONOMIC EXPANSION (A) GOVERNMENT AID TO DOMTAR. (B) IMPORTANT ECONOMIC PROJECTS FOR QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to congratulate you for your intervention in French. We are dealing now with the subject matter of a question which I put on March 4 and to which the President of the Treasury Board (Mr. de Cotret) replied in the absence of the Minister of Regional Industrial Expansion (Mr. Stevens). It is about the Domtar Corporation and the federal government's failure to intervene in the corporations' investment project for the Eastern Townships, a project of utmost importance for the econom-

ic development of this region and the province of Quebec as a whole.

Mr. Speaker, the Domtar issue has been raised many times in the House over the past two weeks, and I must tell the Parliamentary Secretary that the government's replies have been unsatisfactory, not only on March 4, but every single time we have heard about this matter.

On that date, I asked whether the government was looking into the possibility of becoming a shareholder in the Domtar Corporation, and whether this was one of the alternatives being considered. Moreover, I was seeking the assurance that it would not discriminate against that company on the ground that 45 p. 100 of the shares were held by agencies of the Quebec government. I never had any answer to the first question, and so far, the government has seemed unwilling to reply to this question: What options are being considered to salvage this important project which is necessary to the economic stability of the Eastern Townships?

Also, last Friday, the Prime Minister met with the Quebec premier. He had promised to discuss the Domtar project with Mr. Lévesque, but his pockets were empty, and he had nothing to offer. Mr. Lévesque has therefore had to admit that he has received nothing from the Federal Government for the Domtar project.

Indeed, we learned during the weekend that Domtar was now considering a major investment in Minnesota, which would mean a lot for the fine paper market in the United States and effectively prevent this project from going forward in the Eastern Townships, even though it would benefit the economy of Quebec and create jobs for Quebecers in that region.

However, what disturbs us is the contradiction between the official statements made by the Minister of Regional Industrial Expansion (Mr. Stevens) and the Prime Minister (Mr. Mulroney).

Last November 8, Mr. Speaker, the Department announced the changes to be made to the Industrial and Regional Development Program. Among the changes introduced last November 8, apparently as part of the new governmental policy, the Department stated that, in the future, Crown corporations would not be entitled to any subsidies. This policy was confirmed in the estimates of the Minister which were published only two weeks ago. This is indeed departmental policy and it is quite clear that departmental officials understand this to mean that Crown corporations and their subsidiaries, such as Domtar, will no longer be able to receive subsidies or financial assistance from the Government. However, when we asked the Prime Minister about it, he said: "No, that is not my policy." In fact, on March 1, he said that this was the interpretation of the departmental officials not his own nor that of his colleagues. These interpretations are completely contradictory, Mr. Speaker.

Even more recently, on March 11, the Minister finally came back to the House, and in reply to the questions addressed to him, he said that these two statements, namely that of the Prime Minister to the effect that Domtar could receive subsidies, and the statement of his department that a company such as Domtar would not be eligible or entitled to subsidies, were quite consistent with each other, in spite of the obvious contradiction.

Second, Mr. Speaker, what disturbs me as the spokesman for my Party, is not simply the discrimination directed against a Crown corporation or its subsidiary, but also the discrimination against poor provinces and especially the Province of Quebec.

In Quebec, the industrial structure is quite different from the one in Ontario, for instance, because of the Caisse de dépôt et de placement du Québec, because of the intervention of the Société générale de financement, and because the public sector is involved in provincial industries in a way unparalleled in other provinces. This fact was ignored in the policy announced by the Minister on November 8.

Mr. Speaker, this is why we are not satisfied with the replies of the Government.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the question put this evening by the Hon. Member for Ottawa Centre (Mr. Cassidy) is, I think, related to a question that has already been answered by the President of the Treasury Board (Mr. de Cotret). The Hon. Member also mentions questions that were not answered by the Minister or the Prime Minister (Mr. Mulroney). In each case, considering the information available and the questions that have been put in the House, I would advise my hon. friend to review his notes, and I would also like to point out that during the adjournment debate on Tuesday evening, I answered a question put by the Hon. Member for Shefford (Mr. Lapierre).

In my answer I mentioned the situation at Domtar and the reasons behind the Government's decision. I would urge my hon. friend to look up all the answers that have been given on the subject and to refer to *Hansard* of March 12, 1985, where I answered a question of our Hon. Member for Shefford about Domtar.

[*English*]

The Acting Speaker (Mr. Paproski): It is appropriate, since the House will not be sitting on that day, to indicate that St. Patrick's Day falls on Sunday. This day is very dear to everyone who is Irish or wishes they were on that day. St. Casimir's Day was of course on March 4 and I celebrated that quietly. I am getting ready for the days of St. Vladimir of Kiev and St. Stanislav of Cracow, patron saint of Poland. St. Stanislav has come up strong on the calendar of Saints under the present Pope, but I can assure you that St. Patrick will continue to be revered wherever there is a touch of the green or a bit of the blarney.

May I take this occasion to wish all Members and staff of the House and the media the top o' the morning. I mention the media because not only are they aware of the blarney, they bottle and sell it for a living. And so a tip of the hat in honour of the day and the Saint himself for all those of Irish background, whether they come from Riviere du Loup, Killarney or Byelorussia, which is a suburb of Tralee.

The "ayes" have it, and this Sunday the "ayes" will be Irish "ayes" and they will be smiling when those two Irishmen who are going to Quebec City shake hands in honour of the day and St. Patrick.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Friday, March 15, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EMPLOYMENT

REQUEST THAT APPLICATION DEADLINE BE EXTENDED FOR CHALLENGE '85

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, on February 6, nearly two months later than the usual date, the Minister of Employment and Immigration (Miss MacDonald) announced the Challenge '85 student summer job program. Three weeks later, the minister set first March 15, and then March 22, 1985, as the deadline for participating in this program, leaving interested individuals and organizations with only three weeks to submit projects or employment applications. Several groups within my riding have indicated to me that the March 22 deadline does not allow them enough time to submit a project under the new Challenge '85 program.

If the Hon. Minister of Employment and Immigration is really serious about her program, she should extend the deadline from March 22 to April 22, in order to allow interested organizations to submit projects which meet the new requirements of Challenge '85. Does the government really want the Challenge '85 program to succeed, or is it simply trying to blind Canadians to the fact that the Conservative elite just does not want to help our young people find jobs?

If you believe in your program, give it a chance.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN CANADA

Mr. William G. Lesick (Edmonton East): Mr. Speaker, as a Member of Parliament from Edmonton I am deeply concerned with the continuing decline in employment in my city, as well as in all of western Canada. The latest Statistics Canada information has revealed that Edmonton has the highest unemployment rate of any city in the West. That is a travesty for the people in my city.

The unemployment rate in Edmonton is 15 per cent—in construction it is 43 per cent, and in manufacturing it is 30 per cent. The high rates of unemployment, no matter how one looks at the matter, are a direct and unquestionable consequence of the odious National Energy Program which the Liberals perpetrated on western Canada.

Edmonton has one of the highest vacancy rates in Canada. It has empty office buildings and empty apartment buildings. People are leaving Edmonton in a fruitless attempt to find employment. In Edmonton East there are 8,000 fewer people today than there were five years ago.

I urge the Government, in the strongest possible terms, to take decisive action now. Western Canadians have confidence in government, but that confidence is not limitless. I came to this House because I felt the effects of the previous Government's disastrous energy policy. Let us now demonstrate that we have the courage and the foresight to take full economic measures to stimulate development, to reverse those staggering figures, and to get the people back to work.

* * *

INDUSTRY

ANNOUNCED CLOSURE OF JOHN INGLIS PLANT IN STONEY CREEK, ONT.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the John Inglis Company has announced that it will close its plant in Stoney Creek, Ontario. That will mean the loss of 600 jobs for people in the Hamilton area.

That same company received $3 million from the previous Government in order to effect to take-over of the bankrupt Admiral Corporation. At that time I requested that there be clear job guarantees attached to the granting of that particular sum of money. The Government did not put those provisions in place, and the end result has been exactly what we predicted, the Inglis Company used the money to fund the expansion of its operations in lower wage areas, and used the money to create unemployment in the Hamilton area for the people who have been building the products which Inglis has sold for many years.

I would ask this Government to take action now, to meet with the John Inglis Company, bring to its attention that this kind of conduct will not be accepted by the Government of Canada, and that if the company will not put back in place the jobs which it has proposed to take away, the Government will reclaim the money which that company was given.

S.O. 21

[*Translation*]

EXTERNAL AFFAIRS

IMPENDING VISIT BY UNITED STATES PRESIDENT—QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, thanks to the Prime Minister of Canada (Mr. Mulroney), at the end of the week, on March 17 and 18, the Province of Quebec will be hosting an historic event.

Mr. Speaker, the summit meeting between the President of the United States and the Prime Minister of Canada is particularly significant for the people of Quebec. We would have to go back as far a 1944 in Quebec's history to find a meeting as prestigious as this one. The entire international press will be covering this event, and for a few days, Quebec will be the focal point of the world's attention. Mr. Speaker, this is a unique opportunity to acquaint millions of viewers with the warmth and cultural riches of the people of this province.

Mr. Speaker, I realize that this event must bother our hon. friends opposite, who over the years have slowly but surely succeeded in letting our relations deteriorate and destroying a friendship that is so essential to the harmonious economic development of our two countries.

Mr. Speaker, we on this side of the House are convinced it is both healthy and desirable that two great democracies that share the same continent, that two sovereign nations should entertain cordial and harmonious relations. I say three cheers for the Prime Minister!

* * *

[*English*]

EDUCATION

PROVINCIAL EXPENDITURES ON POST-SECONDARY EDUCATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, Liberals on this side of the House agree that federal funds which are targeted for post-secondary education must be used for that specific purpose and not skimmed off for other purposes by provincial Governments. That was one of the major concerns which prompted the previous Liberal Government to commission the Johnson report on post-secondary education.

Since that report was commissioned, the situation has taken what could be called a more conservative twist. In the Province of Ontario, the Tory Treasurer made a grab into the pockets of the students and called for major increases in the cost of tuition. At the same time, while the Province of Ontario will get a 7.4 per cent increase in federal funds which earmarked for post-secondary education, it plans to pass on only five 5 per cent of that amount and steal 2.4 per cent from Ontario colleges and universities.

The Conservative federal Government has already shown a marked antipathy toward post-secondary education. It has cut back federal research grants for scientific, medical, and environmental research. It has cut back the student loans program which assisted students in paying their tuition. It has massacred the Centres of Excellence Program and removed it from existence. What we are seeing is the emergence of an elitism against those students who are financially less well-off than their richer counterparts.

Through its own cuts the Conservative Government has badly weakened the post-secondary education system at a time when it is acknowledged that education and training are the keys to jobs and economic development.

* * *

ENERGY

FEDERAL-PROVINCIAL NEGOTIATIONS—CALL FOR MARKET BASED PRICE SYSTEM

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I rise in the House today to lend my support to the negotiations which are ongoing between the Minister of Energy, Mines and Resources (Miss Carney) and the oil-producing provinces, which will achieve the deregulation of crude oil and natural gas. Allowing domestic wellhead prices to match world prices is in complete agreement with our Party's promise of deregulation.

• (1110)

In the present regime at world levels, the domestic price is static and unable to respond to market forces. This is the real problem. The administered pricing regime left to us by the previous Government is outdated, too complex, and discourages investment. The implementation of a market based oil and gas price system will provide benefits for my riding and for all of Canada. This will help in creating a positive environment which would allow us to strive to reach our unlimited economic potential.

Unemployment in all regions of the country has escalated to record highs, a problem with which all members of this House are concerned. In Sarnia we have witnessed a level of unemployment which is higher than any other time in history, a most distressing factor. I am encouraged by these negotiatons, and I feel they will aid, in the long-term, the unemployed of our country.

I encourage the expeditious initiation of deregulation of feedstocks for the petrochemical industry, and a change to all the other elements of the existing system which impose such severe limits—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

EDUCATION

INCREASED UNIVERSITY FEES IN BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last week the President of the University of British Columbia resigned in protest against the anti-education policy of the provincial Government. On April 1, UBC students face an average 10 per cent increase in tuition fees, on top of a 33 per cent increase last year.

The province no longer makes grants available to needy students but forces them to go deeper into debt while they face greater difficulty in getting employment.

Yesterday in its so-called recovery budget the "know nothings" in Victoria cut an additional 5 per cent from university budgets. The Johnson report on federal financing of post-secondary education shows that the provincial Government of British Columbia has reduced its share of post-secondary funding by 25.4 per cent since 1977-1978, making it the worst offender of all of the provinces.

Education can no longer be considered a leisurely option for a small elite who can afford the high fees. Post-secondary education is essential, not only for individuals but also for all of our provinces and our country if we are going to survive in tomorrow's economy. The Secretary of State (Mr. McLean) and the Government must protect the federal investment in post-secondary education in British Columbia. It is not enough to consult—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

EXTERNAL AFFAIRS

VISIT BY UNITED STATES PRESIDENT

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I would like to emphasize in the House today the importance for Canadians of this visit by the President of the United States, Mr. Reagan, to Quebec City this weekend.

The President's visit to Quebec City will show our neighbours to the South that since September 4, we now have a truly Canadian Government that includes all ten provinces and all cultures. The fact that the previous Government never succeeded in uniting all regions in this country has caused considerable harm to our economic development.

By treating all regions as part of one nation, the present Government is ensuring that our country will maintain its position on the international scene and promote investment in this country. We are hopeful that this visit will generate positive results for the future and prosperity of our country and all its citizens.

[*English*]

CANADIAN BROADCASTING CORPORATION

RETENTION OF CBG GANDER STATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, today the CBC will be reversing one of its cuts. In a public statement this afternoon the CBC will state that CBG Gander will remain on the air.

Some Hon. Members: Hear, hear!

Mr. Baker: I would like to say, Mr. Speaker, that my CRTC intervention will now be withdrawn, and the legal position based on the constitutional arguments will be forgotten. These cases were being prepared by the deputy Mayor of Gander, Mr. Winston Baker, who happens to be my brother, by the way.

On the basis of this reversal, Mr. Speaker, I have a duty to thank the many petitioners, the many hundreds of persons who wrote letters, and to congratulate the Gander Town Council, the mayor, the d'Avignon Players, and the CBC management, present and past, who helped, especially Mr. Cliff Hierlihy. I would like to thank the Parliamentary Secretary to the Minister of Communications, the Hon. Member for Hamilton-Wentworth (Mr. Scott), the Member of Parliament for Edmonton South (Mr. Edwards), and the Minister of Justice (Mr. Crosbie) and his staff—

[*Translation*]

—and for the Minister, Mr. Speaker, I am pleased to announce that CBG has now resumed broadcasting.

● (1115)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES—ACCESS TO U.S. MARKETS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to welcome the Prime Minister home from Moscow—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): —where he attended the state funeral on behalf of the Canadian people. Because of the two-hour meeting he is having with the U.S. President this weekend, I would just say by way of comment that we are grateful that the hostages in Kingston have been released and we hope we can have a report in due course from the Solicitor General on that particular issue.

The press was briefed yesterday, Mr. Speaker, by the Government on the agenda and purpose of the Canadian Government, led by the Prime Minister, in this weekend's two-hour

meeting. However, Parliament has not been briefed. We have not seen an agenda. Therefore I ask the Prime Minister if he would indicate to the House what he is attempting to accomplish, particularly on the matter of trade. Will he be asking the President for guarantees on the admission of our steel into the U.S. market, as well as our forest products? Will he be reviewing the auto pact as it relates to the ending of American quotas on Japanese car imports? Will he be dealing with these matters at the Quebec city meeting, and what type of arrangement does he hope to achieve with the President on the very vital issue of trade?

Right Hon. Brian Mulroney (Prime Minister): I thank my right hon. friend for his words of welcome, which I appreciate.

During the 10 or 11 hours I will be spending with President Reagan I will be discussing, both in formal meetings and in têtes-à-têtes, the points we have on the agenda. Regarding trade, because our discussions and negotiations are still ongoing and hopefully will conclude in Quebec city, we hope to secure a declaration, or arrangement, which would ensure more secure access of Canadian goods, including steel and other products to which the Right Hon. Member referred, as well as the elimination of irritants between us. These include the undertaking to be more forceful in regard to protectionism which has been rising in the American Congress, and to lay the groundwork for a more productive and helpful trade arrangement between Canada and our largest trading partner in the world, namely, the United States of America.

As my right hon. friend knows, there are in excess of three million jobs which depend very heavily on the maintenance and enhancement of an excellent trade relationship with the U.S.A. This is our greatest friend, our best trading partner in the world, and we plan to take steps to improve both the climate and the trading reality.

[*Translation*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary.

This is the reason why I asked the question, because the Prime Minister appeared to be ready to capitulate on the acid rain question. Is he willing to admit that his meeting with the President of the United States will have been a failure if he does not come out with an agreement that will put a stop to acid rain? Are we going go get a deluge of nice words, or will Canada insist on an agreement providing for joint legislation, or on a treaty to clean our mutual air, something solid and concrete for us Canadians?

● (1120)

Right Hon. Brian Mulroney (Prime Minister): As far as acid rain is concerned, we inherited from the Liberal Government a situation on which there has been absolutely nothing done by that Government. Absolutely nothing, strictly zero. That is what we started with. Since we came into office, we have been working on that, and I think many members of this House have had an opportunity to favourably comment on the initiative taken by the Minister of Environment on a national program—

[*English*]

Mr. Caccia: You are continuing the Liberal work.

[*Translation*]

Mr. Mulroney: Oh, the Hon. Minister who could do absolutely nothing! Recently, one could read in the newspaper *Le Droit* that the problem with the Liberal Government was that the former Minister had no influence whatsoever with his colleagues in Cabinet. This is why nothing could be done. Under the circumstances, any progress would be a major accomplishment. But we are going to try and set in motion a process which will force Americans and Canadians to clean out our common environment. That is the responsibility of any Government. We accept the responsibility of taking action here at home, and we will try to better convince the Americans to act both in their national interests and international interests of our two countries.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we shall be waiting for the results, even though the Prime Minister is trying to rewrite the true history of this situation.

[*English*]

STRATEGIC DEFENCE INITIATIVE—PRIME MINISTER'S MEETING WITH U.S.S.R. LEADER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister is reported to have agreed to convey Mr. Gorbachev's concerns about the Strategic Defence Initiative proposed by the United States, to President Reagan this weekend. Did he indicate to the Secretary General in Moscow that the Canadian Government had taken a position endorsing and supporting this Strategic Defence Initiative? If so, did the Secretary General feel that the Prime Minister could act as a broker in this particularly delicate situation? Will the Prime Minister tell the President of the United States that he disagreed with the Soviet Union's position, which is to place that item on the agenda for discussion by the two superpowers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can tell my right hon. friend, with regard to the position that the Government of Canada has adopted on the research component of SDI, in bilateral discussions with all of our NATO allies the position of Canada was widely applauded and supported by all of those who believe in freedom and democracy.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There was a general view among our allies that to do otherwise would be to diminish the capacity of the

West to engage in the kinds of substantial negotiations that we hope will be beneficial to all involved.

I had an excellent meeting with Secretary General Gorbachev. I conveyed to him the genuine desire of Canadians everywhere, and of all political Parties, to contribute positively to the search for a durable peace. I underlined the concerns that I have heard expressed in the House of Commons by many Members in all political Parties. There can be no doubt as to the national will of the Government of Canada to play a constructive and positive role in this area. He was very grateful, I think, not only for our interest but our commitment to the process. I was very glad of the opportunity to have contributed, however modestly, to that process.

CANADIAN EXPORTS—U.S. SURTAX PRESSURE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, as the Prime Minister knows, the United States is anticipating a massive trade deficit in the current year. Conservative estimates put it at about $123 billion or $125 billion. There are indications that there will be growing pressure for a surtax on imports, for example. That is the rumour this week. As the Prime Minister knows, that would have disastrous consequences for the Canadian economy. He will recall that when that was done in 1971 we lost something like 40,000 jobs overnight. This would be much more serious.

I hope that the Prime Minister will seize this opportunity at the summit conference with the President to discuss this specific issue, warning him of the dangers that it poses for the economy. I hope he will seriously address the kinds of subjects raised by the Leader of the Opposition and that it will not be like the First Ministers' Conference, to which I was an unhappy witness, which was simply an extended photo opportunity. Can he give us that assurance?

• (1125)

Right Hon. Brian Mulroney (Prime Minister): I know that my hon. friend from Westmount—unless he has moved to Saint-Henri in my absence—was unhappy with the First Ministers' Conference. He is usually unhappy when he is sitting in the audience.

The First Ministers' Conference seemed to please both the Canadian people and the Canadian Premiers. Of course that would be a matter of great concern and dissatisfaction to the Liberals.

I can assume my hon. friend that we are fully aware of the importance of the trade issue, which is why we have been working very hard to enhance our relationships and to place Canada in a position where we would not be subject to the sort of initiatives to which my hon. friend refers. We are looking for an opportunity to make sure that our bilateral trade relations are enhanced and not in any way affected adversely.

THE ECONOMY

NATIONAL CONFERENCE AGENDA

Hon. Donald J. Johnston (Saint-Henri-Westmount): Just as an aside—

Some Hon. Members: Order.

Mr. Johnston: —the Prime Minister is a former resident of Saint-Henri-Westmount. When he returns to that riding, which I hope will not be in the too distant future, I will be happy to explain the geography of the riding to him. On his return as a private citizen, that is.

[*Translation*]

Therefore, I would have a second question, this time for the Minister of Finance.

Next week, Mr. Speaker, we will have a show here: the National Conference on the Economy. Some 136 persons have been invited to attend. According to the agenda I have seen, several questions will be dealing with our relations with the United States. I would like to know whether the Government will already have taken a position. Five days before the Quebec Summit, will the Government delete those questions from the agenda, or are we right in assuming that this meeting here in Ottawa next week will really be some "showbiz".

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would hope that the Right Hon. Leader of the Opposition will provide a seat for him, and that the Hon. Member will come to the conference to see for himself the views of a wide range of Canadians. It will probably be the most expansive discussion of economic matters that this country has seen in its history. It will contribute tremendously to the understanding of the various economic issues, and their complexity and interrelationship, as well as contribute a lot to the policy-making that the Government is faced with in the coming weeks.

The specific answer to the Hon. Member's question is no, there will not be decisions taken in the meetings at Quebec city that would foreclose on the wide range of matters that will be under discussion. We will be looking very closely at the results of this conference in the budget preparation, as well as other matters of policy-making. We have high expectations for this meeting, and I hope that I will see the Hon. Member there.

* * *

NUCLEAR ARMAMENTS

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, let me begin by adding my welcome to the Prime Minister on his return from his important trip.

Recently in the House the Secretary of State for External Affairs and the former Minister of Defence said that before there would be the locating of any U.S. nuclear weapons in

Canada, the prior consent of the Government of Canada would have to be obtained. Is this still government policy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is still government policy. It will continue to be government policy.

Mr. Broadbent: Since the following questions pertain directly to the summit meeting involving the Prime Minister and the President of the United States, I hope that the Prime Minister will answer.

• (1130)

DEPLOYMENT OF UNITED STATES AIRCRAFT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is stated in the regulations of the Strategic Air Command of the United States that there will be automatic deployment of aircraft carrying nuclear weapons to Canada under certain circumstances, without consultation. Once again, Mr. Speaker, we have a contradiction in terms of what the United States is saying on important matters and what is being said by the Government of Canada. My question is for the Prime Minister. Considering we now have contradictory statements on the linkage between star wars and the modernization of the DEW line on the one hand, and a contradiction on the deployment or locating of aircraft bearing nuclear weapons in Canada between what we are saying and what the U.S. is saying, does the Prime Minster not realize that the people of Canada have a right to see, in clear-cut writing, what we are committed to, before he signs any agreement with President Reagan?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is being unfair. I suspect that he probably knows there is an element of unfairness in his suggestion.

The question of an alleged linkage has been dealt with very categorically. I think it is generally acknowledged by reasonable observers that there is none. I know that some people have a political interest in trying to draw one, but there is no such linkage. By and large I think any objective observer knows that.

With regard to the question of sovereignty that my hon. friend talks about, there is some proof in that. We have inherited a position where our predecessors, over the years, signed international agreements without the necessary provisions for Canadian sovereignty. We are trying to correct that in a very substantial way to make sure that the independence and the integrity of the national sovereignty of Canada will be protected at all times and in all circumstances.

Some Hon. Members: Hear, hear!

CANADIAN SOVEREIGNTY

Hon. Edward Broadbent (Oshawa): The Prime Minister has just given it away, Mr. Speaker. He has acknowledged that, in terms of an agreement entered into by a previous Liberal Government, the United States will have a right to locate nuclear weapons in Canada without agreement by the Government of Canada. That is part of our concern.

Is the Prime Minister willing to continue to buy a pig in a poke? The U.S. Secretary of Defense, a major advisor on strategic policy to the United States Government, and a State Department official briefing Canadians, say there is a linkage between star wars and modernization of the DEW line, whatever the Canadian Government has to say. Instead of being sort of kid brother to the United States, why does the Prime Minister not establish a policy of being a good neighbour? Why does the Prime Minister not get all of this in writing so the people of Canada know what the Government of Canada is committing itself to?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend has clearly established the validity of my assertion with regard to the argument of unfairness. He promptly stood up two seconds after me and distorted something that I had just said. That is the problem with the NDP. If the Hon. Member's Party wants to join NATO they had better get their act straight.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Waddell: Read Sam Slick.

Mr. Mulroney: The next time the NDP forms a Government in Canada and it is called upon as a member of NATO, its friends will want to know where the NDP stands. Stand up and be counted.

Some Hon. Members: Oh, oh!

Mr. Waddell: We are not Reagan's poodle.

Mr. Mulroney: In point of fact we have no lessons to learn from the NDP in terms of protecting the integrity and sovereignty of this nation. It was a Conservative Government, and a Conservative Party headed by the Right Hon. John Diefenbaker, that took on the Liberals on the question of nuclear arms in Canada—

Mr. Turner (Vancouver Quadra): He brought it in.

Mr. Mulroney: —and it was the Liberals, not us, who went against the interests of Canadian sovereignty. The Conservatives will always defend the sovereignty of Canada.

Some Hon. Members: Hear, hear!

Mr. Deans: It was wonderful rhetoric, but what does it mean?

NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—PRIME MINISTER'S DISCUSSION WITH SOVIET LEADER

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to address questions to the Prime Minister, who seems to be having a wonderful time this morning rewriting history. As he well knows, it was Prime Minister Diefenbaker who signed the agreement to put nuclear weapons on Canadian soil. That is history, not his version of it.

Mr. Clark (Yellowhead): Where is Otto Lang?

Mr. Axworthy: What we want to raise with the Prime Minister goes back to the discussions he had with the General Secretary of the Soviet Union.

In those discussions did the Prime Minister communicate that his Government has now agreed to accept the new American version of North American defence that incorporates not only the star wars program but also a major new ground based defence system that is designed to set up a screen rather than relying upon deterrence? We have not been able to get any answers from the Prime Minister's Ministers in his absence that this is now the new government policy. What we need to know, Mr. Speaker, before that agreement is signed in Quebec city, is whether this is now the policy of the new Conservative Government of Canada? Is the Government now agreeing fully to the new defence strategy enunciated by President Reagan and by Secretary of Defense Caspar Weinberger that there will be a brand new strategy of defence that will involve a major introduction and involvement of military developments in the northern part of Canada?

Mr. Clark (Yellowhead): Somebody elect Tom.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am impressed with the temerity, there is no better word, of the Hon. Member. The Hon. Member's Party signed an international agreement with the United States wherein Canadian Cabinet Ministers had to seek American permission to go to the Canadian North. That is the way the Liberals abdicated their responsibilities. I can tell the Hon. Member that that will never happen with a Conservative Government.

Some Hon. Members: Hear, hear!

An Hon. Member: It was Pearson who did that.

Mr. Mulroney: I want to say to the new critic for external relations for the Liberal Party—

Mr. Clark (Yellowhead): Tom's brother.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I wish I had said that.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: What about Otto's friend?

Mr. Mulroney: Otto's friend.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I think the Secretary of State for External Affairs, with great clarity and strength, has set out the position of the Canadian Government on that. I know that my hon. friend is not satisfied. He would like it to be otherwise. He would like the issue to be befuddled so that he can try to score a few political points, but Canadians are not having any of it.

The position set out by the Secretary of State for External Affairs is the Canadian position, the hallmark of which is clarity and the preservation of Canadian independence and integrity.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, the problem with the Prime Minister is he judges other people's motives by looking in the mirror. Not everything is motivated by pure partisan political objectives.

Some Hon. Members: Oh, oh!

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): The fact of the matter is, Mr. Speaker, that there are millions of Canadians who are deeply disturbed by the actions of this Government in endorsing the star wars proposal. This Opposition is speaking for those Canadians. We want to know whether at Quebec city the Prime Minister will have the fortitude and the willingness to speak for those Canadians as well, and ask President Reagan to put star wars on the bargaining table at Geneva, so we will not engage and support an action that will destabilize the arms race? Will this Prime Minister start standing up for this country instead of acting like the Governor of the 51st State?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Leader of the Opposition had better put the Hon. Member for Winnipeg-Fort Garry back in charge of some part of the rail thing. He is out of his league in External Affairs.

Some Hon. Members: Oh, oh!

Mr. Mulroney: It will come as a great surprise to Mr. Gorbachev who very much told me those topics were on the agenda in Geneva and the Soviet Union proposed to discuss them emphatically.

Mr. Axworthy: Who will the U.S. discuss them with? That is the question.

Mr. Mulroney: My hon. friend is impugning as he always does, the motives of the United States in every circumstance, and he is saying that the United States is untrustworthy in everything it does.

Mr. Axworthy: What are you going to do?

Mr. Mulroney: We reject that very strongly.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Hon. Member is saying that President Reagan is less committed to peace than the other side. We reject that.

Mr. Axworthy: Take a cap in your hand and put it on your head.

Mr. Mulroney: The United States is trying with the help of its allies to secure a durable peace. We believe it is a complicated issue, and we are going to try to be helpful to both sides in securing that kind of a peace in the world.

Some Hon. Members: Hear, hear!

* * *

• (1140)

NUCLEAR ARMAMENTS

U.S. AIRCRAFT IN CANADA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. I hope I am not misquoting him; I am certainly trying not to. However, I understood him to have said that his Government inherited certain agreements which did not contain proper safeguards to guarantee that Canada's Government could deny access to Canadian soil to the U.S. Strategic Air Command. Is he saying to the House of Commons that the regulation which is in place in the U.S. that allows the U.S. Strategic Air Command to locate aircraft carrying nuclear weapons in Cold Lake, has been done away with, is no longer in place, and Canada is now in a position where that particular regulation is no longer in force?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position is abundantly clear. I have stated it before today and I state it again. There can be no stationing of nuclear weapons in any circumstances on Canadian soil without the agreement of the Government of Canada. In so far as this Government is concerned, if we believe that such a proposed stationing would not be in the Canadian interest, we would refuse such a stationing.

U.S. ADMINISTRATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Secretary of State for External Affairs or the Prime Minister recognize that there is a different opinion in the United States administration in regard to the regulation which they believe permits them, in emergency situations, to locate aircraft carrying nuclear weapons at Cold Lake, and makes no reference to Canada's right or otherwise to agree or disagree with the locating of those aircraft and those nuclear weapons?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the Hon. Member—and I say this with all the kindness I can muster—would do better to rely on authorities other than articles which he might read on the op-ed page of *The Globe and Mail* as the basis of his questioning here.

Let me be categoric about it. In so far as Cold Lake and other questions are concerned, before any nuclear weapons could be considered for stationing in Canada in the event of the kind of crisis that all of us devoutly hope would not occur, this Government, and any subsequent Canadian Government, by agreements now in place, have the right to refuse that stationing. This Government would exercise that right, if we believed that to be in the interests of Canada.

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TRADE

ACCESS OF CANADIAN PRODUCTS TO JAPAN

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Prime Minister. We welcome him back to Canada. He was able to have extensive bilateral discussions with other world leaders. Perhaps economics is a more important matter to Canada because our people want jobs. In his discussion with Prime Minister Nakasone, was he able to discuss further access by Canada of its agricultural products to the Japanese market, and the question of import controls on automobiles produced by Japan and imported into Canada?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I had an excellent meeting with Prime Minister Nakasone at which those topics were raised, particularly the latter one to which the Hon. Member referred and which is of great interest to Canada, particularly southwestern Ontario. We had further discussions in regard to the agenda of the meeting at Bonn which we will both be attending. I took the liberty, given the importance of the Japanese-Canadian relationship, particularly the Pacific Rim and the involvement of western Canada, to extend an invitation to the Prime Minister to visit us in Canada this year at his earliest convenience.

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ENVIRONMENTAL AFFAIRS

CANADA-UNITED STATES AGREEMENT ON ACID RAIN

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. Is he aware of the severe criticism which is being offered by major environmental groups, on both sides of the border, about the reported agreement that is to be signed by the President of the United States and the Prime Minister this weekend? In fact it has even been suggested that Canada is being sucked in, if we go along with this agreement. Could the Prime Minister assure the House and the Canadian people that we will not just sit back and accept some kind of agreement to enter into further discussions on acid rain, but that he will press the President of the United States for real action on this very critical subject?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when the Minister of the Environment introduced a program in Canada, the first comprehensive program of substance, to deal with the question of acid rain, I noted that there were many favourable comments from the other side of the House, coming from the NDP, in regard to what she had accomplished and the manner in which the provinces and the private sector were brought into the process. I think it was generally agreed. For example, the Chairman of the Coalition Against Acid Rain in Canada, the leading environmental group, said that it was a very noteworthy accomplishment, a very great first step by Canada which had never been taken before. It is in this spirit that we deal with what I referred to as the savagery of acid rain to our environment.

We are trying to clean up our own act. We are trying to assume our responsibilities. We are trying to persuade, as well, our neighbours that it is a common problem. It must be dealt with internationally. I do not expect, in an imperfect world, miracles overnight, but I hope we will be able to achieve solid progress of which my hon. friend, and I, and others, will be proud.

PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Prime Minister. I think everyone is aware that the previous agreement struck between Canada and the United States on acid rain simply did not work because Americans did not have the willingness and political will to make it work. Again, will the Prime Minister assure the House that he will press the President of the United States to enter into an agreement which goes much farther than just simply saying "we'd like to discuss it"? It has been discussed to death; what we need now is action.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree with my hon. friend that indeed we have inherited a particularly sad situation of non-accomplishment by our predecessors in the area of acid rain. I don't think even an objective Liberal would try to suggest that the previous Minister accomplished anything except getting himself squeezed in the back, by the Cabinet door. There was nothing accomplished at all, and we had to start from zilch. It is a complicated, difficult file, which has been marred by bad faith and hostility in the past. We have tried to create an atmosphere within which we can move it ahead in a substantial way. This is what I am hoping to accomplish. This is what I think Canadians would view as a significant improvement, not a miracle, which will lead to the kinds of definitive steps that will rid Canada and the United States of this tremendous problem for our environment.

[*Translation*]

TRADE

EXPORTS TO UNITED STATES SUGAR-CONTAINING FOODS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the Prime Minister.

Since my question deals with something that he did not inherit from the Liberal Party, but that was brought up in a presidential proclamation dated January 29, 1985 which is at this moment limiting the export to the United States of food products containing sugar, and since at this moment entry into the United States of Canadian food products containing sugar is blocked by a unilateral proclamation made by the President of the United States on January 29, 1985, after he came to power, does the Prime Minister intend to raise that question with President Reagan to prevent the closing down of plants and the loss of thousands of jobs as a result of that unilateral decision?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are actually going to try and deal with important questions such as this one by hopefully issuing a joint declaration of principle indicating that we mutually favour freer, more acceptable access to our own common markets because, as I mentioned earlier in answer to my friend the Leader of the Opposition, there are millions of jobs that directly depend on our being able to maintain productive relations with the Americans. It is in that direction, with that goal in mind that I will be undertaking those negotiations over the weekend.

Mr. Lapierre: Mr. Speaker, workers in the food industry will have no use for any Prime Minister's declaration of principles. I am asking for something more than vague statements. I am asking him whether, between two sittings in front of the cameras, he will have time to solve the problem of sugar-containing foods that are turned back at the American border.

Mr. Mulroney: How mean can you be; yes, how mean! Liberal frustration permeates even your legitimate questions. I admit you have a legitimate question, but why all those disparaging comments against our historical allies? We in the Progressive Conservative Government are on the side of the 75 per cent of Quebecers who today said in a poll that they favour productive relations with the United States. And this we are going to achieve, not by voicing disparaging comments against our allies. We are here to build strong relations with our allies, especially the Americans.

● (1150)

[*English*]

FISHERIES

WEST COAST SALMON TREATY—YUKON RIVER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. The Conservative Government, in its undignified haste to push through the West Coast Canada-U.S. salmon interception treaty appears to have thrown away the fishery on the Canadian part of the Yukon River, thus posing a serious threat to commercial and tourist operations in that area. Would the Prime Minister admit two things to the House: first, that his office asked the Minister of Fisheries and Oceans to quash a public consultation process so that he could get the treaty before the United States Senate; second, that a wide number of groups from the Yukon which will be affected by this inadvertent decision are attempting to have the Government recover its position on the Yukon fishery which was lost by the haste with which it was pushed through Cabinet?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer to the first part of the question is that that is absolutely false and really quite unbecoming to the Hon. Member. With regard to the second part of the question, we have heard representations from various groups, and the general view, and certainly my view, is that notwithstanding a 15 or 20-year period in which our predecessors were unable to conclude an arrangement, we signed one which, while not perfect, is in the interests of Canadians and Americans alike. The commonality of the problem has been acknowledged, and we believe that it is a reasonably fair and helpful way to proceed in the interests of both nations.

CONTENT OF AGREEMENT

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Deputy Prime Minister has indicated to some of those groups from the Yukon that the Government might be able to salvage this fishery in the memorandum of agreement to be signed at Quebec city. Again, would the Prime Minister do two things? First, would he admit that the treaty is in fact in place and his only function in Quebec city will be to sign it? Second, would he indicate to the House whether or not he has had discussions with the Minister of Fisheries and Oceans about the timing of the signing and approval of the agreement by Cabinet so that it could be placed before the U.S. Senate? Has the Prime Minister had discussions with the Minister of Fisheries and Oceans about the political consequences of the timing involved in getting it before the U.S. Senate?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, we have had no discussions. I acknowledge readily that we enlisted the support of a truly accomplished and great Canadian, the Hon. Mitchell Sharp, as our negotiator, and he did a superb job, as he always does.

We have tried to act in the interests of the British Columbia fishery. We have tried to be helpful to the British Columbia fishermen. I acknowledge, for example, that there are problems with Clause 8. I am aware of that. They are all perfectible. However, what we are trying to do is always difficult to do when negotiating an international treaty. We never get everything we want. There is a give and a take in every legitimate negotiation. What we believe we have concluded and are ready to recommend to Canadians is a treaty that is designed to enhance the long-term economic prospects of British Columbia and the West Coast fishermen. We believe it is in the national interest, but most important, in British Columbia's interest.

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EXTERNAL AFFAIRS

U.S.-U.S.S.R. RELATIONS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that he is known as being committed to peace, that he has a special relationship with the President of the United States, and that he had a discussion with Mr. Gorbachev during his recent trip to the Soviet Union, could he indicate to the House whether or not he feels that Canada, as a neighbour, should play a role as mediator between those two countries?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I do not see that kind of a role for Canada. I think our bona fides and traditions as a peaceful nation committed to securing a just and durable peace are well known and appreciated. Mr. Gorbachev himself has a special relationship with Canada inasmuch as it was the first western country he visited. He certainly holds fond memories of it. He was impressed by his meeting here in Parliament with Members of the House. He spoke very highly of that meeting. He also indicated that he views us as a neighbour of the Soviet Union, and the importance of that.

I made the case as forcefully as would any Member of the House, given a similar opportunity, for our non-partisan desire to be helpful in every conceivable way, and to go the extra mile to secure a just and durable peace which involves the reduction and, hopefully, the elimination of arms.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES DISCUSSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Prime Minister and deals with the meetings he will attend over the weekend with President Reagan. My question is based on the fact that the Prime Minister is going to Quebec city in a very strong position which was made possible by decisions initiated by several Governments preceding his Government, including the initia-

tive taken by the present Minister of Fisheries and Oceans who, in 1979, signed a memorandum of intent on trans-boundary pollution with the United States. I would like to remind him that he is benefiting from initiatives that have been taken over a number of years. Therefore, he can go to Quebec city in a very strong position. Would the Prime Minister be willing to accept a U.S. position that would call only for research on acid rain without immediate action to reduce emissions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that was the position put forward by the American Government in response to my hon. friend when he was Minister of the Environment. That is why there was no progress of any kind made during his tenure as Minister of the Environment. We are trying, and I think we will succeed in doing much better than that.

NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I am glad to hear that reply and I look forward to that conclusion. I would ask the Prime Minister whether or not he can assure the House that he will have on the agenda for the meeting the matter of toxic chemicals in the Niagara River, a matter that we in the House have been pressing for quite some time.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the kinds of historic initiatives set out by the Minister of the Environment in a matter of six months, designed to introduce, and have approved, a quite splendid program, indicate our deep commitment, as members of the Government, to the environment. We will be taking all steps to deal with problem areas in our environment, including the one to which my hon. friend refers.

I say with no reluctance that I am not used to miracles, and I do not expect any miracles to occur overnight. What I am working for and toward is substantial progress upon which we can build to clean up our environment.

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EDUCATION

PROVINCIAL EXPENDITURES ON POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Secretary of State. The Johnson report has again dramatized the fact that post-secondary education expenditures have decreased as a percentage of Gross National Product over the last eight years, primarily because the provinces have not paid their shares. To the Government's credit, it has increased EPF transfers by 7.4 per cent. However, the pattern continues. Ontario has only increased PSE expenditures by 5 per cent, and British Columbia appears to have decreased university and college funding by 5 per cent. Is the Government prepared to act at last to ensure that EPF transfers to the provinces for post-secondary education are in fact used for that purpose?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I thank the Hon. Member for raising an issue that is important not only to universities but to Canada as a whole and to our entire program of economic and social renewal, the full participation of Canada's universities.

I want to assure the Hon. Member that the purpose of releasing the report was to engage all sectors of the Canadian public in the discussion about the future. The Minister of Finance has indicated that the present arrangements would continue for another year, and we are looking at the possibility of a mutually-agreeable arrangement with the provinces for the following financial year.

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CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, March 14, 1985, meet the requirements of the Standing Orders as to form.

* * *

• (1200)

[*Translation*]

PRIVILEGE

MR. LAPIERRE—USE OF THE WORD "MESQUIN" IN THE HOUSE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I rise on a question of privilege prompted by the remarks of the Right Hon. the Prime Minister (Mr. Mulroney) during oral questions period. He used the word "mesquin" in connection with a very legitimate question which I asked him and which is of great concern to me, namely the future of sugar industry workers. The Prime Minister, who is supposed to have deep respect for the House and who fancies himself as a civilized man and has nothing but praise for this institution, used a word which Your Honour will find on page 105 of Beauchesne's French edition, where the word "mesquin" is given as the equivalent of "cheap", definitely unparliamentary.

Mr. Speaker, perhaps you might ask the Prime Minister to choose his words more carefully when addressing the House of Commons.

[*English*]

Mr. Speaker: The Hon. Member is actually rising on a point of order, but I accept his purpose. I heard the word and I took it that it was in reference to the comments which were being made by the Hon. Member, and not his character. At the time I did not find that the word was being used in an unparliamentary manner, although I am sure that Hon. Members on my left understood how Hon. Members on my right might have

taken it. However, in terms of making a ruling, I do not find it unparliamentary.

As the Hon. Member knows, my dilemma, in terms of checking the "blues", is that once the matter has been drawn to my attention I really have little choice but to deal with it on the spot.

Mr. Lapierre: Can I reserve my privilege?

Mr. Speaker: The Hon. Member could reserve his right if it was a question of privilege. However, it is in fact a point of order in the House as to whether language is parliamentary or unparliamentary. The Hon. Member may have a separate question of privilege if he chooses to consult the authorities, if it does not relate to the language itself.

ROUTINE PROCEEDINGS

[*English*]

PETRO-CANADA

TABLING OF CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDING DECEMBER 31, 1984

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am tabling in both official languages a copy of the Consolidated Financial Statements of Petro-Canada for the year ending December 31, 1984, which should be referred to the Standing Committee on National Resources and Public Works.

* * *

[*Translation*]

PETITIONS

ADMINISTRATION OF CANADIAN FINANCES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have the honour of presenting a petition on behalf of Political Science students at Laval University in Quebec, in which the students submit to this House their views on a constitutional amendment concerning the administration of Canada's public finances.

YOUTH TRAINING AND INSTRUCTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour of presenting a petition on behalf of several students from Laval University who are concerned about the problems of providing training for young people, and who wish to suggest that in the future, a commission be established whose ultimate goal would be the economic and social development of this country, with particular emphasis on the training and education of young people.

* * *

[*English*]

MOTION TO ADJOURN UNDER S.O. 30

Mr. Speaker: I have received notice of an application under Standing Order 30 from the Hon. Member for Oshawa (Mr. Broadbent).

CANADIAN SOVEREIGNTY—POSSIBLE USE OF CANADIAN TERRITORY AS STAGING AREA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I ask leave, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans), to move the adjournment of the House under the provisions of Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the threat to Canadian sovereignty posed by United States Strategic Air Command instructions to use Canadian territory as a staging area during international conflict and the clear possibility of a link between the announced North Warning Radar System and the destabilizing Space—Defence Initiative.

Mr. Speaker: The Hon. Member for Oshawa gave me the required notice of his intention to request this emergency debate.

The application is similar to those with which I dealt yesterday, although in his presentation to me he indicated one new element. The Hon. Member referred in his application to what he believes is an automatic provision in the treaty which would entail the repositioning of aircraft carrying nuclear weapons from the United States to Cold Lake, Alberta.

As the Member knows, during question period that matter was raised and there would appear to be a dispute over the facts.

While this element could conceivably form the basis of an argument justifying urgency of debate, the issue itself would not seem to be of the kind envisaged by Standing Order 30. I repeat what I said yesterday, that the concluding of an agreement is a policy decision, and policy decisions are matters for normal debate. Whatever the provisions of the agreement may be, the concluding of such an agreement is the prerogative of the Government.

Two allotted days remain during the current supply period, so there will be an opportunity to debate the issue, although admittedly not before the signing of the treaty.

I hope the Hon. Member will understand that the Chair is bound by the practice and precedents which govern applications made under Standing Order 30. Therefore, I am unable to accept this application.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the following questions will be answered today: Nos. 166, 258 and 259.

[*Text*]

MARITIME COMMAND

Question No. 166—**Mr. Stackhouse:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, what were the defence expenditures devoted to Maritime Command?

2. What are the present defence capabilities of Maritime Command?

3. What are Canada's stated NATO commitments in relation to Maritime Command?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. Defence expenditures devoted to Maritime Forces for the fiscal years 1980-81 through 1983-84 are as follows:

1980-81—$1,221,495,000

1981-82—$1,144,034,000

1982-83—$1,010,260,000

1983-84—$1,259,081,000

2. Canada maintains maritime forces capable of roles in the defence of Canada, defence of North America, NATO collective defence, and international peacekeeping. These forces comprise the following major units: 23 destroyers, three submarines, three underway replenishment ships, one diving support ship, three maritime patrol aircraft squadrons, two anti-submarine helicopter squadrons and one medium range air reconnaissance squadron.

3. Canada has indicated that all of the above maritime forces would be available in times of hostilities for NATO operations.

EXECUTIVE EXCHANGE PROGRAM

Question No. 258—**Mr. Dingwall:**

1. How many government employees are on the Executive Exchange Program and working in Nova Scotia?

2. What is the name and address of the company, in each case?

Hon. Walter McLean (Secretary of State): I am informed by the Public Service Commission as follows:

1. Two.

2. International Centre for Ocean Development
P.O. Box 997
1583 Hollis Street
Halifax, Nova Scotia
B3J 2X2

Technical University of Nova Scotia
P.O. Box 1000
Halifax, Nova Scotia
B3J 2X4

Oil Substitution Act

NOVA SCOTIANS INVOLVED IN EXECUTIVE EXCHANGE PROGRAM

Question No. 259—**Mr. Dingwall:**

1. How many resident Nova Scotians in the private sector are involved in the Executive Exchange Program?

2. Which departments are they involved with and what is the duration of the contract, in each case?

Hon. Walter McLean (Secretary of State): I am informed by the Public Service Commission as follows:

1. Two.

2. Both are on assignment with the Department of External Affairs for two years.

[*English*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Thursday, March 14, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: I am ready to deal with the matter that was raised yesterday, however the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has served notice that he would like to make a comment.

[*Translation*]

Mr. Gauthier: Mr. Speaker, if we refer to the "Projected Order of Business" for today, I believe the Chair was ready to make a ruling on the time remaining for 20-minute speeches, in connection with the comment made yesterday by the Government House Leader about the ringing of the bells. Mr Speaker, many Members on this side of the House are wonder-

ing what constitutes debate. Yesterday, the Chair made a ruling on the 10-minute period allowed after a Member's speech. I recall clearly that Your Honour said the questions and comments allowed following debate are not debate as such but rather a period outside debate.

Hon. Members are all aware that we have eight hours of debate, which includes the 20-minute speeches. These eight hours, however, also cover the 10-minute comments or questions following a Member's speech. There may also be points of order or questions of privilege. All of these are included in the eight hours. We are now nearing the end of the traditional eight hours of debate on Bill C-24. Mr. Speaker, I would like to ask the Chair exactly what debate is. I submit that debate is a Member's speech plus the questions and comments relating to that speech. That is debate, and if I am right, yesterday, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was rising during the normal period of debate and therefore had a right to move the motion of adjournment as he did. Mr. Speaker, I should therefore be grateful if you would explain to me and the other Liberal Members of this House what debate means. How are we to define debate, and is, according to yesterday's ruling, the 10-minute question and answer period not to be considered debate? What exactly are those ten minutes? And does the Chair intend to continue to count the 20-minute speeches, the 10-minute periods plus all points of order and questions of privilege as part of the eight hours?

Mr. Speaker, if that is the case, we shall have to bear that in mind. However I submit, with respect, that if we are supposed to have eight hours of debate, we should subtract the ten minutes of questions and comments and questions of privilege and points of order. Mr. Speaker, I also submit that it must be clearly understood what the Standing Orders mean in relation to a matter that is very important to us all.

● (1210)

[*English*]

Mr. Speaker: I thank the Hon. Member for his intervention. I expected an argument which would begin the way the Hon. Member began his argument, given what I had to say yesterday.

Yesterday, the Hon. President of the Privy Council (Mr. Hnatyshyn) raised a point of order as to whether or not the time taken by the ringing of the bells prior to voting on the motion to adjourn the House should be counted as part of the eight hours of debate on Bill C-24 during which 20-minute speeches are followed by 10-minute question and answer periods. The Hon. Minister quoted a precedent whereby it was ruled that the time taken by the ringing of the bells was counted as part of the two hours of debate allowed on a motion moved under former Standing Order 75(c), now Standing Order 82. The last sentence of Standing Order 82 reads:

> Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion.

That wording seems to me to be quite clear. No similar wording, however, is to be found in Standing Order 35(2) which deals with the length of speeches during the second reading of a Bill.

We have a precedent dating from May, 1983, which indicates that the time taken by bell ringing was not counted in the eight-hour period of debate. On May 17, 1983, 84 minutes of the eight-hour period were left on the debate on Bill C-151, the Borrowing Authority Bill. After five minutes of debate, the motion that the House do now adjourn was moved and the bells rang for six hours and forty-eight minutes. The adjournment motion lapsed at the ordinary hour of adjournment and the next time the Bill was debated, on May 26, the Bill was debated for a further 79 minutes during which 20-minute speeches followed by 10-minute question and answer periods were allowed.

I think that the validity of this precedent can also be borne out by reference to the authorities. At page 385 of Erksine May's twentieth edition, it is clearly indicated that a motion for the adjournment of the House, or of the debate, is a distinct question which interrupts and supersedes the question already under consideration.

In Abraham and Hawtrey's *Parliamentary Dictionary*, under the heading "Dilatory Motion", it is stated:

> A dilatory motion is a superseding motion because if it is accepted by the Speaker he proposes the motion as a new question which supersedes the original question and must be disposed of before the debate on the original question can be resumed.

The authorities cited, of course, were not dealing with a procedure which allows for the unlimited ringing of the bells. However, in the light of these citations and our own precedents, I believe it is logical to conclude that the time taken by the ringing of the bells prior to voting on an adjournment motion should not be counted in the time allocated to the debate on second reading of the Bill under Standing Order 35(2).

Therefore, there remains one hour and three minutes of debate on Bill C-24 during which 20-minute speeches may be followed by 10-minute question and answer periods.

I do suggest, however, that the question of the bells is a problem which needs to be addressed, and one hopes it is on the agenda of the special committee on reform of the House of Commons.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, i rise on a point of order. I rose the other day to take part in the debate on Bill C-24 and I did make a motion to adjourn the House. Therefore, I gather, I lose my chance to continue my debate. It seems to me that if the ten-minute question and comment period is not part of debate, as Your Honour has ruled, it would seem that I am available for ten minutes of questions and comments. I did make reference when I opened my speech to this particular Bill, and what it said.

Mr. Speaker: There has been a certain amount of creativity in the House over the last day or two. The House is observing the Speaker think.

I believe the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has a reasonable point. He did move a motion which ended his time to speak; he did in fact speak on the motion, and he is correct, given all of the arguments about debate versus questions and comments, that in fact there remains a ten-minute question and comment period on the speech of the Hon. Member for Vancouver-Kingsway.

Mr. Althouse: Mr. Speaker, I wonder if the Hon. Member for Vancouver-Kingsway (Mr. Waddell) could explain to the House some of the problems which his constituents have had because of the off-oil program being cut so quickly?

Mr. Waddell: Mr. Speaker, as Ministers say when they are asked a question by one of their own back-benchers, I thank the Hon. Member very much for the question.

The Hon. Member's question is an important one. I say through you, Mr. Speaker, that the House should understand that what these Bills do is bring two programs to an end at different times. We are finding—and many Hon. Members have approached me about this—an injustice in certain parts of the country. I will give you examples of how injustices have occurred to some of my constituents.

This Bill, Mr. Speaker, eliminates the off-oil program known as COSP, the Canadian off-oil special program, through which home owners receive financial assistance to convert their furnaces from oil—because we are at a point where we are starting to use our resources which are non-conventional and therefore a lot more expensive—to a heating system generated by natural gas, electricity, wood or solar energy.

This program was used to switch users to other means of energy such as natural gas, which we have a lot of; electricity, which we produce in abundance; wood, which we are blessed with; or solar energy, which we are developing with our new technologies and which, by the way, is a clean modern renewable form of energy. This program was to last until 1990 and now it is going to come to an abrupt halt on March 31, 1985.

I find it really ironic that the Conservatives when they were the Opposition attacked the 1980 National Energy Program of the Liberal Government. The irony is that the first Bill put forward by the Conservative Government dealing with energy attacks the one part of the National Energy Program which was working. The National Energy Program was working in respect to conservation and energy alternates. It made a lot of sense. When the Conservatives were in opposition they agreed with it.

The Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is a senior Hon. Member of this House. He was a Minister in the Diefenbaker Government. I was a young lad interested in politics, I remember, at the time of the Diefenbaker Government. I remember that people used to say that that fellow from Qu'Appelle-Moose Mountain was one of the "thinkers" of the House of Commons. The context was that they really didn't have too many thinkers. Things, of course, have improved since then. We now have two thinkers. We have increased by 100 per cent. He said, and I quote from *Hansard* of June 30, 1981, at page 11099:

● (1220)

It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

He spoke in support of COSP, which we passed in an hour in this House in 1981 and which we made retroactive to 1980. The Conservatives supported it and the Hon. Member for Qu'Appelle-Moose Mountain spoke in the debate. He also said:

I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program—

The Conservatives were on board then, so what is the problem? The problem is that we are only half way toward our goal. We will now go back to the system where we are favouring the oil companies, who in this country are generally fat, foreign and very influential with this Government. Contrast that with the alternate energy people who are lean, Canadian and, unfortunately, out of influence with this Government.

Mr. McDermid: Wrong.

Mr. Waddell: The Hon. Member says "wrong". Why is he then cutting this program? The program seems to be working, and cutting it means some injustices. I will give you an example.

The NDP Member from Thunder Bay-Nipigon (Mr. Epp) wrote to the Minister on February 8, and I have a copy of his letter, saying that his people in Thunder Bay would like to take advantage of switching to natural gas. They pay a lot to heat their homes in northern Ontario and they have a chance to switch to natural gas. They are waiting for the gas to come in, and it is coming in. The Hon. Member said in his letter that many home owners wish to take advantage of COSP grants before the March deadline for completion of the installation and they are being denied assistance. He asked the Minister to allow extensions under the extenuating circumstances apparent in these cases. Here is an example of some constituents of a fellow MP who are having difficulty. It is an injustice because they cannot take advantage of the program as they are still waiting for the gas lines to come in.

I have another letter from the Hon. Member for Churchill (Mr. Murphy). His problem is that some of these small businesses that want to take advantage of the program are still waiting for parts to come in from Toronto and Montreal. They are going to suffer because the program is going to be cut off.

I am asking the Government to extend the deadline. That is a fallback strategy, because I would like the Government to keep the program until 1990. If it cannot be, then why not give a short extension so the injustices in Thunder Bay, Churchill and in other ridings can be rectified? I know that in my riding people are lined up to take advantage of the program before it expires.

Mrs. Sparrow: Where were they two years ago?

Mr. Waddell: I will tell you where they were. It is not—

Mr. McDermid: A point of order, Mr. Speaker. The Hon. Member has been up for nine minutes with one question. He is making another speech.

Mr. Deputy Speaker: The Hon. Member is correct. The reason I let the Hon. Member for Vancouver-Kingsway (Mr. Waddell) go on for such a long period is that I had not recognized at the time that we had asked for questions and comments. He was the only one who was up. But I will give the remaining time to the Hon. Member for Brampton-Georgetown (Mr. McDermid), if he wishes.

Mr. McDermid: Thank you, Mr. Speaker.

Mr. Waddell: Mr. Speaker, I would like to address that point of order. I think the point of order is out of order.

Some Hon. Members: Oh, oh!

Mr. Waddell: I was in the midst of answering the question from my colleague and from the Member over there.

Mr. Deputy Speaker: No one may monopolize the 10-minute question and comment period.

Mr. Waddell: Mr. Speaker, am I to understand that the Speaker can arbitrarily cut off the Member when he is trying to answer a question that takes some time to answer, or is indeed answering another question that came from the floor? There must be give and take in the debate and the Hon. Member for Calgary South (Mrs. Sparrow) just indicated another question for me.

Mr. Deputy Speaker: I will read from the committee report on the spirit of the 10-minute question and comment period. The committee envisaged that exchanges which would take place during the 10-minute question and comment period would be short and sharp. More than one Member should be allowed to take advantage of the 10 minutes available, and the Member whose speech is the subject of a question or comment should be given time within the 10 minutes to reply to the point raised. No specific rules should govern the length of the intervention, that being left to the discretion of the Chair. However, the committee did not wish to see one Member monopolizing the 10-minute period in cases where there are several Members who wish to intervene. Furthermore, the Chair should control the intervention to promote a series of exchanges to enliven debate and other constructive elements lacking in debate simply consisting of a series of speeches.

That was the intent of the committee and that is why I think no one should monopolize the question and comment period. We have one minute left for the Hon. Member for Brampton-Georgetown (Mr. McDermid) with a short reply by the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. McDermid: He did not have a chance to give his speech and he is trying to do it now in 10 minutes.

I want to make it very clear that the Government has provided an extension of the program for those people who signed contracts before November 8 and through no fault of their own could not complete their conversions by March 31. It was extended to the end of June. There has also been an extension on inspections in that they do not have to take place by March 31. They can take place after, but the work must be completed by March 31.

Naturally, everyone wants to get in on the program when they hear it is closing. But to extend the program for three months would cost, by a conservative estimate, $35 million. The NDP want to just throw the money away. We cannot do that now, and there are other methods of supporting renewable energy in this country and promoting off-oil programs without increasing the expenditure the Government has had to make in the last number of years. It has been beneficial and we do not argue with that, but it is now time to bring this program to a close because we feel the Canadian people now recognize the value of going off oil and will do so on their own because of the major economic benefits to them.

Mr. Deputy Speaker: The Hon. Member for Vancouver-Kingsway (Mr. Waddell) with a short reply.

Mr. Waddell: Cheap reply.

Some Hon. Members: Oh, oh!

Mr. Waddell: Short reply. What I am trying to say is that it is cheap for the Government. It saves 115,000 barrels a day of oil equivalent, or 25 million to 30 million barrels a year. The Government is actually going to make money on this program. I cited two injustices in northern Ontario and in Churchill. I thank the Government for its limited extension, but maybe it could consider a further extension for those particular cases. People are not lining up just because the program is ending. They understand the program better. As well, we really have a problem with lower income people who do not have the money to spend. They need some Government help and the Government is going to save money anyway. That is why we are pressing so hard to have this program extended by at least another six months.

Mr. McDermid: It is not the low-income people who are taking advantage of it.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am very pleased to take part in the debate on Bill C-24 during the closing minutes. It is interesting to note that when the Hon. Member for Vancouver-Kingsway (Mr. Waddell) speaks it is always with the great reluctance to engage in a discussion on any of the Bills before the House.

This Bill is not designed to eliminate conservation or deny the real desire of the Government to make whatever changes might be appropriate regarding alternative energy, or any

other reasonable option in this field that Canadians may have. This Bill debates the ending of a government program which has served a useful purpose.

• (1230)

As the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) indicated, it has contributed something by encouraging a change from dependency on oil to other sources of energy. At this point in time it has a limited function. By this time many people, if not most, have had an opportunity to take advantage of the program. For reasons that have been well described in terms of our financial position and disposition as a Government attempting to get the country going again, this Bill must be passed in order to wind down this particular plan.

There have been a number of useful interventions, most particularly by the Parliamentary Secretary and others on this side of the House, discussing the actual program and what it has accomplished so far. The Government's intention to make the changes were announced by the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret) last November 8. I think that all Members will recall the broad and well defined program described by the Minister of Finance at that time in an effort to achieve restoration of government management and expenditures that will serve the long-term needs of the country. This was one of the significant parts of that program described by the Minister of Finance. This Bill represents the legislation required to achieve that prescribed end.

We have all had an opportunity to assess the reaction to the plan of November 8. I think it is quite clear that the people of Canada, including those involved in providing materials, equipment, and services for this particular program in residential oil substitution and energy conservation, acknowledge that outright consumer grants for these purposes are something that the Government of Canada can no longer afford. A large potential exists for further oil substitution and energy conservation in the residential sector. The pursuit of that potential remains an important priority for Canada. In a time of restraint the Government must find less costly ways to support those objectives. I will return to this subject later in my remarks, Mr. Speaker.

Having been Opposition Members of Parliament for too long, we on this side of the House have had an opportunity to look into efforts and initiatives that have been taken by previous governments. In the conservation area particularly it has always been clear that any efforts that have been made have fallen far short of the real potential which exists. We have had an opportunity to study in some detail the magnificent opportunities which occur in conservation across the country. This is a very finite section of the implementation of conservation opportunities. There are many that have been taken in industry, for example, which is not affected by this Bill at all, which have achieved magnificent results because they were reasonable and cost effective things for them to do.

I cite that only as an example that many of us had an opportunity to become familiar with as we were sitting in Opposition. We are now in Government and therefore in a position to build on those opportunities. While this specific program has served a useful function, it has now reached the point where, comparatively speaking, it will probably not fulfil much of that additional potential.

The Member for Vancouver-Kingsway has mentioned specific instances where there are some difficulties. However, I believe that if this program were to be wound down in four years from now the Member for Vancouver-Kingsway would probably give the same speech he gave today. There will never be a perfect time to start or stop. There will always be people who might have become involved in a particular government program in a particular way. No one is claiming that this is the perfect time, but it would not be perfect in five years from now either. We must do the best that we can. The adjustments which the Minister has already indicated will be made will help, in a large part, to overcome some of the difficulties that may have been faced.

The two programs that we are talking about are the COSP and CHIP programs. COSP is the off-oil program which was introduced in 1980. It has provided taxable contributions of up to $800 toward the cost of converting oil heating systems to natural gas, electricity and propane, as well as to wood and other renewable energy resources. The existing legislation provided the termination date of December 31, 1990 for this program. The amending Bill will change that date to March 31 of this year. Again, I would emphasize that since November 8 of last year most Canadians understood that this Bill would be forthcoming and that the program would terminate on March 31 of this year.

A limited exception has been provided to allow applicants a further three months, until June 30, to complete conversions if they had signed contracts prior to the November 8 announcement, and if they face difficulties in getting the work done by March 31. The need for inspections to be completed by March 31 has also been waived in recognition that backlogs of inspection requests may occur in some areas.

A number of representations have been received proposing that three, four or five extra months be allowed to complete conversions in respect of commitments signed by applicants before March 31. It has been argued that it is impossible to convert to natural gas between November and April or, in any event, more costly to do so than during warm weather months. Both gas and electric utilities have also expressed concern that the pressure to get work done by March 31 may adversely affect the quality of the work. In some cases, because of limited inventories of equipment, less than optimum systems may in fact be installed.

We are all sympathetic to these concerns, Mr. Speaker. Consideration was given to an extension until summer for the period for eligible conversions. However, a general extension could not be permitted in view of the additional program costs that would have been involved. For example, a minimal useful extension of three months up to June 30 would increase

outlays and government costs in the 1985-86 fiscal year by up to $35 million. This would reduce by more than one-third the program savings pledged in respect to COSP toward the deficit reductions announced by the Minister of Finance and the President of the Treasury Board.

The second part of the program is the CHIP program. This has provided taxable contributions of up to $500 toward insulation and draft proofing measures in existing homes. It was introduced in 1977 and the Canadian Home Insulation Program Act provided for its termination at the end of 1987. One of the surprising things about this program was the very slow uptake of this opportunity by Canadians. For the first several years it was questionable whether this program would be a very useful adjunct in our energy policy. The crunch did not really come until it was clear that energy prices were reaching such levels as to make this a clear cost advantage. In fact, the proportion of people who took advantage of this program in the end are not generally in the category that the Member for Vancouver-Kingsway indicated. When energy prices started to increase dramatically people who were following budgets closely were the ones who responded quickly by taking advantage of the program. I was surprised at the low initial uptake of those programs.

The amending Bill will provide for a two-stage phase-out under which the Government's share of eligible costs is reduced to 33.33 per cent from 60 per cent effective January 1, 1985. The program comes to an end on March 31, 1986. In the final 15 months of CHIP the maximum contribution is unchanged at $500.

● (1240)

An extra year is provided for CHIP, which is beyond the termination date of COSP, in recognition of the fact that suppliers and installers of residential conservation materials across Canada needed the time to prepare for the withdrawal of the CHIP Program.

The end of the program has been anticipated for some time by both industry and Government. For example, the reduction of the contribution rate to 33⅓ per cent is a natural and important step which follows an early reduction of the rate for materials to 60 per cent from 100 per cent. Moreover, homes have been admitted to the programs sequentially on the basis of their date of construction and the process is now in its final state. The last group to become eligible—the 1.3 million homes built between 1971 and 1977—will have had two years to use the program by the time it concludes next year.

That further period will also be helpful to many small contractors across Canada who are working in a trade that is still relatively young. They have rarely had notices of changes in CHIP and this phase out period gives them some time to expand the scope of the conservation work that they can do, and also improves their ability to explain the advantages of conservation to householders.

In this respect, we are indebted to the National Insulation and Energy Conservation Contractors' Association which represents insulation installers across Canada. We are indebted to them for advice and support, not only in the phasing out of the program but throughout the entire CHIP Program.

The Association recognized early last fall that CHIP might have to be discontinued and it volunteered options for the orderly conclusion of programs. The suggestions were very helpful in preparing the recommendations which have now been brought forward. The Association was later able to identify the likelihood of a backlog of orders for work and materials that would arise in advance of changes in the contribution rate on December 31.

A modification which has been accepted permits applicants to sign for the work by December 31, but to have it performed in the first three months of 1985 at the 60 per cent rate. More than 80,000 applicants have taken advantage of this provision.

In the budgetary savings that we expect from the changes in the CHIP and COSP Programs, the expenditures in the current fiscal year, that is the budgetary savings, will total almost $350 million. The termination of COSP and the phasing out of CHIP will provide continued savings from the appropriation levels for the two programs of $180 million in 1985-1986 and $315 million in 1986-87. These are major and necessary contributions toward reduction of the federal deficit.

Our decisions have been made not just because we addressed the deficit, however. Our decisions recognize that the market place has changed and that the Government's role with respect to both oil substitution and energy conservation must change with it.

COSP was first introduced in October, 1980. At that time, OPEC dominated the world's view of the future for oil. It was expected to control world supply and push world prices much higher. Almost 40 per cent of Canadian homes were heated with oil and most of those home owners had little knowledge of oil substitution. Residential oil substitution was identified as a priority and a large consumer grant was introduced as the instrument to make it happen. It is difficult to establish how much of the activity which has taken place since 1980 can really be credited to COSP. Almost a million units have been converted under the program, representing oil displacement of 32,000 barrels of oil per day. Over this period, the financial benefits of oil substitution have become more than familiar to home owners. A trend has been established toward installation of medium and high efficiency natural gas furnaces which are being made available at a steadily declining and more competitive price.

Dual energy systems such as plenum heaters and heat pumps are offering savings and comfort to home owners and advantages in load management to the utilities.

A broad range of controlled combustion and woodburning systems is now available. Hundreds of thousands of homes across rural Canada use wood as their only source of space heating and obtain their supplies at very low cost.

To preserve a share of the residential market, oil dealers and manufacturers of oil heating equipment are marketing new, high efficiency oil furnaces and retrofit packages for existing oil furnaces. In this maturing competitive environment, we can

expect to see the continuing rapid decline of the residential use of oil after COSP is withdrawn.

CHIP has provided assistance toward conservation measures for more than 2.5 million Canadian homes. Significant energy savings, averaging 17 per cent, have been achieved in the homes that use CHIP and an evaluation of the program has established that CHIP played an important part in achieving those savings.

It is estimated that the equivalent of 28,500 barrels of oil a day are being saved as a result of work done under CHIP.

As with oil substitution, the benefits of energy conservation in reduced heating bills and increased home comfort are much more fully understood by Canadians now than seven or eight years ago. Installation specialists now certify their work to accepted national standards.

However, there remains a significant gap in understanding and action on the part of both consumers and industry. Consumers still lack confidence in the quality of work and the advice that they are offered. They see conservation and heating system technologies as being complex and they doubt their own ability to sort it all out. Major technical issues remain to be resolved and the work standards now in place need to be refined, expanded in scope and backed up by the installer training programs. These are very real problems but they are not resolved by Government grants.

There are continuing objectives. One is to reduce the use of oil energy in Canada, which remains an important and highly desirable national objective. Very large potentials for savings exist not only in the housing stock but in the other sectors as well. These include commercial and industrial buildings, buildings operated by various institutions and even the operations of the federal Government's buildings.

We know that in many cases it can be less costly to invest in conserving energy than to bring on the same amount of new supplies. In the existing housing stock, the average potential for savings from cost effective conservation measures has been estimated at 30 per cent. For millions of Canadian households, it will be a very attractive investment, with a rapid return on dollars spent, to insulate, draft proof and improve or convert their heating systems.

We cannot, and should not, continue to expect the public treasury to use borrowed dollars for the payment of consumer grants to try to ensure that this energy investment takes place.

A more limited and balanced role for Government is clearly preferable, one that is sensitive to the information needs of energy users and suppliers, to the technical problems still unresolved and to opportunities for further development of energy use technology.

The legislation before the House today is therefore a necessary step, but only a first step in reorienting the Government programs in these sectors.

I have also indicated that other programs under the Department of Energy, Mines and Resources in the area of conservation of renewable energy are to be thoroughly and critically reviewed. This Bill in no way should indicate to anyone that the Government does not wish to fully encourage through every means possible the expansion of conservation measures and to ensure a proper place for the role of alternative energy. That is a goal that we believe we can and should accomplish in the interest of all Canada.

Mr. Waddell: Mr. Speaker, I think that the Hon. Member said, "We know that it is less costly to preserve energy than to bring on new supplies". While I cannot quote him exactly, I think he also said that the public treasury should not use borrowed dollars so that this investment in conservation and so on takes place by consumers. Is that what the Hon. Member said?

Mr. Gurbin: Mr. Speaker, the answer to the first question is yes. With respect to the second part, I am not exactly sure of the phrasing the Hon. Member was trying to use so I would not want to say yes or no to what he has asked.

The indication was that direct grants to consumers may no longer be the only cost effective way of achieving the desired results in conservation and switches to alternative and non renewable energy sources.

Mr. Waddell: Mr. Speaker, that is incredible because the consumers who the member does not want to subsidize are the ones who are paying 50 cents a litre for gas at the pump. Will the member not admit that the budget for the Petroleum Incentives Program—which is grants to oil companies, not to consumers—was budgeted at $8.6 billion over a five-year period? The Government's own budget this year provides $1.6 billion in grants to oil companies to go up to the frontiers and off shore and sink $100 million wells.

There is also a grant of $1.3 million to East Coast Energy Corporation which was run by the Prime Minister's (Mr. Mulroney) buddies, including Fred Doucet, who was a director of that corporation. The Prime Minister's buddies got these grants. Yet, the Canadian consumer is being cut off because in the Member's words, "Well, you should not give grants to the Canadian consumer because they can borrow their own money". The Member admits that it is less costly to preserve energy. Therefore, why spend $1.6 billion bringing in a new supply and cutting off consumers from the grant, a small pittance compared to what is given to the oil companies? After all, the Canadian consumer pays it all out of his pocket. Why do that, Mr. Speaker? It does not make any sense compared to what the Government said and what the Member said. He said "we know it is less costly to preserve energy than to bring on new supply".

● (1250)

Mr. Gurbin: Mr. Speaker, I would like to thank the Hon. Member for his concise question. An interesting piece of information came across my desk in the last month. It was a comparison of energy costs in which the Hon. Member and I will be interested. It concerns consumers. Every person going to the gas pump to fill up in Canada is paying a certain price. I usually end up paying 50 cents a litre. This comparison that

came across my desk is very interesting. On a dollar for dollar basis it is now costing the average American consumer who goes to the gas pump in the United States equal or less money than he or she paid for gas in 1959. That takes into account inflation, the change in the dollar and everything else.

I have to question the common sense, the decency and even the intelligence of the Member opposite in making the kind of comments he makes, when it was he and his Party who supported the National Energy Program which resulted in all the disastrous changes which the energy consumers across this country have had to bear. The Hon. Member has to take responsibility for that; he was part of it. He does not even explain the PGRT and the PIP grants properly.

* * *

POINT OF ORDER—MR. CLARK (YELLOWHEAD)

SEIZURE OF TURKISH EMBASSY IN OTTAWA—TURKISH GOVERNMENT WARNING

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. I appreciate the indulgence of the House and will not be long.

Members will know that on Thursday, yesterday, in response to questions on the Turkish Embassy I told the House of Commons:

> There was a request made in mid-February. There was a response made by the Government of Canada which was deemed satisfactory at the time by the Turkish Embassy. There has been no communication with the Turkish Embassy or the Turkish Government since that time.

That was my statement, Mr. Speaker. That statement was made after a thorough inquiry of Canadian officials who might have been contacted by Turkish authorities.

I have just learned that, contrary to the information given to me earlier, a representative of the Turkish Embassy here may have raised this matter with Canadian officials in late February or early March. I have ordered an immediate investigation and will report to the House.

I wanted, however, to take this earliest opportunity to correct the record and to apologize to the House for inadvertently conveying information which may have been inaccurate.

Some Hon. Members: Hear, hear!

Mr. Waddell: I am sure, Mr. Speaker, that there will be questions in Question Period tomorrow about this.

An Hon. Member: Tomorrow?

Mr. Waddell: I am sorry, Monday.

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Ian Waddell (Vancouver-Kingsway): I want to remind the Hon. Member that we voted against the Petroleum Incentive Program. The Hon. Member was in the House. The NDP did not support the National Energy Program. His Party voted for it. I ask him to check the record. Does he recall voting for the Petroleum Incentive Program? He voted against other aspects of the Energy Program as did my Party. We both voted for the conservation program.

Is the Hon. Member aware from his own department that this program is half complete? The object was to convert two million housing units off oil by 1990. So far one million units have been converted, at a saving of 75,000 barrels a day. The Minister of Energy, Mines and Resources (Miss Carney) said last week in Vancouver that the energy costs can be reduced by up to 30 per cent to cost effective conservation investments.

In view of the fact that the program seems to be working, it is only half way through and, according to the Minister herself, we could still reduce by 30 per cent the demand and use of oil, and in view of the restraint programs much as in my province of British Columbia where one day, one year, it is for restraint and on the next day the province suddenly finds its sense and isn't, why is the Government cutting back and saving a small amount of money on a perfectly sensible program that is saving oil? This is one of the few aspects of the energy program that is working? Why is the Hon. Member's Government eliminating that and not eliminating things like PIP grants of $1.6 billion a year to oil companies, along with tax advantages? Why is the Government picking on the poor consumer and forgetting about other areas where money could be saved?

Mr. Gurbin: Mr. Speaker, I guess it is the Hon. Member's duty and disposition to be pessimistic. One of the things he really does not include in his thinking or in his comments is the fact that even prior to COSP there were significant conversions. There is no reason to expect that there will not be a significant number of conversions after. We intend to continue and even expand our efforts to encourage people and to inform them of the benefits that can come to them if they switch off oil when it is appropriate and reasonable for them to do so. Natural gas is probably one of the best examples. Electricity can be used in other areas, but there could be a reasonable

debate as to whether that is a long-term totally desirable objective.

The Hon. Member continues to try somehow to cast two sides of this scene in terms of consumers; people on the street who need to buy gas, oil, heating oil, and other energy requirements, in contrast to the needs for development in Canada of our resources and the needs of Canadian industry, Canadian oil and gas producers—small ones, not the big ones which the Hon. Member talks about. There is no question that that industry is taxed heavily. The PGRT is the basis of providing PIP grants. Maybe PIP grants are not right either. There are really not two sides. When the system is running smoothly and when there are benefits to producers, industry and secondary industry across Canada will benefit. When everything is working, who really benefits is the Canadian taxpayer and those people who have to buy oil and gas products are the real beneficiaries.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

[*Translation*]

Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon. I shall then give the floor to the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano).

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. When the House rose at one o'clock, the Chair promised that the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) would be given the floor after the luncheon recess.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, once again I must draw the attention of the House to a manoeuvre on the part of the Progressive Conservative Party that will cause serious harm to the Canadian economy and to many Canadians. I think there is grave cause for alarm when we see the present Government once again camouflaging the extremely negative impact of Bill C-24 by failing to give Canadians a true picture of what the consequences of this Bill will be.

After the Domtar case, the Progressive Conservative Government is once again aiming its guns at Quebec with a Bill that will deprive Quebecers of hundreds of millions of dollars in subsidies.

Where are the Conservative spokesmen for Quebec? have they been gagged once again? Are they afraid to defend the interests of their constituents?

The Conservative Members of Quebec ought to know that in 1983-84, 59 per cent of the grants they want to eliminate today were being paid to people in Quebec. Is this how they intend to defend the interests of their constituents?

However, in addition to the specific problems that repealing the Oil Substitution and Conservation Act will cause in Quebec, it is also obvious that it will have a disastrous impact on Canada as a whole.

Out of sheer ignorance, because I can hardly believe that conscientious members of this House would knowingly support a Bill like Bill C-24, Conservative Members are questioning the very foundation of Canada's energy policy. Everything done in recent years to make energy self-sufficient has suddenly been put on hold by a Government that would rather sell the country to the highest bidder instead of securing its future and its future autonomy.

Action programs for the benefit of energy consumers, which the present Government wants to abolish, were introduced in 1980 by a Liberal Government that understood Canada's energy requirements. These programs had three main goals: first, Canada was to maximize energy conservation; second, it was essential to reduce oil consumption and to maximize the use of alternative energy sources such as natural gas, wood and electric power or solar energy; and third, it was essential to make alternative energy sources available to Canadians by developing the infrastructure for their distribution.

A number of very well documented studies prepared by officials in various departments, as well as consultations held among the parties concerned, were instrumental, in 1980, in setting annual goals for conversion of residential and industrial heating systems that would help to reach the objectives I mentioned earlier.

Experts have indicated without hesitation that a minimum of ten years would be necessary to attain the objectives in question. Now, the Progressive Conservative Government, through Bill C-24, intends to tamper with the very foundation of this energy planning program.

Jean-François Villon, speaking on behalf of Gaz Métropolitain Inc. on November 7, 1984 in *The Gazette*, said:

> —the reasons which led the federal government to promote the substitution of natural gas to oil are just as valid today as they were three years ago. The supply of Canada oil is quickly decreasing and new oil developments will be extremely costly.

In that interview, Jean-François Villon stated that arguments for continued subsidies are so compelling that it is essential to keep this program.

The need for Canada to reduce its dependency on oil, the need for a new impetus in the Alberta economy and the need to ensure the profitability of the $400 million spent during three years to improve the availability of natural gas in Quebec makes it imperative, Jean-François Villon says, to keep the residential and industrial substitution program.

The legislation implemented by the Liberal government was of course a complete success since the goals were almost completely met for the 1980-83 period.

Indeed, 95 per cent of the 780,000 housing units to be converted to alternative sources of energy were converted during that period especially in Quebec, where provincial energy companies have drawn up complementary programs. Conversion was very successful. Indeed, 132,000 of 244,000 housing units converted in 1984 were in Quebec. In 1983-84 alone, Quebecers received $99,396,000 from the federal government, and they could benefit from substantially reduced heating costs. Those savings were reinvested in various areas which surely stimulated our entire economy. Are Canadians being punished for taking maximum advantage of a legislation that met urgent and real needs?

Even in Quebec where already 41.3 per cent of all conversions expected for 1990 have been made, 59.7 per cent of housing units to be converted will be denied subsidies if Bill C-24 is passed.

On the national scale now, what about the mere 37.7 per cent of projected conversions actually completed under the Oil Substitution and Conservation Act?

Mr. Speaker, not only will Bill C-24 deprive more than one million homeowners of direct grants averaging $735, it will also drain the economy of the huge savings which lower heating costs would have generated. Each owner would have reinvested his savings in our economy and tens of thousands of productive jobs would have been created.

Mr. Speaker, the figures I have just quoted are readily available, so why did Progressive Conservative Members, from Quebec or elsewhere, fail to mention them in the House?

Once again I suspect that, through this irrational and harmful piece of legislation, the Progressive Conservative Government is trying to divert attention from its lack of planning, and especially the discrepancies in its election program.

We all know that economic development and the fight against inflation over the coming years will depend above all on our energy policies, but the Progressive Conservative Government wants to do away with one of the most essential and effective measures in that sector.

Planning for the future is definitely not this Government's forte. Our dollar is in a nosedive, the Government knows that oil prices will soar the moment Bill C-24 becomes law, yet the Conservative administration once again wants to turn us into "Oil-god" slaves.

Mr. Speaker, everybody knows that it has become impossible to govern a country without planning and serious analysis. Here again the Progressive Conservative Party shows its inability to govern and keep track of national priorities.

Does the Government not demonstrate utter ineptitude by being so complacent about our energy requirements and the need to develop alternate energy sources?

It never fails, Mr. Speaker, we have a good program like this one or like the small business loan program, so the Government puts an end to it or changes it to make it useless.

Mr. Speaker, I fear that the Government's irresponsibility will increasingly undermine our future prospects in the coming months, but I keep hoping that Bill C-24 will be shelved so that we will maintain a modicum of energy planning.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Calgary South (Mrs. Sparrow).

• (1410)

[*English*]

Mrs. Sparrow: Mr. Speaker, my hon. friend commented that the oil reserves were diminishing rapidly. He is absolutely right; the conventional oil reserves are diminishing rapidly. I wonder if he really knows why this was so.

Perhaps the Hon. Member has forgotten that the National Energy Program, which was brought in by his Government in the 1980s, brought the oil and gas industry to its knees and sent many drilling rigs out of the country and many people South of the border, to Australia or to the North Sea. Those who did not leave the country went on the unemployment or welfare lines. A great many jobs were lost in this particular sector. I can also state that the spin-off effects caused unemployment to rise by some 90,000 people in the Province of Ontario.

As well, the Hon. Member's Government introduced PIP grants which were extremely discriminatory. PIP grants forced more of the natural-resource companies to explore on Canada Lands and therefore to explore in the Beaufort Sea and off the coast of Canada. Unfortunately, this took away the people, technologies and moneys necessary to develop and explore on provincial lands in Alberta, Saskatchewan and British Columbia. That is why our conventional reserves are diminishing.

Another thing the former Government legislated was the 25 per cent back-in on Canada Lands after a discovery. I must tell my hon. friend that this particular legislation drove out and prevented foreign, and even Canadian investment. As a matter of fact, that program can be directly related to the moving of some $17 billion out of the country. Before the Hon. Member goes on to say too much about diminishing oil reserves, I think he should take a look at why this is happening.

My hon. friend also said that we were covering up and not putting forth all the correct figures. Perhaps he has not been able to hear the six or eight Conservative members who have spoken in regard to Bill C-24. They have all stated the facts and figures.

As well, we are not discriminating against Quebec. The programs will be terminated right across the country. We all

realize that the COSP and CHIP programs have been extremely successful and I agree with my hon. friend about that. However, the time has come when Canadians can no longer be subsidized in every area. We will save over $800 million by terminating these programs, and that money will be put directly toward the deficit.

• (1420)

Mr. Gagliano: Mr. Speaker, according to the Hon. Member, the Liberal administration did everything wrong.

I know, however, that this program, which the Conservative Government wants to abolish, is very popular. The people in the Province of Quebec are very concerned because as of March 31 the program will no longer be available. The Government announced on November 8 that the program would be discontinued. It should extend the program for at least six months to provide an opportunity to the people who want to take advantage of it. I do not understand what the Hon. Member is driving at. I definitely did not speak about discrimination, I said that Quebec was the Province which was the largest user of that program and the people of Quebec are not being permitted an opportunity to continue to use that program after March 31.

Mr. McDermid: Mr. Speaker, my hon. friend from Saint-Léonard-Anjou (Mr. Gagliano) said that this Government was prepared to mortgage the future. I found that to be an interesting comment.

We have taken over from a Government which had almost a $200 billion debt. This year, there will be a $35 billion deficit. He is talking about this Government mortgaging the future of Canada, when it has to borrow money to pay for this program in order to give that money back to the Canadian taxpayers to convince them to insulate their homes or go off oil. I believe that Canadian people are more intelligent than that. They do not have to be bribed. They must be educated on the importance of going off oil, insulating their homes, using passive solar and solar opportunities, and renewable products. But for the Hon. Member to stand up in the House and accuse this Government of mortgaging the future of Canada, that is somewhat facetious.

Mr. Gagliano: The Hon. Member said that the Government was borrowing money to give this program to the Canadian people, so that Canadian people could reduce their heating bills and invest the money which they save. I think that is a good thing. However, he does not realize that the Government is taking money away from the Canadian people. That is the problem.

Mr. McDermid: It's their money!

Mr. Gagliano: In the long term, this Government will put the country into bankruptcy.

Mr. MacLellan: Mr. Speaker, the Parliamentary Secretary said that this program is costing the Canadian people money. However, the program is taking money away from the people who can least afford it. This program was aimed at consumers, people on fixed and low incomes, and the unemployed. Those were the people who were taking advantage of the program, and those are the people who will lose.

The Parliamentary Secretary referred to the deficit. The deficit has increased since this Government has been in power. The Government cannot even bring in a budget or give us the date on which the budget will be brought down. It is not only the question of the funds which this program gave to people, but also the provision of information, guidelines and a toll-free line which people could call to ask questions about insulation and off-oil programs that is very important. Those were programs, aids and ideas which the people needed. We have not yet heard what the Government will do in that regard, or what information the Government will provide to Canadians.

I would like to ask the Hon. Member what difference it will make in his area, when people are no longer able to get the information or an assurance from the Government that the furnaces and systems which are put in place will be approved by CSA, or in fact whether it will be equipment which will meet the standards?

Mr. Gagliano: Mr. Speaker, on April 1, when this program is no longer in effect, a lot of home owners will not be able to convert from oil heating to electricity or gas, especially in Quebec. As well, the Montreal area does not have very many natural gas lines, and because of the hard winter which we have had, it has been very difficult to create those lines in order for people to have gas installed in their homes. April 1 would probably be a convenient time to start work on the projected natural gas lines, however the program will not exist at that time. I am sure, as well, that the termination of that program will mean the loss of many jobs.

Mr. Waddell: Mr. Speaker, the Parliamentary Secretary and other Conservatives have been saying that this program must be cut because this is a time of restraint. They are saying that we should let the people invest for themselves and that we should not subsidize consumers. They are saying that the people are sensible and that they will invest in the market.

A Montreal economist, Diane Bellemare, submitted material to the Macdonald Royal Commission from which I would like to quote. It reads:

> It may be that subsidies are necessary to encourage people to use more efficient forms of energy. Without them, consumers may not be able to afford the investment needed to conserve or switch from one form of energy to another, either because their levels of earnings are too low or because they feel that sooner or later prices will drop back to more attractive levels.

I wonder if the Hon. Member agrees with that. Has he found in his riding that lower-income people do not have money to invest in the market? Has he found that people have the money in their pockets to spend without a Government grant? We must keep in mind that we are talking about million-dollar programs. However, the oil industry is receiving PIP grants in the amount of $1.6 billion from the Government. PIP grants are subsidies. We have an interventionist economy. It is not a free-market economy. Anyone who thinks it is a

free-market economy, as far as energy is concerned, is crazy. Even Texaco and Gulf know that it is not a free-market economy.

Does the Hon. Member feel that his constituents need help to participate in energy conservation programs?

The Acting Speaker (Mr. Paproski): I am sorry, but the time for questions and comments has expired. I would like to recognize the next speaker on debate for ten minutes. As per Standing Order 35(2), the next speaker will be allowed ten minutes.

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I know that the Chair has already made certain comments with respect to the application of Standing Order 35(2)(b), which will now limit the speeches to ten minutes. The Table will tell you, Mr. Speaker, that there have been 21 speakers and that the eight hours provided for debate have expired. Therefore, according to the rules, the House is now within the ten-minute speech period.

However, I would like to point out to the Chair that there is a difference in interpretation about which I would like to speak. Indeed, the French text and the English text of the Standing Order are not exactly the same. In English, Standing Order 35(2)(b) reads:

—twenty minutes following the first three speakers, if that Member begins to speak within the next eight hours of consideration;—

In other words, eight hours of consideration. The word is "consideration".

● (1430)

[*Translation*]

In French it reads, and I quote:

—les huit heures de débat—

[*English*]

"Consideration", Mr. Speaker, I take it could mean to encompass the speeches of 20 minutes plus the ten minutes for comments and questions. It could even include points of order, points of privilege and all of the things which traditionally, since we changed our rules, have been included in the global eight hours. I submit to you that by doing that, Mr. Speaker, you are restricting certain privileges of Hon. Members to speak for 20 minutes.

The point can be made that we have had 21 speakers debate Bill C-24 to date, but we should have had 24 speakers, that is, three speakers per hour for eight hours. So we are short three speakers for 20 minutes plus the usual ten-minute period for questions and comments.

I would remind you, Mr. Speaker, of the reason we changed the rules. I would like to go back to the days when debate was 30 minutes plus—with unanimous consent—questions being put to the speaker. We had a series of monologues at that time. We tried to improve things by bringing some dialogue into the House. We said that after a Member's remarks one could ask questions of the Member debating, as to the relevancy and effectiveness of his speech or the arguments he was putting forth.

I submit to you, Mr. Speaker, that we in this House will have to consider whether we should continue with this procedure or go back to the monologue form of debate where Hon. Members on all sides of this House are called upon to debate issues. If the ten minutes is restricted to comments and questions, without being considered as debate, then in my view we should say so openly and not call it debate, as our rules so imply—

[*Translation*]

—in French. Although this might be a wrong translation, Mr. Speaker, I submit there is a substantial difference between "consideration" in English and "débat" in French. I should appreciate it very much if you could enlighten me on these provisions and on these remarks.

[*English*]

Mr. McDermid: Mr. Speaker, I rise on the same point of order. I cannot disagree with my hon. friend about the new rules, but I think in questioning the time he will find that the Table has kept an accurate record. I was surprised when I saw for the first time ever how accurately the Table keeps the time. With respect to the question of the time we have now arrived at, I think the Table is probably very accurate in saying that the eight hours have passed. If we are getting into a debate on the new rules under this point of order, I don't think this is the time. If we are making recommendations on debate, let me say that I happen to like the new rules because I think we have now to a great extent gotten away from the monologues. We do have this exchange of ten minutes which gives a little life to the debate.

I cannot comment on the French and English aspect of "débat" or "consideration", but I would hope that if we are making recommendations—and I gather that is what the hon. gentleman is doing—we would maintain the system we have now, because it has added some life to the House and some enjoyment in the debate. I prefer that to sitting here listening to the monologues about which the Hon. Member talks.

Mr. MacLellan: Mr. Speaker, I would agree with the Parliamentary Secretary that with the new rules we have seen an improvement; we are getting away from the monologue and into debate. I would like to reiterate what the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has said. What I see is an inconsistency. It is an inconsistency between the French and the English when we deal with "debat" and "consideration". What has been included in the eight hours is not only the debate but the question and comment period. It was a thought perceived by a lot of people initially, I think, that questions and comments were considered as part of the debate. However, that is not what the Speaker ruled yesterday.

Mr. McDermid: Yes.

Mr. MacLellan: No. And that is not what was ruled here earlier today in this House. The Hon. Member for Vancouver-Kingsway (Mr. Waddell) rose on a point of order and asked if he could continue. He acknowledged the fact that he had forfeited his time by moving the motion to adjourn yesterday: that is, his 20 minutes had elapsed. He asked at that point if the period for questions and comments could continue. The Speaker reflected and then said, yes, it could. If questions and comments are considered part of the debate, then the Hon. Member should not have been able to continue with questions and comments. One can't have it both ways.

I have no objection to my friend, the Hon. Member for Vancouver-Kingsway, having the ten minutes and continuing with questions and comments. He deserved that. He moved an adjournment which I thought was very worthwhile. If he had not done so, someone from this Party would have done so. He paid the price of forfeiting his 20 minutes, and he deserved to be able to continue with questions and comments. However, we have a very definite inconsistency. Regardless of what the procedure has been and what has been determined that the rules say, we have a very definite deviation from what has been followed by the rulings of the Speaker.

Mr. Gauthier: We've been short-changed on that one.

Mr. MacLellan: That's right. We have suffered and have been short-changed an hour at least. Now everything is concluded and counted as debate. That was not the ruling of His Honour, the Speaker, today. I submit to you, Mr. Speaker, that eight hours is fine. A time limit on 20-minute speeches is good. Eight hours is good. But those eight hours should consist only of the actual debate; not of points of order or questions of privilege or questions and comments, but debate.

[*Translation*]

Mr. Deputy Speaker: Having heard the representations made by the three Hon. Members, I think that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who has raised this point will certainly agree with me that the occupant of the Chair is bound by the interpretation of Standing Order 35(2) which includes the 10 minutes. I will be pleased, however, to convey his representations to our Committee on Procedure and Organization in order to see whether changes could be made to satisfy all hon. members, if the House so wishes.

[*English*]

The Hon. Member for Ottawa Centre (Mr. Cassidy) on debate, and I would remind him that we are now in the ten-minute period for debate without questions or comments following.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise to join my colleagues in questioning the Government's decision to do away with the most successful part of the national energy policy, a part which has had demonstrated results in terms of not only provoking activity, but also in very substantial saving of our oil supply which Canada will need some time in the future. It is acknowledged, I think, on all sides of the House that our oil and gas supplies are not inexhaustible and that our petroleum in particular is far from inexhaustable. We will be needing it for certain purposes such as air travel, for plastics and petrochemicals and in certain areas where it cannot be replaced by other products. Therefore, it does not make any sense to use oil for home heating and other uses where substitutes are in fact easily available.

The Government's decision is not only wrong and imprudent in the long term, but it is also wrong and imprudent in terms of the priority which the Government announced when it came to office. We were told that "jobs, jobs, jobs" would be its priority. I have had insulation contractors talk to me in my riding with respect to what will happen to their businesses after the phasing out of the CHIP program. The Government's own review of CHIP indicated that two-thirds of the CHIP work would not have been done if the program had not existed. About 40 per cent or 50 per cent of all retrofitting taking place in homes for insulation purposes is motivated by CHIP, but that will go in the course of another year's time.

I have had people in the furnace business tell me similarly that their businesses are just going to slump and they will in fact be forced to lay off their staff and in some cases be unemployed themselves because of the ending of the COSP program in just a few days.

I happen to have benefited from the COSP program last year. I did not anticipate that the Government would take this step but in September I took the initiative and arranged to have a gas burner installed in my house in place of my oil burner. The consequence is that from now on we will be saving about 50 barrels of oil a year, and that is a lot. That is a benefit which is going to go on for a very long time, and the cost to the Government after recouping tax on the grant would be of the order of about $500 or $550, whatever my tax rate may happen to be. That is a very small investment and it illustrates that it is far cheaper to get new oil supplies through conservation and alternate energy than it is through finding new supplies.

● (1440)

However, the Government is going to remove the petroleum gas revenue tax which will cost the taxpayers some $2.5 billion at the same time it is eliminating these two programs which are far less costly and far more productive, given their ability to literally mine oil from the walls of people's homes and furnaces because of the switch-over to other forms of energy.

It seems to me that the reason for the Government's decision is a bias in favour of western oil interests and a bias against the very prudent method of saving petroleum energy. The biggest budget cuts last year were to the CHIP and COSP programs, and cuts to the National Research Council, to the tune of $60 million for conservation and alternative energy research.

What binds all of these together is that they were measures which threaten the continued growth of the industry until the oil runs out. We are threatening short-term profits for the oil industry. But in my opinion and that of my Party these

measures are all necessary if we are to be able to give to our children and grandchildren a country which still has viable amounts of petroleum resources for the future. With conservation, the value of savings grows as energy prices rise. The job impact of conservation and alternatie energy, COSP and CHIP, is a great deal greater than it is in getting new oil out of the ground.

When you consider the other energy alternative, it is significant that the Government does not cut a penny from Atomic Energy of Canada despite the fact that it is spending $340 million a year, yet after 35 years nuclear power has still not reached the point where it can support itself without the need for very heavy Government subsidies. If you want to save money, why not get it there rather than forcing poor Canadians to pay through the nose when they do not have the money?

I wish to move a motion which will have the effect of hoisting this measure for at least six months. We would like to see it put off longer because we are opposing the Bill, but it is a parliamentary device which will demonstrate what we think abnout the Bill, as well as being a response to the very specific needs of large numbers of people in my riding and elsewhere who are not now able to benefit from these programs, COSP in particular, because the deadline has arrived, and they can no longer get a contractor or oil company prepared to take their particular case.

Mr. Thacker: Still some rich NDP who have not taken advantage of the public purse?

Mr. Cassidy: Many of my constituents have taken advantage of this as well.

Mr. Waddell: His, too, I bet.

Mr. Cassidy: In fact, the take-up in Alberta has been stronger than in almost any other part of the country.

Therefore I move, seconded by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor: "Bill C-24, An Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act be not now read a second time but that it be read a second time this day six months hence."

One of our concerns is for those ordinary Canadians who were not able to take advantage of this program before, and for whom even the dollars to pay their share were difficult to acquire. They are certainly not going to be able to take advantage of conservation and off-oil measures if they have to come up with all the dollars at once. Some of these people are Canadians in Alberta and British Columbia who do not have jobs right now, yet they find that the oil bills are coming up to $1,000 or more a year. They know they can save if they go off oil but they cannot afford to do that because the very first move the Conservatives announced was to cut this particular measure.

These programs have benefited us all by saving the energy petroleum resources we will need in the future.

Mr. Thacker: Only the rich took it up though, like you.

Mr. Cassidy: That particular statement is demonstrably untrue. This program was taken up by people—

Mr. Thacker: You took it up.

Mr. Cassidy: —on all sides of the House. I was too busy with politics beforehand to take it up or I would have done it back in 1977. I would suggest as well that if the Hon. Member feels he has a point and feels that some people on high incomes, who were paying tax on their grants, should not have gotten the grants, then it was open to the Government to have redesigned the program and redirected it to people with ordinary incomes. But I remember one of the first steps of this new Government when it came to power. The Conservatives said in opposition they were opposed to the tax increases which were due to take effect on October 1, tax increases which hit ordinary Canadians across the country. But did the Hon. Member's Party come in and reverse that tax increase which it had inherited from the Liberals? No, it did not. They imposed tax increases which had the effect of penalizing average Canadians to the tune of some $500 million a year.

That may be straying a bit from the Bill but I would suggest that if the Government genuinely cared about ordinary Canadians, if it felt that some groups in our society had not benefited from this program, it was elected on a mandate of change and reform and it could have come in with a new approach to make sure that every family in the country with an annual income of less than $20,000 or $30,000 would have been assured the opportunity to take advantage of this program before it ended.

I appeal to my hon. friend from Alberta, and his colleagues, to join with our Party in hoisting this Bill for six months in order to give the Minister of Energy, Mines and Resources time to take up that very valuable suggestion. If the program is to be changed, it should be changed in order to benefit ordinary Canadians who were not able to benefit from the program during the six or seven years it has been in force. I remind you that the program benefits all Canadians, because if we keep on wasting oil at the rate we are doing it today there will be none left by the time our sons and daughters come to take their places in this House of Commons.

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

Some Hon. Members: No.

[*Translation*]

Mr. Deputy Speaker: Order, please. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker—

[*English*]

Mr. Waddell: Point of order, Mr. Speaker. I hesitate to interrupt my friend but I just want to get the procedure right. I heard you call a voice vote and I am not quite sure what happened.

Mr. Deputy Speaker: I was just introducing the motion for debate.

Mr. Waddell: I heard a lot of people saying—

Mr. Deputy Speaker: There were a lot of voices at the time. I got a loud response.

Mr. Waddell: I just wanted to make sure the motion was not lost inadvertently.

Mr. Deputy Speaker: No, we are starting debate on the motion.

Mr. McDermid: I am assuming, then, that the Chair has accepted the amendment and we are now debating the amendment to the main motion?

Mr. Deputy Speaker: The Hon. Member for Brampton-Georgetown (Mr. McDermid) is correct in his assessment of the situation.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the effect of this motion is to hoist this Bill for six months. I was not aware that that motion was going to be moved, and I was rising to speak on the main motion. But I am pleased to participate in debate on this amendment. I think my constituents, at least, will understand the impact it will have on them.

● (1450)

The CHIP and COSP programs were put into effect between 1973 and 1977. At that time I was the Parliamentary Secretary to the Minister of State for Urban Affairs, the Hon. Barney Danson. I vividly remember working on these programs to persuade Canadians of the importance of energy conservation?

One must think back to 1973 to appreciate the urgency and economic difficulties that Canadians were experiencing with their heating costs. Oil prices were rising at a very rapid rate. Most of us were using oil to heat our homes. Consequently, the costs of heating were becoming difficult to bear. As a responsible Government at that time, we felt it was necessary to convince Canadians to insulate their homes better and to transfer from oil to other sources of energy such as gas, electricity, and wood, which became very popular after this crisis.

The CHIP program which is addressed in Bill C-24 provided grants to homeowners who invested in residential energy conservation. The COSP program provided grants to encourage these same Canadians to convert from oil to other forms of energy. The programs were very successful in my riding and were used to the limit. The riding I represent in the Ottawa-Carleton region is the oldest section of Ottawa and much of the housing was indeed in need of better insulation. Our own house was insulated with newspapers and sawdust which had packed down, resulting in the tops of the walls and the attic being very cold. The problem of insulating against the cold of winter was not addressed because oil was cheap. It cost 12, 13 or 14 cents a gallon so one did not bother with insulation which was very expensive and hard to instal.

The recent decision of the Government to abolish this program is not easy to take. It indicates to Canadians that we have now reached a plateau of energy conservation which we think Canadians understand. It is quite possible that the Government is right in saying that Canadians must now take up their responsibilities and should themselves insulate and, if they want, change from oil to other sources of energy. They should do it themselves. I feel that part of our obligation as parliamentarians is to tell Canadians how we see problems and issues and how better to deal with them.

With regard to the question of energy, in the last 12 years we did a good job of telling Canadians that better insulation would save them money. We told Canadians that the oil crisis which the world has undergone was indeed a serious problem to cope with.

The Government has now decided to cancel these two programs. It has the right to do that since it is the Government. I do not agree, and from the correspondence that I am receiving I believe that many other Canadians do not agree either. The decision to terminate the program causes some difficulties for certain Canadians. I have a letter here from the Electrical Contractors' Association of Ottawa. It says:

> Due to a serious shortage of electric heating equipment, most of which will not be manufactured until late March, it appears that many homeowners who have signed contracts for the conversion of their heating systems will find themselves ineligible for the COSP grant.

That is not the fault of the contractor, or of the consumer. The letter goes on to say:

> We propose that the COSP program be extended to September 30, 1985, a more realistic date, considering the heating season in Canada does not end March 31.

My colleague, in his remarks on Bill C-4 talked about the gas companies which were also experiencing certain problems with installation and conversion. We all know that the ground freezes over in the winter time making it difficult to instal pipes. The electrical contractors tell me that they have had difficulties getting equipment. They tell me that it would be reasonable to ask for an extension of this program until September 30, 1985.

I do not want to take any more of the time of the House on this subject, except to say that if the Government can see its way to prolonging this program until September 30, 1985 it would be appreciated by a lot of consumers and contractors who have applications for the COSP grant for conversion. They are good applications which could save Canadians money in the long run. They should be received and carried forward by these contractors.

Before the Government says no, would it consider that perhaps an extension would be useful? The amendment to hoist this Bill for six months would give the Government time to address the immediate concerns of Canadians in the area that I represent. We have had a hard winter. We have not had the time or the capacity to make the conversions. Please give us the spring and summer to do the work we want to do.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to support the amendment of the Hon. Member for Ottawa-Centre (Mr. Cassidy) that this Bill be deferred for six months. We have two good programs in place which are benefiting ordinary Canadians, especially those of low and middle income. Of the nearly five million residences that were targeted to use the insulation program, only about 2.5 million have been done. Other home owners have indicated an interest in proceeding with this program after having heard from their neighbours how well it worked.

These programs are primarily aimed at saving oil, and thereby heating costs. The Canadian Oil Substitution Program provided a subsidy to induce home owners to convert from oil heating to any other kind; gas, electric, propane, wood, wind or solar. It paid 50 per cent of the cost, up to a maximum of $800. The Canadian Home Insulation Program had the same goal, through persuading home owners to insulate their homes. We know from our own experience or that of our neighbours how successful that program has been in cutting heating costs, whether it is oil, gas or any other form of heat.

• (1500)

Some Conservative Members have suggested that it is only the rich people who benefit from these programs. Of course, they assume that our Party wants this program to continue because the NDP Members are rich. That has never been suggested before but the fact is that the number of wealthy members for each Party is irrelevant with respect to these programs. According to a Government survey, these programs had no special benefit for the rich people. The effect of the 50 per cent subsidy of eligible costs for conversion from oil and 60 per cent of eligible costs for insulation with a respective cap of $800 for furnace conversion and $500 for insulation means that rich and poor throughout the nation receive an equal share. Furthermore, the great majority of Canadians are not rich and stand to be the main beneficiaries of these programs.

For instance, in my riding of Spadina and where I live in Kensington, the people are predominantly construction workers, building cleaners, restaurant workers, retail workers and tradesmen and tradeswomen of different kinds. Many of the houses in which they live in Spadina are about 100 years old and were built at a time when it was assumed there would be ample firewood from the nearby forests to heat their homes.

One hundred years later, the owners must heat those homes with much more expensive fuel than was available 100 years ago. Those houses are not suited for modern heating methods and, with many of these home owners subject to unemployment—particularly construction workers—these programs helped them considerably in modernizing their homes.

The Government's report has indicated that middle and upper-income Canadians did not benefit disproportionately from this program. Twenty-four per cent of the CHIP dollars were given to the 21 per cent of the eligible home owners who earn less than $15,000 annually. In other words, the greater proportion of money was given to those earning less than $15,000 annually. One must wonder why the Government has chosen to attack those people who earn less than $15,000 a year.

Although the Government says that we must save money, it is throwing money at the oil companies. I will admit that Conservative Members of Parliament have been consistent in some of their election platform when they argue blindly that throwing money at the oil companies will make oil cheaper. However, the experience to support that argument, in fact, has been the opposite. There is no guarantee that the oil companies will reduce the price of oil after the Government gives them billions of dollars. There is no serious control over the price of oil.

However, there are very clear benefits from financial grants for insulation and the replacement of oil furnaces with other energy sources. The first benefit goes to the eight million home owners of Canada, including many low-income and middle-income Canadians. They do not live in fancy condominiums but in many of those older homes which need to be insulated and refitted with a modern heating system that does not use oil.

Why is the Government attacking those people rather than reducing the money it gives to the oil companies? Why does it not reduce the billions of dollars in subsidies that it gives to Atomic Energy of Canada, Limited, which has produced so little? One of its products is a $20 billion debt that is owed by Ontario Hydro. Ontario Hydro, in collaboration with AECL, has produced one of the most expensive energy systems ever heard of. That system has caused electric rates to go up and has increased the debt of the Province of Ontario. In turn, this has resulted in more subsidies. On the other hand, the benefit from oil savings continues for years after the original investment is spent on modernizing the energy efficiency of a house.

People in my riding need jobs, but not jobs drilling for oil in the Beaufort Sea. They need jobs in Spadina where they can be with their families, as has been the case when their jobs have been insulating their neighbours' homes. Employment in the insulation industry has been of particular benefit to unemployed construction workers during this depression.

The oil companies are the ones who stand to lose from these programs which benefit so many ordinary people because they are faced with competition. The Government preaches free enterprise and competition in our country but the oil companies don't like competition and therefore oppose programs like CHIP and COSP. They made an arrangemnent with the Conservative Party before the election by which the Conservative Government would implement programs that would fatten the bank accounts of the oil companies at the expense of the home owners and construction workers of Canada.

This Bill is an example of the attempt to eliminate the insulation program which provided modest jobs for ordinary working people. The remaining market would go to the oil companies who can then jack up the price of oil without fear of competition.

These programs should become a permanent source of employment and conservation for the next several years until

Canadian homes have been completely renovated but, given the stubbornness of Government Members, the most we can do is request a six-month hoist in order to give Canadians a chance to make use of this good program.

• (1510)

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am pleased to rise to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. I have been waiting for something like eleven days for this opportunity to speak. I had planned to speak on the debating habits of this House, how insults fly back and forth and why my constituents back home do not really appreciate it. They are people who are productive. They work hard. They are prosperous.

I would have liked the Hon. Member, whose riding I have forgotten, to be here today to talk about prosperity. He has a riding on the edge of Ottawa. He says his people are poor, that their annual income is $1,000 less than the national average and 81 per cent of them own their own houses. I would like to tell this House that my riding is quite prosperous. The people earn $2,000 less than the national average, but 71 per cent of their own their houses.

I talked to the Hon. Member across the floor and discovered the reason. Part of his riding is in this dream world called Ottawa. Salaries of the people in Ottawa are quite high but the salaries of those who live away from Ottawa are more realistic or in the poorer range. Thus the Hon. Member comes out with a high average. He claimed there are very poor and very rich in his riding.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I would ask the Hon. Member to withdraw his comments about Ottawa being a dream world. I represent 80,000 people who live in Ottawa. They do not consider it a dream world. It is a real world for them. Some work for the Government and some do not. I do not think any Hon. Member should make that kind of comment in relation to constituents of another Hon. Member.

Mr. Deputy Speaker: I think the question raised by both Members is more a question of debate than a point of order. The Hon. Member for Perth.

Mr. Brightwell: Mr. Speaker, I was talking about the methods of debate and about the insults that are hurled across the floor. I want to speak a little more about this if I may. We have heard words such as "bum-boy", "yes-man", and there is a very derogatory phrase that I hear coming across the floor, namely "Mike the Knife". I dislike that terribly. Of course, we have called Members opposite malcontents and rats. We are going to be careful about doing that in the future—

Mr. Deputy Speaker: I must ask the Hon. Member to speak on the Bill.

Mr. Brightwell: Mr. Speaker, I will speak on the Bill although I find it unusual in this House for Members to speak on the Bill. It seems that Members speak on many other things.

Mr. Heap: Speak for yourself.

Some Hon. Members: Oh, oh!

Mr. Brightwell: I have to sort through my papers, Mr. Speaker, because that comes much later in my speech.

I would have liked to speak about how my constituents feel concerning the way in which we delay items in this House. We are presently in a delaying posture here. The question we are talking about is how the Opposition chooses to delay Bills going through this House and why this should happen when the end result we know is inevitable. My constituents say to me: "You have the manpower; go to Ottawa and make things happen in the House". I hope when my constituents read this speech in *Hansard* they will understand that the reason we are being delayed is through the use of these funny rules by the Opposition on the other side.

Mr. Waddell: Funny rules?

Mr. Brightwell: I withdraw that. Funny rules is not proper. The use of the rules to delay is what I mean.

I will come to the meat of this debate now, Mr. Speaker. I consider it a waste of time to reiterate the figures about the two programs. This has been done so aptly by other Members. I have a few comments to make. I must admit there are very few comments about the Bill and there are more about the other things, but you have told me that I cannot make those comments, Mr. Speaker.

At least two speakers have spoken about the direct subsidies to home owners and the insulation and home fuel industry. The last speaker talked about the attack on lower income people and how they would like to have jobs created by funds from the federal Government. I believe this is a prime example of the Opposition's fuzzy thinking about governments and deficits. The Opposition believes that if we run up a deficit it does not cost the average home owner a cent. When I wrote this speech, I was thinking about a $30 billion deficit this fiscal year. I know now it is about $35 billion. The carrying charges for that amount to about $120 for every person in Canada for one year. The savings on oil are savings forever. We have heard Hon. Members say that you may save a dollar today and it keeps saving forever. But a deficit of $35 billion keeps costing forever because it is authorized into the future.

No one can possibly say that deficit reduction is somehow divorced from the welfare of every Canadian. My Party, this Government, was elected by the people who know that this is a major problem for Canadians. People know that government spending is out of control. I hope I can say "was" out of control. People want changes and the changes that we propose today are just another step in that particular direction.

I agree with Members across the floor that the programs were successful, and the changes that have occurred since 1977 are a reason for them not being in place any more. There has

been a remarkable increase in the knowledge of energy conservation. This conservation knowledge has been applied to new construction. Now about 5 per cent of the homes that are lived in have been built since 1977. That is about equal to a quarter of the ones that have been improved under the program. Along with new structures has been the demolition of many of the old structures, the ones that needed insulation and the off-oil program the most. The energy conservation philosophy is firmly in place and the need is declining. CHIP should be terminated; it is no longer needed.

I do not think anyone has spoken about the costs of inflation or what has happened with inflation since 1977. I took the trouble to look the statistics up. The cost of gas has risen 230 per cent and electricity 170 per cent. Perhaps, as the Hon. Member said, we were so over-charged on electricity before that the costs have not changed very much. Oil has increased in price 300 per cent.

At the same time the price of insulation has increased more than 50 per cent. The buying power of the dollar has decreased quite a bit more than 50 per cent. Thus the $500 grant of 1977 is no longer worth what it was in 1977. At the same time the need to change from oil to other kinds of energy has increased almost three times. The relative value of the grant has decreased to the point that it is almost worthless in the hands of the people using it. Perhaps it is a carrot, but it is not anywhere near the big carrot it was in 1977.

The off-oil program was born when everyone was in the grip of inflation and the great threat of the OPEC oil cartel. This inflation psychology was led by the Government of the day and it led to at least two other unfortunate decisions, namely the National Energy Program that decimated our oil industry and the massive investment by farmers in more land. Let me quote my local farmers. They say "they don't make any more land".

This massive investment encouraged by government and by banks set the scene for the tremendous agricultural problems we have today. I do not want to suggest that COSP was equally bad, only that it was born then in the same type of psychology when the situation was different. We had just realized the energy crisis was at hand. The economy was not yet putting its crushing hand on our affairs. I realize now that I wasted too much time up front, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Brightwell: Much has changed. These two programs have been successful. They are no longer needed. The new technology, particularly in the high-efficiency furnaces, and also in alternate sources of energy, will be of greater assistance to our personal economics, our environment and our energy reserves. I am sure this conservation attitude will continue not only because of economic pressures but by choice of responsible Canadians exercising their right to free enterprise.

For the reasons I have outlined, Mr. Speaker, I am pleased to support Bill C-24.

• (1520)

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. These two programs relate to the substitution of conventional fuels with natural gas as well as to the conservation of energy in the construction of homes. In fact, the entire energy conservation program of the former Government was one of the most successful ever put before any country. International observers, such as OECD and other international bodies, judged that energy conservation program to be one of the most progressive, enlightened and effective ever to be put in place.

We live in a world today in which the price of oil is dropping from something below $29 American per barrel to as low as $22 to $23 in the next three or four years, according to the estimates of the Department of Energy, Mines and Resources. Also according to the estimates of EMR, Canada will be self-sufficient in oil on a net basis through to the end of the century. We have been able to increase Canadian ownership of the petroleum and gas energy field to some 40 per cent.

However, let us think back to the autumn of 1980 and throughout the year 1981. It was a very different world then. It was a world in which our best hope was to be self-sufficient in energy, even on a net basis, by 1995. In fact, that was achieved by 1983 which in itself is a miracle. At that time we talked in terms of reaching 50 per cent Canadian ownership by 1990, and in fact we have come from 28 per cent in 1980 to about 40 per cent today.

We have achieved many of the goals of the National Energy Program as a result of massive exploration and development projects in the Beaufort and on the offshore East Coast. They have been stimulated by the Petroleum Incentives Program and other programs of the federal Government. Equally important, and perhaps more important, is the entire energy conservation program of which COSP and CHIP were valuable parts. There were programs such as oil upgraders to take residual oil in places like Sarnia and Montreal and upgrade it into fuels, gasoline and so on for use in the country and to back out more and more barrels of oil on the East Coast from the fragile Middle East situation and to bring in oil from Mexico and Venezuela. Not only should we look at those plants which were used to upgrade residual oil and to convert it. We should also look at the programs of enhancement and those to upgrade the heavy oils of Lloydminster, the western sedimentary basin, the Syncrude project and other projects in the Fort McMurray area. Certainly we have tremendous reserves in the Fort McMurray area, but I do not think the Government can go at it in the same way as did the Government in 1979 and 1980. Rather than massive projects, we can have smaller ones to bring on stream the tremendous reserves of heavy oil in that area.

To average home owners in northern Ontario a suggestion such as that is rather abstract. It is important and they know about it, but the substitution program is more important to them. In my own constituency bulldozers are at work today on

the north shore of Lake Huron, building the north shore natural gas pipeline. This $51 million or $52 million pipeline will carry gas from Sault Ste. Marie to Blind River, to Elliot Lake and ultimately, if I have my way, to every community along the north shore.

There is complete chaos on the other side of the House. The Government is spending some $33 million under DSEP to build a pipeline to provide natural gas to that area. At the very same time money is being spent and bulldozers are moving earth on that project, the Government is cutting out COSP so that home owners in Blind River and Elliot Lake, especially those with low incomes, will be denied $800 grants to instal natural gas in their homes. For persons in the upper income brackets, this will probably not make any difference. They will spend the money and, since they are in high income brackets, they would probably lose half the grant anyway. However, working mothers, widowers and pensioners spending $1,100 or $1,200 per year on heating oil would like to take advantage of COSP. Instead of spending some $2,300, they could have a saving of $800 and spend some $1,500. Over the course of approximately three years they would have enough savings from the cost of natural gas and from the benefits and efficiencies of a new furnace to pay for the original cost of the furnace.

The Government is building this natural gas pipeline and is providing two-thirds of its cost, yet it is cutting the grants which assist low-income families in taking advantage of it. I have indicated to the Minister that it would look better if the Government spent some $33 million on the construction of that pipeline and extended COSP to this coming autumn or perhaps longer, so that people who will have natural gas made available to them in October and November of this year could take advantage of the program. I do not hesitate to call upon the Government to set aside the Bill and to leave the programs in place.

If we look at the Estimates of the Government of Canada which came out a couple of weeks ago, we see a commitment to spend $1.6 billion for Petroleum Incentives Program grants. These grants will be very beneficial to the East Coast offshore, the high Arctic and the Beaufort Sea exploration activities which are taking place and will be particularly beneficial to Canadian-owned companies.

• (1530)

If we have money for the supply side of the energy equation, it seems to me that we should have $160 million or $170 million available for the COSP and CHIP programs. The CHIP program saves us energy and the COSP program saves us oil by converting oil-burning furnaces and industries to natural gas. Those were the objectives of those programs which have been so successful and, in my opinion, should be maintained.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am very pleased to have seconded the motion put by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), that this Bill be given a six-month hoist. While we on this side of the House recognize that the best thing would be for this Bill to be withdrawn, we also recognize that a six-month extension of the program would be helpful to those people who wish to take advantge of both the COSP and CHIP programs.

It is interesting to see that my colleague, the Hon. Member for Esquimalt-Saanich (Mr. Crofton), is present in the House today. I am sure that he received, as did I, a request from the electrical contractors of the area asking that there be a special extension of the program for Vancouver Island. Those on Vancouver Island were unable to take advantage of the COSP program until 1983 because a few years ago there was election talk about the possibility of building a natural gas pipeline to Vancouver Island. Because of that, residents of Vancouver Island were unable to take advantage of the oil substitution program except by putting in very expensive heat exchange pumps. It was not until 1983 that they were able to take advantage of the program by converting to electricity or wood-burning stoves. An appeal has been made on behalf of the residents of Vancouver Island that the program be extended.

It makes sense to me that the two programs should be extended for all Canadians. These programs have served a useful purpose in the past. They are only half way through the objectives which were stated for them at the time they were introduced and I think they should be allowed to run their natural course. Instead of having COSP terminated in 1990 as was planned, it should be able to continue.

According to the Tory Government, these programs are being terminated because Government Members want to attack the deficit. This seems to be the Tory philosophy. However, I question whether or not that is the case. Can it really be that Government Members are that interested in attacking the deficit? If they looked at the economics of the situation, they would realize that the economics simply do not add up.

We can ask about the origin of the word "economy". It means the laws of the household; and another meaning of the word "economy", aside from its abstract meaning, is to effect savings. To eliminate these two programs is to eliminate some very economical measures.

In the speech he made yesterday, the Hon. Member for Regina East (Mr. de Jong) outlined some of the economics of the situation. If the Government were really interested in the economy, it would pay attention to what he and some of the other Opposition Members have been saying.

By encouraging Canadians to move off oil, the COSP program has saved some 15.3 million barrels of oil a year. This is enough to heat some 650,000 homes. A great deal of this saving has occurred in eastern Canada where, as we all know, we have been involved in some very expensive subsidization programs because of the cost of bringing in imported oil.

We can look at the economics of the situation in terms of jobs. Between 1977 and 1982, the CHIP program provided some 44,000 person-years of work, 53 person-years of work for

every $1 million that was spent. Between 1981 and 1985, the COSP program provided some 16,750 jobs or 30.5 person-years per $1 million that was spent.

We should be looking at the economics of the situation in terms of the best use of a finite resource. We all know that oil reserves will not last forever. We face declining reserves of conventional crude, the cheapest kind of oil we have in Canada. The National Energy Board estimates that by the year 2005, production of conventional crude will have declined to approximately 28 per cent of its present level. Other sources of energy are very expensive and cost anywhere between $30 and $70 per barrel equivalent. The COSP program has been able to save oil at a cost of between $3 and $5 per barrel. Obviously conservation creates the cheapest oil we will ever get.

There are different ways of looking at statistics. The Library of Parliament has compiled a summary which indicates the following:

> Total energy savings in building units which have used CHIP and COSP are estimated to be at least 115,000 barrels per day of oil equivalent. Of this saving, a rough EMR estimate is that 40,000 barrels per day would have been achieved if CHIP and COSP had never been introduced, suggesting that the incremental energy savings which have resulted from CHIP and COSP amount to some 75,000 barrels per day of oil equivalent. This is a reduction in equivalent oil demand of 25 to 30 million barrels per year.

The kind of savings that we have been able to achieve because of these two programs is something the Government appears to be putting to one side. Government Members speak as though the private sector will take up the slack. That is simply not so. A study that was done by Energy, Mines and Resources a few years ago found that in the period 1977 to 1982, CHIP insulation activities constituted 43 per cent of all retro-fitting work done in the market-place; 65 per cent of CHIP insulation activities would not have occurred had it not been for CHIP; 37 per cent of CHIP users would not have insulated at all had the program not been in place, and 75 per cent of all the dollars spent by CHIP users would not have been spent without the program.

It becomes very obvious that the private sector is not going to be taking up the slack when these programs are terminated. We are going to lose jobs and we are going to lose the energy savings that would have resulted. We are going to lose the financial savings that home owners would have gained as a result of these programs.

I would like to remind Hon. Members opposite that any money saved by home owners through these programs will be spent in other sectors of the economy and will result in stimulus to the economy. The last thing the Government should want to see is any further depression of our economy unless Government Members are totally dedicated to following the horrendous example of the Social Credit Government of British Columbia.

We need to emphasize that the private sector is not going to take up the slack. The other thing that needs to be emphasized is that the people who have benefited from this program are not simply the well to do. In fact, a higher proportion of low-income home owners have drawn from the program than have home owners from other income groups.

● (1540)

I urge the Government to consider the motion to delay the Bill for six months. That would allow more people to take advantage of these good programs. In fact, we would prefer it if the Government scrapped the Bill altogether, but a delay would be second best. It is false economy for the Government to pretend that it is attacking the deficit by destroying two good programs which have benefited ordinary Canadians, saved energy, and provided jobs and savings both for the people of Canada and the Government.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to speak on the motion which was moved by the Hon. Member for Ottawa Centre (Mr. Cassidy). I think the motion deserves a great deal of support as it is in the best interests of Canadians.

In Bill C-24, the Government has brought forward a proposal which will mean that those people who applied for the Canadian Oil Substitution Program before November 8 will be able to follow through with that program even if the work is not completed by the March 31 deadline. However, the work must be completed by the end of June of this year. For those people who did not apply prior to November 8, there is no assurance, if the work is not completed by March 31, that they will be able to receive the benefit. In fact, the Bill states emphatically that if the work is not completed by March 31, the $800 benefit will not be forthcoming. I believe that is extremely difficult for and also hard on a great many Canadians.

The Government has said that if the applicants are able to complete the work by March 31, regardless of whether they applied for the grant before November 8, the inspection could be done after March 31. That is a help. There is no question that that will be of assistance. But what about the many Canadians who applied after November 8? Anyone could say that the reason so many people applied after November 8 was that they either knew or felt that the program was coming to an end. Of course, that would account for the great deal of interest which has been shown since November 8. From October 1, 1984 to February 26, 1985 over 17,900 applications were submitted to Consumers' Gas, in southern Ontario, to convert from oil to gas. However, from October 1, 1983 to the end of February, 1984 approximately 4,500 applications were submitted. There were almost 18,000 applications this year, as opposed to 4,500 applications last year.

With regard to the installation of electric and gas heating systems, there is a tremendous demand to have those systems installed prior to March 31. It is extremely difficult to instal those systems. Of course, some people will not be able to have the work completed and, therefore, they will not receive the benefit of the program.

Difficulties originate in different forms. First and most obvious, too many people have applied for conversion. Second,

the weather is not as conducive to installing gas pipes in the winter months as it is in the summer months. Third, at this time of the year the companies who would be making furnaces for conversion to gas are making air conditioners for the summer season. So the companies are now forced to retool completely and change their systems in order to make furnaces to meet the demand. How many furnaces will the companies be able to make when they also have a tremendous demand for air conditioning systems?

Mr. McDermid: Name the companies.

Mr. MacLellan: Name the companies? Just ask them. There are many companies making gas furnaces.

Mr. McDermid: Name one.

Mr. MacLellan: The Hon. Parliamentary Secretary has asked me to name one company. He should call Consumers' Gas. That company will give him the names. The opposition from the Government is getting very testy. Which is the Government and which is the Opposition? It would seem that the Government is opposing the will of the people and the facts which the Opposition is providing. The Government is on the defensive. That should tell us something. The justification for terminating the Canadian Oil Substitution Program is not there.

The NDP has moved a motion that second reading of this Bill should be delayed for six months. The Liberal Party has requested that the program be extended for six months. Essentially, we are asking for the same thing, to give people who have applied for the program a chance to have the equipment installed. That is not asking too much.

The Minister has said that there is no need for the Canadian Oil Substitution Program and the Canadian Home Insulation Program. However, the Electrical Contractors Association of Ottawa has indicated that there is a serious shortage of electric heating equipment. Not only are we talking about the installation of gas systems, but there is not enough electric heating equipment.

There is a great demand from many Canadians, especially in southern Ontario, for this program. There are many other areas in the country which are facing the same problem. There is not enough time or equipment to be able to convert from oil heating systems. If the program was delayed six months, that would allow time for companies to manufacture the equipment, it would provide a better time of year in which to instal the equipment, and the applicants could be serviced during that time.

In addition, there is a reduction in the contribution which will be made under the Canadian Home Insulation Program. The Government has reduced the contribution from two-thirds to 30 per cent, effective January 1. Certainly that is not a complete termination of the program, but for those who do not have enough money to insulate their homes, it is a serious diminution of the contribution which they would have received. Essentially, a lot of Canadians are saying that the program is beyond their reach.

The concern is that Canadians should be able to take advantage of these programs. They are good programs. I do not think there is a Member in the House who would say that COSP and CHIP were not good programs. They provided a very definite benefit. As I said earlier, it was not only the $800 which people received under COSP, or the $500 under CHIP, but the information which they received, particularly with respect to COSP. The programs provided information with respect to costs, alternatives, and the standards which had to be provided by the suppliers of the equipment. The furnaces had to be CSA approved. Through the Department of Energy, Mines and Resources, the Government provided a toll-free line so that Canadians could call the people who were administering the programs to get the information that they very badly needed. It was a quality program which helped a great many Canadians. I have not heard the Government say how they were going to give this same information and the same kind of assurance and protection to Canadians.

• (1550)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to speak on this Bill. I must say I am somewhat surprised that none of the Conservative Members have seen fit to rise on behalf of their constituents to express concerns about the termination of two very important—

Mr. McDermid: I rise on a point of order, Mr. Speaker. I know the Hon. Member would not want deliberately to mislead the House. An Hon. Member of the Government just spoke a few moments ago, the Hon. Member for Perth (Mr. Brightwell). I am sure that the Hon. Member for Burnaby (Mr. Robinson) would not want deliberately to mislead the House.

Mr. Waddell: He hadn't finished his sentence.

Mr. McDermid: I would ask him to apologize.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) may resume debate on Bill C-24.

Mr. Robinson: I am sure that the Hon. Member who has just spoken would wish to withdraw his suggestion that I was deliberately misleading the House. He knows that those words are unparliamentary and I would ask the Chair to so find.

Mr. McDermid: On the same point of order, Mr. Speaker, I did not say that the Member was deliberately misleading the House. I said that I know the Hon. Member would not want deliberately to mislead the House.

Mr. Deputy Speaker: Is the Hon. Member satisfied with that?

Mr. Robinson: Mr. Speaker, I think the record will show clearly that the implication of the Hon. Member was that in

some way I was seeking deliberately to mislead the House. I think he would want to withdraw that suggestion.

Mr. Deputy Speaker: With respect to the Hon. Member for Burnaby, the Chair did not have that impression. Therefore, the Chair rules that the Hon. Member does not have to withdraw. The Chair gives the floor to the Hon. Member for Burnaby on debate.

Mr. Robinson: Mr. Speaker, on the point raised by the Hon. Member for Brampton-Georgetown (Mr. McDermid), I would say that if at this point there is a single Hon. Member on the Government side who is prepared to stand and defend this Bill, I would be quite pleased to sit down and listen with care and concern to the viewpoint of that Hon. Member. I would be pleased to defer to any Government Member anywhere who is prepared to stand and defend this Bill at this time. I would be quite prepared to suggest that we adjourn while the Hon. Member finds someone.

Mr. McDermid: You have the floor. Give up the floor.

Mr. Robinson: No one is standing, Mr. Speaker.

Mr. McDermid: We can't rise. You are on the floor. Sit down and let someone rise.

Mr. Robinson: No one is prepared to rise and defend this Bill.

Mr. McDermid: Sit down and try us.

Mr. Robinson: That is not surprising, Mr. Speaker.

Mr. McDermid: Sit down.

Mr. Deputy Speaker: I would ask the Hon. Member to resume debate, please.

Mr. McDermid: Sit down.

Mr. Robinson: Thank you, Mr. Speaker, I am sure that those Hon. Members will have an opportunity on Monday—

Mr. Gormley: We have somebody standing.

Mr. Deputy Speaker: Am I correct in believing that the Hon. Member has completed his speech?

Some Hon. Members: Hear, hear!

Mr. McDermid: A typical NDP challenge.

Mr. Deputy Speaker: The Hon. Member for Burnaby has the floor.

Mr. Robinson: Mr. Speaker, this legislation is legislation which is of vital concern to my constituents and to the people of Canada generally. What the Government is effectively doing in this important Bill is putting the interests of the corporate sector ahead of the interests of ordinary Canadians. If the Government was serious in its desire to reduce the deficit, then surely what it would have done is looked at the massive hand-outs given to the oil companies instead of attacking Canadians who are taking advantage of a very sensible proposal to promote energy conservation. I know that Hon. Members of the Government will recognize that what this Bill is doing is effectively eliminating two very important energy conservation measures, the Canadian Oil Substitution Program and the Canadian Home Insulation Program.

We are opposed to this Bill, Mr. Speaker, and I am speaking now in support of the motion put by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), which suggests a six-month hoist of the legislation. If it were possible to hoist it for six years or six decades, I would be prepared to move that as an amendment. But at the very least, a six-month hoist is an opportunity for Canadians to make their Members of Parliament on the Government side realize that the Government should not be kowtowing to the interests of the multinational oil companies in the way it is.

This important program was introduced in 1980 in order to provide financial assistance for the conversion of heating systems of residential, commercial and industrial buildings off oil to non-oil-fired heating systems. Owners convert to heating by natural gas, electricity, propane, wood, wind or solar energy. I might say, Mr. Speaker, that in my constituency of Burnaby in British Columbia there has been a very successful response to this program. Many of my constituents have taken advantage of the fact that they can be reimbursed for up to 50 per cent of the eligible costs of material and labour for conversions, with a maximum grant of some $800. It was a bitter disappointment to us to learn that the Government intended to eliminate this important program.

I checked back very carefully, Mr. Speaker, to the records of Hon. Members who are now in the Government when they were out in the hustings on the campaign trail. I looked very carefully indeed, but nowhere, not anywhere in the country, did Hon. Members on that side of the House suggest to the people of Canada that they were going to attack energy conservation programs such as the Canadian Oil Substitution Program and the Canadian Home Insulation Program. No, Mr. Speaker, they were silent on that.

Mr. McDermid: Check my speech on that.

Mr. Robinson: The constituents of Brampton-Georgetown apparently were told that their Member of Parliament was prepared to stand in this House and vote for the elimination of these programs. I suggest, Mr. Speaker, that the constituents of Brampton-Georgetown who are watching today should be aware of the fact that their Member of Parliament supports the elimination of these important programs which promote energy conservation.

Mr. Waddell: Unbelievable.

Mr. Robinson: At the same time, those Hon. Members of the Government are silent with respect to the gravy train for the multinational oil corporations—for instance, the PIP program which those Hon. Members have supported and which

they will continue to support. They are in bed with the Liberals on the national energy plan, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. McDermid: Get your tongue out of your cheek.

Mr. Robinson: The Canadian Oil Substitution Program was to have run until 1990 but as it stands now it is going to terminate on March 31, 1985. In fact, Mr. Speaker, the axe fell effectively for Canadians on November 8, not just on this program but on many other important social and economic programs as well, including environmental programs, cultural programs and a whole range of other important programs. We have already seen with a vengeance in the Province of British Columbia the kind of restraints which have been foreshadowed by this federal Government. The termination of this very important program is simply a further illustration of the ideological closeness between the federal Conservative Government and its allies, the Social Credit Government of British Columbia.

This is a program which has actually met with considerable success. At the time the program was introduced, the home heating sector was 37 per cent dependent on oil. In fact, according to the officials within the Department of Energy, Mines and Resources, the program has been successful. Almost a million units have been converted from oil to alternate sources of energy. I would note that the program, had it been allowed to continue, would have resulted in over one million homes being converted from oil to other forms of energy. We are saving oil.

The Canadian Home Insulation Program is another program which is being axed by this Government. I note that the existing criteria in fact have been changed recently in a way which is certainly harmful to my constituency in Burnaby. I know, Mr. Speaker, that in the coming days and weeks other Hon. Members on this side of the House will be taking the opportunity to draw to the attention of the Government our very serious concerns about the extent to which the Government has been in bed with the Liberals on the national energy plan and are now attacking important energy conservation programs.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Item No. 175?

Some Hon. Members: Agreed.

Senate Reform

SENATE REFORM

MOTION TO NOTE REPORT OF SPECIAL JOINT COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills) moved:

That this House takes note of the report of the Special Joint Committee on Senate Reform, tabled in the House of Commons on Tuesday, January 31, 1984.

He said: Mr. Speaker, it is an honour to rise in support of the motion that the House take a serious look at the report of the Special Joint Committee of the Senate and House of Commons on Senate Reform. As you know, the whole question of Senate reform is once again a hot issue with Canadians. They want change, there is no doubt about that, and we have a very short window within which to make the appropriate changes.

I want to express my thanks to those most recent appointees of the former Prime Minister who have raised the issue anew by obstructing the will of this House as expressed in a unanimous resolution of all Parties. It may well be that we will now have some degree of Senate reform and I hope Members will look at the Special Joint Committee report with a view to pushing the Cabinet and provincial executives towards its adoption. We know the primary reason for those Senate appointees attacking this House was really to get at the status and power of the Right Hon. Leader of the Opposition (Mr. Turner). He is, of course, no friend of theirs. Their secondary reason was to embarrass the Government. In fact, what they have done is to embarrass themselves. They have shown their true stripes and as a result we may have a satisfactory conclusion to a selfish act on their part.

My goal today is to urge the Cabinet to use this special report as a starting point. If I had my way, I would ideally like to see a resolution put before this House adopting the regulations and then use Section 38 of the new Constitution Act and put it to the provincial Premiers and legislatures. If they take the report to the people, they may be surprised at just how popular it would be. I also want to urge Members of the House, particularly the hundred or so new Members who, given all the pressures of becoming a new Member of Parliament, have not had an opportunity to read the reports from previous committees of the House on this issue, to have their staff dig out the Special Joint Committee report on Senate Reform because it is a worth-while document.

The committee reported in January, 1984. It was composed of some eight Senators and ten Members of parliament. I was fortunate enough to sit on that committee for the last half of its hearings and the report stage which took about a year to prepare. The committee travelled to every province, each of the two Territories, and over 300 submissions were made by individual Canadians and groups from across the entire country. I believe it is an important contribution to the ongoing process of parliamentary and Senate reform. I may say that it is a practical report because it was drafted by practical working politicians. As such, it reflected the balance which is necessary in this country between the federal the provincial levels, as well as the balance between a lower House which is elected on the basis of representation by population, and an

upper House which would reflect the diverse regional interests in this grand country we call Canada.

Confederation was a deal between separate and independent colonies. They came together to form this country and we have done well. But from time to time pressures build and there is a need to restructure the deal. This report by practical working politicians is a basis for a new deal to be struck. I therefore urge my colleagues to take a serious and considered look at the report.

On an over-all basis the committee found that the status quo was simply not satisfactory. Again and again individual Canadians and groups came before the committee and said the status quo is not acceptable. They want change. The majority wanted change in the direction of an elected Senate. The proposal we made would clearly indicate that the Cabinet would have to be more sensitive. If the recommendations of the Special Joint Committee were the law of the land today, we would never have faced the National Energy Program. We would never have faced that first constitutional program. The Cabinet would have to have been much more sensitive to the regions and the interest of our diverse peoples.

As well, Mr. Speaker, the committee found that the role of the Senate would clearly be to represent the regional nature of Canada. We accepted the fact that the lower House would always be weighted in favour of the two central provinces on the basis of representation by population. That was important because we have to represent the majority of the people and the reality is that some 15 million people in this country reside in Ontario and Quebec. The principle of representation by population is one that our ancestors fought and died for and we did not think we should switch from that. But as a counterbalance the upper House could quite legitimately be weighted in favour of the regions and therefore be a proper check and balance to the unreasonable use of the concentrated power of the central provinces in this, the lower House, the House of Commons. That is why we recommended the Senate be elected and that it be a check on the lower House.

Another thing which came through loud and clear during the committee hearings was that Canadians want Parliament to be an important dimension to their lives. People have no trouble at all in wearing two hats in this country. They are proud to wear their Quebec hat or their Alberta hat but they also want to have a Canadian hat. They want to be proud of that Canadian hat. However, under the way Parliament exists now, people in the regions particularly have trouble with their Canadian hat because they do not believe their legitimate interests are represented.

For example, in the west we found, as a result of the National Energy Program and that first constitutional proposal, a real and deep sense of alienation. However, had we had the Senate that we propose, that would not have happened. When we talked to the people of Quebec we found they wanted to be proud to be Canadian, yet they felt that the power of this lower House, which from their perspective is so much weighted to the anglophone population, was such that they did not see it as offering adequate protection to them. Under our proposal they would have that protection. Therefore, everyone can have a Canadian hat and be proud of it.

In my own mind I believe that is the most important reason why we have to change the Senate. Certainly the Progressive Conservative Party, now that it is in power, has Members and Cabinet Ministers from every province and there may be a lessening of the tensions right now. But we want to form a Senate for the long-term good of the nation. To do so we need to have a Senate with the attributes that we recommended for it.

That brings me to the actual recommendations of the Special Joint Committee. As I said earlier, we first of all agreed that the Senate would have to be elected. Indeed, the first sentence of the report reads:

> We have concluded that the Senate should be elected directly by the people of Canada.

That sentence is the result of the hard work done by the former Member for Perth, Mr. Bill Jarvis, who worked long and hard on this committee. Indeed, while he was a Member of this House he worked long and hard for the sake of all of Canada.

• (1610)

As I say, the first sentence in the report says that the Senate must be elected. That was, without a shadow of a doubt, the feeling of Canadians. An appointed Senate today simply lacks the political legitimacy to exercise any authority. In order to have that authority it must be elected. We found that it should come from single member constituencies so that it would be accountable. There is a school of thought in the country that the Senators should come from the multi-member constituencies and that the constituency should be a whole province. The committee found that that would mean that the larger centres in the provinces would elect all of the Senators and the outlying regions would not have representation.

For example, if all of the 12 Senators from the Province of Alberta were elected, they would all come from Edmonton and Calgary. In Ontario they would come from Toronto. Therefore, we recommended that they come from single member constituencies so that the rural, outlying areas in Ontario, Quebec, Alberta and the other provinces would have Senators in the House and their views would be represented. It really is a transfer of power to the people as compared to a provincial Cabinet.

There is also a school of thought that the provincial Cabinet should be able to appoint the Senators to this federal House. Our committee found that that would not be acceptable because, if there is going to be a transfer of power, it should be to the people who should have the power to remove Senators rather than the provincial Cabinet.

The other dimension vis-à-vis provincial appointment, Mr. Speaker, is that if the provincial Cabinets appoint the Senators to Parliament that would, in effect, give them complete sovereignty over the Section 92 powers and half of the Section 91 parliamentary powers. In effect, two-thirds of the power in the nation would be controlled directly by the provincial Houses.

We felt that that was too much of a weighting in favour of the provinces and against that broad Canadian interest which we all represent and which must be focussed here in Parliament. It was not out of a sense of malevolence that we recommended against that; it is just that Parliament should be supreme. We should be elected to Parliament on the basis of a Canada-wide election which should not be weighted in favour of the provinces.

Another recommendation was that the Senate be composed of 144 Senators; 48 from the western provinces, 48 from Ontario and Quebec, and 48 from the Atlantic Provinces and the Territories. We spent a lot of time on that issue. There is a strong school of thought, particularly in the west, that there should be an equal number of Senators per province. We discussed that at length. There are several reasons why we decided that that was not acceptable. It is obvious that having 48 Senators from the west, 48 from the Atlantic region and the Territories, and only 48 from the centre, would amount to an enormous transfer of power to the regions of the country as compared to the present base of power in Ontario and Quebec. That is an enormous shift of power in real, practical, political terms. With that shift of power we would have never had the National Energy Program or the constitutional proposal.

The people who argue that we should have an equal number of Senators per province often use the United States as an example. It is a good example. It may be that if we were starting from scratch and every province was equal and sovereign and we were coming together to form a new Parliament, that may be the negotiated deal. The reality is that Ontario and Quebec each have 24 Senators today. To convince them to go from 24 down to 10 or six would require some consideration. In making a deal they will not give up that power, nor should they. We do not have to get them down to an equal number in order to be able to balance them. Under our recommendation, the weighting in the Senate would be strongly toward the regions.

With regard to the example of the U.S., in spite of the fact that there are two Senators per state, there is not one state in the U.S., including California, that has more than 10 per cent of the American population. However, here in Canada, Quebec has 27 per cent of the population and Ontario has 36 per cent. That is quite a difference. The most compelling reason to me is the fact that if we had a Senate with 10 Senators per province, the Atlantic Provinces and the Territories, with 13 per cent of our population, would have over 50 per cent of the Senators. We came to the conclusion that that would be as bad for Canadian unity and as oppressive as the existing situation is for those who argue for an equal number per province. Therefore, from a practical, working, political perspective, we felt that the recommendation of 48 per region for a total of 144 would be reasonable.

With regard to the term for each Senator we recommended that they be elected. However, we added the proviso that they only be elected once for a single term of nine years. If the report has any weakness, it is in that area.

I would like to explain to Members why we came up with that recommendation, although it could easily be negotiated away. We wanted a Senate which would not be as partisan as this House. We are trying to minimize the effect of partisan politics in that upper House. We could all give examples from our ridings of someone in the community who would be a fine Senator but does not want to be a partisan Liberal, NDP, or Conservative.

We felt that the only way to ensure that the upper House would be a true representation of the regions and a place of sober second thought would be to have Senators campaign and be elected. However, they would only serve for a single term. Some people say that that is a conflict, that if you are elected and never have to stand again you can never be accountable. The reason they would be accountable is that there would be a Senate election every four years. One-third of the Senators would be re-elected from each province. In my home province of Alberta, every four years three of our 12 Senators would have to stand for re-election. Therefore, if all of the Senators were Progressive Conservatives and were not representing the genuine needs of that region, within three years there would be an election and some of their colleagues would be defeated. We felt that would retain the principle of accountability. It would also get away from the problem of having to be re-elected. The minute you have to be re-elected you need a political organization behind you. That necessarily means that our three major Parties would step in and we would have a Senate that would be as partisan as our House here. Our goal was to try to get away from that. We may not have succeeded and there may be other proposals which would be more reasonable, but that was the thinking of the committee and the reason we came up with that recommendation.

Likewise, Mr. Speaker, that is why we wanted the Senate to have only a suspensive veto. We believe firmly that the power must reside in the House. A veto would mean that Cabinet has to be responsible to the other House, the Senate, which is incompatible with our form of responsible government. A suspensive veto of 120 sitting days means about nine months. In politics that is a long time. The National Energy Program took about one year to pass this House. If it went to the Senate and the Senate did not like it, they could delay it another nine months. Cabinet would then have to bring it back and pass it through the House again in order for it to become law. That would mean another year's delay. No Cabinet will spend that amount of time on one issue when they have many other issues to determine. Therefore, the Cabinet would be responsible. A Senate with a suspensive power would have just as much effective political power as one with a veto.

I can see that my time has expired, Mr. Speaker. In conclusion I would sincerely ask my colleagues to dig out our report and take a good look at it. If they feel it has some merit to recommend I would ask them to drop a note to the Cabinet asking it to put it forth as a proposal to the provinces so that it does not just gather dust on the shelves like so many very excellent reports of this House.

Senate Reform

• (1620)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I congratulate my colleague, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), for proposing this interesting resolution to the House today. It is often the case in Ottawa and in the House that much time is spent producing reports. These are very worth-while reports and are introduced with some fanfare, but after the media gives particular attention to these reports for a week or so, they tend to disappear.

As we know, the current controversy concerns the Senate because of some problems in the last number of weeks regarding a money Bill. Of course, when that happens it tends to attract the attention of many people who have forgotten about the Senate.

I thank the Hon. Member for bringing forward this resolution so that we are reminded not only in the House and the Senate but throughout Canada at large that these very worthwhile reports do exist, especially the one to which the Hon. Member has referred.

However, with the greatest respect, at a time when governments should be devoting most of their efforts toward economic renewal, I wonder if there is much likelihood that the convening of a constitutional conference would lead to a speedy resolution of the Senate question. Can we expect at present that a consensus would emerge from such a conference as to which avenue Senate reform should take?

It is not for lack of proposals or want of proponents that the reform of the Senate may be an uncertain undertaking. Rather, it is due to the differences of opinion which people hold as to what modifications are best, and the problems associated with reconciling these differing viewpoints on fundamental change to the institution of the Upper House may require a lengthy process of intergovernmental discussion.

To illustrate some of the many proposals that have been made in recent years alone, we might recall the report of the 1972 Special Joint Parliamentary Committee on the Constitution of Canada. In that report, the committee noted that historically it has been intended that the Senate's role should be to protect provincial, minority and regional interests, as well as to review legislation in a forum of "sober second thought".

The committee took the view that the Senate required reform, not abolition, given that the reasons behind its creation in 1867 were still present. It recommended that all Senators continue to be appointed by the federal Government, but that as vacancies occurred one-half of the Senators from each province and Territory should be appointed in the same manner as at present, with the other half appointed by the federal Government from a panel of nominees submitted by the appropriate provincial or territorial Government.

The Government of British Columbia recommended in 1978 that the Senate should not be abolished but should be substantially altered. It believed that the primary purpose of the Senate should be to institutionalize provincial or regional participation in the federal law-making process and that its secondary purpose should be to review legislation passed by the House.

It recommended that Senate members be appointed and removed by the provincial Governments, with the leading Senator from each province being a provincial Cabinet Minister. I am not sure that that system would work well.

On the other hand, in that same year, 1978, the Ontario Select Committee on Constitutional Reform of the Ontario Legislature, the Canada West Foundation and the Progressive Conservative Party recommended the abolition of the Senate and its replacement by a "House of the Provinces". The Ontario Advisory Committee suggested that members be appointed by and represent the provincial Governments, and could include members of provincial Legislatures, Premiers or Cabinet Ministers. Federal Government representatives could participate in the House of the Provinces by introducing and speaking on Bills, but would not be permitted to take part in the voting.

The Canada West Foundation recommended that the House of the Provinces consist of provincial and territorial delegations casting a single weighted vote, and that these provincial delegations be composed of Cabinet Ministers and Legislative Assembly members, as well as civil servants. If the Hon. Member had stayed in the provincial House, he might have made it to the Senate.

Mr. Boudria: That's more than I can say for you.

Mr. McDermid: Moreover, all provincial Premiers would serve *ex officio* as members of the House of the Provinces, with each Premier serving as President of the House on a rotating basis. The Progressive Conservative Party recommended that the majority of members be delegated by the provincial Governments, with a small complement of federal appointees.

The Canadian Bar Association, in its 1978 report "Towards a New Canada", believed that the upper House should be reconstituted to represent regional interests in federal matters. The Bar Association recommended that members of the upper House should be appointed and serve at the pleasure of the provincial Governments while the federal Government would be empowered to name non-voting spokesmen to that House.

We all recall the 1979 Pepin-Robarts Task Force on Canadian Unity. That significant report indicated that a new second chamber should be known as the "Council of the Federation". It would be composed of delegations representing the provincial Governments and therefore acting under their instructions. The provincial delegations could be headed by a delegate of cabinet rank. The Hon. Member from the Ottawa Valley would not fit in that category, that's for sure.

As well, central Government Cabinet Ministers would be non-voting members, having the right to present and defend central government proposals before the Council of the Federation and its committees. The Fédération des Francophones

hors Québec, for its part, recommended in 1979 that a House of the Federation be created, with elected members.

The Senate Standing Committee on Legal and Constitutional Affairs, in its 1980 report on certain aspects of the Canadian Constitution, better known as the Goldenberg-Lamontagne report, recommended that although all appointments to the Senate should continue to be made by the federal Government, every second appointment should be made from a list of names submitted by the provincial or territorial Government concerned. The primary criterion would be to maintain a good balance in the representation of different segments of society and of the expertise required for effective performance of the Senate's functions.

If I continue with this, it will show Canadians are right in their observation that all they have done around this place is have reports on the Senate. For example, I could go on to talk about the Quebec Liberal Party, which presented proposals in its beige paper; "A New Canadian Federation".

An Hon. Member: What party is that? Are they still there?

Mr. McDermid: They are still around, I understand.

In 1981 the Canada West Foundation revised its previous position. In 1982 the government of Alberta published its position in a discussion paper entitled "A Provincially Appointed Senate: A New Federalism for Canada".

Finally, I come to the report of the Special Joint Committee of the Senate and of the House of Commons known as the Molgate-Cosgrove Committee on Senate Reform, which report was released in January, 1984. That report concluded that the Canadian Senate should be elected directly by the people of Canada. It would strengthen the authority of Parliament to speak and act on behalf of Canadians in all parts of the country.

However, the committee noted that its conclusion was not reached lightly or easily. It summarized the differences of views in these frank terms:

● (1630)

Although a substantial part of the testimony we heard favoured direct election, a roughly equal part opposed it, mainly on the grounds that a Parliament with two elected houses cannot be reconciled comfortably with the principle of responsible government as it has operated in the British and Canadian traditions. Some highly respected people in public life and in the academic community prefer a reformed system of appointment to election. Among this group is one member of our Committee.

Thus I come back, Mr. Speaker, to my original question, after all those divergent views, namely what sort of fundamental reform of the Senate should be undertaken. Is there any way to ensure that a constitutional conference at this time could eliminate forthwith the absolute veto of the current appointed Senate, which is the most pressing concern for this House, and, at the same time, put into place a new or reformed body? I think not, Mr. Speaker, not if such reform is to be carried out in a considered and orderly fashion that allows for a full examination of the different options and the eventual achievement of consensus. I believe, Mr. Speaker, that we must first deal with the absolute veto of the present Senate before we commit ourselves to a process of reform which will take time to conclude successfully.

I am hopeful, now that all these reports are in, that this Government will in the next three of four years, once it tackles the depressing economic concerns of this country, take time to examine these reports and recommendations and bring forward a recommendation so we can start the very important process of Senate reform which is so badly needed.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I appreciate the applause from all sides of the House being afforded me at this time.

An Hon. Member: Only for the moment.

Mr. Boudria: I am pleased to participate in this debate. It is the third such debate we have had in the last several days on reform of the Senate. I was not party to the second debate, but as you will recall I participated in the debate on the motion proposed by the Hon. Member for Scarborough West (Mr. Stackhouse) the other day in which, if my memory serves me correctly, he wanted reform of the Senate, but in his view if we failed to reform the Senate, we should abolish it. I took exception to that remark. In my view in no way should we as Canadians ever undertake to dismantle one of our parliamentary institutions.

We have often said that our parliamentary institutions are in danger right now with the large concentration of power the executive has over our legislative branches of government. It is obvious to me that if we eliminate one of the branches of our legislative part of government, we will, therefore, pass that power on to the executive. We will have more and more concentration of power and that worries me, Mr. Speaker.

We should also remember, as I indicated the other day in a speech I made in this House, that the Senate in the past has been a very useful instrument. It has been very effective. We often measure any form of initiative by any perceived or otherwise efficiency that it may have had or that we think it may have had. We should, however, measure any institution by its successes. I referred the other day to the Parliament that was elected in 1979 which had only two Government Members from the Province of Quebec. One of the two founding linguistic groups of our nation was represented in the Government by only two Members. We had a very difficult situation at that time. Without the Senate it would have been impossible for the Prime Minister of the day to appoint Members to the upper House, prominent Francophones, subsequently being able to appoint them as Cabinet Ministers.

An Hon. Member: Pierre Juneau.

Mr. Boudria: The Hon. Member on the other side will recall that in 1979 the now President of the Treasury Board (Mr. de Cotret) as well as Senator Asselin and a number of others were appointed to the Senate in order for that province to be represented in the Cabinet of our country. I am sure the Member sitting across from me would be the first to agree that

it is important for all the regions to be represented in Cabinet even if there does not happen to be an elected person in this House from a particular province. A province deserves to be represented in government nevertheless.

Mr. Holtmann: Rent a Minister.

Mr. Boudria: The Hon. Member said "rent a Minister". I had nothing to do with the appointment of the now President of the Treasury Board to the Senate at that time. Perhaps he would like to discuss with the Secretary of State for External Affairs (Mr. Clark) why that individual was appointed—

Mr. Holtmann: Remember 1980.

Mr. Boudria: —which is fine with me. The Member on the other side could bring that up with the appropriate Minister at his leisure somewhere behind the curtains. Notwithstanding that, I for one think it is important for all provinces to be represented in Cabinet. If we have achieved a consensus here today that every province deserves to be represented in Cabinet, then I think we have accomplished something. If the Hon. Member disagrees with that, perhaps he can tell us later that some provinces do not need to be represented in Cabinet, if that is his view.

Mr. Holtmann: I did not say that.

Mr. Boudria: In the last week I received a letter from a constituent. It is rather interesting. It is dated March 8, 1985 and reads as follows:

Dear Mr. Boudria.

This sudden resolve of the Tory Government to abolish the Senate is one of the fastest about-turns we've seen lately. It is also entirely unacceptable. The Liberal Party must never allow the Canadian Parliamentary system to be mutilated in this way. The Senate must remain. A one-House Parliamentary system constitutes a serious threat to Canadian democracy.

The Senate does however, need a great deal of reform. An elected Senate, representative of the various regions of Canada, is a very attractive alternative to the present House structure—

With a House of Commons so heavily loaded with one Party, it should be obvious a strong Senate is absolutely required to balance the system.

An Hon. Member: Who wrote the letter? Your mother?

Mr. Boudria: My constituent who wrote this letter will, of course, get a copy of this *Hansard*, which will include the heckling from the Member who just made that remark. Perhaps it will be useful to assist that constituent in her decision as to whom she is going to vote for in the next election.

Some Hon. Members: Oh, oh!

Mr. Boudria: Perhaps some of the Conservative Members do not take this issue seriously, but I think the Member who moved the motion today does. I would like to commend him for the seriousness he gave the topic. I think his exposé was far more representative of how the Canadian people feel than the one I heard the other day when we participated in a similar debate.

I am of the view that the Senate should be elected. I think we should move in that direction. Whenever a Senate position becomes vacant, the position should then be filled by way of election.

One would ask how this could be done at the present time while trying to represent the views of a region or a province in our Canadian parliamentary system. My view is that we should elect Senators at provincial elections. The Province of Ontario, which is the province I have the pleasure and honour to represent in this House, has 24 Senate places. Assuming we use the present system of 24 Senators for Ontario, we should elect half of the Senators at every provincial election. That would ensure continuity in the Senate. In other words, there could never be any more than 12 Senators changing at one time, assuming that every single one would be defeated, which is somewhat unlikely. Using that assumption, that would be the greatest transformation of the Senate at any particular time. If we elected Senators every second election, or half of them every election, which is what I am really saying, we would have a situation whereby Senators would be elected every six years. I remind the House that that is quite similar to the American system.

• (1640)

Let us take the average term in provincial legislatures across the country. It is roughly three years. They have five-year terms, as is the case here, but provincial legislatures tend to have elections somewhat more frequently. I think they average roughly three years. If we average out the situation in the federal House, it is not much higher. In any event, we would have a situation whereby members of the upper House would be elected every six years.

The Hon. Member who proposed this motion said that electing Senators on a province-wide basis would be difficult. I tend to agree with him. We should divide each province into electoral districts for the Senate, in a way which would not be totally dissimilar to the situation in Quebec. As we know, Senators from Quebec represent electoral districts based upon the old system of *seigneuries*. Of course, that would have to be amended to reflect more clearly population distribution within the particular province, but it would be a good system with which to start.

I feel this begs another question: How would one ensure that the Senate has a federal tone to it in any way, shape or form? Hypothetically, under this system people could elect only PQ Senators from Quebec, which could make it rather difficult to work with the Senate. That would have been the case, especially at the time that provincial Government was elected in 1976. To avoid that, a Party would have to have a minimum number of seats in the House of Commons before being eligible to have candidates for the Senate. For example, it could be 10 seats in the House or some such formula. It would ensure that Parties represented in the House of Commons could run candidates for the Senate, but because the Senators would be elected in provincial elections across the country, the mood of the people of a particular province, when they voted at the provincial level, would be reflected in their election of Senators.

Perhaps this sounds like a simplistic way of looking at the situation, but I have given it quite a bit of thought. I have sat in the Ontario legislature and I am now a Member of the House. I also had the pleasure of serving three terms at the municipal level. I have served in all three levels of government and I have looked at the situation from all three perspectives. I feel this would be a form of compromise to some of the suggestions which have been raised previously.

[*Translation*]

Mr. Speaker, a Member of this House mentioned earlier there had been a proposal to the effect that the Senate should have the same number of seats, or rather, the same number of senators for each province, since that situation exists in the United States. However, I feel this would be totally unacceptable under the system of government we have here in Canada.

It is quite obvious that Quebec, for instance, would refuse outright to be represented on the same basis as, let us say, Prince Edward Island or New Brunswick or other provinces. And I think Quebecers would have every reason to consider such a formula unacceptable.

As a Franco-Ontarian, living in Ontario but of Quebec origin, I must say, Mr. Speaker, that I could not go along with that kind of system either, because we must remember the history of this country and not just refer to what is going on today. We all know that this country was founded as a result of the union of the United Provinces of Canada—Canada East and Canada West—with the Maritimes Provinces, and that when at the time of Confederation in 1867, under the British North America Act, Canada was united, this was done bearing in mind the differing views in the various regions and ensuring that each region was equally represented. The three regions at the time the Maritimes, Canada East or Quebec and Canada West or Ontario, were equally represented in the new Senate. This was to ensure, since representation in the House of Commons was based on population, that if the population in provinces other than Quebec, for instance, were to increase, Quebec would not lose entirely its position of importance in our Canadian federation. That is why a formula according to which Quebec would have one-tenth or one-eleventh, if we count the territories, of the total number of senators representing our country, would be totally unacceptable. It is important that Quebec should have more than just one-tenth or one-eleventh of our country's representation in the Senate.

Mr. Speaker, I think it would not make any sense at all to have Quebec represented by the same number of senators as the other provinces. Quebec deserves this special status.

[*English*]

I just want to draw to the attention of the House that in the last few weeks the Prime Minister (Mr. Mulroney) and perhaps some Government Members, although I am sure it would not be the ones who raised resolutions in the last few weeks, were attempting to smoke-screen other very important and pressing problems in the country by entertaining debate and suggesting that the Senate should be abolished. The other day in the House the Prime Minister tried the smoke and mirror act. He tried to tell us that if the Leader of the Opposition (Mr. Turner) gave instant, unanimous approval to a proposition to abolish the Senate, he would do it right then. That suggestion was totally ridiculous. That power does not lie with the Prime Minister, much less with the Leader of the Opposition. Since when does Government legislation start with a Bill which needs the assent of the Leader of the Opposition? That is totally unthinkable. Of course, it was not taken seriously by anyone, including members of the press.

It should be remembered that the country is in serious financial difficulty and that the Government made quite a few promises during the last election campaign. I have spent some time in the House reminding the Government of the 338 promises it made to the Canadian people. These problems and the unfulfilled commitments with which the Government of the day is stuck create a difficult situation. The Government is attempting to have debates on issues which focus attention away from youth unemployment, from its past attempts to abolish the universality of social programs and from its other failures in the last few months. This has not worked and it will not work. Only last week the Government House Leader said to the press: "You can't abolish the Senate without unanimity, the reason being that it affects the formula under the Constitution". If we need the unanimous accord of all 10 provinces and both Houses of Parliament, why is the Prime Minister, the Leader of our Government, suggesting that the only thing needed to abolish the Senate, which he did not intend to do to start with, was to move some sort of resolution and have the approval of the Leader of the Opposition?

Obviously the Leader of the Opposition saw through that proposal very quickly. Our Leader understands these issues more than the present Prime Minister, who does not have much experience in the House. Our Leader understood that we could not get away with such a resolution. Of course, the Leader of our Party was Minister of Justice for many years and has been apprised of constitutional issues. Only you, Mr. Speaker, with your objective and non-partisan position, would understand and agree with me, I am sure.

• (1650)

An Hon. Member: He wasn't Prime Minister for long.

Mr. Boudria: An Hon. Member has said that the Leader of my Party was not Prime Minister for long. He will be Prime Minister yet and he will be Prime Minister for a far longer period of time than the Hon. Member's Leader will be Prime Minister.

An Hon. Member: Keep hoping.

Mr. Boudria: He says that we should keep hoping. We know that the honeymoon with the Tories is over. If anything, it lasted too long. The people of the country had enough of the last Tory Government after nine months. It is now seven months that we have had this bunch in power and the people

have had it with them already. The people will put up with them for now, but in four years I am sure the Leader of our Party will be Prime Minister again.

To conclude, I want reform of the Senate as do Hon. Members across. Let us do it in an orderly way but let us not focus attention away from the trouble with the economy of the country.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to support the motion put by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) that the House take note of the report of the Special Joint Committee on Senate Reform tabled in the House of Commons on Tuesday, January 31, 1984. I am prepared to support this motion, as I was prepared to support the motion put last week by another Government Member, because I think a discussion of the Senate report would open the way for an examination of issues that are deeper than those contained in the report. The report has never been discussed in the House and I think it would be a good thing to have the questions contained within that report raised in the House.

The actual proposals contained within the report are not realistic. If we were to be creating a new country, as happened with the United States a few centuries ago, there might be something to be said for having directly elected Senators from single-member constituencies distributed regionally, one-third from the Atlantic, one-third from the centre and one-third from the west, having them serve one term of nine years with staggered elections. If we were to create something in an abstract way, that might work. I am not sure that it would, but it would be well worth considering. However, we are not creating something abstract. We are dealing with a situation that has been muddled by 100 years of having a Senate that does not work for the majority of the people of Canada.

The feeling across the country toward the Senate is simply boredom. We do not need a second House. The provinces have given up on second Houses. Great Britain seems to be having less and less use for its House of Peers. However, Great Britain is stuck with its House of Peers because its peers are hereditary. The British Government had to do something with those peers so they put them in the House of Peers. Normally, not much attention is paid to them. I do not see any reason to continue the pretence that we in Canada have a reformed version of the House of Peers.

I think that having two Houses simply confuses the public and divides the jurisdictions. We now have constitutional problems between Ottawa and the provinces but to emphasize further a division between the Senate and the House of Commons only makes legislation more difficult to understand by the people on the street and in fact more difficult to understand by those who are making the legislation.

The argument that we need all wear two hats, one Canadian and one regional, is an old argument. In fact, I suppose it was the argument used, in those words or others, when the Senate was first created in the last century. It is a very abstract argument, and interestingly enough it is used principally by those who wish to maintain the status quo, by those who want to keep change limited and by those who do not want any real transfer of power from the wealthy to the less wealthy.

The Senate has been a very good bulwark of the wealthy. Whenever a Parliament, under pressure from the public, puts through legislation to limit the powers of the banks, by the time the Bill gets through the Senate the Senate has enlarged the powers of the banks. The Senate has many ties with the banks. Not all Senators do; there are a few who do not have ties with the banks. However, the job Senators do on banking legislation is certainly very valuable to the banks and very harmful to the farmers, working people and small-businessmen who must suffer the results of lopsided legislation in favour of the banks.

The argument that national unity is protected by a second House has nothing to recommend it. It has never been demonstrated that it would in fact promote national unity. What it does is perpetuate a system in which issues of real importance to working people and farmers are befuddled either by appeals to solve this mysterious problem between the French and the English or between the English and people of other languages or the mysterious problem of the regions. Problems do not get solved by having a Senate; they simply become more mystifying.

This motion calls upon us to examine the Senate Reform report, and I would support the motion for that purpose. However, when we do examine the report, I do not really think we will find its recommendations workable. I think it is necessary to go through those recommendations, find that they are not workable, and then deal with what has for half a century been the only clearly workable solution to the Senate problem, and that is abolition.

[*Translation*]

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, I am pleased today to speak to the motion now under consideration by the House with respect to the report of the Special Joint Committee on Senate Reform. One thing that struck me is that this issue was not even on our agenda during the last election campaign when Canadians gave massive support to our Prime Minister (Mr. Mulroney) and our party. Earlier today, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) referred to the 338 promises made by our party, yet none had anything to do with the Senate. On the contrary, we promised Canadians new leadership and that is why, on November 8, the Minister of Finance (Mr. Wilson) set a new course for Canada. There was nothing about Senate reform on our agenda because we thought it was a lot more important to

get the economy back on an even keel. Then, all of a sudden, Liberal senators in the other place, frustrated at having been turfed right out by Canadians from coast to coast, started behaving like a Government in exile, anxious to thwart the will of duly elected Members of Parliament. Mr. Speaker, that was—

Mr. Deputy Speaker: Order, please. I do regret having to interrupt the Hon. Member, but the hour allotted for Private Members' Business has expired.

It being five o'clock, this House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 5 p.m.